

STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS
LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

NOV 21 2017
BY _____ DEPUTY CLERK
DEPUTY CLERK OF COURT

**MOTION AND INCORPORATED MEMORANDUM REQUESTING APPROVAL OF
SETTLEMENT OF CLAIMS INVOLVING BEAM PARTNERS, LLC, DEFENDANT
IN 19TH JUDICIAL DISTRICT COURT CASE NUMBER 651 069, SECTION 22**

NOW INTO COURT, through undersigned counsel, comes James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator, (hereinafter referred to as "the Commissioner"), and Billy Bostick, Court appointed Receiver, of Louisiana Health Cooperative, Inc. in Rehabilitation (collectively "LAHC"), who respectfully represent:

1.

LAHC operated as a health maintenance organization until December 31, 2015 and was placed in rehabilitation by this Honorable Court on September 1, 2015, which rehabilitation order was made permanent on September 21, 2015 and the Receiver was appointed by the Court pursuant to those orders.

2.

The order of rehabilitation for LAHC entered by this Court on September 21, 2015 authorized the Receiver, inter alia, to commence whatever actions were necessary, and to collect all sums and debts that were economically feasible to collect, to accomplish the rehabilitation of LAHC.

3.

In furtherance of the order of rehabilitation and pursuant to the order of this Court of January 8, 2016, the Receiver filed an action against Beam Partners, LLC ("Beam") and its insurer, Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied"), as well as other defendants, in case number 651 069, Section 22, on the docket of the 19th Judicial District Court for the Parish of East Baton Rouge, State of Louisiana on August 31, 2016. That suit has since been amended and restated as to the claims asserted.

4.

In connection with the proposed settlement of the claims asserted on behalf of LAHC against Beam and Allied (but not the other defendants) have denied the allegations made in the pending recovery action but are willing to enter into a settlement agreement to avoid the time and expense of protracted litigation involving complex business and accounting transactions.

5.

Beam was allegedly insured by Allied against the allegations made by the Receiver in the pending recovery suit; a policy or policies of insurance issued by Allied to Beam provided \$1 million in coverage; which eroded by the costs of defense and which has or will be apply to other pending suits against Beam. As part of the proposed settlement with Beam and Allied, Beam and Allied represented and the Receiver relied upon the fact that the same Allied policy which insured Beam against claims asserted by LAHC also applied to other asserted and potential claims against Beam by other comparable co-ops in states other than Louisiana; furthermore, Beam represented and provided sworn testimony to the Receiver that the only policy or policies of insurance that potentially provided coverage to the claims asserted by LAHC against Beam is the \$1 million Allied policy describes herein. A copy of the proposed settlement agreement is attached hereto and marked as **Exhibit A**.

6.

In connection with the proposed settlement, Beam and Allied have agreed to pay LAHC the full and true sum of Three Hundred Thirty Three Thousand Thirty Three and 33/100 (\$333,333.33) Dollars. See **Exhibit A**.

7.

The Receiver believes that the proposed settlement is in the best interest of the LAHC estate, will efficiently marshal the property and assets of the LAHC estate, and will further the goals identified in the order of rehabilitation entered by this Court in this matter.

8.

The Receiver submits to the Court that the terms of the Settlement Agreement constitute a fair and reasonable settlement of the claims asserted by LAHC, that the funds received pursuant to the Settlement Agreement will be used by LAHC in accordance with procedures utilized in this

proceeding, as well as for attorneys' fees and costs and related expenses arising out of the pending lawsuit filed against the remaining defendants, that the settlement is intended to resolve all claims against Beam and Allied, except those specifically excepted, and that the settlement terms, under all applicable circumstances, and are in the best interests of the creditors and other persons affected by the settlement and the rehabilitation of LAHC through these proceedings.

9.

Pursuant to the terms of the Settlement Agreement, the Receiver desires and is entitled to an order of this Court finding that the settlement is fair and equitable to all interested parties and claimants (including all creditors of LAHC); that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement Agreement and to dismiss the claims asserted against Beam and Allied in the pending lawsuit with prejudice; that the Receiver has specific authority to execute the Settlement Agreement; that all creditors, claimants, and interested persons of the LAHC estate are and will be bound by the Settlement Agreement; and declaring that the claims of LAHC creditors against Beam and Allied, except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert, shall be deemed released as a result of this Court's finding of the fairness of the proposed settlement and approval of the proposed settlement.

