

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

**In the Matter of the Liquidation of
The Home Insurance Company**

**MOTION FOR APPROVAL OF REINSURANCE
COMMUTATION AGREEMENT WITH NATIONAL CASUALTY CO.**

John R. Elias, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of The Home Insurance Company (“Home”), hereby moves that the Court enter an order in the form submitted herewith approving the Reinsurance Commutation Agreement, Settlement and Release (the “Agreement”) between the Liquidator and National Casualty Co. (“NCC”). As reasons for this motion, the Liquidator respectfully states:

1. This motion seeks approval of the Agreement between the Liquidator and NCC. A redacted copy of the Agreement (with economic terms other than a recommended allowance removed) is attached as Exhibit 1. A complete copy of the Agreement is attached to the Confidential Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Approval of Reinsurance Commutation Agreement with National Casualty Co. (“Bengelsdorf Confidential Aff.”) submitted herewith under seal. The Agreement was negotiated under the direction of the Special Deputy Liquidator. It is subject to approval by the Court. Agreement ¶ 2. Bengelsdorf Confidential Aff. ¶ 2.

2. As a part of its business, Home entered into reinsurance agreements with numerous reinsurers under which Home ceded and the reinsurers assumed a portion of Home’s

obligations. Collection of reinsurance is the principal asset marshalling task of the Home liquidation. Bengelsdorf Confidential Aff. ¶ 3.

3. NCC is a property and casualty insurer and reinsurer that no longer writes business and is in run-off. NCC is a wholly-owned subsidiary of Nationwide Insurance Group. Bengelsdorf Confidential Aff. ¶ 4.

4. Prior to 1982, Home and NCC entered into various reinsurance agreements, including both reinsurance agreements under which Home ceded liabilities to and was reinsured by NCC and reinsurance agreements under which NCC ceded liabilities to and was reinsured by Home (the “Direct Reinsurance Agreements”). Agreement, first whereas clause. Home, through its United Kingdom Branch, participated in the American Foreign Insurance Association (“AFIA”), through which it entered certain reinsurance agreements under which NCC ceded to Home certain shares of NCC liabilities as reflected in those agreements (the “NCC-AFIA Reinsurance Agreements”). Id., second whereas clause. The Direct Reinsurance Agreements and the NCC-AFIA Reinsurance Agreements together constitute the “Reinsurance Agreements.” Id., third whereas clause. Bengelsdorf Confidential Affidavit ¶ 5.

5. NCC filed proofs of claim in the Home liquidation asserting reinsurance claims under the NCC-AFIA Reinsurance Agreements (“NCC-AFIA Proofs of Claim”) and also under certain of the Direct Reinsurance Agreements concerning the H.S. Weavers Pool (together with the NCC-AFIA Proofs of Claim, the “NCC Proofs of Claim”). Agreement, fifth, sixth and seventh whereas clauses. Bengelsdorf Confidential Aff. ¶ 6.

6. Century Indemnity Company (“CIC”) reinsures Home for AFIA obligations, and through Chubb Insurance Services UK Limited (“CISUK”) handles AFIA claims in accordance

with the claims protocol approved by the Court on November 12, 2004. See Agreement, eighth whereas clause. Bengelsdorf Confidential Aff. ¶ 7.

7. The Liquidator, NCC and CIC have agreed that the value of NCC's claims under the NCC-AFIA Reinsurance Agreements is \$100,000 to be reflected in a Class V allowance of that amount. Agreement, ninth whereas clause. Bengelsdorf Confidential Aff. ¶ 8.

8. The Liquidator sought to recover from NCC the value of all of Home's ceded business to NCC. NCC sought to use the value of its ceded business to Home, including its claims under the NCC-AFIA Reinsurance Agreements, as offsets against its obligations to Home pursuant to RSA 402-C:34. The Liquidator and NCC negotiated the Agreement to resolve these issues. Bengelsdorf Confidential Aff. ¶ 9.

