

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF ALL CLAIMS

This Settlement Agreement and Mutual Release of All Claims (hereinafter the "Agreement"), is made and entered into by and among the following:

- (1) James J. Donelon, Commissioner of Insurance for the State of Louisiana (individually "Commissioner"), in his capacity as Rehabilitator of Louisiana Health Cooperative, Inc. ("LAHC"), through Billy Bostick, in his capacity as the duly appointed Receiver for LAHC (individually "Receiver" and together with the Commissioner the "Rehabilitator");
- (2) Group Resources, Inc. ("GRI"); and
- (3) Ironshore Specialty Insurance Company ("Ironshore").

GRI, Ironshore, and Rehabilitator in this Agreement are referred to collectively as the "Parties" and, at times, individually as a "Party." GRI and Ironshore are referred to collectively as the "GRI Defendants."

AGREEMENT

- A. LAHC was formed on or about September 12, 2011 as a qualified nonprofit health insurer under Section 501(c)(29) of the Internal Revenue Code, pursuant to Section 1322 of the Patient Protection and Affordable Care Act of 2010 ("ACA"), the Louisiana Nonprofit Corporation Law, and Louisiana Insurance Law. GRI contracted with LAHC to provide claims administration and other services.
- B. On or about September 1, 2015, in the matter entitled *James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*, Case No. 641,928, (the "Rehabilitation Proceeding"), the 19th Judicial District Court for the Parish of East Baton Rouge (the "Receivership Court") entered an Order of Rehabilitation of Louisiana Health Cooperative, Inc., which was made permanent on or about September 21, 2015.
- C. On or about August 31, 2016, Rehabilitator filed a Petition for Damages and Jury Demand against GRI and certain other defendants who are not party to this Agreement in the 19th Judicial District Court for the Parish of East Baton Rouge, Louisiana (the "Court"), Case No. 651,069, entitled "*James J Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator of Louisiana Health Cooperative, Inc. v. Terry S. Shilling, George G. Cromer, Warner L. Thomas, IV, William A. Oliver, Charles D. Calvi, Patrick C. Powers, CGI Technologies and Solutions, Inc. Group Resources, Incorporated, Beam Partners, LLC, and Travelers Casualty and Surety Company of America*," (the "Original Petition"). On or about November 29, 2016, the Rehabilitator filed their First Supplemental, Amending and Restated Petition for Damages and Request for Jury Trial naming additional defendants who are not party to this Agreement. On or about October 25,

2017, the Rehabilitator filed its Second Supplemental, Amending and Restated Petition for Damages and Request for Jury Trial naming additional defendants who are not parties to this

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Agreement. The Rehabilitator subsequently filed its Third, Fourth, and Fifth Supplemental, Amending and Restated Petitions for Damages which, *inter alia*, named Ironshore as a defendant (the first, second, third, fourth, and fifth amending petitions collectively referred to as "Amending Petitions"). The above-referenced case, including the Original Petition and all Amending Petitions, is referred to in this Agreement as the "Litigation."

- D. GRI and Ironshore deny all liability to the Rehabilitator and to all other parties and entities, but instead choose to settle the disputed claims.
- E. The Parties have agreed to settle the Litigation as between themselves.

NOW THEREFORE, in consideration of the premises and the terms and provisions hereof, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1.0 Consideration.

1.1. In consideration of the releases and discharges set forth in this Agreement, the GRI Defendants have agreed to pay to the Rehabilitator the sum of One Million, Five Hundred Thousand Dollars and no cents (\$1,500,000.00)(the "Settlement Sum"). The check or draft for \$1,500,000.00 shall be made payable to: "Louisiana Health Cooperative in Receivership."