10.

The Receiver further requests notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order and the Court's ruling on the Louisiana Department of Insurance website at www.lidi.la.gov ; Office Directory; Receivership; Domestic Receivers in Receivership Open; Louisiana Health Cooperative, Inc.; Receivership Pleadings, and that such be deemed sufficient notice to all interested persons or entities.

11.

The Receiver requests that the judgment rendered as to the proposed settlement be certified as a final judgment for purposes of appeal by this Court for the reasons that the judgment as prayed for will dismiss all claims of LAHC against Beam and Allied with prejudice and there is no

just reason for delay since Beam and Allied will no longer be a party to the recovery actions in accordance with Louisiana Code of Civil Procedure article 1915.

WHEREFORE, Billy Bostick, Receiver for Louisiana Health Cooperative, Inc. in Rehabilitation prays that this motion be deemed good and sufficient and that this honorable Court approve the proposed settlement with Beam and Allied and authorize the Receiver to enter into the proposed agreement with Beam and Allied, as reflected in **Exhibit A**, and to sign such documents, to take such actions as may be required to accomplish same, and to implement same, in the sole discretion of the Receiver; that the Court make a finding that:

- (1) the settlement is fair and equitable to all interested parties and claimants (including all creditors of LAHC);
- (2) that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement Agreement and to dismiss the claims asserted against Beam and Allied in the pending lawsuit with prejudice;
- (3) that the Receiver has specific authority to execute the Settlement Agreement;
- (4) that all creditors, claimants, and interested persons of the LAHC estate will be bound by the Settlement Agreement;
- (5) declaring that the claims of LAHC creditors against Beam and Allied, except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert and except as reserved in the proposed settlement agreement, shall be deemed released as a result of this Court's finding of the fairness of the proposed settlement and approval of the proposed settlement;
- (6) that notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order and the Court's ruling on the Louisiana Department of Insurance website at www.lidi.la.gov; Office Directory; Receivership; Domestic Receivers in receivership-Open; Louisiana Health Cooperative, Inc.; Receivership Pleadings; and that such be deemed sufficient notice to all interested persons or entities; and
- (7) that the judgment rendered as to the proposed settlement be certified as a final judgment for purposes of appeal by this Court for the reasons that the judgment as prayed for will dismiss all claims of LAHC against Beam and Allied with prejudice and

there is no just reason for delay since Beam and Allied will no longer be parties to the recovery action in accordance with Louisiana Code of Civil Procedure article 1915, and for all other appropriate relief.

Respectfully Submitted,

JEFF LANDRY
ATTORNEY GENERAL

By: 

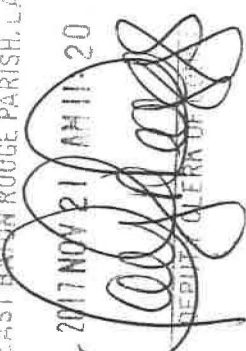
Michael Charles Guy (25406)
Assistant Attorney General
P.O. Box 94005
Baton Rouge, LA 70804-94005
(225) 326-6400

BURGLASS & TANKERSLEY, LLC

BY: 

SUE BUSER (#18151)
CELESTE BRUSTOWICZ (#168350)
DENNIS J. PHAYER, ESQ. (#23747)
5213 Airline Drive
Metairie, Louisiana 70001-5602
Phone: (504) 836-2220
Telefax: (504) 836-2221

Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

FILED
EAST BATON ROUGE PARISH, LA.
2017 NOV 21 AM 11:20

DEPUTY CLERK OF COURT

CERTIFIED TRUE AND
CORRECT COPY
NOV 27 2017

East Baton Rouge Parish
Deputy Clerk of Court

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

FILED: _____

DEPUTY CLERK

ORDER

Considering the foregoing Motion Requesting Approval of Settlement of Claims Involving Beam Partners, LLC and its insurer, Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied"), Defendants in 19th Judicial District Court Case Number 651 069, Section 22, and the Court finding that the parties are entitled to the relief granted herein:

IT IS ORDERED, ADJUDGED AND DECREED that the Motion Requesting Approval of Settlement of Claims Involving Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied") be and same hereby is GRANTED.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the proposed settlement with Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied") be and same hereby is APPROVED.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Receiver for Louisiana Health Cooperative, Inc. in Rehabilitation ("LAHC") be and hereby is authorized to enter into the proposed settlement agreement with Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied"), as reflected in the proposed agreement attached as **Exhibit A**, and to sign such documents, to take such actions as may be required to accomplish same, and to implement same, in the sole discretion of the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the settlement is fair and equitable to all interested parties and claimants (including all creditors of LAHC); that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement

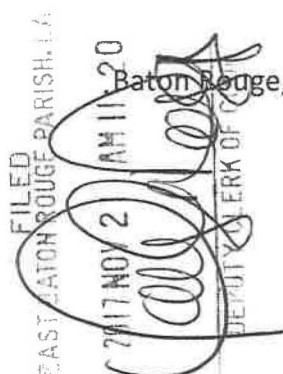
Agreement and to dismiss the claims asserted against the Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied") in the pending lawsuit with prejudice; that the Receiver has specific authority to execute the Settlement Agreement; that all creditors, claimants, and interested persons of the LAHC estate are and will be bound by the Settlement Agreement, and that the claims of LAHC estate creditors against Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied"), except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert, and except as reserved in the proposed settlement agreement, be and hereby are deemed released as a result of this Court's finding of the fairness of the settlement and this Court's approval of the settlement.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order on the Louisiana Department of Insurance website at www.lidi.la.gov ; Office Directory; Receivership; Domestic Receivers in receivership-Open; Louisiana Health Cooperative, Inc.; Receivership Pleadings, and that such notice shall be deemed sufficient notice to all interested persons or entities.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the motion of the Receiver to certify this judgment as a final judgment pursuant to Louisiana Code of Civil Procedure article 1915 be and hereby is granted and this judgment is certified as a final judgment for purposes of appeal.

The Court, in accordance with Louisiana Civil Code Article 1915, designates this as a final judgment by the Court after an express determination that there is no just reason for delay since the judgment rendered by the Court herein dismisses all claims in the recovery action as to Beam Partners, LLC ("Beam") and Allied World Surplus Lines Insurance Company fka Darwin Select Insurance Company ("Allied") with prejudice.

Baton Rouge, Louisiana, this 22 day of November, 2017.




DISTRICT COURT JUDGE DONALD JOHNSON

CERTIFIED TRUE AND
CORRECT COPY
NOV 27 2017
Sharon ubo
East Baton Rouge Parish
Deputy Clerk of Court

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing document has been forwarded via email to the email addresses provided, to the following:

J. E. Cullens, Jr.
Walters, Papillion, Thomas, Cullens, LLC
Counsel for James J. Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator of Louisiana Health Cooperative, Inc.
Cullens@lawbr.net

James A. Brown
Liskow & Lewis
Counsel for Buck Consultants, LLC
jabrown@liskow.com

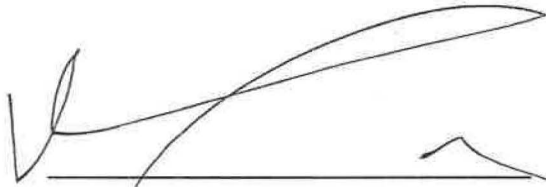
V. Thomas Clark, Jr.,
Adams and Reese, LLC
Counsel for Milliman, Inc.
Tom.clark@arlaw.com

Ted LeClerq
Deutsch Kerrigan, LLC
Counsel for Beam Partners, LLC
ted@deutschkerrigan.com

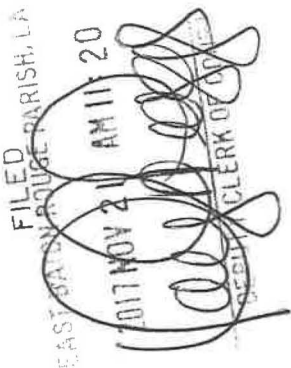
W. Brett Mason
Stone Pigman
Counsel for Group Resources, Inc.
bmason@stonepigman.com

Harry J. Phillips, Jr.,
Taylor Porter
Counsel for CGI Technologies and Solutions, Inc.
Skip.phillips@taylorporter.com

On this 20th day of NOVEMBER, 2017.



Michael Charles Guy



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) Beam Partners, LLC ("Beam") and its insurer.

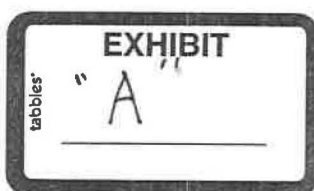
Beam and Rehabilitator in this Agreement are referred to collectively as the "Parties" and, at times, individually as a "Party."

