

CAUSE NO. 20-0754-C395

CONTINENTAL INSURANCE GROUP LTD., CONTINENTAL LTC INC., and CONTINENTAL GENERAL INSURANCE COMPANY	§	IN THE DISTRICT COURT
	§	
	§	Williamson County - 395th Judicial District Court
	§	
Plaintiffs	§	WILLIAMSON COUNTY, TEXAS
v.	§	
	§	
JAMES P. CORCORAN,	§	
	§	
	§	___ TH JUDICIAL DISTRICT
	§	
Defendant.	§	

PLAINTIFFS' ORIGINAL PETITION

Plaintiffs Continental Insurance Group Ltd. (“CIGL”), Continental LTC Inc. (“CLI”), and Continental General Insurance Company (“CGIC”) (collectively, “Continental”), by and through their undersigned counsel, hereby allege upon knowledge as to their own acts and upon information and belief as to the acts of others, as follows for their petition against Defendant James P. Corcoran:

NATURE OF THE ACTION

1. Continental brings this action against its former Executive Chairman, James P. Corcoran, for breaches of his fiduciary and contractual duties arising out of a secretive scheme to wrest control over Continental from its current sole shareholder, HC2 Holdings Inc. (“HC2”), through a campaign of subterfuge and lies. Mr. Corcoran, a longtime insurance executive, was hired by HC2 in 2015 to run its newly acquired Continental family of insurance companies. By 2019, however, Mr. Corcoran had abandoned his allegiances to both HC2 and the Continental companies he had been hired to lead and instead embarked on a campaign to line his own pockets at their expense.

2. As part of Mr. Corcoran's scheme, beginning in early 2019, he began soliciting parties to issue bids to purchase Continental's two insurance company subsidiaries—CGIC and CLI—without the knowledge of either CGIC's Board of Directors or HC2. When he was successful in generating potential bidders, Mr. Corcoran misrepresented to CGIC's Board and HC2 that all of the expressions of interest that he had engineered had been unsolicited. Through much of 2019, Mr. Corcoran ran this shadow sales process without keeping either CGIC's Board or HC2 properly informed.

3. Mr. Corcoran's goal was not to benefit either Continental or HC2, but rather to engineer a sale of CGIC and CLI to a buyer that would reward Mr. Corcoran financially. To that end, Mr. Corcoran selected his "preferred" bidders based not on who was prepared to make the highest or best bid for the company but rather upon who would promise to keep on Mr. Corcoran in a lucrative executive position following a sale.

4. When HC2 finally began learning in October 2019 of the true extent of Mr. Corcoran's undisclosed efforts to sell CGIC and CLI, it informed Mr. Corcoran that HC2 was not likely to be interested in selling CGIC or CLI and, in any event, that HC2 should be involved in all potential sale discussions. Mr. Corcoran ignored that directive, continuing his sales efforts undeterred. Moreover, shortly after HC2's admonition, Mr. Corcoran triggered an investigation by Continental's primary insurance regulator into HC2's involvement in the management of Continental. The fact that Mr. Corcoran triggered this regulatory investigation in the midst of his campaign to engineer the sale of CGIC and CLI suggests that it was motivated by his desire to pressure HC2 to change its position with regard to a sale of the companies.

5. When, in 2020, Mr. Corcoran continued to engage with potential bidders after having been specifically directed to cease from any further such efforts, he was given notice that

his employment was being terminated. Mr. Corcoran's vindictive campaign only continued from there, however, with him disclosing Continental's confidential information to third parties for the purpose of disparaging HC2 and its executives while aggrandizing himself.

6. This, along with other conduct by Mr. Corcoran described herein, constitutes repeated and flagrant violations of his fiduciary duties as an executive and director of Continental as well as breaches of his employment agreement. Continental, therefore, brings this action seeking an award of damages and injunctive relief requiring the return of certain electronic information owned by Continental that Mr. Corcoran was required to turn over after his termination.

PARTIES

7. Plaintiff Continental Insurance Group Ltd. is limited liability corporation organized under the laws of the State of Delaware with its principal place of business in New York, New York.

8. Plaintiff Continental LTC Inc. is a limited liability corporation organized under the laws of the State of Delaware with its principal place of business in Austin, Texas.

9. Plaintiff Continental General Insurance Company is a limited liability corporation organized under the laws of the State of Texas with its principal place of business in Austin, Texas.

10. Defendant James P. Corcoran is a citizen and resident of the State of New York.

JURISDICTION AND VENUE

11. The Court has subject matter jurisdiction as the amount in controversy is within the Court's jurisdictional limits.

12. The Court has personal jurisdiction over Mr. Corcoran pursuant to Texas Civil Practice and Remedy Code § 17.042 as Mr. Corcoran conducted substantial business in this County

and throughout Texas and directed communications and actions at issue in this suit to Continental in this County.

13. Venue is proper in this County pursuant to Texas Civil Practice and Remedy Code § 15.002. All or a substantial part of the events giving rise to this dispute occurred in this County.

DISCOVERY CONTROL PLAN

14. Discovery will be conducted under Level 2 of Texas Rule of Civil Procedure 190.3.

FACTUAL BACKGROUND

15. The Plaintiffs, referred to collectively as Continental, are comprised of CGIC and CLI, which provide life and long-term care insurance, and CIGL, which acts as an investment advisor to CGIC. CGIC is a wholly owned subsidiary of CLI, which is, in turn, a wholly owned subsidiary of CIGL. CLI acquired CGIC in December 2015 along with United Teacher Associates Insurance Company, which merged with and into CGIC effective December 31, 2016. In August 2018, CGIC acquired KMG America Corporation and Kanawha Insurance Company, which also merged with and into CGIC. Today, CGIC is the main insurance company in the Continental family.

16. Continental's sole shareholder and ultimate owner is HC2 Holdings, Inc., which acquired Continental in December 2015. HC2 is a publicly traded (NYSE: HCHC) diversified holding company founded in 1994 and headquartered in New York, New York. Two HC2 executives occupy seats on CGIC's Board of Directors. Although HC2 is Continental's sole shareholder, it does not manage or control Continental's day-to-day operations.

17. The Defendant, James P. Corcoran, is a longtime insurance executive, who previously served as the New York State Superintendent of Insurance.

18. When HC2 was considering its acquisition of Continental in 2015, it retained Mr. Corcoran to assist with its due diligence of the company. Given Mr. Corcoran's years of insurance

experience and his seeming eagerness to partner with Philip A. Falcone, HC2's President and Chief Executive Officer, to build Continental's business, Mr. Corcoran was selected to lead the company after the acquisition.

19. Starting in July 2015, Mr. Corcoran was hired to serve in numerous director and executive roles at Continental, including as the chairman, chief executive officer, and chief financial officer of CIGL and CLI, and as chairman and executive chair of CGIC. Following the expiration of his initial employment agreement, on June 5, 2018, Mr. Corcoran and CIGL entered into another employment agreement (the "Employment Agreement") to continue his employment in the above roles for a term set to expire on June 30, 2021. A true and correct copy of the Employment Agreement is attached as Exhibit A. Notwithstanding his formal employment by CIGL, Mr. Corcoran publicly described his role as the "Executive Chairman of the Insurance Unit of HC2."

20. Under the Employment Agreement, Mr. Corcoran was generously compensated by CIGL, with a base salary of \$500,000, an annual bonus of at least \$500,000, and a provision for potential additional bonuses, including a \$500,000 bonus should a certain Continental transaction successfully close. In addition, Mr. Corcoran received a \$1.26 million asset transaction bonus in 2019.

21. The Employment Agreement required Mr. Corcoran to "faithfully and diligently serve [CIGL]" and to "devote substantially all of his business time and attention to [CIGL] and its Affiliates and the promotion of its and their business and interests." Ex. A at § 3(b).

22. Mr. Corcoran further acknowledged in the Employment Agreement that any "Confidential Information obtained by [Mr. Corcoran] while employed hereunder by [CIGL] and its Affiliates is the property of [CIGL] or its Affiliates, as applicable" and that Mr. Corcoran "shall

not ... disclose, share, transfer or provide access to any unauthorized Person or use for [Mr. Corcoran's] own purposes ... any Confidential Information without the prior written consent of [CIGL]." *Id.* at § 8(a). "Confidential Information" is broadly defined to include "information, observations and data concerning [CIGL] and its Affiliates ... or any of their respective customers, suppliers or contractors" including a long list of examples such as "technical information or reports," "product sales records," "customer or investor lists," "product development, marketing and sales strategies," "contracts," and "supplier lists." *Id.* at § 8(b).

23. The Employment Agreement further provides that "all notes, memoranda, ... records, files, ... [or] documents ... relating to the businesses of [CIGL] ... in whatever form (including electronic), and all copies thereof ... are and shall remain the property of [CIGL] and its Subsidiaries or Affiliates, and [Mr. Corcoran] shall immediately return such property to [CIGL] upon the termination of [Mr. Corcoran's] employment hereunder." *Id.* at § 9.

24. The Employment Agreement also includes a "Nondisparagement" provision, which prohibits Mr. Corcoran from making any "remarks, comments or statements ... that impugn the character, honesty, integrity, morality, business acumen or abilities" of CIGL, its affiliates, Mr. Falcone, or any persons associated with his affiliated entities. *Id.* at §§ 11(a),(c).

25. Beyond the Employment Agreement, as a director of CIGL, CLI, and CGIC, Mr. Corcoran owed fiduciary duties to each of those companies. At the heart of those fiduciary duties were the duties of loyalty, care, and candor, which required Mr. Corcoran to act in Continental's and its shareholder's best interests by not placing his own interests ahead of Continental's or usurping any corporate opportunity for personal gain, and to be open and honest to the companies' boards and shareholder with respect to the fulfillment of his responsibilities.

26. Notwithstanding these contractual and fiduciary duties, beginning in or around 2019, Mr. Corcoran embarked on a secretive scheme to abuse his positions at Continental to personally enrich himself at the expense of Continental's ultimate shareholder and to misuse Confidential Information from Continental to serve his own personal purposes.

