

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 SEVENTY-SIXTH REPORT

I, Christopher R. Nicolopoulos, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby submit this Seventy-Sixth Report on the liquidation of Home, as of March 10, 2020 in accordance with RSA 402-C:25 and the Order Concerning Liquidator's Reports issued January 19, 2005.

The Home Insurance Company

1. Home's background. Home, domiciled in New Hampshire, was declared insolvent on June 11, 2003, and is one of the largest property-casualty insurer insolvencies in United States history. The Company and its predecessors began operations in 1853. The Court entered the operative Order of Liquidation on June 13, 2003. The Liquidator has created a stand-alone liquidation operation which presently consists of 37 full and part time employees with offices in New York City (Home's former corporate headquarters) and Bedford, New Hampshire. From the start in 2003, the Liquidator has been engaged in marshalling assets, principally reinsurance, and determining claims.

2. Home's assets. Home's unrestricted liquid assets as of December 31, 2019 total approximately \$817 million as set forth on the December 31, 2019 financial statement attached as Exhibit A. This figure does not include the \$625.3 million of net interim

distributions paid to non-guaranty association claimants on allowed Class II claims or the net \$256 million paid to insurance guaranty associations in early access distributions through December 31, 2019. These amounts are discussed in greater detail below. As of December 31, 2019, the Liquidator has marshalled approximately \$1.75 billion in assets net of the expenses of the liquidation and Class I distributions. This total includes the interim distribution amounts paid to non-guaranty association claimants, the early access distributions amounts paid to guaranty associations, and special deposits held by states.

3. Coordination with guaranty associations. The Liquidator works closely with the state insurance guaranty associations established in every state to handle and pay certain claims under policies issued by insolvent insurers subject to statutory limitations as provided in the associations' respective statutes. See, e.g., RSA 404-B. The New Hampshire Insurers Rehabilitation and Liquidation Act ("Act") provides for so-called "early access" distribution to guaranty associations. See RSA 402-C:29, III. Through March 1, 2020, the Liquidator has made, with the Court's approval, early access net distributions totaling \$256 million. (See Section 11 below.)

As a condition for receiving early access distributions, the guaranty associations entered into "claw back" agreements with the Liquidator requiring the return of any amounts advanced that exceed the eventual distribution percentage for their creditor class. In accordance with paragraph 4 of the Orders approving the interim distributions, a portion of early access distributions have become permanent and are no longer subject to claw back by the Liquidator. The Liquidator has calculated the amount of early access distributions no longer subject to claw back to date, and has sent letters to the affected guaranty associations to apprise them of the amount of the early access distribution which is now

deemed to be permanent. The Liquidator has also sent letters to those guaranty associations which have received reimbursement from special deposits in excess of the interim distribution percentage to advise them that previously paid early access distributions will not become permanent. (See Section 12 below.)

4. Proofs of claim. The claim filing deadline in the Home liquidation was June 13, 2004. The Liquidator received twelve new proofs of claim between the last Liquidator's report and March 1, 2020. The proofs of claim submitted now total 20,813. The proof of claim count includes as a single proof of claim (a) multiple proofs received from a claimant that appear to assert the same claim, and (b) claims filed on behalf of mass tort claimants against a single insured. It is difficult to summarize the proofs of claim in advance of the claim determination process because (a) those proofs of claim that quantify the claim may be overstated or understated, (b) most proofs of claim do not quantify the amount claimed, and (c) an individual proof of claim may involve many different claims and claimants.

5. Claim amendment deadline motion. The Liquidator has concluded that to move this proceeding toward closure and protect the interests of the creditors with allowed Class II claims it is now necessary to establish a deadline by which claimants with open proofs of claim must finally amend their claims. The Liquidator accordingly filed a Motion for Approval of Claim Amendment Deadline ("Motion") on August 1, 2019 seeking to establish a deadline for the amendment of claims. As described in that motion, claims filed after the claim amendment deadline and potential claims (claims that cannot be specifically identified by the deadline) will be barred if the Motion is granted.

By the order of notice dated August 19, 2019, the Court set a November 18, 2019 deadline for filing objections to the Motion. The Liquidator gave notice in accordance with the order of notice. Twelve objections were timely filed, one of which (the objection of U.S. Steel Corporation) has been withdrawn, and a late objection was filed December 24, 2019. On November 27, 2019, the Liquidator filed a proposed schedule to respond to the timely objections. The Liquidator submitted filings responding to the objections on December 13, 2019 and December 30, 2019.

The Court held a status conference on February 28, 2020. By Order dated February 28, 2020, the Court gave those who had already submitted objections until April 1, 2020 to file further memoranda in support of their objections and the Liquidator until May 1, 2020 to file responsive memoranda to those submissions. The hearing on the Motion and objections is set for June 23, 2020.

The Liquidator's motion papers, the objections, orders and further filings may be found on the Liquidation Clerk's website, www.hicilclerk.org.

6. Claim determinations and reports. The process of determining proofs of claim continues. Since the last Liquidator's report, the Liquidator has issued partial or final notices of determination addressing 164 proofs of claim pursuant to the Restated and Revised Order Establishing Procedures Regarding Claims entered January 19, 2005 ("Claims Procedures Order"). As of March 1, 2020, for all priority classes, the following table outlines activity from inception of the Liquidation:

	<u>12/01/14</u>	<u>12/01/15</u>	<u>12/05/16</u>	<u>12/01/17</u>	<u>12/1/18</u>	<u>12/1/19</u>	<u>3/1/20</u>
Proofs of Claim Filed:	20,672	20,704.	20,733	20,768	20,775	20,802	20,813
POCs Resolved (Court App'd) ⁽¹⁾⁻⁽²⁾ :	15,729	17,494	18,337	18,839	19,570	19,749	19,872
Total \$ Court App'd Determinations:	\$2.18b	\$2.43b	\$2.73b	\$2.8 b	\$3.0 b	\$3.1b ⁽³⁾	\$3.18b
Total \$ Class II Court App'd Det:	\$1.94b	\$2.13b	\$2.41b	\$2.49b	\$2.6 b	\$2.73b ⁽³⁾	\$2.79b
Total Remaining Open POCs ⁽⁴⁾	4,225	3,210	2,396	1,929	1,242	1,053	941

Breakdown of Open POC Count⁽⁴⁾

	<u>12/05/16</u>	<u>12/01/17</u>	<u>12/01/18</u>	<u>12/1/19</u>	<u>3/1/20</u>
i. Insureds ⁽⁷⁾ and Claimants	2,097	1,668	979	792	690
ii. Contribution Claims	43	6	12	13 ⁽⁵⁾	4
iii. Guaranty Associations	60	60	60	59	59
iv. Insurer	189	186	182	180	180
v. Government/other	7	9 ⁽⁶⁾	9	9	8
Total	2,396	1,929	1,242	1,053	941

(1) POC counts include single POCs that may encompass multiple underlying claims and multiple POCs that may concern single underlying claims. Multiple determinations may be issued for individual POCs.