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. Beam participated in the creation of LAHC.

B. On or about August 31, 2016, Rehabilitator filed a Petition for Damages and Jury Demand against Beam 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 (the "Amending Petition"). 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 Agreement (the "Second Amending Petition"). The above-referenced case, including the Original Petition, Amending Petition, and Second Amending Petition are collectively referred to in this Agreement as the "Litigation."

C. Allied World Surplus Lines Insurance Company f/k/a Darwin Select Insurance Company ("Allied World") issued the following professional liability insurance with employment practices liability coverage policy to Beam for the Policy Period 2016 to 2017.



- Policy number 0305-3847, (the "Policy").

It is stipulated and agreed by the parties hereto that Allied World's participation as a party to, and signatory of, this Agreement is solely in its capacity under the Policy as an insurer of Beam and other Insured Persons as defined therein, and that with respect to; 1. any release of Allied World herein, 2. any representation(s) by Allied World, 3. any release from Allied World, 4. any payment or other obligations assumed herein by Allied World, and 5. Any use of the term Allied World; they refer solely to this limited capacity and relate solely to the Policy and rights existing thereunder and pertaining to the Rehabilitator's claims in the Lawsuit and Allied World is not waiving, releasing, being released, paying limits under, or impacting any rights, duties or obligations it may have, or that others may have against it, under any other policy issued by Allied World, or any insurance company affiliated with Allied World, to any other person or entity. The Receiver's claims asserted in its Second Amended Petition against Allied World Specialty Insurance Company f/k/a Darwin National Assurance Company as the alleged insurer of entities other than Beam pursuant to an insurance policy(ies) other than the Policy, are not being released pursuant to this Agreement, and the Receiver fully reserves the right to pursue these separate claims against Allied World Specialty Insurance Company f/k/a Darwin National Assurance Company without limitation.

D. Beam and Allied World deny all liability to the Rehabilitator and to all other parties and entities, but instead choose to settle the disputed claims. Beam and Allied World likewise reserve all claims, rights, positions and defenses with regard to all other defendants and potential defendants.

E. The Parties have agreed to settle the Litigation.

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, Allied World, on behalf of Beam, has agreed to pay to the Rehabilitator the sum of Three Hundred Thirty-three Thousand, Three Hundred Thirty-Three and 33/100 (\$333,333.33) Dollars (the "Settlement Sum") under the Policy. The check or draft for Three Hundred Thirty-Three Thousand, Three Hundred Thirty-Three and 33/100 (\$333,333.33) Dollars shall be made payable to: "Louisiana Health Cooperative in Receivership."

1.2. Allied World's obligation to pay the Settlement Sum under the Policy shall only arise after (1) all Parties to this Agreement have signed the same prior to submission to the Court for approval; (2) the fully executed Agreement is submitted by Rehabilitator to the Court for approval; (3) the Agreement is Approved by the Court in the form of a signed Order; and (4) fifteen (15) days have elapsed from the date that counsel for Beam is provided a copy of the signed Order approving the Agreement by the Court in the Litigation Proceeding. In the event that the Court in the Litigation Proceeding 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 Court's Order, signed by all Parties, and resubmitted to the Court in the Litigation Proceeding for approval. All Parties acknowledge and agree that Allied World's obligation to pay the Settlement Sum is only triggered upon being provided a copy of the signed Order approving the final Agreement by the Court in the Litigation Proceeding.

1.3 Beam and Allied World have asserted no claims against LAHC and/or the Rehabilitator of any kind regarding LAHC; furthermore, Beam and Allied World are aware of no such claim which may exist against LAHC and/or the Rehabilitator regarding LAHC; and Beam and Allied World hereby agree not to assert any claim which may exist against LAHC and/or the Rehabilitator of any kind regarding LAHC in this Litigation and arising from or relating to the allegations against Beam in the Litigation.