1.2. The GRI Defendants shall have no obligation to pay the Settlement Sum unless and until (1) all Parties sign this Agreement; (2) the Receiver provides the GRI Defendants with its Tax Identification number and executed IRS W-9 form; (3) the Receiver submits the fully executed Agreement to the Receivership Court for approval in the Rehabilitation Proceeding; (4) the Agreement is approved by the Receivership Court in the form of a signed Order issued by the Court; and (4) thirty (30) days have elapsed from the date the GRI Defendants receive a copy of the signed Order issued by the Court in the Rehabilitation Proceeding. In the event that the Receivership Court rejects, in whole or in part, or in any way modifies or alters the terms of the fully executed Agreement submitted to it for approval, then all Parties understand and agree that a new, revised Agreement will need to be drafted to comply with the Receivership Court's Order, signed by all Parties, and resubmitted to the Receivership Court for approval. All Parties acknowledge and agree that the GRI Defendants' obligation to pay the Settlement Sum is triggered only upon being provided a copy of the signed Order approving the final Agreement by the Receivership Court.

1.3 The GRI Defendants have not asserted any claims of any kind regarding LAHC against LAHC and/or the Rehabilitator in the Litigation or in any other venue; furthermore, the GRI Defendants hereby agree not to assert any claim which may exist against LAHC and/or the Rehabilitator of any kind regarding LAHC or in any way arising from or relating to the allegations against the GRI Defendants in the Litigation in this Litigation or any other venue.

2.0 Releases and Discharges.

2.1. Rehabilitator's Release and Discharge of the GRI Defendants.

a. Except for the obligations imposed by this Agreement, the Rehabilitator hereby completely releases and forever discharges the GRI Defendants and their respective agents, officers, directors, members, owners, managers, employees, representatives, attorneys, insurers, heirs, successors, assigns, affiliated companies and their partners and contractors from and against all past, present, and future claims, demands, rights of action, or causes of action of whatever nature (whether known or unknown), whether based on contract, quasi-contract, tort, equity, or statute (including, but not limited to, breach of fiduciary duty, breach of contract, negligence, gross negligence, willful or intentional tortious conduct, mismanagement, unjust enrichment, and fraud) for monetary damages, equitable relief or otherwise (including, but not limited to, compensatory damages, special damages, indirect damages, consequential damages, or punitive damages), or for expenses, attorneys' fees, or costs (including, but not limited to, filing fees and expert expenses), or for any other payments of any nature whatsoever, arising out of, or which are in any way related to LAHC or the Litigation.

2.2. Rehabilitator's Claims Against Other Entities.

a. The parties reserve any and all claims, rights, positions, and defenses against all individuals or entities other than the parties released herein. Rehabilitator further reserves its claims against all individuals or entities other than the GRI Defendants, including but not limited to Milliman, Inc. and Buck Global, LLC.

2.3 GRI Defendants' Release of Rehabilitator.

a. Except for the obligations imposed by this Agreement, the GRI Defendants hereby completely release and forever discharge the Rehabilitator from and against all past, present, and future claims, demands, right of action, or causes of action of whatever nature (whether known or unknown), whether based on contract, quasi-contract, tort or equity (including, but not limited to, breach of fiduciary duty, breach of contract, negligence, gross negligence, willful or intentional tortious conduct, mismanagement, unjust enrichment, and fraud) for monetary damages, equitable relief or otherwise (including, but not limited to, compensatory damages, special damages, indirect damages, consequential damages, or punitive damages), or for expenses, attorneys' fees, or costs (including but not limited to, filing fees and expert expenses), or for any other payments of any nature whatsoever, arising out of, or which are in any way related to LAHC and the Litigation. The release stated in this Paragraph includes, but is not limited to, all past, present, and future claims, demand, rights of action, or causes of action (whether known or unknown) based on breach of implied duty of good faith and fair dealing, bad faith, unfair claim practice, or arising under any and all federal, state, and local laws and regulation, including La. R.S. 22:1892 and La. R.S. 22:1973 or the predecessors of those statutes, which claims, demand, rights of action, or causes of action are in any way related to LAHC or the Litigation.

