

**THE STATE OF NEW HAMPSHIRE**

**MERRIMACK, SS**

**SUPERIOR COURT**

**Docket No. 217-2003-EQ-00106**

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

**LIQUIDATOR'S FILING REGARDING STATUS REPORT**

Pursuant to RSA 402-C:25, Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator of The Home Insurance 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 similar information filed at about this time in previous years.

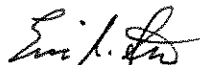
Respectfully submitted,

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

By his attorneys,

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October 24, 2016

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 24th day of October, 2016, 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. 217-2003-EQ-00106

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# Exhibit 1 - Comparison of Home to Reliance / Transit

	Home	Reliance	Transit
<b>Size of the estate (1):</b>			
Estimated liabilities (gross, undiscounted)	4.0 billion	6.2 billion	3.1 billion
Estimated assets	1.9 billion	5.2 billion	1.4 billion
	14th Full Year of Receivership- 2017 Projection (2) (millions)	14th Full Year of Receivership- 2015 (millions)	14th Full Year of Receivership- 1999 (3) (millions)
<b>Operating data:</b>			
Cash and marketable securities, end of period (grossed up for early access cash distributions, guaranty fund expenses and interim asset distributions to creditors)	1,789	5,148	913
Notices of Determination Issued (4)	2,851	1,279	1,203
Operating expenses	14.5	32.9	17.0 (5)
Salaries and benefits	8.5	20.7	Unknown
Employee count, end of period (6)	43	75	81

**Notes:**

- (1) For Home and Reliance, assets and liabilities (gross, undiscounted) are estimated ultimate amounts based on currently available data. Home's liabilities are Class II only, Reliance liabilities are class B. Transit's liabilities and related assets are estimated based on data in the 1999 and March 2000 reports, which are the last reports issued for the liquidation. Therefore, these amounts are unchanged from the prior year.
- (2) The amounts shown are projected based on the budget for 2017.
- (3) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1999 was used for the 10th year of comparative operating data. As discussed above, there are no further reports issued after 1999.
- (4) Home amounts are projected based on goals for 2017. Amounts for Home, Reliance and Transit are based on Liquidator allowed amounts, not Court approved allowances. As of September 1, 2016, Home had issued NODs of \$507 million for Guaranty Funds. Reliance only issues NODs to Guaranty Funds when a GA claim is not allowed, but has made early access cash payments to Guaranty Funds of \$2.15 billion as of 12/31/15. Transit allowances for Guaranty Funds could not be determined from available data.
- (5) Expense data for Transit is not adjusted for inflation to current period.
- (6) Home count is based on projected FTE's, and doesn't include 5 systems consultants.

**Exhibit 2 –  
Estimated Ultimate Net Asset Collection/  
Gross Ultimate Undiscounted Liabilities – Home**



	<b><u>HOME</u></b>
<b>Estimated Ultimate Net Asset Collection -</b>	<b>\$1.9B*</b>
<b>Estimated Ultimate Undiscounted Insurance Liabilities -</b>	<b>\$4.0B**</b>

\*Net of all Class I expenses.

\*\*Milliman's central estimate of Home's Class II unpaid loss and ALAE at Liquidation Date analyzed as of December 31, 2014.

