

## SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between the Office of the Attorney General of the State of Ohio (the "Ohio Attorney General"), on behalf of itself, the State of Ohio, and each of the Ohio public entities, departments, agencies, institutions, employee retirement systems and/or political subdivisions it represents in this Action, as listed in Exhibit A hereto (collectively, the "Plaintiff"), the Ohio Department of Insurance (the "Department"), and American International Group, Inc. ("AIG"), American Home Assurance Company, Chartis Casualty Company (f/k/a American International South Insurance Company), Commerce and Industry Insurance Company, The Hartford Steam Boiler Inspection and Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania and Illinois National Insurance Co. (collectively, the "AIG Defendants") (collectively, the Plaintiff, the Department and the AIG Defendants shall be referred to herein as the "Settling Parties").

WHEREAS, the Ohio Attorney General has conducted an investigation, having as its subject allegations that the AIG Defendants, acting in concert with others, restrained competition in Ohio markets for commercial casualty insurance by engaging in contracts, combinations or conspiracies in violation of Chapter 1331 of the Ohio Revised Code;

WHEREAS, the Department has conducted an investigation having as its subject allegations that the AIG Defendants engaged in conduct constituting a violation of Chapter 3901 of the Ohio Revised Code in that they: (a) allegedly falsified quotes at the request of brokers in order to facilitate the brokers' improper steering of business contrary to the interests of policyholders, and (b) by engaging in that alleged conduct, used misleading, unfair or deceptive practices in the conduct of the business of insurance within the State of Ohio (the Ohio Attorney

General's investigation and the Department's investigation are collectively referred to herein as the "Investigations");

WHEREAS, the AIG Defendants have entered into various settlements including: (a) settlements with the Attorney General of the State of New York and with the Superintendent of Insurance of the State of New York providing for payments to policyholders nationwide in the amount of Three Hundred Seventy-five Million Dollars (\$375,000,000), and (b) settlements with the Attorneys General of the States of Florida, Hawaii, Maryland, Michigan, Oregon, Texas, West Virginia, the Commonwealths of Massachusetts and Pennsylvania, and the District of Columbia, which collectively provided for a total payment in the amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000), in each case relating to allegations substantially similar to those that were the subject of the Investigations and the Action;

WHEREAS, on August 24, 2007, the Ohio Attorney General filed a complaint in the Court of Common Pleas, Cuyahoga County, Ohio, against the AIG Defendants, and various other insurer and broker entities, alleging that defendants restrained competition in Ohio markets for commercial casualty insurance, which complaint was captioned *State of Ohio v. American International Group, et al.*, No. 07-633857 (the "Action");

WHEREAS, the AIG Defendants, the Plaintiff and the Department wish to resolve any and all issues, allegations and/or claims based upon the acts, practices or courses of conduct of the AIG Defendants that were the subject of the Investigations or the Action;

WHEREAS, the AIG Defendants, the Plaintiff and the Department enter into this Settlement Agreement solely for the purpose of resolving any and all issues, allegations and/or claims relating to the AIG Defendants' acts, practices or courses of conduct that were the subject

of the Investigations or the Action; and this Settlement Agreement is not intended to be used for any other purpose;

WHEREAS, although the AIG Defendants deny that their activities have violated federal or state antitrust laws, applicable insurance laws or regulations, or any other applicable federal or state laws or regulations, and do not admit liability under any applicable laws or regulations by agreeing to this Settlement Agreement, the AIG Defendants agree to enter into this Settlement Agreement to avoid the uncertainty and expense of protracted litigation; and

WHEREAS, the AIG Defendants have adopted a number of significant business reforms that the AIG Defendants represent will have nationwide effect, including in the State of Ohio;

NOW THEREFORE, the AIG Defendants, the Plaintiff and the Department (collectively, the "Settling Parties") hereby enter into this Settlement Agreement and agree as follows:

#### **DEFINITIONS**

1. "AIG Releasees" refers collectively to the AIG Defendants and any of their affiliates, subsidiaries, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers.

