

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 03-E-0106

**In the Matter of the Liquidation of
The Home Insurance Company**

Docket No. 03-E-0112

**In the Matter of the Liquidation of
US International Reinsurance Company**

LIQUIDATOR'S FILING REGARDING STATUS REPORT

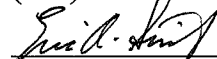
Pursuant to RSA 402-C:25, Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, as Liquidator of The Home Insurance Company ("Home"), hereby files for the benefit of the Court, claimants and other interested persons the information submitted herewith on the status of Home's liquidation that supplements and updates information filed at this time in previous years. This information is also being provided to the Home Coordinating Committee of the National Conference of Insurance Guaranty Funds.

Respectfully submitted,

ROGER A. SEVIGNY, COMMISSIONER OF
INSURANCE FOR THE STATE OF NEW HAMPSHIRE,
AS LIQUIDATOR OF THE HOME INSURANCE
COMPANY,

By his attorneys,
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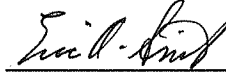


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November 5, 2008

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 5th day of November, 2008, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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Docket No. 03-E-0106

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Exhibit 1 -

Comparison of Home to Reliance / Transit



Size of the estate (1):

Estimated liabilities (gross, undiscounted)
Assets

4.5 billion (2)
1.7 billion (2)

9.2 billion
5.7 billion

3.7 billion
1.4 billion

6th Full Year of
Receivership-
2009 Projection (3)
(millions)

6th Full Year of
Receivership-
2007
(millions)

10th Full Year of
Receivership-
1995 (4)
(millions)

Operating data:

Cash and marketable securities, end of period
(grossed up for early access cash distributions and
guaranty fund expenses)

1,146

2,794

555(7)

Notices of Determination Issued (5)

950

550

Unknown

Operating expenses

20.6

78.9

21 (6)

Salaries and benefits

13.4

46.1

Unknown

Employee count, end of period

77

271

109

Notes:

- (1) For Home and Reliance, estimated liabilities (gross, undiscounted) and, for Reliance, related assets are based on pre-liquidation assumptions. Transit's estimated liabilities and related assets were determined from more fully developed data in the 1999 report. Home's assets are estimated ultimate amounts.
- (2) The assets and liabilities include the impact of potential increases in asbestos reserves discussed in the 28th Liquidator's Report, and preliminarily estimated at \$870 million, net of reinsurance.
- (3) The amounts shown are projected based on the budget for 2009.
- (4) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1995 was used for the 6th year of comparative operating data.
- (5) Home amounts are projected based on goals for 2009. Amounts for Home and Reliance are based on Liquidator allowed amounts, not Court approved allowances. As of October 1, 2008, Home had issued NODs of \$204 million for Guaranty Funds. Reliance does not appear to be issuing Guaranty Fund NODs, but has made early access cash payments to Guaranty Funds of \$1.27 billion as of 12/31/07.
- (6) Expense data for Transit is not adjusted for inflation to current period.
- (7) Transit paid a distribution to creditors of \$45.7 million in 1995, and such amount is added back to the ending cash and marketable securities.

Exhibit 2-

Estimated Ultimate Asset Collection //

Gross Ultimate Undiscounted Liabilities - Home and USI Re



	<u>HOME</u>	<u>USI Re</u>
Estimated Ultimate Asset Collection	\$1.7B	\$5.4M
Estimated Ultimate Undiscounted Insurance/Reinsurance Liabilities	\$4.5B	\$73M



Exhibit 3 -

Cash, Invested Assets and Credits History - Home and USI Re



	September 30, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003	(rehabilitation commenced) March 5, 2003
Cash and investments, liquid	\$877,161,086	\$867,356,030	\$807,649,727	\$782,398,074	\$667,449,366	\$469,378,237	\$12,775,612
Investments, non liquid	\$3,870,659	\$3,796,046	\$4,376,389	\$4,724,850	\$17,626,973	\$17,232,275	\$26,703,137
Total Cash and Invested Assets	\$881,031,745	\$871,152,076	\$812,026,115	\$787,122,924	\$685,076,339	\$486,610,512	\$39,478,749
Add:							
Credit for Early Access Distributions to Guaranty Associations (1)	\$165,619,757	\$131,823,053	\$92,531,226	\$35,321,789	-	-	-
Class I distribution to Guaranty Assoc.	\$14,607,128	\$14,307,128					
WC Advance Payments to Guaranty Assoc. (1)	\$3,152,304	\$3,152,304	\$3,221,557	\$3,221,557	\$3,221,557	\$3,221,557	-
Assets withdrawn from special deposits held by states to pay Home claims (market value)	\$49,516,486	\$49,516,486	\$49,557,548	\$49,427,549	\$35,951,299	\$30,464,419	-
Adjusted total cash, invested assets, and credits	\$1,113,927,420	\$1,069,951,047	\$957,336,446	\$875,093,819	\$724,249,195	\$520,296,488	\$39,478,749