27. At the center of Mr. Corcoran's scheme was an illicit plan to wrest control of CGIC and CLI for his own personal benefit by pressuring Continental's shareholder, HC2, into agreeing to divest itself of CGIC and CLI through a sale of the companies that would deliver undisclosed windfall rewards to Mr. Corcoran.

28. First, in early 2019, Mr. Corcoran embarked on an illicit campaign to generate bidders for a sale of CGIC and CLI. He did so by utilizing his own professional contacts in the insurance industry to solicit interest in a potential acquisition of CGIC and CLI. In making those solicitations, and in violation of his Employment Agreement, Mr. Corcoran disparaged Mr. Falcone and HC2 to potential acquirers by claiming that their ownership of CGIC was a hindrance to its performance and that its business would improve with a new owner. At the same time, Mr. Corcoran touted his own abilities to lead Continental into the future, with the goal of securing personal financial benefits to himself through any sale of CGIC and CLI.

29. After Mr. Corcoran was successful in his illicit campaign to generate interest from potential acquirers of CGIC and CLI, he then misrepresented to both CGIC's Board of Directors and HC2 (which had two members on CGIC's Board) that Continental had received *unsolicited* inquiries from these potential buyers.

30. In the summer of 2019, Mr. Corcoran continued his shadow campaign to engineer a sale of the companies. He directed CGIC's chief executive officer to create a "data room" where potential bidders could access confidential Continental business information. Beginning in late

July 2019, Mr. Corcoran caused CGIC to enter into non-disclosure agreements with eight prospective buyers who were then provided access to the data room. Mr. Corcoran also caused CGIC to engage an actuarial firm, Milliman, to conduct an appraisal of Continental.

31. Notwithstanding his obligation to act in the best interests of HC2 as Continental's shareholder, Mr. Corcoran concealed the extent of the sales process he was running from CGIC's Board of Directors, which included HC2's representatives. For example, notwithstanding his attendance at CGIC's board meetings at which strategic acquisitions were regularly discussed, Mr. Corcoran did not report until many months after the fact that he had caused the company to start entering into non-disclosure agreements with potential bidders in late July and had retained an actuarial firm to conduct an appraisal of the company.

32. Beyond failing to report information to CGIC's Board or HC2 about the sales process that he was running, Mr. Corcoran also took steps to ensure that no other Continental executives reported it either. For example, Mr. Corcoran directed CGIC's chief executive officer that he was not to respond to contacts from HC2. He similarly directed CGIC's chief financial officer not to discuss the sales process with certain HC2 employees.

33. Moreover, Mr. Corcoran also kept even these Continental executives in the dark with regard to important parts of the sales process that he was running. Most notably, Mr. Corcoran ensured that the vast majority of the communications with any of the potential bidders were with him and him alone. From those communications—which no other Continental executives participated in—Mr. Corcoran generated a short list of “preferred” bidders whose bids would be considered for presentation to HC2. Based upon Mr. Corcoran's statements to other Continental executives, however, it was apparent that the criteria for being considered one of Mr. Corcoran's “preferred” bidders was not the anticipated amount of the bid or any other benefit to Continental

regulators to manage or control Continental's day-to-day operations or to influence its decision-making. And, as a result, both HC2 and Mr. Falcone were assiduously careful to avoid any involvement in Continental's day-to-day operations that would run afoul of those restrictions. Indeed, it was partly as a result of that strict compliance with regulatory requirements that Mr. Corcoran was able to engage in his shadow sales process without detection by HC2 for as long as he did.

37. Notwithstanding HC2's and Mr. Falcone's compliance with all of their regulatory requirements, in December 2019, Mr. Corcoran—without prior notice to CGIC's Board of Directors or HC2—took it upon himself to contact Continental's primary insurance regulator, the Texas Department of Insurance ("TDI"), alerting TDI of information that Mr. Corcoran believed would—and, in fact, did—trigger an examination of HC2's and Mr. Falcone's involvement in Continental. To date, the ensuing inquiry has not yielded any reported findings by TDI of any improper influence by HC2 or Mr. Falcone on Continental's business.

38. The existence of the examination has nonetheless substantially increased the costs and inconvenience for HC2's continued ownership of Continental. Indeed, the TDI investigation has already cost CGIC substantial revenue by delaying, if not preventing, filed rate increases. This raises the specter that Mr. Corcoran's report to TDI was motivated not by any concern for the best interests of Continental—which have been financially harmed by the inquiry—but rather as a cynical tactic to pressure HC2 and Mr. Falcone into reconsidering their desire to maintain their ownership of CGIC and CLI and instead to sell the companies to one of the "preferred" bidders generated by Mr. Corcoran's shadow sale process.

39. In January 2020, after learning that Mr. Corcoran had continued to engage with potential bidders, HC2's management asked Mr. Corcoran to attend a January 31 meeting and

conference call with Mr. Falcone, HC2's Chief Legal Officer, outside counsel, and several HC2 board members, during which Mr. Falcone instructed Mr. Corcoran that he should cease any further activity with regard to a potential sale of CGIC and CLI. Mr. Falcone further directed Mr. Corcoran to turn over all information he had gathered to date regarding potential acquisition interest to HC2 so that its Chief Legal Officer could manage any further sales process going forward.

40. Despite Mr. Falcone's clear directive, Mr. Corcoran chose to maintain his ongoing contact with at least one of his "preferred" bidders after the January 31 call. Moreover, Mr. Corcoran also expanded his vindictive campaign against HC2 by purposefully disclosing Continental's Confidential Information to third parties for the purpose of , and in conjunction with, disparaging HC2 and Mr. Falcone.

41. On April 2, 2020, two members of HC2's Board of Directors notified Mr. Corcoran that CIGL was terminating his Employment Agreement and that he was being removed from his various director and executive roles at CIGL, CLI, and CGIC.

42. Pursuant to the terms of the Employment Agreement described above, Mr. Corcoran's termination triggered an obligation to immediately return any Continental property in his possession, including electronic copies of any records or files. *See* Ex. A at § 9. Mr. Corcoran failed to do so, instead holding Continental's own property hostage in order to seek more favorable terms for his termination than those to which he is entitled, including a large cash severance payment. While Mr. Corcoran has now represented that he intends to provide Continental with a copy of its property in his possession—including confidential Continental e-mail communications and records on his personal devices and e-mail accounts that he used for Continental business—he has yet to do so and has furthermore insisted that he intends to retain a

copy of Continental's Confidential Information notwithstanding having no legal entitlement to do so.

43. Continental, therefore, brings this action seeking an award of damages, disgorgement, and injunctive relief against Mr. Corcoran for his repeated and flagrant breaches of his fiduciary and contractual duties.

COUNT I

BREACH OF DUTY OF LOYALTY

(On Behalf Of All Plaintiffs)

44. Continental repeats and re-alleges paragraphs 1 through 43 with the same force and effect as if fully stated herein.

45. Mr. Corcoran was employed as a director and senior executive of CIGL, CLI, and CGIC and owed duties of loyalty and utmost good faith in the performance of his duties. Mr. Corcoran's duties included, among other things, a duty not to engage in self-dealing and a duty not to work adversely to Continental's interests.

46. Mr. Corcoran, willfully and in bad faith, acted disloyally, dishonestly, and adversely to Continental, including when he:

- i. Engaged in a secret and self-dealing campaign to engineer a sale of CGIC and CLI;
- ii. Disparaged Mr. Falcone and HC2 to potential CGIC and CLI acquirers;
- iii. Directed Continental executives not to communicate with HC2 in order to conceal his self-dealing;
- iv. Reported information to TDI that triggered an examination of HC2's and Mr. Falcone's involvement in Continental to pressure HC2 and Mr. Falcone to sell CGIC and CLI;

v. Defied direction from HC2 to cease all action related to the CGIC and CLI sale and continued to pursue potential bidders;

vi. Retained copies of Continental's property in his possession after the termination of his employment; and

vii. Disclosed Continental's Confidential Information to third parties for the purpose of disparaging HC2 and Mr. Falcone.

47. Mr. Corcoran's actions were for his own interest and financial gain. Upon information and belief, discovery will uncover diversions of corporate opportunities from Continental to Mr. Corcoran during the course of his employment, which are not known to Continental at this time due to the nature of Mr. Corcoran's secretive, self-dealing acts.

48. Mr. Corcoran's actions adverse to Continental and his failure to disclose his own personal interests influencing his conduct violated his duties of loyalty and good faith to Continental.

49. Mr. Corcoran's actions adverse to his employer substantially violated his Employment Agreement, which required that he "use [his] reasonable good faith efforts to faithfully and diligently serve [CIGL]." Ex. A at § 3(b).

50. Mr. Corcoran's actions adverse to Continental further violated the Employment Agreement's requirement that he refrain from making any "remarks, comments or statements ... that impugn the character, honesty, integrity, morality, business acumen or abilities" of CIGL, its affiliates, Mr. Falcone, or any persons associated with his affiliated entities. *Id.* at §§ 11(a), (c).

51. Mr. Corcoran knew that his disloyal actions were adverse to and would harm Continental, not least because he acknowledged in his Employment Agreement that Continental "would be seriously damaged by disclosure of Confidential Information and the loss or

deterioration of its business strategies, employee and customer relationships and goodwill.” *Id.* at § 6(a).

52. Mr. Corcoran’s willful actions adverse to Continental demonstrate a troubling pattern of disloyalty, dishonesty, and active disregard for his duties and obligations to Continental.

53. By reason of Mr. Corcoran’s willful actions adverse to its interests, Continental suffered damages. As a result, Mr. Corcoran is required to forfeit all compensation he received from Continental from the first day he breached his duties, including any incentive compensation.

54. Continental is entitled to disgorgement, punitive, and compensatory damages, in an amount to be determined at trial, equal to the amount of payments made to Mr. Corcoran for the period during which he was acting disloyally and unethically.