2. "NYAG Agreement" refers to a certain agreement between AIG and its subsidiaries and the Attorney General of the State of New York ("NYAG") dated January 18, 2006 and an accompanying stipulation between AIG and the Superintendent of Insurance of the State of New York ("NYSI") dated January 18, 2006, relating to (i) an action commenced against AIG by the NYAG and NYSI dated May 26, 2005, captioned *The People of the State of*

*New York v. American International Group, Inc., Maurice R. Greenberg and Howard I. Smith*, Index No. 401720/2005, and an investigation by the NYAG and NYSI relating to same (the “NYAG Complaint”); (ii) an investigation by the NYAG and NYSI related to the alleged use of contingent commission agreements or placement service agreements to steer business; and (iii) an investigation by the NYAG and NYSI related to the alleged bid-rigging schemes.

3. “Producer” refers to an insurance broker or an independent insurance agent who offers insurance for a specific product or line from more than one insurer or affiliated group of insurers; *provided however*, that the term Producer does not include an insurance agent who is not an independent insurance agent.

4. “Compensation” refers to anything of material value given to a Producer including, but not limited to, money, credits, loans, forgiveness of principal or interest, vacations, prizes, gifts or the payment of employee salaries or expenses, provided that Compensation shall not mean customary, non-excessive meals and entertainment expenses.

#### **PAYMENT TO PLAINTIFF**

5. Within thirty (30) days of the exchange of a fully executed settlement agreement, the AIG Defendants shall pay or cause to be paid, by wire transfer, certified check or other guaranteed funds payable to the Ohio Attorney General the sum of Nine Million Dollars (\$9,000,000) (hereinafter the “AIG Settlement Funds”) in full and complete resolution of all claims that were asserted against the AIG Defendants in the Action or that were the subjects of the Investigations. The Settling Parties agree to pay their own costs. The AIG Settlement Funds shall not be characterized as a penalty, fine or punitive in nature.

6. The AIG Settlement Funds shall be distributed by the Ohio Attorney General pursuant to Ohio law and an order of the Cuyahoga County Common Pleas Court in this Action. The Ohio Attorney General will promptly move the Court for an Order allowing the distribution

of the AIG Settlement Funds. A proposed order is attached hereto as Exhibit C (excepting the Attachments to the proposed order, which are intentionally omitted herein). The AIG Defendants take no position with respect to the Ohio Attorney General's distribution of the AIG Settlement Funds, and will have no input on the Ohio Attorney General's proposed allocation of the AIG Settlement Funds. The Ohio Attorney General shall have sole responsibility for the allocation and distribution of the Settlement Funds, subject only to Court approval of the proposed allocation.

#### **CEASE AND DESIST**

7. The AIG Defendants shall not directly or indirectly knowingly offer or provide to any Producer any false, fictitious, artificial, "B" or "throw away" quote or indication. Nothing herein shall preclude the AIG Defendants from offering to provide or providing any quote or indication based upon bona fide business, actuarial or underwriting considerations as determined at the time the quote or indication is given.

8. The AIG Defendants shall not offer to pay or pay, directly or indirectly, any Producer any Compensation in connection with the Producer's solicitation of bids for the Producer's clients.

9. The AIG Defendants shall not engage in any agreement not permitted by applicable law to fix or stabilize prices, rig bids, allocate customers, or engage in any other similar anticompetitive conduct that constitutes a violation of applicable federal or state laws.

#### **BUSINESS REFORMS**

10. As provided in Paragraphs 5-8 and 10-11 of the Final Judgment By Consent between AIG and the Commonwealth of Pennsylvania entered by the Commonwealth Court of Pennsylvania on January 31, 2008 in the Civil Action No. 44 MD 2008 (the "Multi-state

Agreement”), the AIG Defendants shall undertake (or have already undertaken) a number of business reforms (“Business Reforms”).