(1) Early Access Distributions and WC Advance Payments to Guaranty Associations will ultimately be credited against amounts payable to Guaranty Associations.

Exhibit 4 -

POC Inventory - Home and USI Re



As of : October 27,2008

POC Prefix/Category	Total POCs Mailed	POCs Returned	Companions	Filed After Filing Deadline	Total POCs Returned	POC Claimed Amount (000)*
AM Best Carriers	2,691	239	6	2	247	\$172,602
Policy Claimants	28,054	7,545	117	656	8,318	\$2,112,405
OSAP	11,008	630	733	7	1,370	\$18,405
EMTL Claimants	1,387	165	5	5	175	\$2,144,182
Policy Holders	255,465	7,517	138	875	8,530	\$13,577,855
Vendors	21,761	542	51	37	630	\$183,392
Producers	41,947	37	2	1	40	\$753
Government	149	99	2	8	109	\$55,832
Employees	1,586	63	0	1	64	\$1,273
International	1,575	252	6	11	269	\$417,284
Home Assumed	714	180	5	8	193	\$492,131
USI Re	1,430	191	9	20	220	\$37,959
Home Ceded	728	46	6	2	54	\$49,115
Total	368,495	17,506	1,080	1,633	20,219	\$19,263,194

* Approximately 15% of all returned POC's provided a stated amount.

Exhibit 5 -

POC Determination - Home and USI Re



As of Date : October 27, 2008

POC Prefix & Description	POCs Reviewed	NODs Mailed	Within 60 Days (1)	> 60 Days or Acknowledged (2)	NOD Issued Amount (000) (3)	RFR (4)	OBJ (5)	RFR & OBJ Amount (000) (3)	Court Approved
AM Best Carriers	24	24	1	1	\$2,149.00	0	3	\$0.00	19
Policy Claimants	1,313	1,299	367	84	\$2,266.00	5	1	\$0.00	842
OSAP	1,216	1,203	26	60	\$286.00	7	0	\$0.00	1,110
EMTL Claimants	21	20	0	0	\$2,400.00	0	1	\$0.00	19
Policy Holders	3,368	3,361	51	118	\$402,239.00	95	30	\$500.00	3,067
Vendors	370	366	8	6	\$4,038.00	0	1	\$74.00	351
Producers	23	23	0	0	\$14.00	0	0	\$0.00	23
Government	427	427	2	0	\$204,283.00	82	0	\$14,117.00	343
Employees	57	57	0	0	\$0.00	0	0	\$0.00	57
International	257	257	4	23	\$24,733.00	0	2	\$216.00	228
Home Assumed	255	255	5	12	\$42,087.00	2	0	\$1,446.00	236
USI Re	60	60	0	0	\$3,752.00	0	0	\$0.00	60
Home Ceded	9	9	1	1	\$122.00	0	0	\$0.00	7
Total	7,400	7,361	465	305	\$688,374.00	191	38	\$16,354.00	6,362

- (1) Claimants may object to Liquidator's Notice of Determination within sixty days.
- (2) Includes notices of determinations acknowledged and accepted by the claimant.
- (3) This amount reflects the Liquidator's valuation of each claim.
- (4) Pending Requests for Redetermination
- (5) Pending Objections

