

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**

**AFFIDAVIT OF PETER A. BENGELSDORF, SPECIAL DEPUTY
LIQUIDATOR, IN SUPPORT OF APPROVAL OF THIRD
AMENDMENT TO CONTRACT WITH IRON MOUNTAIN**

I, Peter A. Bengelsdorf, depose and say:

1. I was appointed Special Deputy Liquidator of the Home Insurance Company (“Home”), by the Insurance Commissioner for the State of New Hampshire, as Liquidator (“Liquidator”) of Home. I submit this affidavit in support of the Liquidator’s Motion for Approval of Third Amendment to Contract with Iron Mountain. The facts and information set forth are either within my own knowledge gained through my involvement with this matter, in which case I confirm that they are true, or are based on information provided to me by others, in which case they are true to the best of my knowledge, information, and belief.

2. The motion requests approval of a Third Amendment (“Third Amendment”) to extend the Customer Agreement, as previously amended by the First Amendment and the Second Amendment (the “Contract”), between the Liquidator and Iron Mountain Information Management, LLC (“Iron Mountain”). A copy of the Third Amendment is attached as Exhibit 1 to the motion. The Second Amendment is attached as Exhibit 2, the First Amendment as Exhibit 3, and the original Customer Agreement is attached as Exhibit 4 to the motion.

3. Iron Mountain provides record management services. It currently stores approximately 60,878 boxes of documents with respect to Home for the Liquidator. Home’s relationship with Iron Mountain is of long standing, and it pre-dates 1996. The 1996 contract

expired in 2006, and the Liquidator negotiated a Customer Agreement with Iron Mountain at that time. The Liquidator moved for approval of the Customer Agreement on November 17, 2006, and the Court approved it on December 1, 2006.

4. The Customer Agreement had a five-year term, and it included an option to renew for a further five-year term. The Liquidator exercised that option in 2011 in the First Amendment. In 2016, the Liquidator negotiated a Second Amendment to exercise an option under the First Amendment to extend the Contract for a five year term and to obtain an option for another five year term. The Court approved the Second Amendment on November 2, 2016.

5. The present term expires on November 30, 2021. The Liquidator has now negotiated a Third Amendment to exercise the option under the Second Amendment to extend the Contract for a five year term, to obtain an option for another five year term and make certain other amendments. The Third Amendment is subject to approval by the Court. See Customer Agreement, Terms and Conditions ¶ 26.

6. It is essential that the Liquidator renew this contract in order to maintain the efficient storage of information necessary to the liquidation of Home. The Liquidator is conscious of the continuing cost of this storage and is working to manage that cost. The Liquidator has filed seven motions requesting authority to dispose of documents that are no longer useful, as provided by RSA 402-C:50. In accordance with the orders granting those motions, the Liquidator has disposed of over 113,000 boxes of documents during the course of the Home liquidation. Renewing the Iron Mountain arrangement is another aspect of managing this cost. The Liquidator has considered other vendors but concluded that the expense associated with changing vendors and relocating the 60,878 remaining boxes would be exorbitant.

7. The proposed Third Amendment exercises the option from the Second Amendment to extend the existing Contract for an additional term of five years, from 2021 to 2026 (the "Third Renewal Term"). Third Amendment § 1. It also provides the Liquidator with an option to renew the Contract for an additional five-year term, from 2026 to 2031, on the same terms and conditions, (the "Fourth Renewal Term"). Third Amendment § 1. The prices for the Third and Fourth Renewal Terms are set forth on Schedule B to the Third Amendment. Third Amendment § 2.

8. The Third Amendment also contains a new provision for archival destruction services. The provision reflects that the capacity for archival destruction is 1,200 cubic feet per market (i.e., storage location) per 30 business days which capacity may increase to 5,000 cubic feet for an additional fee of \$2.50 per box for those boxes which are in excess of the 1,200 cubic foot limit. The provision also clarifies that archival destruction services and the associated fees are to be charged on a per carton quantity basis. Third Amendment § 3. This section provides increased ability to dispose of larger numbers of records in the event that they are determined no longer to be necessary.

9. The rates in the Third Amendment reflect negotiations which focused on controlling expenses. Under the option for the 2021-2026 term, the carton storage rate will increase to \$0.18 on December 1, 2021, and then by 2% or 3% each of the remaining years of the term. Third Amendment § 2, Renewal Schedule B at A.1. The rates for the other service components will increase by 3% in the second, fourth and fifth years of the term. Id.

10. The annual cost of storage under the Third Amendment in 2022 is estimated to be approximately \$ 280,598 based on the present volume of documents. As volume decreases over the life of the Third Amendment, the total storage cost is expected to decrease.

11. Other than the cost elements and the archival disposal provision, the arrangement with Iron Mountain under the Third Amendment does not materially differ from that under the existing Contract.

12. I believe that the Third Amendment is fair and reasonable and that it is in the best interests of the liquidation and of the policyholders and other creditors of Home. Storage and management of documents is an integral component of the Home liquidation, just as it is part of any ongoing insurance business. Although the cost is substantial, the Third Amendment and the continuance of Home's relationship with Iron Mountain represent the most cost-effective method of managing the documents.

Signed under the penalties of perjury this 20 day of October, 2021.

Peter A. Bengelsdorf
Peter A. Bengelsdorf
Special Deputy Liquidator of The Home Insurance
Company

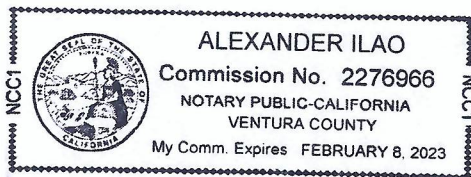
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA
COUNTY OF VENTURA

On October 20, 2021 before me, Alexander Ilao, Notary Public, personally appeared Peter A. Bengelsdorf, Special Deputy Liquidator of The Home Insurance Company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Alexander Ilao
Signature of Notary Public