11. The Business Reforms established by the Multi-state Agreement are hereby incorporated as if set forth fully herein and the AIG Defendants (other than The Hartford Steam Boiler Inspection and Insurance Company, which ceased to be a subsidiary of American International Group, Inc. on April 1, 2009) agree to implement any continuing Business Reforms obligations in Ohio in accordance with the laws of the State of Ohio during the term of the Multi-state Agreement.

#### **NON-ADMISSIBILITY OF AGREEMENTS AND PROCEEDINGS**

12. Nothing in this Settlement Agreement shall be admissible against any AIG Releasee or serve as the basis of any disqualification of any AIG Releasee for any license or privilege within the power of the Department to grant. However, nothing in this paragraph shall prohibit either the Ohio Attorney General or the Department from enforcing any provision of this Settlement Agreement.

#### **RELEASE AND COVENANT NOT TO SUE**

13. In consideration for the total payment of the AIG Settlement Funds, the Plaintiff and the Department hereby specifically release, waive and forever discharge the AIG Releasees from any and all claims, demands, debts, rights, causes of action or liabilities whatsoever, including known and unknown claims, now existing or hereafter arising, in law, equity or otherwise, whether under state, federal or foreign statutory or common law, and whether possessed or asserted directly, indirectly, derivatively, representatively or in any other capacity (collectively, “claims”), to the extent any such claims are based upon, arise out of or relate to, in whole or in part, (i) any of the allegations, acts, omissions, transactions, events, types of conduct or matters that were the subject of the Action or the Investigations; (ii) any of the allegations,

acts, omissions, transactions, events, types of conduct or matters that were the subject of the NYAG Complaint, described in the NYAG Agreement, or were subject to investigation by the NYAG and NYSI as referenced in the NYAG Agreement; (iii) any allegations, acts, omissions, transactions, events, types of conduct or matters that are the subject of *In re: Insurance Brokerage Antitrust Litigation*, MDL No. 1663, or the actions pending in the United States District Court for the District of New Jersey captioned *In re: Insurance Brokerage Antitrust Litigation*, Civ. No. 04-5184 (GEB), and *In re: Employee Benefits Insurance Brokerage Antitrust Litigation*, Civ. No. 05-1079 (GEB), or any related actions filed or transferred to the United States District Court for the District of New Jersey that are or were consolidated into either of the preceding Civil Action dockets; or (iv) any allegations of bid-rigging or of the use of contingent commission agreements or placement service agreements to steer business that are based upon, arise out of or relate to conduct by the AIG Releasees occurring on or before the date of this Settlement Agreement.

14. Notwithstanding anything set forth in the paragraph above, and except as provided below, it is expressly understood and agreed that the Plaintiff and the Department do not hereby release the claims asserted in the action brought by the Ohio Public Employees Retirement System, the Ohio State Teachers Retirement System and Ohio Police & Fire Retirement System (collectively "Lead Plaintiff") and other plaintiffs against AIG pending in the United States District Court for the Southern District of New York captioned *In re American International Group, Inc. Securities Litigation*, No. 04-cv-8141 (the "Securities Action") or any subsequent or collateral proceedings in connection therewith, including, but not limited to, any proceedings related to any potential or actual collection or levy in connection with the Securities Action; provided, however, that Lead Plaintiff agrees not to assert either in the Securities Action

or in any other action any claims against AIG under the Sherman Act, the Valentine Act, or any other state antitrust law that are in any way based on allegations contained in the Complaint in the Action or the NYAG complaint or that were the subject of the Investigations or the NYAG or NYSI investigation. In addition, neither the existence of this agreement nor its contents will be offered into evidence or otherwise referred to in any way in the Securities Action.

15. This Agreement in no way limits Lead Plaintiff in the Securities Action from basing any of the claims asserted in the Securities Action on allegations contained in the NYAG complaint or that were the subject of the NYAG or NYSI investigation, or from offering evidence in an attempt to prove those allegations in support of the claims asserted in the Securities Action.