9. The Agreement provides for the commutation of all of Home's ceded business to NCC and all of NCC's ceded business to Home for a payment to Home of a net sum certain. Agreement, tenth and eleventh whereas clauses, ¶¶ 4, 11. As part of the commutation, the Agreement provides for the approval of NCC's claims under the NCC-AFIA Reinsurance Agreements in proof of claim INTL 277996 as a Class V allowance in the amount of \$100,000. Id., ¶ 3. NCC's proofs of claim are otherwise deemed resolved with prejudice. Id. The allowance is satisfied by applying the allowed amount as an offset against NCC obligations to Home under the Direct Reinsurance Agreements in arriving at the net commutation amount. Id., ¶ 4. Once the commutation is approved and the payment made, Home will have concluded its reinsurance relationships with NCC. Bengelsdorf Confidential Aff. ¶ 10.

10. The commutation and allowance are reasonable and appropriate. The net payment to Home under Agreement ¶ 4 represents the difference between agreed present value totals of Home claims against NCC (paid, case reserves and incurred but not reported ("IBNR"))

reserves) and of NCC claims against Home (paid, case reserves and IBNR reserves) under the Reinsurance Agreements. The NCC numbers include the \$100,000 value of NCC's AFIA claims as agreed by CIC. See Agreement, ninth whereas clause, ¶¶ 3, 4. Bengelsdorf Confidential Aff. ¶ 11.

11. The Agreement fully and finally resolves NCC's reinsurance claims against Home and the Liquidator's reinsurance claims against NCC. Agreement ¶¶ 3, 4. The other provisions of the Agreement are set forth in the Agreement. Those provisions include mutual releases by the Liquidator and NCC that use broad definitions to ensure that the relationships between Home and NCC are resolved. See *id.* ¶¶ 1, 6, 7. Relationships with Nationwide Indemnity Company are excluded. *Id.*, ¶ 1(b). Bengelsdorf Confidential Aff. ¶ 15.

12. The Agreement and certain supporting materials have been provided to members of the National Conference of Insurance Guaranty Funds' Subcommittee on The Home Insurance Company in Liquidation ("NCIGF Subcommittee"), who have entered confidentiality agreements. The NCIGF Subcommittee has advised the Liquidator that it has no objection to the Agreement. Bengelsdorf Confidential Aff. ¶ 16.

13. The Bengelsdorf Confidential Affidavit summarizes the reasons that support the determination to enter the Agreement. Bengelsdorf Confidential Affidavit ¶¶ 10-16. For the reasons set forth in the Bengelsdorf Confidential Affidavit, the Liquidator submits that the Agreement is fair and reasonable and in the best interests of the policyholders and other creditors of Home. The Agreement will appropriately resolve a complex set of reinsurance relationships. The Liquidator accordingly recommends that the Agreement be approved and that NCC's NCC-AFIA Proofs of Claim be allowed as a Class V claim in accordance with RSA 402-C:45 and RSA

402-C:44 in the amount of \$100,000. The allowance has been satisfied by setoff. See Bengelsdorf Confidential Aff. ¶ 17.

WHEREFORE, the Liquidator respectfully requests that this Court:

- A. Grant this Motion for Approval of Reinsurance Commutation Agreement with National Casualty Co.;
- B. Enter an Order in the form submitted herewith approving the Agreement and allowing NCC's NCC-AFIA claims as a Class V claim in the amount of \$100,000, which has been satisfied by offset; and
- C. Grant such other and further relief as justice may require.

Respectfully submitted,

JOHN R. ELIAS, INSURANCE
COMMISSIONER OF THE STATE OF
NEW HAMPSHIRE, SOLELY AS
LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,

GORDON J. MACDONALD
ATTORNEY GENERAL

J. Christopher Marshall
NH Bar ID No. 1619
J.Christopher.Marshall@doj.nh.gov
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301-6397
(603) 271-3650

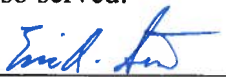


J. David Leslie
NH Bar ID No. 16859
dleslie@rackemann.com
Eric A. Smith
NH Bar ID No. 16952
esmith@rackemann.com
Rackemann, Sawyer & Brewster P.C.
160 Federal Street
Boston, MA 02110
(617) 542-2300

August 22, 2019

Certificate of Service

I hereby certify that a copy of the foregoing Motion for Approval of Reinsurance Commutation Agreement with National Casualty Co. and the Proposed Order Approving Reinsurance Commutation Agreement with National Casualty Co. were sent, this 2nd day of August, 2019, by first class mail, postage prepaid to all persons on the attached service list. The Confidential Affidavit being filed under seal was not so served.