Exhibit 5a -

Guaranty Fund Ultimate Liabilities - Home



Guaranty Fund Reported Indemnity & ALAE Paid (as of 10/07) \$223.7M

Early Access Distributions (Indemnity and ALAE) to date \$165.6M

Estimated GF Ultimate W/C Liabilities @ 6/08 \$760M

Estimated GF Ultimate GL/AL Liabilities @ 6/08 \$175M-\$700M

Exhibit 6 - Investments



The Home Insurance Company in Liquidation									
Portfolio Summary Report- Bonds and Short Term Investments									
Securities Held as of September 30, 2008									
(000's)									
Conning Managed:									
% of Av		Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 9/30/08	
Fixed Income									
8%	Short Term	69,954	69,954	-	0.11	2.49	Aaa	1,088	
12%	Government	101,863	103,963	2,100	4.63	3.37	Aaa	1,202	
16%	Agency	135,810	136,594	784	2.80	4.63	Aaa	5,220	
33%	Corporate	277,213	265,696	(11,517)	3.77	4.84	A1	10,551	
19%	Mortgage Backed	155,829	155,025	(804)	5.49	5.45	Aaa	5,695	
3%	Commercial Mortgage Backed	23,897	22,581	(1,315)	2.99	4.40	Aaa	791	
8%	Asset Backed	65,743	63,911	(1,832)	2.42	5.30	Aa1	2,631	
100%	Total	830,308	817,724	(12,584)	3.60	4.56	Aa2	27,178	
Other investments- Home Insurance									
100%	US Treasury Bills and Notes	9,766	9,805	39	0.25	2.02	Aaa	736	
Total Home Insurance		840,074	827,529	(12,545)	3.56	4.53	Aa1	27,914	
Other investments- USI Re									
100%	US Treasury Bills and Notes	4,410	4,416	6	0.28	1.67	Aaa	77	
Grand total (1)		844,484	831,945	(12,539)	3.55	4.51	Aa1	27,991	(2)
(1) Investment balances do not include cash amounts invested in sweep accounts of Citizens Bank and investments in common stocks and limited partnerships.									
(2) On an annualized basis, the total estimated income generated by the portfolio, calculated based on holdings as of September 30, 2008, would be \$ 39.9 million.									

**Exhibit 7 -
Operating Expenses**



**The Home Insurance Company in Liquidation
US International Reinsurance Company in Liquidation
G&A Expenses (Actual vs. Budget)
September 30, 2008**

	YTD			Full Year Budget
	Actual 9/30/08	Budget 9/30/08	Variance 9/30/08	
General & Administrative Expense				
Salary and Benefits	10,316,995	10,252,649	64,347	13,672,394
Travel	45,069	121,530	(76,461)	166,598
Rent	1,697,189	1,691,067	6,121	2,254,765
Equipment	334,015	418,125	(84,110)	557,500
Printing and Stationery	45,092	68,600	(23,507)	91,767
Postage	30,356	39,450	(9,094)	52,636
Telephone	237,237	274,200	(36,963)	365,600
Disaster Recovery	10,700	8,100	2,600	10,800
Outside Services, including Special Deputy	1,807,910	2,042,656	(234,746)	2,727,628
Licensing Fees	630	1,000	(370)	1,000
Legal and Auditing	465,471	945,300	(479,829)	1,221,900
Bank Fees	102,349	114,750	(12,401)	153,000
Corporate Insurance	100,565	116,198	(15,633)	116,600
Miscellaneous (Income) Expenses	(9,565)	4,588	(14,153)	6,120
Total Expenses Incurred	15,184,013	16,098,213	(914,199)	21,398,308

***Exhibit 8 -
Budget 2009***



**The Home Insurance Company in Liquidation
US International Reinsurance Company in Liquidation
Budget 2009**

	Expected	Budget	Budget
	Actual 2008	2008	2009
General & Administrative Expense			
Salary and Benefits	13,661,074	13,672,394	13,373,565
Travel	61,238	166,598	129,158
Rent	2,177,452	2,254,765	2,274,354
Equipment	457,776	557,500	526,900
Printing and Stationery	57,585	91,767	84,480
Postage	40,075	52,636	47,644
Telephone	304,816	365,600	364,200
Disaster Recovery	10,700	10,800	10,000
Outside Services, including Special Deputy	2,739,284	2,727,628	2,514,400
Licensing Fees	630	1,000	1,000
Legal and Auditing	1,032,607	1,221,900	1,186,500
Bank Fees	136,549	153,000	153,000
Corporate Insurance	109,060	116,600	116,505
Miscellaneous (Income) Expenses	(188,849)	6,120	(194,880)
Total Expenses Incurred	20,599,997	21,398,308	20,586,826