16. It is expressly understood and agreed that Plaintiff does not hereby release, waive or discharge any claims asserted against any of the Defendants in the Action other than the AIG Defendants as defined above.

17. This Settlement Agreement shall also be deemed to be a covenant not to sue by the Plaintiff and the Department, and any breach of such covenant by the Plaintiff and the Department shall be deemed to be a material breach of this Settlement Agreement. Accordingly, the Plaintiff and the Department shall not initiate any proceeding (whether formal or informal) as to any AIG Releasee where the claim and/or proceeding is based upon the acts, practices or courses of conduct that were the subjects of the Investigations or the Action. However, nothing in this paragraph shall prohibit either the Ohio Attorney General or the Department from enforcing any provision of this Settlement Agreement.

18. The Ohio Attorney General and the Department shall terminate all investigations and inquiries against the AIG Defendants based upon the acts, practices or courses of conduct

that were the subjects of the Investigations or the Action. However, nothing in this paragraph shall prohibit the Lead Plaintiff from continuing to litigate their claims, both individually, and on behalf of a class, against the AIG Defendants in the Securities Action .

19. Nothing herein shall prevent or otherwise restrict the Department from pursuing regulatory action against the AIG Defendants for regulatory issues other than those that were the subjects of the Investigations or the Action.

#### **NOTICE OF DISMISSAL WITH PREJUDICE**

20. In consideration of the covenants undertaken herein by the Settling Parties, and in order to effectuate the Release as set forth herein, the Settling Parties agree that, within two (2) business days of payment in full by the AIG Defendants of all sums due under Paragraph 5 above, all of Plaintiff's claims against the AIG Defendants, shall be dismissed with prejudice and on the merits, and the Ohio Attorney General shall file a notice of dismissal with prejudice, attached hereto as Exhibit B, of all claims against the AIG Defendants in the Action. The Settling Parties will further cooperate to provide whatever additional documents may be necessary to terminate Plaintiff's claims against the AIG Defendants.

#### **CONTINUED COOPERATION**

21. The AIG Defendants agree to cooperate with the Ohio Attorney General in the Action in the authentication of documents produced by the AIG Defendants during the course of the Action and through the acceptance of deposition subpoenas for employees of the AIG Defendants. The AIG Defendants further agree to behave in good faith as would any impartial third party with respect to the Ohio Attorney General's pending claims against the remaining defendants in the Action.

22. In connection with any depositions of former employees of the AIG Defendants in the Action, the Ohio Attorney General agrees to provide the AIG Defendants with at least two (2) weeks notice of the date of the scheduling of such depositions. The Ohio Attorney General also agrees to use its best efforts to provide the AIG Defendants access to these depositions; the AIG Defendants may elect whether access should be provided via telephone or in person. Access to depositions, as contemplated by this paragraph, shall mean attendance by telephone or in person, but shall not imply a right of participation via questioning or cross-examination of the witness.

23. The Ohio Attorney General agrees to keep all documents or information produced by the AIG Defendants in the Action or the Investigations confidential pursuant to the terms of the November 21, 2008 Stipulated Protective Order (the "Protective Order"). The Ohio Attorney General also agrees to abide by the terms of the Protective Order with respect to the use of any documents or information in connection with any depositions in the Action.

#### **OTHER PROVISIONS**

24. The Settling Parties have entered into this Settlement Agreement in order to effect a compromise. Nothing in this Settlement Agreement shall be deemed or asserted to be an admission by the AIG Defendants of any liability in the Action, which liability is expressly denied.

25. This Settlement Agreement is the entire agreement among the Settling Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and/or written agreements and discussions.

26. If any paragraph, provision or subpart of this Settlement Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this

Settlement Agreement, such paragraph, provision or subpart shall be fully severable. In lieu thereof, there shall be added a paragraph, provision or subpart pursuant to Paragraph 27 as similar in terms to such illegal, invalid or unenforceable paragraph, provision or subpart as may be possible and be legal, valid and enforceable.