(2) The number of POCs resolved includes POCs determined and approved by the Court as Class V determinations that are deferred as to amount. The number of deferred Class V determinations can change if a final determination as to amount is issued.

(3) The allowance total was adjusted to reflect credits for offsets.

(4) The number of open POCs excludes 304 POCs at 3/1/20 determined and approved by the Court as Class V determinations that are deferred as to amount. POCs with a filed Request for Review are considered open until the NODs are resolved.

(5) The number of open contribution POCs increased due to issuance of NODs on POCs that had not been counted as open in light of previous court-approved final determinations as to priority class only.

(6) In a review of open POCs, two were moved from another category to this category.

(7) As of 3/1/20, the number of insureds with open POCs totaled 209. All entities falling within the coverage of the policy including the named insured, additional named insured and their successors are counted as one insured if they filed a consolidated POC or POCs. Where the insured, the additional named insured and/or the successors filed separate POCs, each of the entities is counted separately.

The Liquidator continues to file reports of claims and recommendations when a sufficient number of claim determinations have passed the 60-day period for objections under RSA 402-C:41, I. Since December 1, 2019, the Liquidator has submitted one report of claims and recommendations to the Court reflecting a total of approximately \$16 million in determinations for all classifications.

7. Late-filed claims. The Order of Liquidation established June 13, 2004 as the deadline for filing claims in Home's liquidation proceeding. Pursuant to the Act, claims filed after the claim filing deadline are allowed to participate in distributions of the estate provided the late filing of the claim is "excused" for good cause shown. See RSA 402-C:37, II. The Act provides a non-exclusive list of five examples of "good cause" for late filing to be excused, including that the "existence of a claim was not known to the claimant and that he filed within 30 days after he learned of it." *Id.* "Unexcused" late filed claims are not permitted to receive the first distribution from the estate, but may receive subsequent distributions. RSA 402-C:37, III. (In both cases, payment is permitted only if it will not "prejudice the orderly administration of the liquidation." RSA 402-C:37, II, III.)

All proofs of claim received by the Liquidator are reviewed to determine whether the claim is timely filed or, if late, whether the late filing of the claim is to be "excused." Claimants with late filed claims which are found to be "unexcused" are informed of that determination and that they will not receive the first distribution in the Liquidator's notice of claim determination.

8. Requests for review and objections. A notice of determination is sent to a claimant when the Liquidator determines a claim. Each notice of determination includes instructions on how to dispute the determination under the New Hampshire statutes and the

Claim Procedures Order. Since inception, 1,013 claimants have filed requests for review; 926 of these have been sent notices of redetermination or have withdrawn the request for review. Claimants have filed 61 objections with the Court to commence disputed claim proceedings. As of March 1, 2020, there are two disputed claim proceedings before the Referee (one presently inactive). The Claims Procedures Order provides for review of the Referee's reports by motion to recommit.

9. Financial reports. The unaudited December 31, 2019 financial statements are attached as Exhibit A to this report. The December 30, 2020 statements reflect \$815,898,109 in net assets under the Liquidator's direct control and \$44,407,997 in reinsurance collections, net investment income, and other receipts, and \$15,417,269 in operating disbursements from January 1 through December 31, 2019.

10. 2019 Budget. A comparison of the actual and budgeted general and administrative expenses of the Home liquidation, on an incurred basis, through December 31, 2019 is attached as Exhibit B. As of December 31, 2019, actual expenses were below budget by \$783,023 or 5.8% with favorable variances in most categories. Below is a comparison of the annual budgeted and actual operating expenses (in millions) beginning January 1, 2004:

Year	Budget	Actual
2004	\$33.8	\$26.9
2005	\$26.8	\$26.2
2006	\$25.6	\$23.5
2007	\$22.8	\$21.5
2008	\$21.4	\$20.6
2009	\$20.6	\$20.0
2010	\$19.9	\$20.3
2011	\$18.9	\$18.2
2012	\$18.6	\$18.2
2013	\$18.4	\$17.7
2014	\$17.6	\$17.0
2015	\$17.2	\$16.2
2016	\$15.7	\$14.6
2017	\$14.5	\$13.7
2018	\$14.0	\$12.8
2019	\$13.5	\$12.7
2020	\$13.2	

The Liquidator filed a copy of the 2020 Budget on November 14, 2019 as Exhibit 6 to the Liquidator's Filing Regarding Status Report. As of March 1, 2020, the liquidation staff is 37 in number, which includes five part time employees. In addition, there are five Information Technology consultants, and other consultants who periodically work for the estate.

11. Investment update. The Liquidator invests Home's assets in accordance with the Fourth Revised Investment Guidelines approved December 10, 2012. A summary of Home's holdings of bonds and short-term investments as of December 31, 2019 is attached as Exhibit C, and a report listing the individual holdings of Home as of that date is attached as Exhibit D (the groupings on Exhibit B differ from those on Exhibit D). The book value of Home's bonds and short-term investments managed by Conning Asset Management ("Conning") at December 31, 2019, was approximately \$793.8 million compared to their market value of \$802.3 million. This represented an unrealized gain (book value above market value) of approximately \$8.5 million. Short-term holdings in the

Conning-managed portfolio at December 31, 2019 were \$83.4 million at market value. The portfolio earned approximately \$20.7 million in net investment income in 2019 and is expected to earn approximately \$19.2 million in 2020 based on holdings at December 31, 2019.

The average credit rating for the Conning-managed portfolio holdings is Aa3 by Moody's and AA- by S&P. The Liquidator continues to maintain, outside of Conning's control, investments in US Treasury bills. As of December 31, 2019, such investments for Home had a market value of approximately \$9.9 million. These assets, along with sweep bank accounts, will be used to fund operating requirements.

As of March 1, 2020, the Conning-managed portfolio had an unrealized gain of \$16.8 million, an \$8.3 million increase in the unrealized gain from December 31, 2019 due to a decrease in bond yields influenced by concerns about economic growth and the impact of the coronavirus outbreak. The Federal Reserve cut rates by a half point on March 3, 2019 due to the risks to economic activity caused by the coronavirus. A market value sensitivity analysis performed by Conning indicated that market values of the portfolio could potentially fluctuate \$16 million downwards and \$17 million upwards if interest rates increased or decreased 100 basis points, respectively, based on the portfolio values as of December 31, 2019. Consistent with the investment guidelines, the Liquidator and Conning continue to focus on (a) preservation of capital on investments, (b) maintaining a high quality portfolio, and (c) consistent with objectives (a) and (b), maximizing current income. As of March 1, 2020, the Liquidator and Conning believe that all securities in the portfolio will pay full amounts of principal in spite of fluctuating market values.