COUNT II

BREACH OF FIDUCIARY DUTY

(On Behalf Of All Plaintiffs)

55. Continental repeats and re-alleges paragraphs 1 through 54 with the same force and effect as if fully stated herein.

56. Mr. Corcoran was employed as a director and senior executive of CIGL, CLI, and CGIC and, occupying those positions of trust and confidence, owed fiduciary duties to Continental.

57. Separate and apart from Mr. Corcoran’s contractual obligations, he owed express and implied fiduciary duties to Continental, including, to act with the requisite skill, care, honesty, and loyalty, and for the benefit of his fiduciaries, and not in his own self-interest.

58. As Executive Chairman of a wholly owned subsidiary, Mr. Corcoran also owed a duty to manage the affairs of the subsidiary in the best interests of its parent and sole shareholder, HC2.

59. Mr. Corcoran breached those duties when he:

- i. Engaged in a secret and self-dealing campaign to engineer a sale of CGIC and CLI;
- ii. Disparaged Mr. Falcone and HC2 to potential CGIC and CLI acquirers;
- iii. Directed Continental executives not to communicate with HC2 in order to conceal his self-dealing;
- iv. Reported information to TDI that triggered an examination of HC2's and Mr. Falcone's involvement in Continental to pressure HC2 and Mr. Falcone to sell CGIC and CLI;
- v. Defied direction from HC2 to cease all action related to the Continental sale and continued to pursue potential bidders;
- vi. Retained copies of Continental's property in his possession after the termination of his employment; and
- vii. Disclosed Continental's Confidential Information to third parties for the purpose of disparaging HC2 and Mr. Falcone.

60. Mr. Corcoran's actions were for his own interest and financial gain. Upon information and belief, discovery will uncover diversions of corporate opportunities from Continental to Mr. Corcoran during the course of his employment, which are not known to Continental at this time due to the nature of Mr. Corcoran's secretive, self-dealing acts.

61. As a direct and proximate result of Mr. Corcoran's breaches of his fiduciary duties, Continental suffered pecuniary harm in an amount to be determined at trial.

COUNT III

**BREACH OF CONTRACT
SEEKING DAMAGES**

(On Behalf Of Plaintiff Continental Insurance Group Ltd.)

62. Continental repeats and re-alleges paragraphs 1 through 61 with the same force and effect as if fully stated herein.

63. On June 5, 2018, Mr. Corcoran entered into the Employment Agreement with CIGL to act as a director and senior executive of CIGL, CLI, and CGIC. The Employment Agreement is a binding and enforceable contract, which imposes legal obligations on Mr. Corcoran.

64. The Employment Agreement required Mr. Corcoran to “faithfully and diligently serve [CIGL]” and to “devote substantially all of his business time and attention to [CIGL] and its Affiliates and the promotion of its and their business and interests.” Ex. A at § 3(b).

65. Mr. Corcoran further acknowledged in the Employment Agreement that “Confidential Information obtained by [Mr. Corcoran] while employed hereunder by [CIGL] and its Affiliates is the property of [CIGL] or its Affiliates, as applicable” and that Mr. Corcoran “shall not ... disclose, share, transfer or provide access to any unauthorized Person or use [Mr. Corcoran’s] own purposes ... any Confidential Information without the prior written consent of [CIGL].” *Id.* at § 8(a). “Confidential Information” is broadly defined to include “information, observations and data concerning [CIGL] and its Affiliates ... or any of their respective customers, suppliers or contractors” including a long list of examples such as “technical information reports,” “product sales records,” “customer or investor lists,” “product development, marketing and sales strategies,” “contracts,” and “supplier lists.” *Id.* at § 8(b).

66. The Employment Agreement also includes a “Nondisparagement” provision, which prohibited Mr. Corcoran from making any “remarks, comments or statements ... that impugn

character, honesty, integrity, morality, business acumen or abilities” of CIGL, its affiliates, Mr. Falcone, or any persons associated with his affiliated entities. *Id.* at §§ 11(a), (c).

67. Mr. Corcoran’s actions are a flagrant breach of the Employment Agreement. Specifically, Mr. Corcoran violated the terms of the Employment Agreement when he:

- i. Engaged in a secret and self-dealing campaign to engineer a sale of CGIC and CLI;
- ii. Disparaged Mr. Falcone and HC2 to potential CGIC and CLI acquirers;
- iii. Directed Continental executives not to communicate with HC2 in order to conceal his self-dealing;
- iv. Reported information to TDI that triggered an examination of HC2’s and Mr. Falcone’s involvement in Continental to pressure HC2 and Mr. Falcone to sell CGIC and CLI;
- v. Defied direction from HC2 to cease all action related to the CGIC and CLI sale and continued to pursue potential bidders; and
- vi. Disclosed Continental’s Confidential Information to third parties for the purpose of disparaging HC2 and Mr. Falcone.

68. Mr. Corcoran acknowledged that he had “carefully read this Agreement and has given careful consideration to the restraints imposed upon [him] by this Agreement, and is in full accord as to the necessity of such restraints for the reasonable and proper protection of [CIGL’s] Confidential Information.” *Id.* at § 6(c).

69. As a direct and proximate result of Mr. Corcoran’s breaches of his Employment Agreement, Continental suffered pecuniary harm.

COUNT IV

**BREACH OF CONTRACT
SEEKING INJUNCTIVE RELIEF**

(On Behalf Of Plaintiff Continental Insurance Group Ltd.)

70. Continental repeats and re-alleges paragraphs 1 through 69 with the same force and effect as if fully stated herein.

71. On June 5, 2018, Mr. Corcoran entered into the Employment Agreement with CIGL to act as Executive Chairman of CIGL, CLI, and CGIC. The Employment Agreement is a binding and enforceable contract, which imposes legal obligations on Mr. Corcoran.

72. Mr. Corcoran acknowledged in the Employment Agreement that any “Confidential Information obtained by [Mr. Corcoran] while employed hereunder by [CIGL] and its Affiliates is the property of [CIGL] or its Affiliates, as applicable” and that Mr. Corcoran “shall not ... disclose, share, transfer or provide access to any unauthorized Person or use for [Mr. Corcoran’s] own purposes ... any Confidential Information without the prior written consent of the [CIGL].” *Id.* at § 8(a). “Confidential Information” is broadly defined to include “information, observations and data concerning [CIGL] and its Affiliates or any of their respective customers, suppliers or contractors” including a long list of examples such as “technical information or reports,” “product sales records,” “customer or investor lists,” “product development, marketing and sales strategies,” “contracts,” and “supplier lists.” *Id.* at § 8(b).

73. The Employment Agreement also includes a “Nondisparagement” provision, which prohibits Mr. Corcoran from making any “remarks, comments or statements ... that impugn the character, honesty, integrity, morality, business acumen or abilities” of CIGL, its affiliates, Mr. Falcone, or any persons associated with his affiliated entities. *Id.* at § 11(a).

74. The Employment Agreement provides that “all notes, memoranda, ... records, files, ... [or] documents ... relating to the businesses of [CIGL] ... in whatever form (including electronic), and all copies thereof ... are and shall remain the property of [CIGL] and its Subsidiaries or Affiliates, and [Mr. Corcoran] shall immediately return such property to [CIGL] upon the termination of [Mr. Corcoran’s] employment hereunder.” *Id.* at § 9.

75. Mr. Corcoran acknowledged that he had “carefully read this Agreement and has given careful consideration to the restraints imposed upon [him] by this Agreement, and is in full accord as to the necessity of such restraints for the reasonable and proper protection of [CIGL and its affiliates’] Confidential Information.” *Id.* at § 6(c).

76. Mr. Corcoran further agreed that CIGL may be entitled to “injunctive relief (including ... permanent injunctions) in any court of competent jurisdiction for any actual or threatened breach” of the above provisions “without the necessity of showing economic loss or other actual damage” *Id.* at § 13.

77. Mr. Corcoran has disclosed Continental’s Confidential Information to third parties without the prior written consent of CIGL for the purpose of, and in conjunction with, disparaging HC2 and Mr. Falcone.

78. CIGL notified Mr. Corcoran of his termination on April 2, 2020, and directed him to immediately return all property belonging to Continental, including any property in electronic form.

79. CIGL further notified Mr. Corcoran that failure to return Continental’s property would result in a material breach of the terms of his Employment Agreement.

80. Mr. Corcoran failed to return Continental’s property—including confidential Continental e-mail communications and records on his personal devices and e-mail accounts that

he used for Continental business—instead seeking to hold it hostage in exchange for more favorable terms for his termination than those to which he is entitled. He has furthermore insisted that he will retain copies of Continental’s property in his possession even though he has no entitlement to do so.

81. As a direct and proximate result of Mr. Corcoran’s breaches of the provisions of his Employment Agreement concerning the protection of Continental’s Confidential Information, the prohibition on disparaging statements, and the return of Continental’s property, Continental has and will suffer harm that is not compensable in damages.

82. Continental is entitled to injunctive relief requiring specific performance of Mr. Corcoran’s obligation to return any and all copies of Continental e-mails and any other Continental property in his possession, except as to the records Continental agrees he may retain, and enjoining Mr. Corcoran from using Continental’s e-mails, property, or any of Continental’s Confidential Information without Continental’s consent or making any disparaging statements about CIGL, HC2, Mr. Falcone or their affiliates.

ATTORNEYS’ FEES

83. Pursuant to Texas Business & Commercial Code § 24.013 and Texas Civil Practice & Remedies Code § 134.005, Continental requests its reasonable attorneys’ fees and costs necessarily expended in this matter.

RULE 194 REQUEST FOR DISCLOSURE

84. Pursuant to Texas Rule of Civil Procedure 194, Mr. Corcoran is hereby requested to disclose, within fifty (50) days of service of this request, all information or material described in Rule 194.2.

JURY TRIAL

85. Pursuant to Rule 216 of the Texas Rules of Civil Procedure, Continental hereby requests a trial by jury on those Counts for which a jury trial may be held and tenders the required jury fee.