27. This Settlement Agreement may not be modified, changed, contradicted, added to, or altered in any way by any previous written or oral agreements or any subsequent oral agreements. This Settlement Agreement may be modified or amended only pursuant to an instrument in writing, executed and delivered on behalf of each party.

28. The fact that the AIG Defendants have entered into this Settlement Agreement is not intended to disqualify any AIG Releasee from engaging in any business in the State of Ohio or any other state. Nothing in this Settlement Agreement shall relieve the AIG Releasees from obligations imposed by any applicable state insurance law or regulation, or other applicable law.

29. This Settlement Agreement is not intended to and shall not confer any rights upon any persons or entities other than the Ohio Attorney General, the Department and the AIG Releasees.

30. Whenever this Settlement Agreement requires that notice be provided, such notice shall be provided by certified or registered mail, return receipt requested, postage prepaid or by hand delivery to:

*If to the Ohio Attorney General:*

Jennifer L. Pratt  
Chief, Antitrust Section  
Ohio Attorney General's Office  
150 E. Gay Street, 23rd Floor  
Columbus, Ohio 43215  
Telephone: (614) 466-4328  
Facsimile: (614) 995-0266

*If to the Ohio Department of Insurance:*

S. Craig Predieri  
Chief Legal Counsel  
Ohio Department of Insurance  
50 W. Town St., Suite 300  
Columbus, Ohio 43215  
Telephone: (614) 728-1273  
Facsimile: (614) 644-3742

*And*

W. Scott Myers  
Senior Assistant Attorney General  
Ohio Attorney General's Office  
Health and Human Services Section  
30 East Broad Street, 26th Floor  
Columbus, Ohio 43215  
Telephone: (614) 466-8177  
Facsimile: (614) 466-6090

*If to the AIG Defendants:*

Thomas S. Kilbane, Esq.  
Squire, Sanders & Dempsey, L.L.P.  
4900 Key Tower 127 Public Square  
Cleveland, OH 44114-1304  
Telephone: (216) 479-8500  
Facsimile: (216) 479-8780

*And*

Andrew R. Holland, Esq.  
General Counsel  
Chartis U.S., Inc.  
175 Water Street, 18th Floor  
New York, NY 10038  
Telephone: (212) 458-7005  
Facsimile: (212) 458-7080

31. This Settlement Agreement shall be governed by and interpreted according to the laws of the State of Ohio, excluding its conflict of laws provisions.

32. The Settling Parties acknowledge and agree that all matters relating to the enforcement and interpretation of this Settlement Agreement shall be subject to the jurisdiction

of the Court of Common Pleas, Cuyahoga County, Ohio. The Ohio Attorney General, the Department, and/or the AIG Defendants may enforce the terms of this Settlement Agreement by filing an action in the Court of Common Pleas, Cuyahoga County, Ohio.

33. This Settlement Agreement may be signed in counterparts, each of which shall constitute a duplicate original. Execution by facsimile or by an electronically transmitted signature shall be fully and legally binding on the Plaintiff, the Department and the AIG Defendants.

34. Nothing in this Settlement Agreement or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy sold, assumed or acquired by the AIG Releasees.

March 24, 2010

**ATTORNEY GENERAL OF THE STATE OF OHIO**

By: Jennifer L. Pratt  
Name: Jennifer L. Pratt  
Title: Chief, Arbitrator Section

March 24, 2010

**OHIO DEPARTMENT OF INSURANCE**

By: S. Craig Predieri  
Name: S. Craig Predieri  
Title: Chief Legal Counsel

March \_\_\_\_, 2010

**AMERICAN INTERNATIONAL GROUP, INC.**

By: \_\_\_\_\_  
Name:  
Title:

of the Court of Common Pleas, Cuyahoga County, Ohio. The Ohio Attorney General, the Department, and/or the AIG Defendants may enforce the terms of this Settlement Agreement by filing an action in the Court of Common Pleas, Cuyahoga County, Ohio.