12. Early access distributions to guaranty associations. The Liquidator made early access distributions to a total of 55 insurance guaranty associations from 2005 through 2016. The Liquidator makes an early access distribution only after obtaining approval from the Court and “claw back” agreements with the guaranty associations requiring the return of any amounts advanced that are necessary to make distributions to creditors whose claims fall in the same or a higher priority class. See RSA 402-C:29, III.

Early access distributions are generally subject to deductions for deposits, deductible reimbursements, recoveries from guaranty association statutory net worth insureds, amounts ascribed Class I and Class V priority, questioned claim items, and an early access distribution cap of 40% of the association’s paid loss and expense and case reserves. Given the large number of guaranty associations affected by the cap and the decreasing association claim volume over the last few years, the tenth and eleventh early access distributions also reflected an additional cap of 75% of the association’s cumulative paid claims in accordance with the Court’s approval orders. The eleventh early access distribution also applied a \$25,000 minimum payment threshold. A net total of \$256 million has been paid to guaranty associations in early access through December 31, 2019.

13. Interim Distributions. By Order dated March 13, 2012 (as amended July 2, 2012), the Court approved the first interim distribution of 15% to claimants with allowed Class II claims. The interim distribution was subject to receipt of a waiver of federal priority claims from the United States Department of Justice (“US DOJ”), which was received on November 5, 2014. By Order dated November 16, 2015 (as amended March 7, 2016), the Court approved the second interim distribution of 10% to claimants with

allowed Class II claims (for a cumulative interim distribution percentage of 25%). The second interim distribution was also subject to receipt of a waiver of federal priority claims from the US DOJ, which was received on July 18, 2016.

The Liquidator paid first interim distributions totaling \$258.3 million to creditors with allowed Class II claims on December 5, 2014 and thereafter through July 31, 2016. In August 2016, the Liquidator paid second interim distributions totaling \$183.3 million to creditors with allowed Class II claims. It also included 25% first and second distribution amounts for those recent Class II claimant-creditors who had not previously received the first interim distribution.

By Order dated October 18, 2018, the Court approved the third interim distribution of 5% to claimants with allowed Class II claims (for a cumulative interim distribution percentage of 30%). The third interim distribution was also subject to receipt of a waiver of federal priority claims from the US DOJ. The Liquidator entered a Release Agreement with the United States in conjunction with a Settlement Agreement between the Federal Claimants and the Liquidator. The two agreements were subject to Court approval, which was given by Order dated March 26, 2019, and other conditions which were satisfied on April 10, 2019, thereby making the Settlement Agreement and the Release Agreement effective. The Release Agreement provided the necessary waiver of federal priority claims allowing the third interim distribution to proceed.

In April 2019, the Liquidator paid the third interim distribution totaling \$119.0 million to creditors with allowed Class II claims. This included the 30% distribution in the amount of \$8,113,243.80 on allowed United States claims which was paid to the United States on April 10, 2019 in accordance with the terms of the Settlement

Agreement. It also included 30% distribution amounts for other recent Class II claimant-creditors who had not previously received the first and second interim distributions. As part of the interim distribution process, the Liquidator periodically issues distribution checks to claimants with newly allowed Class II claims after each December 31 and June 30 as provided in the interim distribution approval orders.

The net cumulative interim distributions to non-guaranty association Class II creditors total \$639.73 million through March 1, 2020 (excluding distribution checks outstanding of \$0.5 million). This total does not include the amounts of prior early access distributions to guaranty associations that are deemed interim distributions no longer subject to claw back pursuant to the interim distribution approval orders (which are included in the early access total in section 12). Certain guaranty associations have had claims satisfied from special deposits and, accordingly, have not received interim distributions from the Home estate.

14. Milliman reserve study. The Liquidator engaged the actuarial firm Milliman, Inc. to estimate Home's unpaid direct liabilities as of December 31, 2010, December 31, 2012, and December 31, 2014. Milliman's report concerning unpaid loss and allocated loss adjustment expense ("ALAE") as of December 31, 2010, was used in the Liquidator's Motion for Approval of Interim Distribution to Claimants with Allowed Class II Claims filed February 13, 2012, and the executive summary was included in the motion papers. A copy of the executive summary of the Milliman report concerning unpaid loss and ALAE as of December 31, 2012 was attached as an exhibit to the Liquidator's Fifty-First Report. A copy of the executive summary of the Milliman report

dated June 18, 2015 concerning unpaid loss and ALAE as of December 31, 2014 was attached as an exhibit to the Liquidator's Fifty-Seventh report.

Milliman's actuarial central estimate of ultimate Class II unpaid loss and ALAE as of December 31, 2010 was \$4.112 billion, and the estimate at the 95% confidence level was \$6.584 billion. Milliman's actuarial central estimate of ultimate Class II unpaid loss and ALAE as of December 31, 2012 was \$4.372 billion, and the estimate at the 95% confidence level was \$6.602 billion. Milliman's actuarial central estimate of ultimate Class II unpaid loss and ALAE as of December 31, 2014 was \$4.034 billion, and the estimate at the 95% and 90% confidence levels was \$5.406 billion and \$4.970 billion respectively.

15. Multiple claims. RSA 402-C:40, IV provides that in the event several claims founded on one policy are filed, and the aggregate allowed amount of all claims to which the same limit of liability in the policy is applicable exceeds that limit, then each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. This presents a potential risk for allowed claims under such policies in the event that other claims subject to the same policy limit are allowed, as the allowances subject to the same limit would need to be reduced on a pro rata basis to adjust the total of such allowances to the applicable policy limit. Distributions will be based on the reduced allowances. The Liquidator will be unable to finally determine the extent to which a claim allowance may be subject to proration until all claims against the policy have been determined. The Liquidator is tracking claims against policies and will further address this issue, if warranted, in any future application to increase the interim distribution percentage. If at the time of a distribution there are allowed claims subject to the same limit that are

required to be reduced pursuant to RSA 402-C:40, IV, the Liquidator will make the reductions and advise the claimants of the reasons for them.

16. Reinsurance. The collection of reinsurance is the principal remaining asset-marshaling task of the Liquidator. The Liquidator has billed and collected reinsurance throughout the liquidation, and he has entered into commutations with certain reinsurers of Home to resolve relationships with those reinsurers for agreed payments.

