

EXHIBIT M

APP. 0485

each was vicariously liable for the actions of Decker. The claims asserted in the Hill Lawsuit also included independent negligence claims against Corona and claims against Liberty Tire that it was vicariously liable for Corona's negligence.

6. As the lead adjuster for Great American, I evaluated the potential liability and damages exposure for the defendants in the Hill Lawsuit, including the direct and vicarious liability of Liberty Tire, for settlement purposes. My evaluation was based on the discovery in the Hill Lawsuit, the Plaintiffs' alleged damages, the Plaintiffs' claims and theories of recovery, the venue of the Hill Lawsuit, applicable legal principles, the capabilities of the Plaintiffs' trial counsel, and my personal experience as an adjuster for claims against truck drivers and trucking companies in serious trucking accidents.

7. Based on the foregoing, it was clear to me that the Hill Lawsuit was a problematic case. Decker, Corona and Liberty Tire had few, if any, meaningful defenses to the Plaintiffs' claims and there were few, if any, ways to significantly challenge the Plaintiffs' damages claim for the death of Ms. Hill. The evidence in the Hill Lawsuit overwhelmingly supported: (a) Plaintiffs' claim that Decker negligently operated the truck by losing control, overcorrecting, and then crossing the median of a divided highway prior to striking Ms. Hill's vehicle; and (b) Plaintiffs' claim that Corona and Liberty Tire were vicariously liable for Decker's negligence because he was their employee at common law and under the governing federal motor carrier safety regulations. The evidence in the Hill Lawsuit also overwhelmingly supported: (a) Plaintiffs' claim that Corona was negligent in the hiring, training, supervision and retention of Decker; and (b) Plaintiffs' claim that Liberty Tire was vicariously liable for Corona's negligence under theories of nonemployee mission liability and as a joint enterprise. The evidence in the Hill Lawsuit did not overwhelmingly support Plaintiffs' independent negligence claims against Liberty Tire.

8. Liberty Tire's most significant exposure in the Hill Lawsuit was in connection with Plaintiffs' claims of vicarious liability for Decker's negligent operation of the truck, which was virtually undisputed.

9. I was personally involved in the settlement negotiations and eventual settlement of the Hill Lawsuit. The settlement was necessary to protect Great American's insureds from the significant exposure presented by the Hill Lawsuit. In light of the facts, the evidence and the potential damages exposure, the settlement amount of \$7,000,000.00 to resolve the Plaintiffs' claims was reasonable.

10. Liberty Tire's primary insurer, Liberty Mutual, paid \$1,668,537.90 of the settlement of the Hill Lawsuit. This was the full amount of the remaining policy limits of the policy Liberty Mutual issued to Liberty Tire.

11. Corona's primary insurer, EMC, paid \$1,000,000 of the settlement of the Hill Lawsuit. This was the full policy limit of the primary policy EMC issued to Corona.


12. Great American paid \$4,331,462.10 of the settlement of the Hill Lawsuit. EMC did not make any contribution to the settlement of the Hill Lawsuit despite demands by Great

American that they do so. Great American made this payment while reserving its right to seek contribution from EMC.

13. Great American's settlement payment was based primarily on concerns regarding Decker's liability to the Hill Plaintiffs for negligently operating the truck in question and Corona and Liberty Tire's related vicarious liability.

14. I was also the lead adjuster for Great American in connection with the claims asserted against Liberty Tire and others in the lawsuit styled and numbered *Leslie Sue Stalder v. Gerald Mason Decker, et. al.*, in the District Court of Nolan County, Texas, 2nd Judicial District; Cause No. 19814 (the "Stalder Lawsuit"). Great American did not make any settlement payments in connection with the Stalder Lawsuit.

I declare under penalty of perjury that the foregoing is true and correct.



Carol Euwema

AFFIDAVIT OF CAROL EUWEMA