PRAYER FOR RELIEF

WHEREFORE, Continental respectfully request that this Court enter judgment against Mr. Corcoran for the following:

- A. General damages over and above \$1,000,000 in an amount to be determined at trial;
- B. Special damages in an amount to be proven at trial;
- C. Punitive damages in an amount to be proven at trial, but not less than four times the amount of general and special damages combined, to deter Mr. Corcoran from repeating his unlawful conduct;
- D. An injunction ordering disgorgement of Mr. Corcoran's profits and payments from Continental for the period during which he was disloyal, dishonest, and unethical;
- E. An injunction requiring specific performance of Mr. Corcoran's obligation to return all Continental e-mails and any other Continental property in his possession and enjoining Mr. Corcoran from using Continental's e-mails, property, or any of Continental's Confidential Information or making any disparaging statements about CIGL, HC2, Mr. Falcone or their affiliates;
- F. Attorneys' costs and fees incurred by Continental in this action; and
- G. Any other relief this Court deems just and proper.

DATED: May 20, 2020

Respectfully Submitted,



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Exhibit A

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of June 5, 2018 is entered into by and between Continental Insurance Group Ltd. (the "Company") and James P. Corcoran ("Executive").

WHEREAS, the parties previously entered into that certain employment agreement dated July 1, 2015 (the "Prior Employment Agreement") and the term of that agreement expires on June 30, 2018; and

WHEREAS, the Company has offered to continue to employ Executive, and Executive has agreed to continue to be employed by the Company, in each case pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as set forth below:

1. Term; Effectiveness.

(a) Subject to the terms and conditions of this Agreement, the Company agrees to continue to employ Executive, and Executive agrees to continue to be employed by the Company, for a term commencing June 5, 2018, and ending June 30, 2021 (the "Term"). If the transaction contemplated by the Stock Purchase Agreement dated November 6, 2017 between Humana, Inc. and Continental General Insurance Company (the "Humana Transaction") is unable to close on or prior to June 30, 2019, then the Company may elect to terminate Executive's employment under this Agreement by providing notice to Executive within 75 days following the earlier to occur of (i) June 30, 2019, or (ii) any termination of the Humana Transaction (an "Early Termination").

(b) If Executive continues in employment with the Company or any of its Affiliates following the End Date (as defined below), such employment shall not be pursuant to this Agreement unless the parties otherwise agree in writing. For purposes of this Agreement, the "End Date" shall mean June 30, 2021, or, if the Company effectuates an Early Termination, then the "End Date" shall mean the later of: (i) June 30, 2019, and (ii) 30 days following the date of the notice of termination given to Executive by the Company in connection with such Early Termination.

2. Definitions. For purposes of this Agreement, the following terms, as used herein, shall have the definitions set forth below.

(a) "Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, provided that, in any event, any business in which the Company has a direct or indirect ownership interest of more than five (5) percent shall be treated as an Affiliate of the Company.

(b) "Board" means the Board of Directors of the Company.

(c) “Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(d) “Person” means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental or regulatory body or other entity.

(e) “Subsidiary” means, with respect to any Person, (i) any corporation of which at least a majority of the voting power with respect to the capital stock is owned, directly or indirectly, by such Person, any of its other Subsidiaries or any combination thereof or (ii) any Person other than a corporation in which such Person, any of its other Subsidiaries or any combination thereof has, directly or indirectly, at least a majority of the total equity or other ownership interest therein or (iii) any other Person Controlled by such Person; provided that, in any event, any business in which the Company has a direct or indirect ownership interest of more than five (5) percent shall be treated as a Subsidiary of the Company.

(f) “Termination Date” means the last day that Executive is employed by the Company. For the avoidance of doubt, the Termination Date shall mean the last date of employment, whether such day is selected by mutual agreement with Executive or unilaterally by the Company or by Executive and whether with or without advance notice in accordance with this Agreement.

3. Duties and Responsibilities.

(a) During the Term, Executive shall serve as the Executive Chair of the Company and as the Executive Chairman of its subsidiary, Continental General Insurance Company (“Continental General”) and shall in such capacity report directly to the Board. Executive shall perform such duties and functions as may be assigned to Executive from time to time by the Board. Executive shall comply with all proper and reasonable directives and instructions of the Board.

(b) Executive agrees to be employed by the Company and be actively engaged in the business and activities of the Company and its Affiliates during the Term, and to devote substantially all of his business time and attention to the Company and its Affiliates and the promotion of its and their business and interests that is reasonably required for the full performance of Executive’s duties and responsibilities hereunder. During the Term, Executive shall use Executive’s reasonable good faith efforts to faithfully and diligently serve the Company, and shall use his reasonable best efforts to ensure that the business and activities of the Company and its Subsidiaries are conducted in compliance with all applicable laws, rules and regulations in all material respects.

(c) Executive agrees to serve on the board of Continental General and the board of any other Subsidiary of the Company and any board committees to which he is appointed, without additional compensation. Executive further agrees not to voluntarily resign from any such board during the Term, except that on the Termination Date Executive shall

immediately resign from the Board and all boards of directors of any Subsidiaries on which he then is serving.

(d) Executive may during the Term (i) serve on the boards of directors of non-profit organizations and participate in charitable, civic, educational, governmental, professional, community or industry affairs, (ii) subject to notifying the Board and the Board's consent thereto (not to be unreasonably withheld), accept appointment to or continue to serve on any board of directors or advisory committee of any business corporation (Executive has previously disclosed to the Company all such entities with which Executive is currently so affiliated), (iii) continue to represent existing clients on existing matters in his practice as insurance consultant and expert, this in acknowledgement of the fact that Executive's practice enhances his value to the Company and its Affiliates, and (iv) accordingly, subject to consent of the Board (not to be unreasonably withheld) Executive will be permitted to be retained to render services as an insurance consultant/expert to Persons other than the Company and its Affiliates. Executive's engaging in the activities described in this Section 3(d) is subject to three conditions: (i) these activities, in the aggregate, do not materially interfere with his performing his duties for the Company; (ii) Executive does not violate Section 7 of this Agreement (Non-Competition and Non-Solicitation); and (iii) there is no conflict of interest between these activities and the Company's interests.

4. Compensation and Related Matters.

(a) Base Compensation. During the Term, for services rendered under this Agreement, Executive shall be paid base salary at a rate of \$500,000 per annum ("Base Salary"), payable in accordance with payroll practices applicable to similarly situated executives of the Company.

(b) 2017 Bonus. The Company shall pay Executive a bonus in cash for the period July 1, 2017 through June 30, 2018, in the amount of \$500,000, less all applicable taxes and withholding (the "2017 Bonus"), to be paid on or before June 30, 2018. The parties agree that the 2017 Bonus will satisfy any bonus obligation for the period July 1, 2017 through June 30, 2018 under the Prior Employment Agreement.

(c) Annual Bonus. Executive shall be entitled to payment of an annual bonus for each fiscal year, which will not be less than Executive Base Salary of \$500,000 (the "Annual Bonus"), less all applicable taxes and withholdings to be paid on or before June 30, 2019 and each subsequent June 30th during the Term, except as expressly provided in Section 5(d) or 5(e) below, if applicable.

(d) Benefits and Perquisites. During the Term, Executive shall be entitled to participate in the benefit plans and programs commensurate with Executive's position that are provided by Company from time to time for comparable executives generally, subject to the terms and conditions of such plans. Company may alter, modify, add to or delete from, or terminate any of its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by Executive, except that no such action shall adversely affect any previously vested rights of Executive under such plans.

(e) Business Expense Reimbursements. During the Term, the Company shall pay Executive \$4,000 per month on the first payroll date of each month to reimburse Executive for office space and expenses. In addition, the Company shall reimburse Executive for reasonable and properly documented other business expenses incurred during the Term in accordance with the Company's then-prevailing policies and procedures for expense reimbursement.

(f) PTO. During the Term, Executive shall be eligible for paid time off ("PTO") annually as provided in applicable Company policies in effect from time to time.

(g) Compliance with Employee Policies. Except to the extent inconsistent with any express terms of this Agreement, Executive shall be required to comply with all written policies of the Company applicable to similarly situated employees.

(h) Transaction Bonuses. The Company acknowledges that the Executive has unique skills including legal and regulatory expertise in insurance, credibility with the insurance industry and state and federal regulators which has been and will be essential in securing assets through reinsurance transactions, purchase of legal entities or any other structure or transaction including, without limitation, the Humana Transaction. Accordingly, the Company and its Subsidiary agree to pay Executive the transaction bonuses described below:

(i) Humana Transaction Bonus. If the Humana Transaction successfully closes on or prior to June 30, 2019, then the Company will pay to Executive a transaction bonus in the amount of \$500,000, less all applicable taxes and withholdings (the "Transaction Bonus"), to be paid within 30 days following the Closing (as defined in the Stock Purchase Agreement dated November 6, 2017 between Humana, Inc. and Continental General) of the Humana Transaction.

(ii) Asset Transaction Payments. With respect to any transaction which results in the Company successfully acquiring the assets of any Person or entity (other than an Affiliate) that is (1) consummated during the Term or (2) initiated during the Term, as documented during the Term by a signed letter of intent or signed agreement to engage in exclusive negotiations, and otherwise consummated within 12 months following the termination of Executive's employment at any time for any reason other than for Cause (each such transaction, an "Asset Transaction"), Executive shall be paid an amount equal to .05% of the total value of the net acquired assets applicable to such Asset Transaction (such assets, "Net Acquired Assets," and any such payment, an "Asset Transaction Payment"). The Company acknowledges that the criteria for payment of any Asset Transaction Payment does not require Executive to demonstrate that the consummation of any transaction was due solely or exclusively due to his efforts. Any Asset Transaction Payment will be paid to Executive within 30 days following the closing of the applicable Asset Transaction, subject to all applicable taxes and withholdings.