The Liquidator reports, in accordance with the Court's December 23, 2004 order, that there were no commutations since the last report, on December 16, 2019.

17. Distributions to Class I Creditors. In his reports and recommendations regarding claims, the Liquidator has recommended that the Court approve certain claims by guaranty associations for expenses which are Class I claims under RSA 402-C:44 pursuant to RSA 404-B:11, II, certain other Class I claims, and the 10% part of allowed guaranty fund defense expense payments assigned to Class I under the Settlement Agreement with 56 guaranty associations approved on July 15, 2013. The Court has approved the claim reports, and the Liquidator accordingly has at various times made distributions to the Class I creditors. Most recently, a Class I distribution totaling \$8.6 million was issued to guaranty associations in September 2019, which brought total Class I distributions to \$94.7 million (after deduction of setoffs).

18. Asset dispositions (including compromises) and assumptions of obligations. In accordance with paragraph 5 of the Order Establishing Procedures for Review of Certain Agreements to Assume Obligations or Dispose of Assets entered April 29, 2004, and paragraph 5 of the Liquidator's Eleventh Report, the Liquidator submits a confidential

schedule of asset dispositions (including compromises) and obligation assumptions since the last report which is filed under seal as an appendix to this report.

19. New York Office Surrender of Space; Manchester Office Lease

Termination. Pursuant to the terms of the Lease Agreement for office space located at 61 Broadway in New York City, the Liquidator had a unilateral contraction option to surrender 7,500 square feet or approximately one-third of the Premises effective as of January 1, 2018. The Liquidator exercised the option and vacated the space on December 31, 2017. The Lease Agreement provides the Liquidator with a second unilateral contraction option for approximately half of the remaining space which option may be exercised at any time between January 1, 2021 and January 1, 2023. While the Lease expires by its terms on January 31, 2026, the Liquidator has an option to cancel the Lease as of January 1, 2021, as well as an option to extend the term of the Lease another five years until January 31, 2031. Both options to be effective require 12 months prior written notice.

The Manchester New Hampshire office has been relocated to new quarters in Bedford, New Hampshire which space has been let on a month to month basis.

20. Mailing Address Change: In view of the relocation of Home's Manchester office to Bedford, and as reflected on the liquidation's website (www.hicilclerk.org), the mailing address for all Proofs of Claim has been changed to the following:

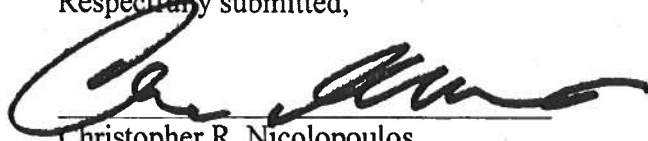
The Home Insurance Company in Liquidation
61 Broadway, 6th Floor
New York, New York 10006

21. Document Storage. The contract with Iron Mountain regarding storage of Home's records housed at Iron Mountain facilities as approved by the Court on

November 2, 2016 extends until November 30, 2021, and provides for a further five year extension at the Liquidator's option. As of March 1, 2020, there are approximately 62,263 boxes of documents in storage at Iron Mountain, down from a high of 167,000 in 2004 when the record review process was commenced, resulting in considerable savings to Home's estate. Record destruction efforts remain ongoing so as to eliminate records which are no longer useful to the estate.

22. Ancillary proceedings in the United States and United Kingdom. Ancillary receiverships for Home remain pending in Oregon, New York, and Massachusetts. In addition, a provisional liquidation proceeding concerning Home's unincorporated branch in the United Kingdom ("UK Branch") remains pending. The Home's UK Branch wrote insurance and reinsurance as a participating member of the American Foreign Insurance Association ("AFIA"), and a Scheme of Arrangement with AFIA creditors was approved by the UK court in November 2005.

Respectfully submitted,



Christopher R. Nicolopoulos,
Insurance Commissioner
of the State of New Hampshire,
as Liquidator of
The Home Insurance Company

Dated: March 12, 2020

CERTIFICATE OF SERVICE

I hereby certify that on March 13th, 2020, a copy of the Liquidator's Seventy-Sixth Report, without the confidential appendix, was served upon the persons named on the attached Service List, by first class mail, postage prepaid.



Eric A. Smith
NH Bar ID No. 16952

Exhibits:

- A – Unaudited Financial Statement as of 12/31/19
- B – Comparison of actual and budgeted general and administrative expenses through 12/31/19
- C – Holdings of bonds and short-term investments as of 12/31/19
- D – Individual holdings report as of 12/31/19

Confidential Appendix

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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THE HOME INSURANCE COMPANY IN LIQUIDATION

Financial Statements (Modified Cash Basis)

**December 31, 2019 and December 31, 2018
(Unaudited)**

The Home Insurance Company In Liquidation

Statement of Restricted and Unrestricted Net Assets Excluding Certain Amounts (Modified-Cash Basis) (Unaudited)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Assets		
Unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost:		
Fixed-income securities (Note 2)	\$ 715,223,801	\$ 749,762,900
Short-term investments	62,464,756	134,142,344
Cash and cash equivalents	<u>34,675,389</u>	<u>20,635,841</u>
Total unrestricted fixed-income, short-term investments, and cash and cash equivalents, at cost	\$ 812,363,945	\$ 904,541,085
Unrestricted liquid assets:		
Interest income due and accrued	4,485,145	4,296,062
Other liquid assets	<u>2</u>	<u>2</u>
Total unrestricted liquid assets	\$ 816,849,092	\$ 908,837,149
Unrestricted illiquid assets: (Note 1)		
Limited partnership interests	592,358	592,358
Total unrestricted illiquid assets (Note 1)	\$ 592,358	\$ 592,358
Restricted liquid assets: (Note 4)		
Cash	195,667	195,667
Total restricted liquid assets (Note 4)	\$ 195,667	\$ 195,667
Total restricted and unrestricted assets, excluding certain amounts	\$ <u>817,637,118</u>	\$ <u>909,625,173</u>
Liabilities		
Incurred but unpaid administrative expenses and investment expenses (Note 3)	1,568,795	1,790,276
Class I distribution checks outstanding (Note 8)	12,721	9,301
Class II distribution checks outstanding (Note 9)	<u>157,492</u>	<u>127,199</u>
Total liabilities	\$ 1,739,008	\$ 1,926,776
Restricted and unrestricted net assets, excluding certain amounts	\$ <u><u>815,898,109</u></u>	\$ <u><u>907,698,397</u></u>

See accompanying notes.