October 24, 2016

# Exhibit 3

## The Home Insurance Company In Liquidation\* Cash and Invested Assets

	September 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
<b>Cash and Cash Equivalents</b>	\$26,121,916	\$61,071,566	\$88,319,643	\$45,275,553	\$78,525,441	\$59,221,326	\$40,212,353	\$50,794,466
<b>Marketable Securities, Liquid, at cost</b>	888,562,833	988,617,956	996,668,947	1,141,238,750	1,056,976,579	1,048,273,796	1,024,968,409	926,786,229
<b>Common Stock, Liquid, at Market Value</b>	2	2	2	224,628	233,460	173,378	217,668	229,120
<b>Interest Income Receivable</b>	4,652,049	5,099,249	5,853,279	6,744,455	6,789,115	8,071,024	8,486,876	8,572,125
<b>Total Liquid Assets:</b>	<u>\$919,336,800</u>	<u>\$1,054,788,763</u>	<u>\$1,090,841,871</u>	<u>\$1,193,463,386</u>	<u>\$1,142,524,595</u>	<u>\$1,115,739,524</u>	<u>\$1,073,885,306</u>	<u>\$986,381,940</u>
<b>Preferred Stock, Non Liquid, at Equity</b>								
<b>Common Stock, Non Liquid, at Equity</b>	695,440	800,556	869,083	925,034	961,085	878,668	1,388,452	1,775,790
<b>Surplus Notes, Non Liquid</b>	-	-	-	-	-	-	-	-
<b>Total Cash and Invested Assets:</b>	<u>\$920,032,240</u>	<u>\$1,055,589,319</u>	<u>\$1,091,710,954</u>	<u>\$1,194,408,420</u>	<u>\$1,143,485,680</u>	<u>\$1,116,618,192</u>	<u>\$1,075,273,758</u>	<u>\$988,157,730</u>
<b>Add:</b>								
<b>Credit for Early Access Distributions</b>								
<b>To Guaranty Associations</b>	244,107,133	244,107,133	232,018,572	232,018,572	222,464,338	211,596,866	203,769,505	187,569,006
<b>Class I Distribution to Guaranty Assoc.</b>	71,408,893	71,408,893	51,865,748	47,238,784	47,238,784	35,270,839	35,270,839	17,239,636
<b>Class II Distribution to Claimants</b>	440,786,486	250,836,071	186,587,340	-	-	-	-	-
<b>WC Advance Payments to Guaranty Assoc.</b>	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	3,152,304	3,152,304	3,152,304
<b>Assets Held by States to pay Home</b>								
<b>Claims (Market Value)</b>	56,588,869	56,567,800	56,443,936	55,814,650	55,744,250	55,743,765	49,516,486	49,516,486
<b>Adjusted Total Cash and Invested Assets</b>	<u>\$1,736,071,833</u>	<u>\$1,681,457,428</u>	<u>\$1,621,774,762</u>	<u>\$1,532,628,838</u>	<u>\$1,472,081,264</u>	<u>\$1,422,381,966</u>	<u>\$1,366,982,891</u>	<u>\$1,245,625,162</u>
	<b>December 31, 2008</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>	<b>December 31, 2005</b>	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>March 5, 2003</b>	
<b>Cash and Cash Equivalents</b>	\$99,153,205	\$108,485,965	\$144,971,913	\$188,480,732	\$68,879,918	\$47,822,700	(\$953,085)	
<b>Marketable Securities, Liquid, at cost</b>	830,169,359	745,870,995	650,912,179	585,008,998	570,309,950	400,464,024	321,943	
<b>Common Stock, Liquid, at Market Value</b>	277,937	1,078	10,359	156,570	396,748	18,710,427	13,299,185	
<b>Interest Income Receivable</b>	7,060,880	7,505,546	6,400,811	5,531,287	4,084,169	1,390,004	38,845	
<b>Total Liquid Assets</b>	<u>\$936,661,381</u>	<u>\$861,863,584</u>	<u>\$802,295,062</u>	<u>\$779,177,587</u>	<u>\$663,650,785</u>	<u>\$468,387,154</u>	<u>\$12,708,888</u>	
<b>Preferred Stock, Non Liquid, at Equity</b>							10,777,739	
<b>Common Stock, Non Liquid, at Equity</b>	2,116,726	3,649,246	4,229,589	4,578,050	17,497,773	17,232,275	15,925,398	
<b>Surplus Notes, Non Liquid</b>	146,800	146,800	146,800	146,800	129,200	-	-	
<b>Total Cash and Invested Assets:</b>	<u>\$938,924,907</u>	<u>\$865,659,630</u>	<u>\$806,671,451</u>	<u>\$783,902,437</u>	<u>\$681,277,758</u>	<u>\$485,619,430</u>	<u>\$39,410,025</u>	
<b>Add:</b>								
<b>Credit for Early Access Distributions</b>								
<b>To Guaranty Associations</b>	165,628,934	131,823,053	92,531,226	35,321,789	-	-	-	
<b>Class I distribution to Guaranty Assoc.</b>	14,307,128	14,307,128	-	-	-	-	-	
<b>WC Advance Payments to Guaranty Assoc.</b>	3,152,304	3,152,304	3,221,557	3,221,557	3,221,557	3,221,557	-	
<b>Assets Held by States to Pay Home</b>								
<b>Claims (Market Value)</b>	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>	<u>\$1,171,529,759</u>	<u>\$1,064,458,601</u>	<u>\$951,981,782</u>	<u>\$871,873,332</u>	<u>\$720,450,614</u>	<u>\$519,305,406</u>	<u>\$39,410,025</u>	