(iii) Calculation. For purposes of calculating an Asset Transaction Payment, Net Acquired Assets shall mean, in each case reduced by the amount of consideration paid for such assets (including ceding commissions and similar payments): (1) cash and invested assets of any insurance company that is acquired as a legal entity reported or reportable as "cash

and invested assets” on page 2, line 12, column 3 of the statutory financial statement of such insurance company (or equivalent assets for an insurance company that does not prepare a United States statutory financial statement), and (2) assets not included in subparagraph (1) above received by the Company or an Affiliate or deposited in trust or a designated account as reinsurance premiums, including any premiums to be received during the twelve month period following the closing of the Asset Transaction, net of ceding commissions, taxes and assessments. Net Acquired Assets shall be valued at fair market value as of the date of the closing of the Asset Transaction. If the Asset Transaction calls for fair market valuation of Net Acquired Assets, the same methodology shall be used for purposes of the Asset Transaction Payment. Otherwise, for exchange-traded securities, market value shall be the average of the closing bid and ask prices; for securities that are not traded on an exchange but priced by a nationally recognized pricing service not affiliated with the Company, fair market value shall be the value determined by the pricing service selected by the Company; for assets that are neither traded on an exchange nor priced by a nationally recognized pricing service not affiliated with the Company, fair market value shall be determined by an independent nationally recognized third party appraisal firm designated by the Company and acceptable to Executive. For purposes of this calculation, consideration paid for assets shall consist of cash, securities and ~~other property or assets paid by the Company or its Affiliates, or the shareholders of the~~ Company or its Affiliates, or withheld or otherwise deducted from amounts due to the buyer or insurance company for ceding commissions, taxes and assessments, as applicable, in connection with an Asset Transaction, and the aggregate amount of all debt that is outstanding immediately prior to the Asset Transaction that is assumed, refinanced or paid by the Company or its Affiliates in connection with the Asset Transaction, but shall not include reserves for insurance liabilities of any acquired insurance company or that are reinsured or assumed by the Company

or its Affiliates.

5. Termination of Employment.

(a) Defined Terms. For purposes of this Agreement:

(i) “Cause” means: (A) Executive’s material breach of his duties for the Company that causes material injury to the Company; (B) Executive’s conviction of, or plea of guilty or nolo contendere to, a felony (or the equivalent of a felony in a jurisdiction other than the United States), or

Agreement:

Executive’s willful misconduct in the performance of his duties for the Company that causes material injury to the Company, or (C) Executive’s willfully engaging in

conduct that is detrimental to the Company, (C) Executive’s material breach of Sections 7, 8 or 10 of this Agreement, (D) Executive’s willful violation of the Company’s written policies in a manner that is detrimental to the best interests of the Company; (E) Executive’s fraud or embezzlement, or misuse of funds or property belonging to the Company; (F) Executive’s act of personal dishonesty that results in personal profit in connection with his employment with the Company; (G) Executive’s breach of fiduciary duty owed to the Company; (H) Executive’s willful negligence of his duties, which results in the loss of a material amount of capital of the Company or its Affiliates; provided, however, that Executive shall be given a ten (10)-day period to cure any of the events or occurrences described in the preceding clauses (C) or (D) hereof, to the extent curable. For purposes hereof, no act, or failure to act, on the part of Executive shall be considered “willful” unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive’s action was in the best interests of the Company. An act, or failure to act, based on specific

illegal conduct that is prohibited by Sections 8 or 10 of this Agreement, or (F) Executive’s act of personal dishonesty that results in personal profit in connection with Executive’s employment with the Company; or (H) Executive’s willful negligence of his duties, which results in the loss of a material amount of capital of the Company or its Affiliates; provided, however, that Executive shall be provided a ten (10)-day period to cure any of the events or occurrences described in the preceding clauses (C) or (D) hereof, to the extent curable. For purposes hereof, no act, or failure to act, on the part of Executive shall be considered “willful” unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive’s action was in the best interests of the Company. An act, or failure to act, based on specific

year in which the Termination Date occurs, to the extent such Annual Bonus has not been paid to Executive prior to the Termination Date (the "Prior Year Annual Bonus"), which Prior Year Annual Bonus shall be paid at such time(s) as it would have so otherwise been paid had

~~Executive's employment not been terminated.~~

(e) Severance Benefits. In the event the Company terminates Executive's employment Without Cause prior to the End Date, Executive shall be entitled to receive the

ing as Executive's property severance benefits specified in this Section 5(e) severance benefits specified in this Section 5(e), so long as Executive is not terminated by the Company, its officers, agents, or employees, and does not revoke, a release and waiver of claims against the Company, its officers, agents, employees, and agents substantially in the form of Exhibit A (the "Release") within forty-five

following severance benefits specified in this Section 5(e), so long as Executive is not terminated by the Company, its officers, agents, employees, and agents substantially in the form of Exhibit A (the "Release") within forty-five (45) days following the Termination Date:

salary continuation payments for a period of twelve (12) months following the Termination Date (the "Severance Period"), with each monthly payment equal to one twelfth (1/12th) of the annual Base Salary in effect for Executive as of the Termination Date (with such payments to commence on the first payroll period following the date on which the Release has become irrevocable by Executive, and such first payment to include any installments that would have been paid had the Release been irrevocable on the Termination Date);

(i) Executive shall be paid monthly salary continuation payments for a period of twelve (12) months following the Termination Date (the "Severance Period"), with each monthly payment equal to one twelfth (1/12th) of the annual Base Salary in effect for Executive as of the Termination Date (with such payments to commence on the first payroll period following the date on which the Release has become irrevocable by Executive, and such first payment to include any installments that would have been paid had the Release been irrevocable on the Termination Date);

pay Executive the Pro-Rated Annual Bonus and the Prior Year Annual Bonus, which amount as they would have so otherwise been paid had Executive's employment not been terminated;

(ii) Additionally, the Company shall pay Executive the Pro-Rated Annual Bonus and the Prior Year Annual Bonus, which amount as they would have so otherwise been paid had Executive's employment not been terminated;

Company shall pay Executive's COBRA premiums, to the extent Executive applies for and qualifies for such

(iii) Additionally, if applicable, the Company shall pay Executive's COBRA premiums, to the extent Executive applies for and qualifies for such

payable pursuant to this Section 5(e) if (1) Executive's employment is terminated upon Executive's death or Disability or the End Date, (2) Executive resigns or employment terminates (whether on or following the End Date or (4) Executive's employment terminates in connection with an Early Termination Date. The benefits provided to which Executive is entitled under this Section 5(e) shall be payable pursuant to any other severance

Under no circumstances shall the severance benefits be payable pursuant to this Section 5(e) if (1) Executive's employment is terminated upon Executive's death or Disability or the End Date, (2) Executive resigns or employment terminates (whether on or following the End Date or (4) Executive's employment terminates in connection with an Early Termination Date. The benefits provided to which Executive is entitled under this Section 5(e) shall be payable pursuant to any other severance

Executive's employment continues following the End Date and thereafter terminates, Executive's eligibility for severance pay and the amount thereof shall be determined under the generally applicable severance policies (if any) of the Company.

Executive acknowledges and agrees that, upon the execution of this Agreement, Executive would not be entitled to such benefits. If Executive's employment continues following the End Date and thereafter terminates, Executive's eligibility for severance pay and the amount thereof shall be determined under the generally applicable severance policies (if any) of the Company.

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(f) Termination on the End Date. In the event the Executive's employment with the Company terminates as of the End Date, the Executive shall be entitled to receive

payments described in Section 4(a) shall be paid to Executive on or before the end of the calendar year in which the termination date occurs. Executive shall have no entitlement to any further severance payments or benefits.

(g) Additional Terms Applicable to Benefit Plans. The payment of any amounts accrued under any benefit plan, program or arrangement in which Executive participates shall be subject to the terms of the applicable plan, program or arrangement, and any elections Executive has made thereunder.

(h) Offsets. Subject to applicable laws, the Company may offset any amounts due and payable by Executive to the Company or its Subsidiaries against any amounts the Company owes Executive hereunder.

6. Acknowledgments.

(a) Executive acknowledges that the Company has expended and shall continue to expend substantial amounts of time, money and effort to develop business strategies, employee and customer relationships and goodwill and build an effective organization. Executive acknowledges that Executive is and shall continue to become familiar with the Company's Confidential Information (as defined below), including trade secrets, and that Executive's services are of special, unique and extraordinary value to the Company, its Subsidiaries and Affiliates. Executive acknowledges that the Company has a legitimate business interest and right in protecting its Confidential Information, business strategies, employee and customer relationships and goodwill, and that the Company would be seriously damaged by the disclosure of Confidential Information and the loss or deterioration of its business strategies, employee and customer relationships and goodwill.

(b) Executive acknowledges (i) that the business of the Company and its Affiliates is global in scope, without geographical limitation, and capable of being performed from anywhere in the world, and (ii) notwithstanding the jurisdiction of formation or principal office of the Company, or the location of any of their respective executives or employees (including, without limitation, Executive), it is expected that the Company and its Affiliates will have business activities and have valuable business relationships within their respective industries throughout the world.

(c) Executive acknowledges that Executive has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to the necessity of such restraints for the reasonable and proper protection of the Confidential Information, business strategies, employee and customer relationships and goodwill of the Company and its Affiliates now existing or to be developed in the future.