2.4 GRI Defendants' Release

In consideration of the foregoing, the GRI Defendants hereby fully and completely dismiss, discharge, release and waive any and all actions, claims, demands, lawsuits, proceedings and/or rights of any kind that have been or could have been made, asserted or brought by each GRI Defendant or on its behalf against or involving each other in connection with, arising out of and/or relating to: the Litigation; and/or, any policy of insurance issued by Ironshore to GRI with respect to or concerning this Litigation.

3.0 Assumption of Risk. Rehabilitator expressly assumes the risk that by entering into this Agreement, Rehabilitator will forever waive claims that Rehabilitator does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect the decision to enter into this Agreement. The Parties recognize, acknowledge, understand, and assume the risk and possibility that any and all facts or rules of law that have or might have induced them to enter into and execute this Agreement may in fact or in law be different from the present, past, or future understanding and interpretation thereof by Rehabilitator. The Parties all agree that this Agreement shall nevertheless be and remain firm, valid and binding, and in full force and effect notwithstanding such possible or actual misunderstanding or misinterpretation of law or fact.

4.0 No Admission of Liability. Rehabilitator and the GRI Defendants understand and agree that this Agreement is a compromise of disputed claims and any payment is not to be construed as an admission of liability by any Party, who each expressly deny any liability. The GRI Defendants' willingness to resolve this matter should not be construed as creating precedent under any potentially applicable insurance policies or otherwise for this claim or any future claim, known or unknown.

5.0 Delivery and Distribution of Executed Agreement and Dismissal of the Litigation With Prejudice. After all Parties have executed the Agreement, the Settlement Sum has been paid, approval of this Agreement has been granted by the Receivership Court, and counsel for all Parties have received a copy of the fully executed Agreement and the Receivership Court approval, counsel for the Parties shall jointly file a motion to dismiss all claims against the GRI Defendants with prejudice, with each party to bear its own costs.

6.0 Mutual Limited Indemnity Between the GRI Defendants and Receiver Only.

a. In the event that any person or entity controlled by LAHC and/or the Rehabilitator asserts a claim, demand, liability, lien, obligation, debt, action, cause of action, right of action, right to damages (including, but not limited to, special, indirect, consequential, and/or punitive damages), interest, costs, expenses, reasonable attorneys' fees, and payments (whether or not litigation is commenced) against the GRI Defendants that arises out of or is related to: i) LAHC, ii) the Rehabilitation Proceeding, or iii) the Litigation, then the Rehabilitator shall defend, indemnify, and hold harmless the GRI Defendants from any such claim. It is also expressly understood and agreed that the Rehabilitator does not control other parties to the Litigation; does not control any other governmental entity, including but

not limited to the Centers for Medicare and Medicaid Services ("CMS"), the United States Department of Health and Human Services ("HHS"), and the Louisiana Department of Insurance in any capacity other than as Rehabilitator (or other similar statutory capacity) of Louisiana Health Cooperative, Inc. ("LDI") and that the Rehabilitator is not and shall not undertake any defense, indemnity, or hold harmless obligation in the event that any other governmental entity, including but not limited to CMS and/or HHS and/or LDI, assert any type of claim against the GRI Defendants that arises out of or is related to LAHC, the Rehabilitation Proceeding, or the Litigation. Rehabilitator represents that it is not aware of any such claims by any governmental entity against the GRI Defendants.

b. In the event that the GRI Defendants or any person or entity controlled by the GRI Defendants, asserts a claim, demand, liability, lien, obligation, debt, action, cause of action, right of action, right to damages (including, but not limited to, special, indirect, consequential, and/or punitive damages), interest, costs, expenses, reasonable attorneys' fees, and payments (whether or not litigation is commenced) against the Rehabilitator that arises out of GRI's activities in connection with: i) LAHC; ii) the Rehabilitation Proceeding; iii) or the Litigation, then the GRI Defendants shall defend, indemnify, and hold harmless the Rehabilitator from any such claim. The GRI Defendants and its agents warrant and represent they know of no such claims against the Rehabilitator at this time. It is expressly understood and agreed that the GRI Defendants do not control LAHC; other parties to the Litigation; or any governmental entity, including but not limited to the CMS, HHS and LDI, and that the GRI Defendants shall not have to undertake any defense, indemnity, or hold harmless obligation in the event that any other governmental entity, including but not limited to CMS and/or HHS and/or LDI, assert any type of claim against the Rehabilitator. It is further understood and agreed that the GRI Defendants shall be responsible only for limited indemnification as set forth in this paragraph for claims asserted by any person or entity controlled by the GRI Defendants.