\* The Liquidator has also collected \$8.3M in deductible reimbursements which have been remitted to the Guaranty Associations pursuant to the Deductible Agreement with the Guaranty Associations.

# Exhibit 4 - Home Proofs of Claim and Notices of Determination <sup>(1)</sup>

As of: October 3, 2016

<u>CLAIMS</u>	<u>Count</u>	<u>POC Claimed Amount (000)</u>
Total POCs Mailed	369,421	
Total POCs Returned	20,730	\$20,719,282
<u>FINAL DETERMINATIONS <sup>(2)</sup></u>	<u>Count</u>	<u>NOD Issued Amount (000) <sup>(5)</sup></u>
NODs Mailed- Approved by the Court.	18,382	\$1,738,034
NODs RFRed or OBJ. Resolution is pending.	280	\$0
NODs within 60 days and/or pending court approval. <sup>(3)</sup>	661	\$464
<u>PARTIAL DETERMINATIONS <sup>(4)</sup></u>	<u>Count</u>	<u>NOD Issued Amount (000) <sup>(5)</sup></u>
NODs Mailed- Approved by the Court.	3,176	\$837,882
NODs RFRed or OBJ. Resolution is pending.	7	\$9,181
NODs within 60 days and/or pending court approval. <sup>(3)</sup>	30	\$13,825
TOTAL # of NODs (Final and Partial)	22,536	<u>\$2,599,386</u>
<u>TOTAL NUMBER OF POCs UNRESOLVED</u>	<u>Count</u>	<u>POC Claimed Amount (000) <sup>(6)</sup></u>
POCs to be determined, including those with previous determinatons and with NODs pending Court approval.	3,102 <sup>(7)</sup>	\$3,826,435

<sup>(1)</sup> Proofs of Claim and Notices of Determination for all priority classes. Notices of Determination include Notices of Redetermination.

<sup>(2)</sup> Some POCs were issued more than one NOD as elements of the claim were finally determined. The Court has approved determinations that finally resolved 17,647 POCs.

<sup>(3)</sup> Claimants may object to Liquidator's Notices of Determination within 60 days.

<sup>(4)</sup> Some POCs were issued one or more interim NOD allowances as satisfactory documentation was presented to the Liquidator. The POC remains open subject to further partial and/or final determinations as warranted.

<sup>(5)</sup> This amount reflects the total allowed amounts on the NODs.

<sup>(6)</sup> 84% of the remaining POCs do not include a stated amount.

<sup>(7)</sup> 13% of the remaining unresolved POCs are expected to be Class V claims. This number includes 19 POCs previously determined as final as to Class V priority classification which are now being finally resolved as to the dollar amount.

October 24, 2016



## Exhibit 5 - Guaranty Fund Incurred

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<b>Guaranty Fund Reported Indemnity &amp; ALAE Paid (as of 10/3/16)</b>	<b>\$502M</b>
<b>Early Access Distributions (Indemnity and ALAE) (as of 10/3/16)</b>	<b>\$247M</b>
<b>Guaranty Fund Incurred (as of 10/3/16)</b>	<b>\$823M</b>

October 24, 2016

# Exhibit 6 - Investments

**The Home Insurance Company in Liquidation  
Portfolio Summary Report- Bonds and Short Term Investments  
Securities Held as of September 30, 2016  
(000's)**