33. This Settlement Agreement may be signed in counterparts, each of which shall constitute a duplicate original. Execution by facsimile or by an electronically transmitted signature shall be fully and legally binding on the Plaintiff, the Department and the AIG Defendants.

34. Nothing in this Settlement Agreement or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy sold, assumed or acquired by the AIG Releasees.

March 24, 2010

**ATTORNEY GENERAL OF THE STATE OF OHIO**

By: Jennifer L. Pratt  
Name: Jennifer L. Pratt  
Title: Chief, Antitrust Section

March 24, 2010

**OHIO DEPARTMENT OF INSURANCE**

By: S. Craig Predieri  
Name: S. Craig Predieri  
Title: Chief Legal Counsel

~~March~~ April, 2010

**AMERICAN INTERNATIONAL GROUP, INC.**

By: Kathleen Shannon  
Name: Kathleen Shannon  
Title: Senior Vice President and Secretary

March 30, 2010

**AMERICAN HOME ASSURANCE COMPANY**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 30, 2010

**NATIONAL UNION FIRE INSURANCE  
COMPANY OF PITTSBURGH, PA.**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 30, 2010

**CHARTIS CASUALTY COMPANY (f/k/a  
AMERICAN INTERNATIONAL SOUTH  
INSURANCE COMPANY**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

|

March 30, 2010

**COMMERCE AND INDUSTRY INSURANCE COMPANY**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 30, 2010

**NEW HAMPSHIRE INSURANCE COMPANY**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 30, 2010

**THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 30, 2010

**ILLINOIS NATIONAL INSURANCE CO.**

By: Andrew R Holland  
Name: Andrew R Holland  
Title: Senior Vice President  
General Counsel and Secretary

By: Martin Bogue  
Name: Martin Bogue  
Title: Assistant Secretary

March 31<sup>st</sup>, 2010

**THE HARTFORD STEAM BOILER INSPECTION  
AND INSURANCE COMPANY**

By: Nancy C. Onken  
Name: NANCY C. ONKEN  
Title: Executive V.P.

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

(Public Entities)

1. Bowling Green State University
2. Central State University
3. City of Cincinnati
4. City of Hamilton
5. Cleveland Municipal School District [a/k/a Cleveland Metropolitan School District]
6. Cleveland State University
7. Columbus Regional Airport Authority
8. Dayton Public Schools [a/k/a Dayton Board of Education]
9. Franklin County Convention Facilities Authority
10. Hamilton County
11. Hocking Technical College
12. Kent State University
13. Montgomery County
14. Northeastern Ohio Universities College of Medicine
15. Ohio Highway Patrol Retirement System
16. Ohio Public Employees Retirement System
17. Ohio Turnpike Commission
18. Ohio University
19. Rickenbacker Port Authority
20. School Employees Retirement System
21. The Ohio State University
22. Toledo City School District
23. University of Akron
24. University of Cincinnati
25. Wright State University
26. Youngstown State University

**EXHIBIT B**

(Notice of Voluntary Dismissal with Prejudice)

**IN THE COURT OF COMMON PLEAS  
CUYAHOGA COUNTY, OHIO**

STATE OF OHIO, ex rel. Richard  
Cordray, ATTORNEY GENERAL ,

Plaintiff,

v.

AMERICAN INTERNATIONAL  
GROUP, et al.,

Defendants.