Eric A. Smith
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of
The Home Insurance Company
Docket No. 217-2003-EQ-00106

SERVICE LIST

Lisa Snow Wade, Esq.
Orr & Reno
One Eagle Square
P.O. Box 3550
Concord, New Hampshire 03302-3550

Gary S. Lee, Esq.
James J. DeCristofaro, Esq.
Kathleen E. Schaaf, Esq.
Morrison & Foerster
250 West 55th Street
New York, NY 10019-9601

David M. Spector, Esq.
Dennis G. LaGory, Esq.
Schiff Hardin LLP
6600 Sears Tower
Chicago, Illinois 60606

Samantha D. Elliott, Esq.
Gallagher, Callahan & Gartrell, P.C.
214 North Main Street
Concord, NH 03301

David H. Simmons, Esq.
Mary Ann Etzler, Esq.
Daniel J. O'Malley, Esq.
deBeaubien, Knight, Simmons,
Mantzaris & Neal, LLP
332 North Magnolia Avenue
P.O. Box 87
Orlando, Florida 32801

Martin P. Honigberg, Esq.
Sulloway & Hollis, P.L.L.C.
9 Capitol Street
P.O. Box 1256
Concord, New Hampshire 03302-1256

Richard Mancino, Esq.
Willkie Farr & Gallagher, LLP
787 Seventh Avenue
New York, New York 10019

Joseph G. Davis, Esq.
Willkie Farr & Gallagher, LLP
1875 K Street, N.W.
Washington, DC 20006

Albert P. Bedecarre, Esq.
Quinn Emanuel Urguhart Oliver & Hedges LLP
50 California Street, 22nd Floor
San Francisco, California 94111

Jeffrey W. Moss, Esq.
Morgan Lewis & Bockius, LLP
One Federal Street
Boston, Massachusetts 02110

Robert M. Horkovich, Esq.
Robert Y. Chung, Esq.
Anderson Kill & Olick, P.C.
1251 Avenue of the Americas
New York, New York 10020

Andrew B. Livernois, Esq.
Ransmeier & Spellman, P.C.
One Capitol Street
P.O. Box 600
Concord, New Hampshire 03302-0600

John A. Hubbard
615 7th Avenue South
Great Falls, Montana 59405

Stephanie V. Corrao, Esq.
Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004-2595

Harry Cohen, Esq.
Crowell & Moring
590 Madison Avenue
20th Floor
New York, New York 10022-2544

Harry L. Bowles
306 Big Hollow Lane
Houston, Texas 77042

Gregory T. LoCasale, Esq.
White and Williams, LLP
One Liberty Place, Suite 1800
Philadelphia, Pennsylvania 19103-7395

Kyle A. Forsyth, Esq.
Commercial Litigation Branch/Civil Division
United States Department of Justice
P.O. Box 875
Washington, D.C. 20044-0875

W. Daniel Deane, Esq.
Nixon Peabody LLP
900 Elm Street, 14th Floor
Manchester, New Hampshire 03861

Joseph C. Tanski, Esq.
John S. Stadler, Esq.
Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110

Michael S. Lewis, Esq.
Rath Young Pignatelli
One Capital Plaza
Concord, New Hampshire 03302-1500

Michael J. Tierney, Esq.
Wadleigh, Starr & Peters, PLLC
95 Market Street
Manchester, New Hampshire 03101

Mark J. Andreini, Esq.
Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114-1190

Paul A. Zevnik, Esq.
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Michel Y. Horton, Esq.
Morgan, Lewis & Bockius LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, California 90071