The Home Insurance Company in Liquidation

**Statement of Restricted and Unrestricted Cash Receipts and Disbursements
(Modified-Cash Basis)
(Unaudited)**

	January 1, 2019 To December 31, 2019	January 1, 2018 To December 31, 2018
Cash and marketable securities received:		
Net investment income	\$ 22,073,252	\$ 21,369,678
Reinsurance collections - unrestricted	16,708,821	18,530,389
Agents' balances	1,102,506	2,632,501
Salvage, subrogation and other claim recoveries	207,217	304,797
Realized capital gains on sale of fixed-income securities (Note 1)	4,098,026	203,535
Miscellaneous income	200,217	16,426
All other	17,958	957,654
Total cash receipts	\$ 44,407,997	\$ 44,014,980
Cash operating disbursements:		
Human resources costs (Note 3)	7,605,446	7,250,789
Realized capital losses on sale of fixed-income securities (Note 1)	829,191	1,538,378
Consultant and outside service fees	2,502,713	2,119,665
General office and rent expense	1,294,690	1,234,118
Legal and audit fees	1,072,148	1,061,982
Investment expenses	722,197	738,890
Computers and equipment cost	266,524	183,485
Administration costs	168,487	191,348
Loss expenses paid (Note 1)	120,835	131,840
Capital contribution	24,788	38,475
All other	810,250	3,666
Total cash operating disbursements	\$ 15,417,269	\$ 14,492,636
Excess of receipts over operating disbursements	\$ 28,990,728	\$ 29,522,344
Deductible reimbursements (Note 7)	338,600	398,185
Class I Distributions (Note 8)	8,651,565	5,433,359
Class II Distributions (Note 9)	132,802,678	30,139,875
Escrow Recovery (Note 9)	(20,624,976)	(528,166)
Cash disbursements and distributions in excess of receipts	\$ (92,177,139)	\$ (5,920,909)
Beginning restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	904,736,752	910,657,661
Ending restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	\$ 812,559,613	\$ 904,736,752

See accompanying notes.

The Home Insurance Company in Liquidation

Statement of Changes in Restricted and Unrestricted Net Assets Excluding Certain Amounts (Modified-Cash Basis) (Unaudited)

	<u>January 1, 2019 To December 31, 2019</u>	<u>January 1, 2018 To December 31, 2018</u>
Restricted and unrestricted net assets, excluding certain amounts, beginning of year	\$ 907,698,397	\$ 915,176,237
Cash operating disbursements in excess of unrestricted and restricted cash receipts	(92,177,139)	(5,920,909)
Other changes in restricted and unrestricted net assets:		
Limited partnership interests, illiquid	-	(62,427)
Prepaid expenses	-	(837,350)
Interest income due and accrued	189,084	(711,752)
Incurred but unpaid administrative and investment expenses (Note 3)	221,481	49,959
Class I distribution checks outstanding (Note 8)	(3,420)	(9,301)
Class II distribution checks outstanding (Note 9)	(30,294)	13,940
	<u>\$ 815,898,109</u>	<u>\$ 907,698,397</u>
Restricted and unrestricted net assets, excluding certain amounts, end of year		

See accompanying notes.

The Home Insurance Company in Liquidation ("Home")

Notes to Financial Statements
(Modified-Cash Basis)
(Unaudited)
December 31, 2019

1) Basis of Accounting

These financial statements are prepared using the modified cash basis of accounting which differs from accounting principles generally accepted in the United States. Only those assets that are within the possession of the Liquidator and other known amounts for which ultimate realization is expected to occur, primarily investments and cash and cash equivalents, and certain receivables, are recorded. Liabilities that have been acknowledged by the Liquidator are prioritized into creditor classes in accordance with the New Hampshire Statute establishing creditor classes in insurer insolvencies, RSA 402-C: 44. Only incurred but unpaid Class I (Administration Costs) liabilities, which are in a creditor class superior to all other classes, are presented in these financial statements.

These financial statements do not record the amounts of certain assets such as outstanding receivables, reinsurance recoverables, securities on deposit with various states and the federal government, early access distributions, funds held and claims against others, and certain liabilities, including insurance claims, as such amounts have not been settled and agreed to with third parties.

The amount shown for loss expenses paid primarily represents (1) loss expenses accorded administrative expense priority by the rehabilitation order and liquidation order, and (2) expenses relating to obtaining claim recoveries which also are entitled to administrative expense priority. Checks issued for such loss expenses that are not cashed are reflected as liabilities.

Unrestricted illiquid assets represent investments in common stock and limited partnership interests which are not liquid since these are not publicly traded.

Realized capital gains and losses on sale of bonds are calculated based on original cost of the bonds. Proceeds received above or below cost on maturity of bonds are included as part of net investment income.

Proceeds received above or below original cost are treated as a gain or loss upon disposition of common stock.

This statement does not include any assets of Home's branches outside of the United States.

The Home Insurance Company in Liquidation ("Home")

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

2) Investments

The cost and estimated fair values of unrestricted fixed-income securities and common stock by major category are summarized as follows:

	December 31, 2019			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-income securities:				
U.S. Treasury notes	\$ 49,229,336	\$ 328,945	\$ (292,969)	\$ 49,265,312
Government agencies	30,216,259	434,812	(15,065)	30,636,006
Corporate	479,867,905	5,009,282	(2,701,772)	482,175,414
Mortgage-backed	100,656,335	1,690,777	(630,505)	101,716,608
Asset-backed	<u>55,253,966</u>	<u>104,812</u>	<u>(239,355)</u>	<u>55,119,423</u>
Total	<u>\$ 715,223,801</u>	<u>\$ 7,568,628</u>	<u>\$ (3,879,666)</u>	<u>\$ 718,912,763</u>
Total Common Stock	\$ 1,628,052	\$ -	\$ (1,628,050)	\$ 2

The amortized cost of unrestricted fixed-income securities is \$710,428,469 at December 31, 2019. Based on such amortized cost, gross unrealized gains are \$8,823,354 and gross unrealized losses are \$339,061.

	December 31, 2018			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-income securities:				
U.S. Treasury notes	\$ 37,840,918	\$ -	\$ (702,715)	\$ 37,138,203
Government agencies	8,037,440	-	(157,960)	7,879,480
Corporate	486,230,691	115,613	(17,469,131)	468,877,174
Mortgage-backed	152,312,907	460,995	(4,604,942)	148,168,959
Asset-backed	<u>65,340,944</u>	<u>156,109</u>	<u>(907,239)</u>	<u>64,589,815</u>
Total	<u>\$ 749,762,900</u>	<u>\$ 732,717</u>	<u>\$(23,841,986)</u>	<u>\$ 726,653,631</u>
Total Common Stock	\$ 1,628,052	\$ -	\$ (1,628,050)	\$ 2

The amortized cost of unrestricted fixed-income securities is \$745,146,469 at December 31, 2018. Based on such amortized cost, gross unrealized gains are \$586,200 and gross unrealized losses are \$19,079,038.

