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**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 and US International Reinsurance Company, hereby files for the benefit of the Court, claimants and other interested persons the information submitted herewith on the status of the 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.

2003 OCT 09 AM 10:05  
03-E-0106

Respectfully submitted,

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

By his attorneys,  
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October 28, 2010

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 28th day of October, 2010, by first class mail, postage prepaid to all persons on the attached service list.



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Eric A. Smith

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of  
The Home Insurance Company  
Docket No. 03-E-0106

In the Matter of the Liquidation of  
US International Reinsurance Company  
Docket No. 03-E-0112

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# Exhibit 1 -

## Comparison of Home to Reliance / Transit



	Home	Reliance	Transit
Size of the estate (1):	4.4 billion	9.1 billion	3.7 billion
Estimated liabilities (gross, undiscounted)	1.9 billion	5.5 billion	1.4 billion
Assets	06/11/2003	10/03/2001	12/03/1985
Liquidation Date	8th Full Year of Receivership-2011 Projection (2) (millions)	8th Full Year of Receivership-2009 (millions)	12th Full Year of Receivership-1997 (3) (millions)
Operating data:	1,333	3,838	741
Cash and marketable securities, end of period (grossed up for early access cash distributions, guaranty fund expenses and interim asset distributions to creditors)	1,400	832	Unknown
Notices of Determination Issued (4)	18.9	64.7	15.0 (5)
Operating expenses	12.2	40.1	Unknown
Salaries and benefits	69	186	95
Employee count, end of period			
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 amounts shown are projected based on the budget for 2011.

(3) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1997 was used for the 8th year of comparative operating data.

(4) Home amounts are projected based on goals for 2010. Amounts for Home and Reliance are based on Liquidator allowed amounts, not Court approved allowances. As of October 1, 2010, Home had issued NODs of \$289 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 12/31/09.

(5) Expense data for Transit is not adjusted for inflation to current period.

**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	\$1.9B	\$5.0M
Estimated Ultimate Undiscounted Insurance/Reinsurance Liabilities	\$4.4B	\$66M



# Exhibit 3

## Cash, Invested Assets and Credits History - Home



### The Home Insurance Company In Liquidation CASH AND INVESTED ASSETS

	September 30, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003	March 5, 2003
Cash and Cash Equivalents	\$64,508,889	\$50,794,466	\$99,153,205	\$108,485,965	\$144,971,913	\$188,480,732	\$88,879,918	\$47,822,700	(\$953,085)
Marketable Securities, Liquid, at cost	980,153,179	926,786,229	830,169,359	745,870,995	650,912,179	585,008,998	570,309,950	400,464,024	321,943
Common Stock, Liquid, at Market Value	199,468	229,120	277,937	1,078	10,359	156,570	396,748	18,710,427	13,299,185
Interest Income Receivable	9,124,317	8,572,125	7,060,880	7,505,546	6,400,611	5,531,287	4,064,169	1,390,004	38,845
<b>Total Liquid Assets</b>	<b>\$1,053,985,853</b>	<b>\$986,381,940</b>	<b>\$936,661,381</b>	<b>\$861,863,584</b>	<b>\$802,295,062</b>	<b>\$779,177,587</b>	<b>\$663,650,785</b>	<b>\$468,387,154</b>	<b>\$12,706,888</b>
Preferred Stock, Non Liquid, at Equity	1,388,452	1,775,790	2,116,726	3,649,246	4,229,589	4,578,050	17,497,773	17,232,275	10,777,739
Common Stock, Non Liquid, at Equity	-	-	146,800	146,800	146,800	146,800	129,200	-	15,925,398
Surplus Notes, Non Liquid	-	-	-	-	-	-	-	-	-
<b>Total Cash and Invested Assets (1)</b>	<b>\$1,055,374,305</b>	<b>\$988,157,730</b>	<b>\$938,924,907</b>	<b>\$865,659,630</b>	<b>\$806,671,451</b>	<b>\$783,902,437</b>	<b>\$681,277,758</b>	<b>\$485,619,430</b>	<b>\$39,410,025</b>
Add:									
Credit for Early Access Distributions to Guaranty Associations	203,769,505	187,559,006	165,628,934	131,823,053	92,531,226	35,321,789	-	-	-
Class I distribution to Guaranty Assoc.	17,239,636	17,239,636	14,307,128	14,307,128	3,221,557	3,221,557	3,221,557	3,221,557	-
WC Advance Payments to Guaranty Assoc.	3,152,304	3,152,304	3,152,304	3,152,304	3,221,557	3,221,557	3,221,557	3,221,557	-
Assets held by States to pay Home Claims (Market Value)	49,516,486	49,516,486	49,516,486	49,516,486	49,557,548	49,427,549	35,951,299	30,464,419	-
<b>Adjusted total cash and invested assets</b>	<b>\$1,329,052,236</b>	<b>\$1,245,625,162</b>	<b>\$1,171,529,759</b>	<b>\$1,064,458,601</b>	<b>\$951,981,782</b>	<b>\$871,873,332</b>	<b>\$720,450,614</b>	<b>\$519,305,406</b>	<b>\$39,410,025</b>

(1) Does not include cash and invested assets for USI Re, which, at September 30, 2010, was \$5.4 million.