Hilary Loynes Palazzolo, Esq.,
Keith Dotseth, Esq.
Larson King
30 East Seventh Street, Suite 2800
Saint Paul, Minnesota 55101

**REINSURANCE COMMUTATION
AGREEMENT, SETTLEMENT AND RELEASE**

THIS REINSURANCE COMMUTATION AGREEMENT, SETTLEMENT AND RELEASE (the "Agreement") is made and entered into by and between John R. Elias, New Hampshire Insurance Commissioner, solely in his capacity as Liquidator (the "Liquidator") of The Home Insurance Company ("Home"), and National Casualty Co. ("NCC"). The Liquidator and NCC are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, prior to January 1, 1982, Home and NCC entered into various reinsurance, pooling, agency and association agreements pursuant to which either Home ceded liabilities to NCC that NCC assumed or NCC ceded liabilities to Home that Home assumed, all in accordance with the terms and conditions therein contained (the "Direct Reinsurance Agreements");

WHEREAS, Home, through its United Kingdom Branch ("Home U.K."), participated in the American Foreign Insurance Association ("AFIA"), in which capacity it entered into certain reinsurance agreements with NCC, pursuant to which NCC ceded to Home, and Home accepted from NCC, a certain share of NCC's liabilities as more fully reflected in the percentages of participation and periods for each respective reinsurance agreement (the "NCC-AFIA Reinsurance Agreements");

WHEREAS, the Direct Reinsurance Agreements and the NCC-AFIA Reinsurance Agreements are defined collectively herein as the "Reinsurance Agreements;"

WHEREAS, Home is in liquidation pursuant to the June 13, 2003 Order of Liquidation issued by the Superior Court of the State of New Hampshire, Merrimack County (the "Liquidation Court"), pursuant to which the Liquidator was appointed as the Liquidator of Home;

WHEREAS, NCC seeks recovery from Home under the NCC-AFIA Reinsurance Agreements, in relation to which NCC has submitted a proof of claim in the Home estate, which has been assigned Proof of Claim No. INTL 277996, and which together with any other proof of

claim that NCC may have otherwise filed or could subsequently seek to file in the Home estate with respect to NCC-AFIA Reinsurance Agreements are hereby defined as the “NCC-AFIA Proofs of Claim;”

WHEREAS, NCC also submitted a Proof of Claim, denominated RCED700767, seeking recovery under reinsurance agreements from Home for amounts due under the H.S. Weavers Pool (the “Weavers Proof of Claim”);

WHEREAS, the “NCC-AFIA Proofs of Claim” and the “Weavers Proof of Claim” are defined herein as the “NCC Proofs of Claim”;

WHEREAS, Century Indemnity Company (“CIC”) acts as Home’s reinsurer for Home’s AFIA liabilities and manages CIC’s AFIA-related obligations through Chubb Insurance Services UK Limited (“CISUK”);

WHEREAS, after negotiations with CISUK (acting for CIC, which approves of this Commutation as it pertains to the NCC-AFIA Reinsurance Agreements), the Parties have agreed that subject to the terms of this Agreement, the value of NCC’s claim in the Home estate under the NCC-AFIA Reinsurance Agreements shall be fully and finally established by a Class V allowance in the amount of \$100,000.00 (the “Recommended Allowance”);

WHEREAS, in addition to their past and present obligations under the Reinsurance Agreements, Home and NCC recognize and understand that a portion of their respective obligations thereunder may become due in the future; that these future obligations and liabilities cannot be determined in an amount certain at this time; and that a commutation of these future and uncertain obligations and the Parties’ past and present obligations will resolve all pending and outstanding issues between the Parties and will eliminate the uncertainty of contingent liabilities for presently unresolved and/or unasserted claims with respect to the Reinsurance Agreements; and