The Home Insurance Company in Liquidation ("Home")

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

2) Investments (continued)

The cost and fair values of unrestricted fixed-income securities by contractual maturity are as follows:

	<u>Unrestricted fixed-income securities</u>	
	<u>Cost</u>	<u>Fair Value</u>
December 31, 2019		
One year or less	\$ 89,484,818	88,662,727
Over one year through five years	408,608,141	409,957,367
Over five years through twenty years	61,220,541	63,456,639
Mortgage-backed	100,656,335	101,716,607
Asset-backed	<u>55,253,966</u>	<u>55,119,423</u>
Total	<u>\$ 715,223,801</u>	<u>\$ 718,912,763</u>

	<u>Unrestricted fixed-income securities</u>	
	<u>Cost</u>	<u>Fair Value</u>
December 31, 2018		
One year or less	\$ 80,469,272	\$ 79,537,400
Over one year through five years	323,019,085	312,436,091
Over five years through twenty years	128,620,692	121,921,364
Mortgage-backed	152,312,907	148,168,959
Asset-backed	<u>65,340,944</u>	<u>64,589,816</u>
Total	<u>\$ 749,762,900</u>	<u>\$ 726,653,631</u>

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

3) Incurred But Unpaid Administrative Expenses and Investment Expenses

Accrued expenses incurred in the normal course of Home’s liquidation, but unpaid as of December 31, 2019, are as follows:

Human resources costs	\$ 1,020,428
Consultant and outside service fees	140,025
Legal and auditing fees	120,282
Other administration costs	79,032
General office and rent expense	<u>35,459</u>
Total accrued administrative expenses	<u>1,395,226</u>
Accrued investment expenses	<u>173,569</u>
Total accrued expenses	<u>\$ 1,568,795</u>

The amount of accrued expenses at December 31, 2018 was \$1,790,276 and net assets for 2019 increased by \$221,481 due to the decrease in the accrual.

Various full-time employees of Home are covered by employee incentive plans, which were approved by the Liquidation Court on December 7, 2018. The costs of these plans are primarily payable in 2019, but are based on 2018 service and are being accrued over the service period in 2019. Accrued administrative expense includes \$852,000 of incentive plan costs.

4) Restricted Funds

The Liquidator has drawn down on letters of credit (LOC) upon receiving notices of cancellation or notices of non-renewal from the issuing bank. Such LOC drawdowns relate to insurance losses not yet proven and/or settled and are recognized as restricted cash receipts. Restricted funds will be recognized as unrestricted reinsurance recoveries when such balances are proven and/or settled between the beneficial owner and the Liquidator. Restricted funds related to reinsurance recoveries total \$195,667 at December 31, 2019 and December 31, 2018.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

5) Securities on Deposit

Investments on deposit at the original cost with various states and the federal government were \$767,360, \$768,672 and \$73,947,287 at December 31, 2019, December 31, 2018 and June 13, 2003, respectively. The federal deposit is the only deposit still held at December 31, 2019, and as described in Note 1, the Liquidator does not record the amount of this asset as such amount has not been settled and agreed to with the federal government.

Various states have withdrawn such deposits and related interest for use by the related state guaranty associations. The market value of these withdrawals in the amount of \$55,744,793 may be offset against future distributions to such guaranty associations.

6) Early Access Distribution

On November 2, 2016, the Liquidation Court approved the eleventh early access distribution to insurance guaranty associations based on guaranty association payments through July 30, 2016. The Liquidator paid \$14.7 million for the eleventh early access distribution through December 31, 2016. The total of all early access payments through December 31, 2019 was \$256.0 million including other deemed early access payments.

As a condition for receiving early access distributions, the guaranty associations entered into “claw back” agreements with the Liquidator requiring the return of any amounts advanced that exceed the eventual distribution percentage for their creditor class. Pursuant to the “claw back” agreements, the Liquidator requested and received the return of \$5.9 million for the eleventh early access advance. Such returns of “claw back” amounts are netted against the related early access advances in the financial statements. The distribution caps are (1) an amount equal to 40% of the total incurred costs projected by each guaranty association, and (2) an amount equal to 75% of each guaranty association’s cumulative paid claims.

The Liquidator may periodically make additional early access distributions in the future, subject to the Liquidation Court’s approval. Early access distributions and related advances are not recorded as assets in the accompanying statements of restricted and unrestricted net assets, excluding certain amounts, although they represent payments in advance of distributions to other claimants. Early access distributions and related advances will ultimately be credited against amounts payable to Guaranty Associations to ensure pro rata distributions among members of the same class of creditor of the Liquidating Company.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

6) Early Access Distribution (continued)

The following summary represents early access distributions and related advances that are not reflected in the Statement of Net Assets.

Early Access Distributions paid in cash	\$ 252,942,104
Assets withdrawn from special deposits held by states to pay Home claims (market value, see note 5)	55,744,793
Other deemed Early Access advances paid in cash	<u>3,148,212</u>
Total	<u>\$ 311,835,109</u>

7) Home Deductible Policies - Reimbursement

On April 6, 2011, the Liquidation Court approved an agreement between the Liquidator and the Guaranty Associations regarding Home Deductible policies (the Deductible Agreement). The Deductible Agreement provides that the Liquidator will reimburse the signatory Guaranty Associations for deductible amounts collected during liquidation. The Liquidator also charges a fee of 7.5% as reimbursement of the Home’s expenses incurred in the collection process. Forty-six Guaranty Associations have signed the Deductible Agreement to date. On March 6, 2019 and March 6, 2018, the Liquidator paid \$338,600 and \$398,185 respectively, after netting of the fee.

8) Allowed Claims

As of December 31, 2019, the Liquidator has allowed, and the Liquidation Court has approved, \$107,064,475 of Class I claims, \$2,777,307,993 of Class II claims, \$2,672,527 of Class III claims, \$329,057,304 of Class V claims and \$53,887 of Class VIII claims. Class I claims paid in 2019 were \$8,651,565 and in 2018 were \$5,433,359 for the tenth and ninth distribution of Guaranty Associations’ administrative costs. It is management’s judgment that there will not be sufficient assets to make distributions on allowed claims below the Class II priority. Distributions on allowed claims will depend on the amount of assets available for distribution and allowed claims in each successive priority class under New Hampshire RSA 402-C: 44.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)
(Modified-Cash Basis)
(Unaudited)

9) Interim Distribution

On February 10, 2012, the Liquidator submitted a motion to the Liquidation Court seeking approval for a 15% interim distribution on allowed Class II claims. The interim distribution was approved by order of the Liquidation Court on March 13, 2012 (as amended July 2, 2012), and was subject to receipt of a waiver of federal priority claims from the United States Department of Justice. The waiver was received on November 5, 2014.