Judge John J. Russo

Case No. CV 07 633857

**NOTICE OF VOLUNTARY DISMISSAL OF ALL CLAIMS AGAINST  
THE AIG DEFENDANTS WITH PREJUDICE**

Plaintiff, State of Ohio, the Ohio Attorney General, and each of the Ohio public entities, departments, agencies, institutions, employee retirement systems and/or political subdivisions it represents in this action, having resolved by agreement its disputes with defendants American International Group, Inc., American Home Assurance Company, Chartis Casualty Company (f/k/a American International South Insurance Company), Commerce and Industry Insurance Company, The Hartford Steam Boiler Inspection and Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania, and Illinois National Insurance Co. (collectively the "AIG Defendants") with no admission of liability, hereby voluntarily dismisses all its claims against the AIG Defendants with prejudice pursuant to Rule 41(A) of the Ohio Rules of Civil

Procedure, with each party to bear its own attorneys' fees and costs.

Dated: March \_\_\_, 2010

RICHARD A. CORDRAY

Attorney General of Ohio

By: \_\_\_\_\_

Jennifer L. Pratt (0038916)

Chief, Antitrust Section

Mitchell L. Gentile (0022274)

Principal Attorney, Antitrust Section

Ohio Attorney General's Office

150 E. Gay St., 23<sup>rd</sup> Floor

Columbus, Ohio 43215

(614) 466-4328

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing Notice of Voluntary Dismissal of all Claims Against the AIG Defendants With Prejudice has been furnished by U.S. Mail and electronic mail this \_\_\_\_ day of \_\_\_\_\_, 2010 to:

**[insert service list]**

\_\_\_\_\_  
Attorney

**EXHIBIT C**

**(Proposed Order of Dismissal and for Distribution of the AIG Settlement Funds)**

**IN THE COURT OF COMMON PLEAS  
CUYAHOGA COUNTY, OHIO**

State of Ohio, <i>ex rel.</i> Richard Cordray,	:	
Attorney General,	:	Case No. CV 07 633857
	:	
<i>Plaintiff,</i>	:	Judge John J. Russo
	:	
v.	:	
	:	
American International Group, <i>et al.</i> ,	:	
	:	
<i>Defendants.</i>	:	

**ORDER OF DISMISSAL AND FOR DISTRIBUTION OF THE AIG  
SETTLEMENT FUNDS**

Upon review and consideration of Plaintiff's Motion to Distribute the AIG Settlement Funds, and the Settlement Agreement dated March \_\_, 2010, entered into by and between the Office of the Attorney General of the State of Ohio (the "Ohio Attorney General"), on behalf of itself, the State of Ohio, and each of the Ohio public entities it represents in this action, the Ohio Department of Insurance, and American International Group, Inc., American Home Assurance Company, Chartis Casualty Company (f/k/a American International South Insurance Company), Commerce and Industry Insurance Company, The Hartford Steam Boiler Inspection and Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania and Illinois National Insurance Co., attached hereto as Attachment A (the "Settlement Agreement"), IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Court has jurisdiction over this action and each of the parties.

2. The AIG Settlement Funds, as that term is defined in the Settlement Agreement, shall be distributed by the Ohio Attorney General as follows: \$100,000.00 to the Ohio Department of Insurance for reimbursement of its investigative costs; \$850,000.00 to the Ohio Attorney General's antitrust fund for reimbursement of investigative and litigation costs pursuant to Ohio Revised Code § 109.82; \$805,000.00 to the Ohio Attorney General's antitrust fund as and for the statutory ten percent (10%) of this settlement recovery as prescribed by Ohio Revised Code § 109.82; \$3,245,000.00 to the Ohio public entities represented by the Ohio Attorney General in this action, which shall be divided among them in the amounts specified on the attached Attachment B; and \$4,000,000.00 to the Ohio Attorney General's antitrust settlement holding account to be maintained there for future disbursement by Order of, and in the sole discretion of, this Court along with other funds placed therein for disposition at the conclusion of this action.

3. The AIG Settlement Funds and the distributions set forth above as ordered by this Court shall not be characterized as a penalty, fine or punitive in nature.

4. The AIG Defendants listed above are dismissed with prejudice, each party to bear its own attorneys fees and costs.

IT IS SO ORDERED.

\_\_\_\_\_  
JUDGE JOHN J. RUSSO

DATED: \_\_\_\_\_