# Exhibit 4 -

# POC Inventory - Home



## POC Inventory - Home

As of: October 11, 2010

POC Prefix/Category	Total POCs Mailed	POCs Returned	Companions	Filed After Filing Deadline	Total POCs Returned	POC Claimed Amount (000) *
AM Best Carriers	2,867	416	2	5	423	\$ 174,239
Policy Claimants	28,438	7,494	168	657	8,319	\$ 2,116,030
OSAP	11,008	636	732	7	1,375	\$ 18,422
EMTL Claimants	1,396	172	5	6	183	\$ 2,141,901
Policy Holders	255,841	7,551	139	1,084	8,774	\$ 13,986,520
Vendors	21,757	525	51	36	612	\$ 183,557
Producers	41,946	37	2	1	40	\$ 340
Government	144	91	2	6	99	\$ 55,803
Employees	1,587	56	0	2	58	\$ 1,273
International	1,570	248	4	13	265	\$ 416,704
Home Assumed	719	185	0	11	196	\$ 494,247
USI Re	2	1	1	0	2	
Home Ceded	724	44	4	2	50	\$ 49,115
<b>TOTALS:</b>	<b>367,999</b>	<b>17,456</b>	<b>1,110</b>	<b>1,830</b>	<b>20,396</b>	<b>\$ 19,638,157</b>

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

# Exhibit 4 -

# POC Inventory - USI Re



## POC Inventory - USI Re

As of: October 1, 2010

POC Prefix/Category	Total POCs Mailed	POCs Returned	Companions	Filed After Filing Deadline	Total POCs Returned	POC Claimed Amount (000)
AM Best Carriers	5	2	3	0	5	0
Policy Claimants	2	1	0	1	2	0
Policy Holders	18	17	0	1	18	470
Vendors	6	5	0	1	6	43
Producers	1	1	0	0	1	0
Government	6	5	0	1	6	49
International	6	4	2	0	6	33
Home Assumed	3	0	3	0	3	
USI Re	1,452	200	7	35	242	81,676
Home Ceded	4	2	2	0	4	0
<b>TOTALS:</b>	<b>1,503</b>	<b>237</b>	<b>17</b>	<b>39</b>	<b>293</b>	<b>82,273</b>

# Exhibit 5 -

# POC Determination - Home



## Home Notices of Determination

As of Date: October 11, 2010

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	35	35	0	1	\$4,849	0	3	\$0.00	31
Policy Claimants	5,737	4,187	9	2,308	\$18,663	15	5	\$0.00	1,849
OSAP	1,346	1,344	1	1	\$286	8	0	\$0.00	1,334
EMTL Claimants	53	52	1	0	\$3,602	0	1	\$0.00	50
Policy Holders	4,537	4,528	42	115	\$599,714	56	30	\$500	4,285
Vendors	522	520	1	2	\$4,456	0	0	\$0.00	517
Producer	23	23	0	0	\$14	0	0	\$0.00	23
Government	694	694	0	1	\$300,941	143	0	\$22,061	550
Employees	58	58	0	0	\$0	0	0	\$0.00	58
International	396	396	3	5	\$36,309	4	1	\$0.00	383
Home Assumed	356	356	2	9	\$49,431	3	0	\$1,446	342
USI Re	2	2	0	0	\$0	0	0	\$0.00	2
Home Ceded	7	7	0	0	\$122	0	0	\$0.00	7
<b>TOTAL:</b>	<b>13,766</b>	<b>12,202</b>	<b>59</b>	<b>2,442</b>	<b>\$1,018,393</b>	<b>229</b>	<b>40</b>	<b>\$24,007</b>	<b>9,431</b>

- (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) There are 40 POCs pertaining to 11 objections which are pending or are stayed.