Executive expressly acknowledges and agrees that each and every commitment and restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area, in light of (i) the scope of the business of the Company and its Affiliates, (ii) the importance of Executive to the Company and its Affiliates, (iii) Executive's position with the Company and its Affiliates and (v) Executive's relationships with the Company's clients or customers. Accordingly, Executive agrees (x) to be bound by the provisions of Sections 7, 8, 9, 10 and 11, it being the intent and spirit of that such provisions be valid and enforceable in all

Executive expressly acknowledges and agrees that each and every commitment and restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area, in light of (i) the scope of the business of the Company and its Affiliates, (ii) the importance of Executive to the Company and its Affiliates, (iii) Executive's position with the Company and its Affiliates and (v) Executive's relationships with the Company's clients or customers. Accordingly, Executive agrees (x) to be bound by the provisions of Sections 7, 8, 9, 10 and 11, it being the intent and spirit of that such provisions be valid and enforceable in all

Prospective Client's business with the Company or its Subsidiaries, in each case other than in the fulfillment of Executive's duties to the Company; or

(v) while an employee of the Company and during the Restricted Period, solicit any agents, advisors, independent contractors or consultants of the Company or its Subsidiaries who are under contract or doing business with the Company or its Subsidiaries as of the time of such prohibited action, to terminate, reduce or divert business with or from the Company or its Subsidiaries.

(vi) For purposes of this Agreement, (1) "Client" means a Person to whom the Company or its Subsidiaries sold goods or provided services, and with whom Executive had substantial contacts, dealings or client relationship responsibilities (either directly or through supervising other employees who had such responsibilities) on behalf of the Company or its Subsidiaries, at any time while Executive is employed by the Company (the "Look Back Period"; provided, however, that (x) if Executive is not employed by the Company at the time of any activity described in Section 7(a)(iii) or 7(a)(iv), then the Look Back Period will be the one (1) year period prior to Executive's Termination Date); and (y) a Client does not include any Person who became a client of the Company or its Subsidiaries both (A) as a result of a professional or social relationship that Executive developed with such Person before becoming employed by the Company or any of its Affiliates, and (B) without investment or assistance by the Company; and (2) "Prospective Client" shall mean any Person (X) that the Company is actively soliciting or is planning to solicit and of which Executive has actual knowledge; or (Y) with whom Executive has met or with respect to which Executive has obtained Confidential Information in the course of or as a result of his performance of his duties to the Company during the Look Back Period.

(b) Notwithstanding Section 7(a), it shall not constitute a violation of Section 7(a) for Executive to hold not more than two percent (2%) of the outstanding securities of any class of any publicly-traded securities of a company that is engaged in Competitive Activities or for Executive to engage in the practice of law.

(c) The restrictive periods set forth in the Section 7(a) shall be deemed automatically extended by any period in which Executive is in violation of any of the provisions of Section 7(a), to the extent permitted by law.

(d) If a final and non-appealable judicial determination is made by a court of competent jurisdiction that any of the provisions of this Section 7 constitutes an unreasonable or otherwise unenforceable restriction against Executive, the provisions of this Section 7 will not be rendered void but will be deemed to be modified to the minimum extent necessary to remain in force and effect for the longest period and largest geographic area that would not constitute such an unreasonable or unenforceable restriction (and such court shall have the power to reduce the duration or restrict or redefine the geographic scope of such provision and to enforce such provision as so reduced, restricted or redefined).

(e) Moreover, and without limiting the generality of Section 13, and whether or not any provision of this Section 7 is determined not to be specifically enforceable, the Company will nevertheless be entitled to recover monetary damages as a result of Executive's

limiting the foregoing, Executive agrees to keep confidential the existence of, and any information concerning, any dispute between Executive and the Company or their respective Subsidiaries and Affiliates, except that Executive may disclose information concerning such dispute to the court or arbitrator that is considering such dispute or to their respective legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of such dispute). Executive acknowledges and agrees that the Track Records were the work of teams of individuals and not any one individual and are the exclusive property of the Company and its Affiliates, and agrees that he shall in no event claim the Track Records as his own following termination of his employment for the Company.

(c) Except as set forth otherwise in this Agreement, Executive agrees that Executive shall not disclose the terms of this Agreement, except to Executive's immediate family and Executive's financial and legal advisors, or if previously disclosed by the Company in any public filing, or as may be required by law or ordered by a court or applicable under Section 12 of this Agreement. Executive further agrees that any disclosure to Executive's financial and legal advisors will only be made after such advisors acknowledge and agree to maintain the confidentiality of this Agreement and its terms.

(d) Executive further agrees that Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company or its Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or other Person.

9. Return of Property. Executive acknowledges that all notes, memoranda, specifications, devices, formulas, records, files, lists, drawings, documents, models, equipment, property, computer, software or intellectual property relating to the businesses of the Company and its Subsidiaries and Affiliates, in whatever form (including electronic), and all copies thereof, that are received or created by Executive while employed hereunder by the Company or its Subsidiaries or Affiliates (including but not limited to Confidential Information and Inventions (as defined below)) are and shall remain the property of the Company and its Subsidiaries and Affiliates, and Executive shall immediately return such property to the Company upon the termination of Executive's employment hereunder and, in any event, at the Company's request. Executive further agrees that any property situated on the premises of, and owned by, the Company or its Subsidiaries or Affiliates, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company's personnel at any time with or without notice.

10. Intellectual Property Rights.

(a) Executive agrees that the results and proceeds of Executive's employment by the Company or its Subsidiaries or Affiliates (including, but not limited to, any trade secrets, products, services, processes, know-how, Track Records, designs, developments, innovations, analyses, drawings, reports, techniques, formulas, methods, developmental or experimental work, improvements, discoveries, inventions, ideas, source and object codes, programs, matters of a literary, musical, dramatic or otherwise creative nature, writings and other works of

authorship) resulting from, or developed in the course of, services performed by Executive for the Company while employed by the Company and any works in progress, whether or not patentable or registrable under copyright or similar statutes, that were made, developed, conceived or reduced to practice or learned by Executive, either alone or jointly with others (collectively, "Inventions"), shall be works-made-for-hire and the Company (or, if applicable or as directed by the Company, any of its Subsidiaries or Affiliates) shall be deemed the sole owner throughout the universe of any and all trade secret, patent, copyright and other intellectual property rights (collectively, "Proprietary Rights") of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner the Company determines in its sole discretion, without any further payment to Executive whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-made-for-hire and/or there are any Proprietary Rights which do not accrue to the Company (or, as the case may be, any of its Subsidiaries or Affiliates) under the immediately preceding sentence, then Executive hereby irrevocably assigns and agrees to assign any and all of Executive's right, title and interest thereto, including any and all Proprietary Rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, to the Company (or, if applicable or as directed by the Company, any of its Subsidiaries or Affiliates), and the Company or such Subsidiaries or Affiliates shall have the right to use the same in perpetuity throughout the universe in any manner determined by the Company or such Subsidiaries or Affiliates without any further payment to Executive whatsoever. As to any Invention that Executive is required to assign, Executive shall promptly and fully disclose to the Company all information known to Executive concerning such Invention.

(b) Executive agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, Executive shall do any and all reasonable and lawful things that the Company may reasonably deem useful or desirable to establish or document the Company's exclusive ownership throughout the United States of America or any other country of any and all Proprietary Rights in any such Inventions, including the execution of appropriate copyright and/or patent applications or assignments. To the extent Executive has any Proprietary Rights in the Inventions that cannot be assigned in the manner described above, Executive unconditionally and irrevocably waives the enforcement of such Proprietary Rights. This Section 10(b) is subject to and shall not be deemed to limit, restrict or constitute any waiver by the Company of any Proprietary Rights of ownership to which the Company may be entitled by operation of law by virtue of Executive's employment by the Company, Executive further agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, Executive shall assist the Company in every reasonable, proper and lawful way to obtain and from time to time enforce Proprietary Rights relating to Inventions in any and all countries. To this end, Executive shall execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such Proprietary Rights and the assignment thereof. In addition, Executive shall execute, verify, and deliver assignments of such Proprietary Rights to the Company or its designees. Executive's obligation to provide reasonable assistance to the Company with respect to Proprietary Rights relating to such Inventions in any and all countries shall continue beyond the termination of the Term.

(c) Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that Executive now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

11. Nondisparagement.

(a) During Executive's employment with the Company and thereafter, Executive agrees not to make, publish or communicate at any time to any person or entity, including, but not limited to, customers, clients and investors of the Company, its Affiliates and their respective present or former members, partners, directors, employees or agents, and the family members thereof, any Disparaging (defined below) remarks, comments or statements concerning the Company or its Affiliates, any entity affiliated with Philip A. Falcone or any of his family members, and any of their respective present and former members, partners, directors, officers, employees or agents.

(b) In the event Executive's employment terminates for any reason, the Company agrees that none of the Chief Executive Officer of HC2 Holdings, Inc., any member of the Board, or any member of the board of directors of HC2 Holdings, Inc., shall make, publish, or communicate at any time to any person or entity any Disparaging (defined below) remarks, comments or statements concerning Executive, and the executive officers of the Company and its subsidiaries shall be instructed not to make any Disparaging (defined below) remarks, comments or statements concerning Executive, except nothing herein shall prevent any such individual from making truthful statements regarding Executive's termination as required or, in the discretion of the board of directors of HC2 Holdings, Inc., deemed advisable to be made in the Company's or any Affiliate's public filings.

(c) For the purposes of this Section 11, "Disparaging" remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the individual or entity being disparaged, whether or not true in whole or in part.

(d) Notwithstanding the foregoing, this Section 11 does not apply to (i) any truthful testimony, pleading, or sworn statements in any legal proceeding; (ii) attorney-client communications; (iii) any communications with a government or regulatory agency (iv) any ~~protected disclosures permitted under Section 29, below, and further, it shall not be construed to~~ prevent Executive from filing a charge with the Equal Employment Opportunity Commission or a comparable state or local agency.

12. Notification of Employment or Service Provider Relationship. Executive hereby agrees that prior to accepting employment with, or agreeing to provide services to, any other Person during any period during which Executive remains subject to any of the covenants set forth in Section 7, Executive shall provide such prospective employer with written notice of such provisions of this Agreement, with a copy of such notice delivered to the Company not later than seven (7) days prior to the date on which Executive is scheduled to commence such employment or engagement.

