

INTER-COMPANY DISPUTE RESOLUTION AGREEMENT

It is the objective of the companies, which are now or may hereafter become signatories to this Agreement, to resolve disputes without litigation through senior management settlement discussions and/or Mediation. Accordingly, the undersigned hereby accepts and binds itself to the following principles for inter-company dispute resolution:

1. In consideration of the time and costs expended in litigation, the signatory companies desire to bind themselves to the terms and procedures outlined herein for inter-company dispute resolution.

2. Under the Agreement, signatories agree each case should be handled on its merits with the objective of finding the most efficient and just resolution to the dispute without consideration for any competitive market conditions that might give rise to anti-trust concerns.

3. Under the Agreement, signatories agree that a demand to settle within another signatory's limits should be made only when there is an honest, good faith belief that the demand represents a fair value.

4. Under the Agreement, signatories agree that they shall procure any and all relevant consents or permissions in advance of the dispute resolution proceedings where such consent or permission may be required.

5. Under the Agreement, signatories agree that they shall engage in dispute resolution proceedings hereunder reasonably and with proper motive, not arbitrarily, capriciously, or in a manner inconsistent with reasonable expectations of the parties.

6. Upon submission of any dispute described herein by any signatory company, the other signatory company(ies) involved in said dispute shall participate in the procedures of this Agreement including senior management settlement discussions and, if agreed, to Mediation for:

a. Any significant dispute or controversy, including insurance policy coverage and interpretations, between or among signatory companies involving any claim or other matter relating thereto and not excluded under paragraph 6.b below.

7. **Dispute Resolution Process:** Unless otherwise agreed upon by the parties to a dispute, the dispute resolution process shall be as follows:

a. **Senior Management Meeting:** First, in the event of any dispute to which this Agreement applies, the signatory companies agree to appoint members of management to consult and negotiate with each other without the presence of outside counsel, where possible and, recognizing their mutual interest and desire to avoid the expense and burden of time consuming litigation, attempt to reach a satisfactory solution.

b. **Mediation:** If the dispute cannot be settled within a period of 60 days of the last senior management meeting, the parties may agree to try in good faith to settle

the dispute by Mediation administered by CLM Resolution Group under the rules promulgated hereunder and as below.

8. **CLM Resolution Group.** Each signatory company shall appoint a senior executive to serve, on behalf of their company, as a member of CLM Resolution Group (the “Group”), and who shall act as a liaison to identify the appropriate person(s) at the company to participate in these dispute resolution proceedings and to oversee and guide the operation of this Agreement. The Group shall appoint an Executive Board of five (5) members to oversee the implementation and enforcement of this Agreement and the rules promulgated thereunder. The Executive Board will, in its discretion, meet annually to identify and address issues of the Agreement and rules promulgated thereunder.

9. **The CLM Resolution Group Executive.** The Claims and Litigation Management Alliance shall hire an appropriately experienced and competent Executive to administer the Agreement and perform those services necessary to accomplish the dispute resolution procedures set forth herein.

10. **Executive Board Authority.** The signatory companies agree that the Executive Board is authorized:

- a. To recommend to the Group, the making and enforcement of appropriate rules and regulations for the presentation and determination of disputes under this Agreement;
- b. To recommend to the Group, the adoption of a policy and process for the selection and appointment of Mediators to be carried out by the Executive;
- c. To decide appeals concerning the selection and appointment of Mediators, if any; and,
- d. To authorize and approve as signatories to this Agreement such insurance carriers as may be invited to participate in the Mediation and also to compel the withdrawal of any signatory from the program for failure to abide by the Agreement or the rules and regulations issued thereunder.

11. **Executive Authority.** The signatory companies agree that the Executive shall provide those services necessary to accomplish the dispute resolution procedures set forth herein including, without limitation, as follows:

- a. To select the Mediator by providing the parties with a list of five (5) or more potential Mediators, based upon their location, experience and other factors, from which the parties shall strike potential Mediators that have a conflict and rank the remaining choices for the Executive’s selection as the Mediator the highest remaining individual as ranked by the parties;

- c. To determine the location of any Mediation; and,
- d. To otherwise carry out the objective of the signatory companies' of cooperatively and efficiently resolving intra-company disputes without litigation.

12. **Fees.** There is no cost or fees for signatory companies.

13. Any signatory company may withdraw from this Agreement by notice in writing to the CLM Resolution Group. Such withdrawal shall be effective sixty (60) days after receipt of such notice.

14. Amendments to this Agreement may originate with any signatory or the CLM Resolution Group. Where 75 percent or more of the signatories adopt an amendment it shall be binding on all signatories effective on a date indicated by the CLM Resolution Group. The CLM Resolution Group shall set this date only after the Board is satisfied that more than 50 percent of the signatories have accepted.

15. This Agreement shall be binding only upon and between the insurers who signify their adherence thereto by lodging with the CLM Resolution Group a form as prescribed below:

The undersigned insurer(s) agree(s) to become an adherent to and to be bound by the said Agreement in accordance with its terms.

To: CLM Resolution Group

NAME OF INSURER(S) (List Companies Here)

Signed

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(Authorized Representative)

Dated

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If signing for group, please list companies on whose behalf you have executed this Agreement.

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