10/28/2010

# Exhibit 5 -

# POC Determination - USI Re



## USI Re Notices of Determination

As of Date : October 11, 2010

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	5	4	0	0	\$0	0	0	\$0	4
Policy Claimants	2	2	0	0	\$0	0	0	\$0	2
Policy Holders	18	18	0	0	\$0	0	0	\$0	18
Vendors	6	6	0	0	\$6	0	0	\$0	6
Producer	1	0	0	0	\$0	0	0	\$0	0
Government	6	8	0	2	\$48	0	0	\$0	6
International	6	4	0	1	\$33	0	0	\$0	3
Home Assumed	3	3	0	0	\$0	0	0	\$0	3
USI Re	242	235	0	0	\$47,646	2	0	\$1,204	233
Home Ceded	4	3	0	0	\$0	0	0	\$0	3
<b>TOTAL:</b>	<b>293</b>	<b>283</b>	<b>0</b>	<b>3</b>	<b>\$47,733</b>	<b>2</b>	<b>0</b>	<b>\$1,204</b>	<b>278</b>

- (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**



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Guaranty Fund Reported Indemnity & ALAE Paid (as of 10/10)	\$299M
Early Access Distributions (Indemnity and ALAE) (as of 10/10)	\$204M
Estimated GF Ultimate Liabilities	\$950M - \$1,500M

# Exhibit 6 - Investments



## The Home Insurance Company in Liquidation Portfolio Summary Report- Bonds and Short Term Investments Securities Held as of September 30, 2010 (000's)

Conning Managed:	Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 9/30/10
<b>% of Book Value</b>							
<b>Fixed Income</b>							
3% Short Term	34,314	34,314	-	0.08	0.25	Aaa	42
11% Government	105,621	111,074	5,453	2.08	2.83	Aaa	2,228
21% Agency	213,879	220,172	6,293	1.91	2.30	Aaa	3,439
49% Corporate	484,242	514,855	30,613	2.97	3.93	A2	14,736
12% Mortgage Backed	115,027	121,168	6,141	2.95	5.02	Aaa	5,021
4% Asset Backed	42,763	44,057	1,294	0.74	5.19	Aa1	2,013
100% Total	995,846	1,045,640	49,794	2.46	3.52	Aa2	27,479
<b>Other investments- Home Insurance</b>							
100% US Treasury Bills and Note	9,564	9,598	34	0.70	0.33	Aaa	29
Total Home Insurance	1,005,410	1,055,238	49,828	2.44	3.49	Aa1	27,508
<b>Other investments- USIRe</b>							
100% US Treasury Bills and Note	4,378	4,379	1	0.40	0.30	Aaa	7
Grand total (1)	1,009,788	1,059,617	49,829	2.44	3.47	Aa1	27,515 (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 earned income generated by the portfolio, calculated based on holdings as of September 30, 2010, would be \$34.1 million, and the comparable income on a cash basis would be \$39.5 million.

# Exhibit 7 - Operating Expenses



## The Home Insurance Company in Liquidation G&A Expenses (Actual vs. Budget) September 30, 2010

	Actual 2010	YTD		Variance 2010	Full Year Budget
		Budget 2010	Budget		
General & Administrative Expense					
Salary and Benefits	9,234,208	9,326,469		(92,260)	12,370,257
Travel	58,157	108,330		(50,173)	143,794
Rent	1,443,202	1,680,293		(237,091)	2,208,853
Equipment	666,028	478,677		187,351	552,900
Printing and Stationery	49,977	62,305		(12,328)	81,840
Postage	26,871	35,106		(8,235)	46,644
Telephone	199,288	226,900		(27,612)	301,200
Outside Services, including Special Deputy	2,486,417	2,405,404		81,013	3,216,024
Licensing Fees	942	750		192	1,000
Legal and Auditing	536,813	685,500		(148,687)	913,000
Bank Fees	120,554	121,500		(946)	162,000
Corporate Insurance	100,149	95,750		4,399	127,000
Miscellaneous Expenses	(4,704)	(109,300)		104,596	(146,000)
Total US Expenses Incurred before Office Move	14,917,902	15,117,684		(199,782)	19,978,512
Office Move	400,000			400,000	
Total US Expenses Incurred after Office Move	15,317,902	15,117,684		200,218	19,978,512



# Exhibit 8 - Budget 2011



## The Home Insurance Company in Liquidation Expected Full Year 2010 and Budget 2010 and 2011

General & Administrative Expense	Expected	Budget	Budget
	Actual 2010	2010	2011
Salary and Benefits	12,262,103	12,370,257	12,192,658
Travel	81,200	143,794	129,816
Rent	1,928,306	2,208,853	1,388,881
Equipment	741,417	552,900	296,700
Printing and Stationery	77,121	81,840	63,205
Postage	37,264	46,644	42,550
Telephone	260,945	301,200	298,250
Outside Services, including Special Deputy	3,355,259	3,216,024	3,191,900
Licensing Fees	1,412	1,000	1,000
Legal and Auditing	876,338	913,000	1,025,000
Bank Fees	159,834	162,000	162,000
Corporate Insurance	126,505	127,000	126,505
Miscellaneous (Income) Expenses	(10,000)	(146,000)	4,000
Total Expenses Incurred before Office Move	19,897,704	19,978,512	18,922,465
Office Move	400,000	-	-
Total Expenses Incurred after Office Move	20,297,704	19,978,512	18,922,465