13. Remedies and Injunctive Relief. Executive acknowledges that a violation by Executive of any of the covenants contained in Section 7, 8, 9, 10 or 11 would cause irreparable

damage to the Company in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, Executive agrees that, notwithstanding any provision of this Agreement to the contrary, the Company may be entitled (without the necessity of showing economic loss or other actual damage and without the requirement to post a bond) to injunctive relief (including temporary restraining orders, preliminary injunctions and/or permanent injunctions) in any court of competent jurisdiction for any actual or threatened breach of any of the covenants set forth in Section 7, 8, 9, 10 or 11 in addition to any other legal or equitable remedies it may have. The preceding sentence shall not be construed as a waiver of the rights that the Company may have for damages under this Agreement or otherwise, and all of the Company's rights shall be unrestricted.

14. Representations of Executive; Advice of Counsel.

(a) Executive represents, warrants and covenants that as of the date hereof:

(i) Executive has the full right, authority and capacity to enter into this Agreement and perform Executive's obligations hereunder. ~~(ii) Executive is not bound by any agreement that~~ conflicts with or prevents or restricts the full performance of Executive's duties and obligations to the Company hereunder during or after the Term and (iii) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Executive is subject. Executive agrees that Executive shall not provide the Company or any of its Affiliates with any information during the course of employment as to which Executive has a duty of confidentiality to Executive's current or any prior employer.

(b) Prior to execution of this Agreement, Executive was advised by the

~~Company or Executive's attorney of Executive's right to seek independent advice~~ from an attorney of Executive's own selection regarding this Agreement. Executive acknowledged that Executive has entered into this Agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this Agreement after being given the opportunity to consult with counsel. Executive further represents that in entering into this Agreement, Executive is not relying on any statements or representations made by any of the Company's directors, officers, employees or agents which are not expressly set forth herein, and that Executive is relying only upon Executive's own judgment and any advice provided by Executive's attorney.

15. Cooperation. Executive agrees that, upon reasonable notice and without the necessity of the Company obtaining a subpoena or court order, Executive shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), or the decision to commence on behalf of the Company any suit, action or proceeding, and any investigation and/or defense of any claims asserted against any of the Company's or its Affiliates' current or former directors, officers, employees, shareholders, partners, members, agents or representatives of any of the foregoing, which relates to events occurring during Executive's employment hereunder by the Company as to which Executive may have relevant information (including but not limited to furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial), provided that with respect to such cooperation occurring following termination of the Term, the Company shall reimburse Executive for expenses reasonably incurred in connection therewith

and shall schedule such cooperation to the extent reasonably practicable so as not to unreasonably interfere with Executive's business or personal affairs. Notwithstanding anything to the contrary, in the event the Company requests cooperation from Executive after his employment with the Company has terminated and at a time when Executive is not receiving any severance pay from the Company, Executive shall not be required to devote more than forty (40) hours of his time per year with respect to this Section 15, except that such forty (40) hour cap shall not include or apply to any time spent testifying at a deposition or at trial, or spent testifying before or being interviewed by any administrative or regulatory agency.

16. Withholding. The Company may deduct and withhold from any amounts payable under this Agreement such Federal, state, local, non-U.S. or other taxes as are required or permitted to be withheld pursuant to any applicable law or regulation.

17. Assignment.

(a) This Agreement is personal to Executive and shall not be assignable by either party without the prior written consent of the other party, and any assignment in violation of this Agreement shall be void.

(b) This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and permitted assigns (including, without limitation, successors by merger, consolidation, sale or similar transaction and in the event of Executive's death, Executive's estate and heirs in the case of any payments due to Executive hereunder).

(c) Executive acknowledges and agrees that all of Executive's covenants and obligations to the Company, as well as the rights of the Company hereunder, shall run in favor of and shall be enforceable by the Company and any successor or assign to all or substantially all of the Company's business or assets.

18. Arbitration. Any controversy, claim or dispute between the parties relating to or arising out of this Agreement and/or Executive's employment or termination of employment (whether or not the controversy, claim or dispute arises under this Agreement, and including, without limitation, any dispute regarding the applicability, breach, termination or validity of this Agreement, any assertions as to the inducement of this Agreement by fraud or otherwise and any disputes regarding the applicability, interpretation, validity or enforceability of the provisions of the Agreement relating to arbitration and arbitration procedures), all shall be resolved exclusively and finally by arbitration in New York County, New York, in accordance with the Employment Arbitration Rules and Mediation Procedures ("Rules") of the American Arbitration Association through a single arbitrator selected in accordance with the Rules. The decision of the arbitrator shall be rendered within thirty (30) days of the close of the arbitration hearing and shall include written findings of fact and conclusions of law reflecting the appropriate substantive law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof in the State of New York. The arbitrator shall have the authority to grant injunctive relief, including emergency and/or temporary injunctive relief. In reaching his or her decision, the arbitrator shall have no authority (a) to authorize or require the parties to engage in discovery (provided, however, that the arbitrator may schedule the time by

which the parties must exchange copies of the exhibits that, and the names of the witnesses whom, the parties intend to present at the hearing), (b) to change or modify any provision of this Agreement, (c) to base any part of his or her decision on the common law principle of constructive termination, or (d) to award punitive damages or any other damages not measured by the prevailing party's actual damages and may not make any ruling, finding or award that does not conform to this Agreement. Each party shall bear all of his or its own legal fees, costs and expenses of arbitration to the fullest extent permitted by applicable law, and one-half (1/2) of the costs of the arbitrator; provided that the arbitrator may, in its discretion, award to the prevailing party, or most prevailing party, that party's reasonable costs and expenses of the arbitration and/or attorney's fees which shall be paid by the other party.

19. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without reference to its conflict of law provisions, except that Section 18 and any arbitration proceeding pursuant to Section 18 shall be governed by the Federal Arbitration Act ("FAA") to the extent it is applicable and by New York law to the extent that the FAA is not applicable. Furthermore, notwithstanding Section 18, as to any alleged violations of Section 7 and Section 8, Executive and the Company each agrees that the Company shall have the option to pursue any emergency injunctive relief in the state of New York in any state or federal court of competent subject matter jurisdiction situated in New York County, New York and each of Executive and the Company consents to submit to the personal jurisdiction of such courts. **Further, Executive and the Company waive any right he may otherwise have to a trial by jury in any action to enforce the terms of this Agreement.** The parties hereto irrevocably consent to the service of any and all process in any suit, action or proceeding arising out of or relating to this Agreement by the mailing of copies of such process to such party at such party's address specified in Section 26, or such other updated address as has been provided to the other party from time to time in accordance with Section 26. Each party shall bear its own costs and expenses (including their respective attorneys' fees and expenses) incurred in connection with any dispute arising out of or relating to this Agreement. In any action for injunctive relief contemplated under this paragraph, the prevailing party shall be entitled to reimbursement from the other party for its expenses and reasonable attorneys' fees associated with the action, in addition to any other relief to which such prevailing party may be entitled.

20. Payments by and Obligations of Subsidiaries. Executive acknowledges that one or more payments hereunder may be paid by one or more of the Company's Subsidiaries, and Executive agrees that any such payment made by such Subsidiary shall satisfy the obligations of the Company hereunder with respect to (but only to the extent of) such payment. To the extent not paid by the Company, each Subsidiary shall be jointly and severally liable to Executive for the payments hereunder. Within a reasonable period of time following the execution of this Agreement, the Company shall cause Continental General to execute such documentation as may be reasonably satisfactory to the Executive evidencing Continental General's agreement to be bound by the terms and conditions of this Agreement, including, without limitation, the obligations under this Section 20.

21. Amendment; No Waiver; Section 409A

(a) No provisions of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and a duly authorized officer of the Company (other than Executive).

(b) The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

(c) It is the intention of the Company and Executive that this Agreement comply with the requirements of Section 409A, and this Agreement will be interpreted in a manner intended to comply with or be exempt from Section 409A. The Company and Executive agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree are necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. Notwithstanding the foregoing, Executive shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of Executive in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold Executive (or any beneficiary) harmless from any or all of such taxes or penalties.

(d) Notwithstanding anything in this Agreement to the contrary, in the event that Executive is deemed to be a ~~"specified employee" within the meaning of~~ Section 409A(a)(2)(B)(i), no payments hereunder that are "deferred compensation" subject to Section 409A shall be made to Executive prior to the date that is six (6) months after the date of Executive's "separation from service" (as defined in Section 409A) or, if earlier, Executive's date of death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) For purposes of this Agreement, with respect to payments of any amounts that are considered to be "deferred compensation" subject to Section 409A, references to "termination of employment" (and substantially similar phrases) shall be interpreted and applied in a manner that is consistent with the requirements of Section 409A relating to "separation from service".

(f) If any paragraph of this Agreement provides for payment within a time period, the determination of when such payment shall be made within such time period shall be solely in the discretion of the Company.

(g) To the extent that any reimbursements pursuant to this Agreement are taxable to Executive, any such reimbursement payment due to Executive shall be paid to Executive as promptly as practicable, and in all events on or before the last day of Executive's

taxable year following the taxable year in which the related expense was incurred. Any such reimbursements shall not be subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that Executive receives in one taxable year shall not affect the amount of such benefits or reimbursements that Executive receives in any other taxable year.

22. Severability. If any provision or any part thereof of this Agreement, including ~~Sections 7, 8, 9, 10 and 11 hereof, as applied to either party or to any circumstances, shall be~~ adjudged by a court of competent jurisdiction to be invalid or unenforceable, the same shall in no way affect any other provision or remaining part thereof of this Agreement, which shall be given full effect without regard to the invalid or unenforceable provision or part thereof, or the validity or enforceability of this Agreement. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to

ment of the parties as closely as possible in a
ctions contemplated hereby be consummated
sible.

constitutes the entire agreement and
e with respect to the subject matter hereof and
s (whether written or oral), between Executive
including, without limitation, the Prior
be liable or bound to any other party in any
ovenants relating to such subject matter except

s of the parties under the provisions of this
(c) and Sections 7 through 13 and Section 15)
notwithstanding the termination of this
ment hereunder or any settlement of the
ative's employment hereunder, to the extent
provisions.

o provision of this Agreement or any related
n the disadvantage of any party hereof by any
authority by reason of such party having or being deemed
sion.

other communications required or permitted to be given
be delivered by hand or sent by facsimile or sent, postage
ess mail or overnight courier service and shall be deemed
simile, or if mailed, three days after mailing (one business
ight courier service) to Executive at the most recent
to the Company at the following address (or at such other
by like notice):

modify this Agreement so as to effect the original
mutually acceptable manner in order that the transa
as originally contemplated to the fullest extent poss

23. Entire Agreement. This Agreement
understanding between the Company and Executive
supersedes all prior agreements and understandings
and the Company, relating to such subject matter, i
Employment Agreement. None of the parties shall
manner by any representations and warranties or co
as specifically set forth herein.