WHEREAS, the Parties agree that it is mutually in their best interests to fully and finally settle and commute their respective past, present and future rights, obligations and liabilities (whether known or unknown) under the Reinsurance Agreements and enter into mutual releases relating thereto, all in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE, intending to be legally bound, in consideration of the foregoing Recitals that are made part of this Agreement and promises, covenants, representations, warranties, payments, agreements and other good and valuable consideration recited and set forth herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. Definitions. Each of the following terms, as defined, whose initial letter is capitalized, pertains to the definitions of 'Direct Reinsurance Agreements', 'NCC-AFIA Reinsurance Agreements', and 'Reinsurance Agreements' and the releases of paragraphs 6 and 7."

a. "Home" means The Home Insurance Company including, without limitation, City Insurance Company; City Insurance U.K. Branch; City Insurance Company (U.K.) Limited, City (U.K.) Insurance Company Limited; Home U.K. Branch; Cityvest International, Limited; Cityvest Reinsurance Limited; The Home Indemnity Company; The Home Insurance Company of Illinois; The Home Insurance Company of Indiana; The Home Insurance Company of Wisconsin; Home Lloyd's Insurance Company of Texas; U.S. International Reinsurance Company; U.S. International Re, Inc.; The Home Re Syndicate, Inc.; The Home Reinsurance Company; Rolfe Group Limited; Reandex Home International Limited; and Commonwealth Insurance Company.

b. "NCC" means National Casualty Company including National Casualty Company of America, Ltd. but specifically excluding Nationwide Indemnity Company.

2. This Agreement shall only become effective on the date that this Agreement, and the Recommended Allowance, are approved by the Liquidation Court (the "Effective Date"). This Agreement is conditioned upon such approval, failing which this Agreement shall be deemed null and void *ab initio* and of no force or effect, with this Agreement being inadmissible for any purpose in any dispute between the Parties.

3. Approval of this Agreement by the Liquidation Court shall constitute approval of the Recommended Allowance of \$100,000.00 into the Home estate as a Class V priority claim under N.H. RSA 402-C:44 in favor of NCC (the "Allowance"). The Parties agree that the Allowance shall constitute a full and final settlement of any and all past, present and future liabilities due or potentially due under the NCC-AFIA Reinsurance Agreements and that the Allowance fully and finally extinguishes the NCC Proofs of Claim, which shall be deemed resolved with prejudice and NCC hereby agrees that it shall be forever barred and precluded from filing any subsequent NCC Proof of Claim in the Home estate.

4. Within fourteen (14) days after the Effective Date, NCC will pay to the Liquidator the sum of [REDACTED] (the "Net Settlement Sum"), in full and final settlement of any and all past, present and future obligations and liabilities due or potentially due from Home and NCC to each other under the Direct Reinsurance Agreements, with time being of the essence in the performance by NCC in effecting such payment. Payment of the Net Settlement Sum shall be effected by transmittal by wire transfer as follows:

Citizens Bank, Manchester, NH, USA
ABA No. [REDACTED]
For the Account of The Home Insurance Company in Liquidation
Account No. [REDACTED]
Attention: Jamie Archibald

The Net Settlement Sum shall be transferred free and clear of and without any deduction for or on account of any set-off or counterclaim whatsoever, whether arising out of or relating to the Direct Reinsurance Agreements or otherwise. In addition, NCC acknowledges and agrees that the Allowance has been satisfied by offset of the Allowance against NCC obligations to Home under the Direct Reinsurance Agreements in arriving at the Net Settlement Sum and that NCC has no further claim to the amount set forth in the Allowance.

5. If NCC fails to pay any portion of the Net Settlement Sum within fourteen (14) days after the Effective Date, NCC shall pay (1) interest on any unpaid amounts [REDACTED] [REDACTED] calculated from the Effective Date; and (2) any and all costs, including reasonable attorneys' fees, incurred by Home in recovering the Net Settlement Sum in full (the "Collection Costs"). The acceptance by Home of the Net Settlement Sum together with all interest and Collection Costs due in respect of late payment as determined and calculated as aforesaid shall (subject to the terms of this Agreement) constitute a full and final settlement and release by Home hereunder as if payment of the Net Settlement Sum had been made in full within fourteen (14) days after the Effective Date.