Additionally, on September 28, 2015, the Liquidator submitted a motion to the Liquidation Court seeking approval for a second interim distribution of 10% on allowed Class II claims. The Liquidation Court issued an order approving the motion on November 16, 2015 (the Order). On March 7, 2016, the Order was amended so that claimants who had not received the first interim distribution would be paid the second interim distribution coincident with the first interim distribution. The second interim distribution was subject to a waiver from the United States Department of Justice. The waiver was received on July 18, 2016.

On September 28, 2018, the Liquidator submitted a motion to the Liquidating Court seeking approval for a third interim distribution of 5% on allowed Class II claims. The Liquidation Court issued an order approving the motion on October 18, 2018 subject to a waiver from the United States Department of Justice. The waiver was received on April 10, 2019.

As of December 31, 2019, cash paid relating to the interim distributions in 2019 and 2018 totaled \$132,802,678 and \$30,139,875 respectively, and \$157,492 and \$127,199 remains outstanding as a payable for outstanding checks issued in 2019 and in 2018 respectively. The total of all class II payments issued through December 31, 2019 was \$625,420,726.

10) Claim Amendment Deadline Motion

The Liquidator filed a Motion for Approval of a Claim Amendment Deadline on August 1, 2019 seeking to establish a deadline for the amendment of claims. As described in that motion, claims filed after the claim amendment deadline and potential claims (claims that cannot be specifically identified by the deadline) will be barred if the Motion for Approval of Claim Amendment Deadline is granted. Twelve objections were filed by the November 18, 2019 deadline for objections to the motion. An additional objection was filed on December 24, 2019. The Liquidator filed responses in December 2019. A status conference was held on February 28, 2020. In an order dated 2/28/20, the Court gave objectors until 4/1/20 to file further memoranda and the Liquidator until 5/1/20 to file responsive memoranda. A hearing on the motion and objections is set for 6/23/20.

The Home Insurance Company in Liquidation
 G&A Expenses (Actual vs Budget)
 December 31, 2019

	YTD				Full Year Budget
	Actual 2019	Budget 2019	Variance 2019		
General & Administrative Expense					
Salary and Benefits	7,535,749	7,747,784	(212,035)	7,747,784	
Travel	11,954	40,070	(28,116)	40,070	
Rent	1,112,439	1,127,212	(14,773)	1,127,212	
Equipment	253,225	246,000	7,225	246,000	
Printing and Stationery	38,807	38,090	717	38,090	
Postage	12,037	13,100	(1,063)	13,100	
Telephone	111,242	189,600	(78,358)	189,600	
Outside Services, including Special Deputy	2,346,996	2,510,050	(163,054)	2,510,050	
Legal and Auditing	1,065,858	1,336,250	(270,392)	1,336,250	
Bank Fees	153,691	156,000	(2,309)	156,000	
Corporate Insurance	55,490	77,576	(22,086)	77,576	
Miscellaneous Income/Expenses	2,822	1,600	1,222	1,600	
Total Expenses Incurred	12,700,309	13,483,332	(783,023)	13,483,332	

The Home Insurance Company in Liquidation
 Portfolio Summary Report- Bonds and Short Term Investments
 Securities Held as of December 31, 2019
 (000's)

Conning Managed:

% of BV	Fixed Income	Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 12/31/19
10.5%	Short Term	83,389	83,398	9	0.19	1.68	Aaa	1,046
4.3%	Agency	34,209	34,699	490	2.28	2.56	Aa2	311
6.2%	Government	48,953	49,265	312	1.39	2.15	Aaa	1,446
59.5%	Corporate	472,334	478,113	5,779	2.52	2.54	A2	13,078
12.1%	Mortgage Backed	96,410	98,160	1,750	3.76	2.59	Aaa	2,815
6.9%	Asset Backed	55,044	55,120	75	1.30	2.00	Aaa	1,186
0.4%	CMBS	3,479	3,556	78	5.78	2.76	Aaa	673
100.0%	Total	793,818	802,311	8,493	2.28	2.40	Aa3	20,555

Other investments- Home Insurance

100%	US Treasury Bills and Notes	9,848	9,852	4	0.20	1.58	Aaa	151
	Total Home Insurance (1)	803,666	812,163	8,497	2.25	2.39	Aa3	20,706 (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 December 31, 2019, would be \$19.2 million over the next 12 months.