24. Survival. The rights and obligations
Agreement (including without limitation, Section 5
shall survive, and remain binding and enforceable,
Agreement, the termination of Executive's employ
financial rights and obligations arising from Execu
necessary to preserve the intended benefits of such

25. No Construction against Drafter. N
document will be construed against or interpreted t
court or other governmental or judicial
to have structured or drafted such provi

26. Notices. All notices or c
hereunder shall be in writing and shall b
prepaid, by registered, certified or expr
given when so delivered by hand or fac
day in the case of express mail or overn
address listed in Company records and
address for a party as shall be specified

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties
as of the date first written above. 6/5/18

CONTINENTAL INSURANCE GROUP LTD.

By: 
Name: Suzi Herbst
Title: Authorized Signatory

James P. Corcoran



For purposes of Section 11:

HC2 HOLDINGS, INC.


By: 
Name: Michael Sena
Title: CFO

EXHIBIT A

FORM OF RELEASE

In consideration of and as a condition precedent to, the Company's obligation to make the payments and confer other benefits set forth in Section 5(e) of the Employment Agreement dated June 5, 2018 (the "Agreement") by and between Continental Insurance Group Ltd. (the "Company") and Jim Corcoran (the "Executive") and as contemplated by the Agreement, Executive hereby agrees to the following release and waiver of claims ("Release and Waiver"):

1. General Release of Claims. For himself and his heirs, legal representatives, and assigns, Executive hereby releases and forever discharges the Company and its parent corporation and all of its and their affiliates, subsidiaries, divisions, successors, predecessors, successors-in-interest and assigns, and all of its and their past and present officers, directors, agents, shareholders, employees, insurers, successors, assigns, representatives, and attorneys (hereinafter, the "Released Parties") from any and all claims which Executive has or may have against any of the Released Parties which are based upon any acts or events that occurred on or before the Effective Date of this Release and Waiver, including, but not limited to, claims arising under federal, state, or local statutory or common law, such as Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 et seq., 42 U.S.C. §1981, the Americans with Disabilities Act, 42 U.S.C. §12101 et seq., as amended, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the New York Human Rights Law, the New York Retaliatory Action by Employers Law, the New York Civil Rights Law, the New York Worker's Compensation Law, the new York Wage Payment Law, and the law of contract and tort. The phrase "any and all claims," as used above, means and includes, but is not limited to: all claims, charges, or actions of any kind, whether known or unknown, anticipated or unanticipated, past or present, contingent or fixed, including all wage claims which have been or could have been asserted, or which are based upon or arise from the acts, practices, transactions, events, and/or facts underlying any wage claim that was or could have been asserted.

2. No Claims Exist. Executive represents and warrants that he has not filed or otherwise initiated any lawsuit with any court relating to any claims being released by Executive under this Release and Waiver, and that Executive shall never file or initiate any such lawsuit relating to any claims released herein. However, nothing in this Release and Waiver prevents Executive from filing a charge with or cooperating or participating in any proceeding before the EEOC, state fair employment practices agency, or other administrative agency, except that Executive has waived any right to recover money or other relief in connection with any such charge or proceeding. Nothing in this Release and Waiver shall limit Executive from filing a lawsuit for the sole purpose of enforcing Executive's rights under this Release and Waiver or enforcing the Company's obligations under Section 5(c) of the Agreement.

3. No Consideration Absent Execution of this Release and Waiver. Executive understands and agrees that Executive would not receive the monies and/or benefits specified in Section 5(e) of the Agreement, except for Executive's execution of this Release and Waiver and the fulfillment of the promises contained herein.

4. Affirmations. The Company shall pay you all amounts it may owe Executive up to the Termination Date (as such term is defined in the Agreement) in connection with Executive's employment with the Company as set forth in Section 5(c) of the Agreement. Executive affirms that Executive has reported all hours worked through his Termination Date and that Executive has agreed to all amounts to which Executive may be entitled under Section 5(c) of the Agreement and that no other leave, compensation, wages, bonuses, commissions, reimbursements, separation pay, paid-time-off, and/or benefits, or other pay are due Executive up to Executive's Termination Date. Executive further affirms that Executive has no workplace injuries or occupational diseases for which Executive has not already filed a claim or otherwise disclosed to the Company in writing.

5. Continuing Obligations Regarding Confidentiality and Other Obligations Under the Agreement. The parties acknowledge the continuing obligations under Section 24 of the Agreement, including all obligations under Section 5(c) and Sections 7 through 13 of the Agreement. Nothing contained in this Release and Waiver shall be deemed to modify, amend or supersede the obligations of the parties set forth in the Agreement which by their terms survive the Termination Date (as such term is defined in the Agreement).

6. Confidentiality of Separation Information. Executive agrees that as a condition of receiving severance pay, benefits and other consideration under Section 5(e) of the Agreement, all terms and contents of this Release and Waiver and the contents of all communications resulting in this Release and Waiver shall be maintained as confidential by Executive in accordance with the provisions of Section 8 of the Agreement.

7. Employer Property. Prior to Executive's Termination Date, Executive shall return/has returned to the Company any and all property of the Company in Executive's possession and/or subject to Executive's control. Such property includes, but is not limited to, Executive's keys, security cards, identification badges, credit cards, computers/laptops, printers, fax machines, cell phones, Blackberrys, external media devices, and all documents, files or other written instruments (including copies), whether such material is in paper form or electronic or recorded format.

8. Nonadmission of Wrongdoing. The parties stipulate that this Release and Waiver does not constitute an admission of liability, does not constitute any factual or legal precedent whatsoever; and may not be used as evidence in any subsequent proceeding of any kind, except in an action alleging a breach of this Release and Waiver.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements, understandings, and representations, if any, except Executive acknowledges and confirms the continuing effectiveness of the provisions of the Agreement as discussed in Section 5 of this Release and Waiver above. There have been no representations or warranties made by any party other than the representations and warranties contained herein.

10. Amendment. This Release and Waiver may be amended, changed, or modified only upon a written agreement executed by both parties. No waiver of any provision of this Release

and Waiver will be valid unless in writing and signed by the party against whom such waiver is charged.

11. Attorneys' Fees and Costs. Except as provided herein or in the Agreement, each party shall bear its or his/her own attorneys' fees and costs.

12. Final Agreement. The parties have made such investigation of the facts pertaining to this Release and Waiver, and of all the matters pertaining thereto, as they deem necessary. This Release and Waiver is intended to be and is final and binding, regardless of any claims of misrepresentation, concealment of fact, or mistake of law or fact.

13. Severability. If any term or provision of this Release and Waiver is to any extent held invalid or unenforceable by a court of competent jurisdiction, the remainder of the Release and Waiver shall not be affected thereby, and each of the terms and provisions of the Release and Waiver shall be valid and enforced to the fullest extent permitted by law.

14. Governing Law. This Release and Waiver shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions. Any disputes arising out of this Release and Waiver shall be resolved pursuant to Sections 18 and 19 of the Agreement, as applicable.

15. Headings. The headings in each paragraph herein are for convenience of reference only and shall be of no legal effect in the interpretation of the terms herein.

16. Effective Date. The Agreement will be effective and enforceable (the "Effective Date") when it has been signed by both parties and the revocation period described below has expired. This Agreement is invalid if signed before Executive's Termination Date.

17. Acknowledgement of Understanding and Revocation Rights. Executive acknowledges that he has been given at least twenty-one (21) calendar days to consider this Release and Waiver and that, with this Release and Waiver, the Company hereby advises Executive to consult with an attorney of his choice before signing this Release and Waiver. Executive further acknowledges that the Company is being induced to provide Executive payments, benefits, and other consideration under this Release and Waiver and Section 5(e) of the Agreement by Executive's promises, including the general release in Paragraph 2 above.

Executive understands that Executive may sign this Release and Waiver at any time within the 21-day period, but in no event earlier than Executive's Termination Date. If Executive chooses to accept the terms and conditions of this Release and Waiver, Executive must sign and return the Release and Waiver to [] at [] within 21 days. Executive understands that Executive shall have the right to revoke this Release and Waiver after signing it by sending written notice of revocation to [] at [], no later than seven (7) calendar days after Executive signs this Release and Waiver. Executive acknowledges that this Agreement shall not be effective or enforceable until the 7-day revocation period expires. The offer of severance pay, benefits, and other consideration set forth in this Release and Waiver and Section 5(e) of the Agreement will expire when the 21-day period ends, if this Release and Waiver is not accepted and returned by Executive during that period.

18. Knowing and Voluntary Release. Executive agrees that he is signing this Release and Waiver voluntarily and of his own free will and not because of any threats or duress. Executive fully understands the meaning and intent of this Release and Waiver, and has had an opportunity to discuss fully and review the terms of this Release and Waiver with an attorney of his choice. Executive agrees that he has carefully read this Agreement and understands its contents, freely and voluntarily assents to all terms and conditions contained in this Release and Waiver, signs his name of his own free will, and intends to be legally bound by this Release and Waiver's terms.

IN WITNESS WHEREOF, the parties have executed this Release and Waiver on the dates stated below.

Date: _____

CONTINENTAL INSURANCE GROUP LTD.

By: _____
Name:
Title:
Date: _____