<b>Conning Managed:</b>							<b>Average</b>	<b>Earned</b>
<b>% of BV</b>		<b>Book</b>	<b>Market</b>	<b>Unrealized</b>	<b>Eff Mat</b>	<b>Book</b>	<b>Credit</b>	<b>Income</b>
		<b>Value</b>	<b>Value</b>	<b>Gain (Loss)</b>	<b>(Years)</b>	<b>Yield</b>	<b>Quality</b>	<b>9/30/16</b>
<b>Fixed Income</b>								
1.0%	Short Term	9,226	9,226	0	0.07	0.47	Aaa	287
3.9%	Agency	34,067	34,121	54	1.01	0.99	Aaa	871
6.8%	Government	59,818	61,859	2,041	3.81	1.94	Aaa	208
63.1%	Corporate	554,725	563,036	8,311	2.89	2.21	A2	9,077
1.3%	Corporate High Yield	11,034	10,991	(43)	1.07	4.33	Ba3	598
17.0%	Mortgage Backed	149,916	155,648	5,732	2.30	2.62	Aaa	3,348
4.7%	Asset Backed	41,683	42,041	358	2.42	1.47	Aaa	576
2.1%	CMBS	18,808	18,709	(99)	0.83	1.23	Aaa	178
100.0%	<b>Total</b>	<b>879,277</b>	<b>895,631</b>	<b>16,354</b>	<b>2.67</b>	<b>2.17</b>	<b>Aa3</b>	<b>15,142</b>
<b>Other Investments- Home Insurance</b>								
100%	US Treasury Bills and Notes	9,507	9,500	(7)	0.36	0.09	Aaa	8
<b>Total Home Insurance <sup>(1)</sup></b>		<b>888,784</b>	<b>905,131</b>	<b>16,347</b>	<b>2.65</b>	<b>2.15</b>	<b>Aa3</b>	<b>15,150 <sup>(2)</sup></b>

<sup>(1)</sup> Investment balances do not include cash amounts invested in sweep accounts of Citizens Bank and investments in common stocks and limited partnerships.

<sup>(2)</sup> On an annualized basis, the total estimated income generated by the portfolio, calculated based on holdings as of September 30, 2016, would be \$19.8 million over the next 12 months.

# Exhibit 7 - Operating Expenses

## The Home Insurance Company in Liquidation G&A Expenses (Actual vs Budget) 9/30/2016

General & Administrative Expense	YTD			Full Year Budget
	Actual 2016	Budget 2016	Variance 2016	
Salary and Benefits	6,885,754	7,051,231	(165,477)	9,273,400
Travel	26,919	54,050	(27,131)	75,350
Rent	1,084,897	1,175,712	(90,815)	1,548,179
Equipment	167,055	225,450	(58,395)	300,600
Printing and Stationery	30,238	36,540	(6,302)	52,345
Postage	10,948	22,800	(11,852)	30,300
Telephone	99,615	131,400	(31,785)	175,200
Outside Services, including Special Deputy	1,994,282	2,159,285	(165,003)	2,913,960
Legal and Auditing	499,496	663,000	(163,504)	1,010,000
Bank Fees	131,113	149,515	(18,402)	201,020
Corporate Insurance	22,494	50,906	(28,412)	101,208
Miscellaneous Income/Expenses	(717)	31,200	(31,917)	8,000
<b>Total Expenses Incurred</b>	<b>10,952,096</b>	<b>11,751,089</b>	<b>(798,993)</b>	<b>15,739,562</b>

# Exhibit 8 - Budget

**The Home Insurance Company in Liquidation  
Budget 2017  
Expected Full Year 2016 and Budget 2016 and 2017**

	<b>Expected Actual 2016</b>	<b>Budget 2016</b>	<b>Budget 2017</b>
<b>General &amp; Administrative Expense</b>			
Salary and Benefits	9,106,702	9,273,400	8,453,003
Travel	61,979	75,350	79,945
Rent	1,461,114	1,548,179	1,691,172
Equipment	250,178	300,600	255,000
Printing and Stationery	35,277	52,345	46,970
Postage	13,558	30,300	19,220
Telephone	126,929	175,200	165,900
Outside Services, including Special Deputy	2,700,577	2,913,960	2,701,160
Legal and Auditing	794,462	1,010,000	756,500
Bank Fees	182,864	201,020	180,000
Corporate Insurance	100,078	101,208	76,208
Miscellaneous (Income) Expenses	18	58,000	100,000
<b>Total Expenses Incurred</b>	<b>14,833,736</b>	<b>15,739,562</b>	<b>14,525,078</b>