6. Subject to the terms and conditions of this Agreement, and to the timely payment in full by NCC of the Net Settlement Sum, the Liquidator on behalf of Home, its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, shareholders, parents, and their respective predecessors, successors and assigns, irrevocably and unconditionally releases and discharges NCC, its officers, directors, employees, agents, attorneys, subsidiaries, affiliates,

shareholders, parents, and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, specialties, commissions, variances, expenses, acts, omissions, bonds, bills, covenants, contracts, controversies, agreements, promises, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, all whether known or unknown to one or both parties, suspected or unsuspected, fixed or contingent, in law admiralty or equity, which the Liquidator or Home ever had, now has, or hereafter may have against NCC under the Reinsurance Agreements. Additionally, the Liquidator fully understands and expressly waives Home's rights and benefits with respect to the Settled Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

7. Subject to approval by the Liquidation Court and in consideration of the release of NCC pursuant to Paragraph 6 above, NCC on behalf of itself, its officers, directors, employees, agents, attorneys, subsidiaries, affiliates, shareholders, parents, and their respective predecessors, successors and assigns, irrevocably and unconditionally releases and discharges the Liquidator and Home and their respective officers, directors, employees, agents, attorneys, subsidiaries, affiliates, shareholders, parents, and their respective predecessors, successors and assigns to the extent permitted by applicable law from any and all liabilities, adjustments, obligations, offsets, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, premiums, returned premiums, unearned premiums, losses, salvage, specialties, commissions, variances, expenses, acts, omissions, bonds, bills, covenants, contracts, controversies, agreements, promises, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, all whether known or unknown to one or both parties, suspected or unsuspected, fixed or contingent, in law, admiralty or equity, which NCC ever had, now has, or hereafter may have against the Liquidator and/or Home under the Reinsurance Agreements. Additionally, NCC fully understands and expressly waives its rights and benefits with respect to the Settled Agreements under any provision of law which substantially provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

8. This Agreement shall, subject to its approval by the Liquidation Court, inure to the benefit of and bind the Parties and their respective predecessors, parents, affiliates, subsidiaries, successors and assigns (including their rehabilitators, liquidators or other statutory successors) to the maximum extent permitted by applicable law. The Parties each represent and warrant that they have not prior hereto assigned or otherwise transferred to any other entity any of the rights, entitlements or interests in or to the Reinsurance Agreements commuted and released hereunder.

9. This Agreement embodies the final, complete and entire agreement between the Parties. The Parties acknowledge that they have entered into this Agreement in reliance on their own independent investigation and analysis of the matters forming the subject of this Agreement and their rights and obligations with respect thereto. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth or referred to herein.

10. If any provision of this Agreement is invalid, unenforceable or illegal under the law of any applicable jurisdiction, such provision shall be deemed severable from the balance of this Agreement, and the validity and enforceability of the remaining provisions of this Agreement, and the validity and enforceability of such provision in any other jurisdiction shall not be affected thereby. In the event of such invalidity, enforceability or illegality, the Parties shall negotiate in good faith to amend this Agreement through the insertion of additional provisions which are valid, enforceable and legal and which reflect, to the extent possible, the economic and other purposes contained in the invalid, unenforceable or illegal provision.

11. Subject to the provisions of Paragraph 2, the Parties hereby agree that this Agreement shall take precedence over and supersede the Reinsurance Agreements and that notwithstanding anything to the contrary contained therein, this Agreement shall operate as a full and final settlement, commutation and release of the respective rights, obligations and liabilities of the Parties under the Reinsurance Agreements. In addition, the Parties and their respective

successors and assigns absolutely and unconditionally covenant and agree that upon consummation of the transactions contemplated by this Agreement, neither will demand, claim or file suit or initiate arbitration proceedings against the other with respect to any matters relating to or arising out of the Reinsurance Agreements.

12. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement, or any part hereof, or the rights of such party to thereafter enforce each and every such provision.