7.0 Authority to Execute Agreement. Each Party represents and warrants that any person signing this Agreement on its behalf has the necessary authority to do so. To the extent the Party is a juridical entity, it represents and warrants that any resolution or approval required by its internal governing documents or any other applicable law to authorize the individual signing this Agreement on his or its behalf has been obtained.

8.0 Advice of Attorney. Each Party warrants and represents that in executing this Agreement the Party has relied upon legal advice from the attorneys of the Party's choice; has read the terms of this Agreement and understands the consequences thereof, which have been completely explained to the Party by the Party's attorneys; and the Party fully understands the terms of this Agreement. Each Party further acknowledges and represents that, in executing this Agreement the Party has not relied upon any inducements, promises, or representations made by any other Party or any person or entity representing any other Party other than as may be set forth in this Agreement. Each Party has participated equally in the drafting of this Agreement. The language of this Agreement shall not be presumptively construed in favor of or against any of the Parties.

9.0 No Tax Advice. The Parties acknowledge that neither the GRI Defendants, nor the Rehabilitator, have made any representation, or given any advice, about any tax issues associated with the Settlement Sum or any aspect of this Agreement.

10.0 Integrated Agreement. This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, warranties, negotiations, and discussions, whether oral or written, of the Parties. There are no agreements, understandings, restrictions, representations, or warranties other than those set forth in this Agreement. The Parties agree that the terms of this Agreement are contractual and not mere recitals.

11.0 Amendment. This Agreement may be amended only by an instrument, in writing and signed by all of the Parties, which expressly refers to this Agreement and specifically states that it is intended to amend this Agreement. This Agreement may not be modified by an oral agreement even though supported by new consideration.

12.0 No Intent to Benefit Third Parties. The Parties disclaim any intent to confer a benefit on any person or entity who is not a signatory to this Agreement, except as set forth in this Agreement.

13.0 Severability of Provisions. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or illegal, the invalid or illegal provisions will be severed, and the remaining provisions of this Agreement will be enforced.

14.0 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Louisiana, without reference to its conflict of laws principles. This Agreement shall be deemed to have been made and entered into within the State of Louisiana, regardless of the order in which the Parties sign this Agreement and regardless of where this Agreement is signed by any Party.

15.0 Confidentiality.

The Receiver hereby agrees not to issue a press release, request a news conference, or post the terms of this Agreement on social media.

16.0 Counterparts/Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Parties had signed the same document. All counterparts shall be construed together and shall constitute but one agreement.

17.0 Headings and Captions. All headings and captions contained in this Agreement are for ease of reference only and do not interpret, define, or limit the scope, extent, or intent of this Agreement or any of its provisions. As used in this Agreement and when required by the context, the neuter gender shall include the masculine and feminine genders, and the singular number shall include the plural.

I hereby certify that I have read the Settlement Agreement and Mutual Release of All

Claims, fully understand it, and voluntarily execute it.

WITNESSES:

**JAMES J. DONELON, COMMISSIONER OF
INSURANCE FOR THE STATE OF LOUISIANA,
IN HIS CAPACITY AS REHABILITATOR OF
LOUISIANA HEALTH COOPERATIVE, INC.
THROUGH HIS DULY APPOINTED RECEIVER,
BILLY BOSTICK**

DATE: _____

WITNESSES:

GROUP RESOURCES, INC.

By: _____

WITNESSES:



IRONSHORE SPECIALTY INSURANCE CO.

By: Dale Feeney, Vice President, Claims