

FILED
08-25-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

EXHIBIT A

SETTLEMENT AGREEMENT

This Agreement is made effective as of August ^{23rd} 2022 by and between United Insurance Company, as the Reinsurer and Northwestern National Insurance Company in Liquidation, as the Company.

WHEREAS, the parties hereto have entered into Reinsurance Agreements in which United Insurance Company reinsured certain liabilities, more specifically primary retention layers of insurance as well as buffer layer excess insurance on certain programs which Northwestern National Insurance Company fronted for a number of large corporate insurance programs between 1979 and 1986. These programs included but were not limited to the following programs which have been active in the recent past: Archer Daniels Midland, Brunswick Corp., CPC International/BestFoods, Celanese (f.k.a. Hoescht Celanese Corp.), Hubbard Milling, Kellogg and Singer Co.;

WHEREAS, Northwestern National Insurance Company is now in Liquidation under the authority of the Wisconsin Department of Insurance;

WHEREAS, as the Liquidator of Northwestern National Insurance Company, Wisconsin holds as collateral against United Insurance Company's obligations (1) an irrevocable, evergreen, Letter of Credit in the amount of \$64,917 which has been liquidated; and (2) Imprest and Funds Withheld in the sum of \$948,149, now totaling roughly \$1,013,066;

WHEREAS, the reinsurance liabilities of United are significantly less than the collateral held by the Liquidator;

WHEREAS, Brunswick Corporation has agreed in writing to withdraw any and all proofs of claim filed with the Liquidator and further to take all exposure associated with policies fronted by NNIC as if Brunswick were self-insured;

WHEREAS, Hoescht Celanese has entered an Assumption Agreement to take all reinsurance of NNIC as if they were likewise self-insured; and

WHEREAS, the parties hereto now wish to fully and finally determine, settle, and discharge all liabilities and obligations of United Insurance Company under various Reinsurance Agreements listed in Exhibit A.



THEREFORE, in consideration of the respective representations made herein, the respective obligations undertaken, and the payments to be made hereunder, the sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. DEFINITIONS

- A. "NNIC" as used herein shall mean Northwestern National Insurance Company in Liquidation as well as the State of Wisconsin as Liquidator.
- B. "United" as used herein shall mean United Insurance Company and its subsidiaries, affiliated companies and predecessors.
- C. "Reinsurance Agreements" as used herein shall mean the various Reinsurance Agreements by which United accepted risks within the primary layer of insurance, also known as the United Surplus Relief Treaty or "R-Pool" retention which varied by program, the buffer layer excess contracts above the "R-Pool" retention; and one contract within United's Facultative Obligatory Treaty "UFOT" and entered into by NNIC as fronting carrier and United as reinsurer.

ARTICLE 2. PAYMENT

- 2.1 Within 30 days after the effective date of this Agreement, NNIC shall retain \$281,502.28 of the \$1,013,066 cash held as collateral as full and final settlement of United's reinsurance obligations to the Liquidator of NNIC. Said amount to be known as the "Settlement Amount;" and
- 2.2 Pay to United the resulting balance of **\$731,563.72** (Seven Hundred Seventy-six Thousand Five Hundred and Sixty-three and 72/100) Dollars in US Currency as consideration for this Settlement Agreement. If the Settlement Amount is not paid to United within 30 days, United, at its option, may declare the Agreement null and void or allow the Liquidator 5 business days to cure the default.

ARTICLE 3. GENERAL RELEASES

- 3.1 In consideration of the Settlement Amount described in Article 2.1 above, NNIC does on behalf of itself, its subsidiaries, affiliates, successors and assigns, hereby release and forever discharge United, its successors and assigns, from any and all liabilities and obligations arising under or related to the Reinsurance Agreements, whether known or unknown, reported or unreported, and whether currently existing or arising in the future, including but not limited to all claims, debts, demands, causes of action, duties, sums of money, covenants, contracts, controversies, agreements, promises, doings,



E. This Agreement may be executed and delivered in multiple counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one instrument and agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective officers on the dates set forth below.

Northwestern National Insurance Company in Liquidation

 Nick Muth
Witness

By [Signature]

Title Special Deputy Liquidator

Date 8/25/22

 [Signature]
Witness

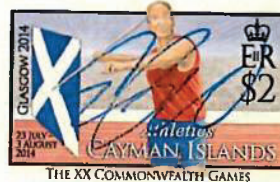
United Insurance Company

 [Signature]

By: Edward P. Weber, III

Title: General Manager - Claims

Date: 22 Aug 2022



 [Signature]
 [Signature]
 [Signature]

EXHIBIT A

The following Exhibit includes the United contracts fronted by NNIC and covered under this Settlement Agreement:

Archer Daniels Midland:

United Surplus Relief Treaty	163045	April 1, 1979 to March 31, 1986
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Brunswick Corporation:

United Surplus Relief Treaty	163007	April 1, 1979 to March 31, 1985
United Casualty Treaty (UCAS)	153073	January 1, 1979 to December 31, 1985

Celanese Corporation:

United Surplus Relief Treaty	163006	April 1, 1979 to March 31, 1985
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CPC International/BestFoods:

United Surplus Relief Treaty	163009	April 1, 1979 to March 31, 1981
United Casualty Treaty	153075	July 1, 1979 to June 30, 1981
United Fac Obligatory Treaty (UFOT)	152058	July 1, 1979 to June 30, 1981

Kellogg's:

United Surplus Relief Treaty	163022	April 1, 1981 to March 31, 1985
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Singer Corporation:

United Surplus Relief Treaty	163012	April 1, 1980 to March 31, 1986
United Casualty Treaty	153069	January 1, 1980 to December 31, 1986