13. The Parties agree and acknowledge that this Agreement is being entered into solely as a commercial accommodation, without regard to the respective positions of the Parties regarding their rights and obligations under and in terms of the Reinsurance Agreements. As such, the Parties agree that this Agreement shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of any party hereto regarding any aspect of the Reinsurance Agreements, other than with respect to the terms and conditions herein contained.

14. (a) NCC represents and warrants that it is a legally constituted entity in good standing; that it is not insolvent; that it is duly authorized to enter into this Agreement and the transactions contemplated herein; that the person signing this Agreement is fully authorized to execute this Agreement on its behalf; that all requisite and necessary approvals have been obtained to consummate the transactions contemplated by this Agreement; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; and that it has read this Agreement, that it understands its contents and that it is being executed freely and voluntarily with an intent for it to be bound by its terms; and (b) the Liquidator represents and warrants that, subject to the Liquidation Court's approval, he is duly authorized to enter into this Agreement and the transactions contemplated herein; that no other agreement, undertaking, contract or matter is known to exist that might render this Agreement void, voidable or unenforceable; that he has read this Agreement, understands its contents, and that the person signing this Agreement is fully authorized to

execute this Agreement freely and voluntarily on his behalf with an intent for Home to be bound by its terms.

15. No supplement, amendment, variation, modification, waiver or termination of this Agreement shall be effective unless in writing and signed by the Parties.

16. The Parties, including but not limited to their attorneys, agents, representatives and affiliates, will not disclose the economic terms of this Agreement (other than the Allowance) to anyone other than is necessary to effectuate the terms of this Agreement; except that the Parties may disclose the economic terms of this Agreement to and through their attorneys, accountants, reinsurers, retrocessionaires and auditors for a legitimate business purpose where a specific need for such disclosure arises in the judgment of such attorneys, accountants, reinsurer and auditors, or in response to lawful process. Notwithstanding the foregoing, nothing in this provision shall restrict the ability of the Parties to disclose the terms of this Agreement to regulatory entities or in connection with reports and statements that they may be required from time to time to file or submit to government agencies, or in support of a motion for approval by the Liquidation Court.

17. The Parties represent that the consideration for this Agreement, provided in exchange for the Parties' mutual promises made herein, is fair and reasonable. The Parties shall provide each other with an appropriate affidavit to this effect if such an affidavit becomes necessary to uphold or enforce the legitimacy of this Agreement.

18. This Agreement may be executed in multiple counterparts, each of which, when so delivered, shall be an original, but such counterparts shall together constitute one and the same instrument. The Parties agree that a signature sent by facsimile or electronic mail to the other Party shall have the same force and effect as an original signature. This Agreement shall be of no force and effect until executed by the Parties.

19. All notices under this Agreement shall be in writing, as follows:

If to NCC:

Nationwide Indemnity Company
600 Westwood Drive
Wausau, WI 64402-8067
Attention: Frederick C. Schaefer

If to the Liquidator:

The Home Insurance Company
in Liquidation
61 Broadway
New York, NY 10006

Attention: Russell G. Bogin

- and -

Rackemann, Sawyer & Brewster
160 Federal Street
Boston, MA 02110-1700
Attention: Eric A. Smith

NH Department of Justice
33 Capitol Street
Concord, NH 03301-6397
Attention: J. Christopher Marshall

or to such other address(es) as notified in writing by either Party to the other.

20. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to the conflicts of law provisions thereof. The Parties agree that the Liquidation Court shall be the exclusive venue for any dispute between the Parties arising out of this Agreement and the Parties agree to submit to the jurisdiction of the Liquidation Court for such purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized officers.

**John R. Elias, New Hampshire Insurance Commissioner,
solely in his capacity as Liquidator of The Home Insurance Company**

By: Peter A. Bengelsdorf Date: August 7, 2019
Name: Peter A. Bengelsdorf
Title: Special Deputy Liquidator of The Home Insurance Company

National Casualty Co.

By: John A. Tenca, Jr. Date: August 7, 2019
Name: John A. Tenca, Jr.
Title: AVP Reinsurance