2.0 Releases and Discharges.

2.1. Rehabilitator's Release and Discharge of Beam Partners, LLC

a. Except for the obligations imposed by this Agreement, the Rehabilitator hereby completely releases and forever discharges Beam, and its 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. The Rehabilitator's Release and Discharge of all Other Insured Persons under the Allied World Policy

a. Except for the obligations imposed by this Agreement and subject to the provisions of Paragraph 2.3, infra, the Rehabilitator hereby completely releases and forever discharges all persons, other than Beam, who qualify as an Insured Person, as that term is defined in the Policy ("Other Insured Persons"), and their respective agents, employees, directors, officers, owners, partners, members, managers, contractors, affiliated companies, representatives, attorneys, insurers, heirs, successors and assigns 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 are in any way related to LAHC or the Litigation.

2.3. 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. Beam and Allied World both represent that as of the effective date of this Agreement, they are unaware of any other applicable insurance policies for Beam. Rehabilitator further reserves its claims against all individuals or entities other than Beam, Other Insured Persons and Allied World, including but not limited to Atlantic Specialty Insurance Company, Zurich, RSUI Indemnity Company, One Beacon Professional Insurance, Evanston Insurance Company, CGI Technologies and Solutions, Inc., Group Resources Incorporated, Milliman, Inc., and Buck Consultants, LLC.

2.4. The Rehabilitator's Release of Allied World.

a. Except for the obligations imposed by this Agreement, the Rehabilitator hereby completely releases and forever discharges Allied World in its capacity specified in paragraph C. above, and its past, present, and future parent and subsidiary organizations, affiliates, partners, agents, servants, employees, shareholders, representatives, members, officers, directors, insurers, attorneys, predecessors, assigns, and successors 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 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 are in any way related to LAHC, the Litigation, or the Allied World Policy. The release stated in this Paragraph includes, but is not limited to, all past, present, and future claims, demands, 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 claims practice, unfair trade practice, or arising under any and all federal, state, and local laws and regulations, including La. R.S. § 22:1892 and La. R.S. § 22:1973 or the predecessors of those statutes.

2.5 Beam and Allied World's Release of Rehabilitator

a. Except for the obligations imposed by this Agreement, Beam and Allied World in its capacity specified in paragraph C. above, - 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, the Litigation, and the Allied World Policy. 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.

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 Beam 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. Beam's willingness to resolve this matter should not be construed as creating precedent under the Allied World Policy 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 disbursed, approval of this Agreement has been granted in the Litigation Proceeding, and counsel for all Parties have received a copy of the fully executed Agreement, counsel for the Parties shall jointly file a motion to dismiss with prejudice.

6.0 Mutual Limited Indemnity Between Beam 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 Beam 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 Beam 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 Beam 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 Beam, Other Insured Persons.

b. In the event that Beam or any person or entity controlled by Beam, 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 Beam's activities in connection with: i) LAHC; ii) the Rehabilitation Proceeding; iii) or the Litigation, then Beam shall defend, indemnify, and hold harmless the Rehabilitator from any such claim. The Rehabilitator 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 Beam does not control LAHC; other parties to the Litigation; or any governmental entity, including but not limited to the CMS, HHS and LDI, and that Beam 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 Beam shall be responsible only for limited indemnification as set forth in this paragraph for claims asserted by any person or entity controlled by Beam.

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 Allied World nor Beam, 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.

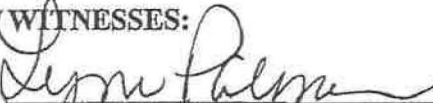
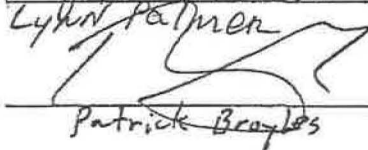
14.0 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Louisiana, without reference to its conflict of laws principles. This Agreement shall be deemed to have been made and entered into within the State of Louisiana, regardless of the order in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

15.0 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.

16.0 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 Release of Claims, fully understand it, and voluntarily execute it.

(WITNESSES:


Lynn Palmer

Patrick Brayles



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: Nov. 20, 2017

WITNESSES:

Tan Ahern
[Signature]

WITNESSES:

WORLD SURPLUS LINES
COMPANY in its

BEAM PARTNERS, LLC

By

[Signature]
IT'S MEMBER

ALLIED
INSURANCE

capacity as insurer of Beam Partners, LLC
under its Policy number 0305-3847, only.

By _____

WITNESSES:

BEAM PARTNERS, LLC
By _____

WITNESSES:

ALLIED WORLD SURPLUS LINES
INSURANCE COMPANY in its
capacity as insurer of Beam Partners, LLC
under its Policy number 0305-3847, only.

By _____