

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 03/26/2007

QUAKER CHEMICAL CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number: 001-12019

Pennsylvania
(State or other jurisdiction of
incorporation)

23-0993790
(IRS Employer
Identification No.)

One Quaker Park, 901 Hector Street, Conshohocken, Pennsylvania 19428
(Address of principal executive offices, including zip code)

610-832-4000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On March 26, 2007, SB Decking, Inc., an inactive subsidiary of Quaker Chemical Corporation (the "Company"), and Federal Insurance Company ("Federal") entered into a Settlement Agreement and Release. The parties had a dispute regarding certain coverage issues on policies issued by Federal as applied to numerous asbestos claims brought against the Company's subsidiary. They have now agreed to settle this dispute whereby Federal will pay \$20 million in four installments to the subsidiary to be used to pay defense and indemnity costs incurred by or on behalf of the subsidiary in connection with asbestos-related claims. In return, the subsidiary (and the Company) released Federal from any further liability under all policies issued to the subsidiary.

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUAKER CHEMICAL CORPORATION

Date: March 26, 2007

By: /s/ Neal E. Murphy

Neal E. Murphy
Vice President and Chief Financial Officer