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2019**

CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
2546R2AP1	WALT DISNEY COMPANY	01/23/2020	2,500,000.00	2,497,020.83	2,497,325.00
2546R2BM7	WALT DISNEY COMPANY	02/21/2020	4,000,000.00	3,989,800.00	3,990,180.00
31849HB68	FIRST ABU DHABI BK PJSC	02/06/2020	3,000,000.00	2,994,300.00	2,994,288.00
31849HB76	FIRST ABU DHABI BK PJSC	02/07/2020	2,000,000.00	1,995,991.66	1,996,088.00
55078TA23	LVMH MOET HENNESSY LOUIS	01/02/2020	2,250,000.00	2,249,875.62	2,249,784.00
55078TCH8	LVMH MOET HENNESSY LOUIS	03/17/2020	5,750,000.00	5,727,664.47	5,726,896.50
59157TE17	METLIFE SHORT TERM FUND	05/01/2020	1,246,000.00	1,238,210.42	1,238,140.23
59157TE41	METLIFE SHORT TERM FUND	05/04/2020	2,000,000.00	1,987,117.78	1,987,060.00
71708EBD6	PFIZER INC	02/13/2020	725,000.00	723,233.41	723,352.80
71708ECK9	PFIZER INC	03/19/2020	3,275,000.00	3,260,595.47	3,261,398.93
89119ABJ6	TORONTO DOMINION BANK	02/18/2020	4,000,000.00	3,989,386.68	3,989,660.00
262008208	DREYFUS GOVERN CASH MGMT-INS	1.512 01/15/2020	37,148.28	37,148.28	37,148.28
TOTAL CASH EQUIVALENTS			30,783,148.28	30,690,344.62	30,691,321.74
SHORT TERM (OVER 90 DAYS)					
912796TF6	US TREASURY BILL	0.000 02/13/2020	2,520,000.00	2,515,371.52	2,515,619.41
912796TL3	US TREASURY BILL	0.000 03/19/2020	50,000,000.00	49,834,141.50	49,841,722.00
912796WT2	US TREASURY BILL	0.000 02/18/2020	350,000.00	349,305.83	349,316.87
912796TK5	US TREASURY BILL	0.000 03/12/2020	9,881,000.00	9,848,423.14	9,852,147.48
912796TE9	US TREASURY BILL	0.000 08/01/2019	775,000.00	780,121.46	780,121.46
TOTAL SHORT TERM			63,526,000.00	63,327,363.45	63,338,927.22
U S TREASURY					
912828A83	US TREASURY N/B	2.375 12/31/2020	20,000,000.00	20,071,334.80	20,140,625.00
912828B58	US TREASURY N/B	2.125 01/31/2021	4,000,000.00	3,979,998.72	4,020,625.00
912828J50	US TREASURY N/B	1.375 02/29/2020	8,000,000.00	7,986,160.40	7,995,000.00
912828K74	US TREASURY N/B	2.000 08/15/2025	6,000,000.00	5,912,479.62	6,081,562.50
912828VZ0	US TREASURY N/B	2.000 09/30/2020	11,000,000.00	11,003,142.48	11,027,500.00
TOTAL U S TREASURY			49,000,000.00	48,953,116.02	49,265,312.50
TOTAL GOVERNMENT & AGENCIES			49,000,000.00	48,953,116.02	49,265,312.50
PROVINCIAL					
01306GAB9	PROVINCE OF ALBERTA	1.750 08/26/2020	4,000,000.00	3,980,610.32	4,000,712.00
563469UH6	MANITOBA (PROVINCE OF)	2.050 11/30/2020	4,000,000.00	3,982,945.40	4,005,668.00
68323AES9	ONTARIO (PROVINCE OF)	2.550 02/12/2021	4,000,000.00	4,005,468.40	4,032,228.00
748148RU9	PROVINCE OF QUEBEC	3.500 07/29/2020	5,000,000.00	5,028,660.10	5,050,385.00
TOTAL PROVINCIAL			17,000,000.00	16,997,684.22	17,088,993.00
TAX MUNICIPAL					
20772KKG9	CONNECTICUT ST	3.500 04/15/2021	3,175,000.00	3,207,137.16	3,239,230.25
2350364G2	DALLAS-FORT WORTH TX INTERNATI	1.887 11/01/2021	1,950,000.00	1,950,000.00	1,953,022.50
798170AH9	SAN JOSE CA REDEV AGY SUCCESSO	3.076 08/01/2025	4,000,000.00	4,000,000.00	4,178,880.00
91412GU94	UNIV OF CALIFORNIA CA REVENUES	3.063 07/01/2025	4,000,000.00	4,026,463.84	4,175,880.00
TOTAL TAX MUNICIPAL			13,125,000.00	13,183,601.00	13,547,012.75
CORPORATE					
00206RCN0	AT&T INC	3.400 05/15/2025	3,000,000.00	2,947,619.22	3,145,458.00
00287YBN8	ABBVIE INC	2.545 11/21/2022	3,950,000.00	3,950,000.00	3,964,350.35
00440EAU1	CHUBB INA HOLDINGS INC	2.875 11/03/2022	8,000,000.00	8,144,528.53	8,207,704.00
02209SAN3	ALTRIA GROUP INC	2.850 08/09/2022	2,500,000.00	2,534,449.45	2,546,737.50
023135AW6	AMAZON.COM INC	2.400 02/22/2023	3,925,000.00	3,954,890.58	3,983,996.68
0258M0EG0	AMERICAN EXPRESS CREDIT	2.700 03/03/2022	5,000,000.00	4,994,970.25	5,080,100.00

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CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
02665WAZ4	AMERICAN HONDA FINANCE	2.450 09/24/2020	3,000,000.00	2,995,299.63	3,015,336.00
036752AC7	ANTHEM INC	3.350 12/01/2024	1,340,000.00	1,339,697.50	1,398,823.32
037389BD4	AON CORP	2.200 11/15/2022	3,950,000.00	3,949,242.75	3,960,175.20
037833AR1	APPLE INC	2.850 05/06/2021	7,000,000.00	7,013,974.52	7,106,974.00
037833BU3	APPLE INC	2.850 02/23/2023	5,000,000.00	5,078,640.35	5,136,495.00
037833CM0	APPLE INC	2.500 02/09/2022	3,000,000.00	2,999,934.57	3,045,204.00
038222AF2	APPLIED MATERIALS INC	4.300 06/15/2021	4,000,000.00	4,097,018.32	4,135,712.00
04685A2B6	ATHENE GLOBAL FUNDING	4.000 01/25/2022	4,050,000.00	4,049,450.86	4,184,937.90
04685A2C4	ATHENE GLOBAL FUNDING	2.750 04/20/2020	5,000,000.00	4,999,043.95	5,009,930.00
05348EAQ2	AVALONBAY COMMUNITIES	2.950 09/15/2022	1,200,000.00	1,228,716.10	1,227,180.00
05348EAR0	AVALONBAY COMMUNITIES	2.850 03/15/2023	1,000,000.00	1,027,293.80	1,021,377.00
05531FAX1	TRUIST FIN CORP	2.750 04/01/2022	5,500,000.00	5,495,235.74	5,597,383.00
05565QB1	BP CAPITAL MARKETS PLC	3.561 11/01/2021	8,550,000.00	8,683,061.51	8,809,860.15
05578AAA6	BPCE SA	2.750 01/11/2023	4,000,000.00	3,978,699.52	4,057,440.00
06051GGT0	BANK OF AMERICA CORP	3.093 10/01/2025	4,000,000.00	3,994,450.98	4,122,512.00
06051GGZ6	BANK OF AMERICA CORP	3.366 01/23/2026	3,000,000.00	3,000,000.00	3,130,488.00
06367WJN4	BANK OF MONTREAL	2.903 03/26/2022	3,250,000.00	3,260,627.60	3,266,009.50
06406RAA5	BANK OF NY MELLON CORP	2.600 02/07/2022	5,000,000.00	4,995,335.30	5,071,040.00
06406RAC1	BANK OF NY MELLON CORP	2.661 05/16/2023	2,605,000.00	2,605,000.00	2,644,254.75
064159QD1	BANK OF NOVA SCOTIA	2.375 01/18/2023	6,000,000.00	6,062,837.58	6,065,652.00
084659AK7	BERKSHIRE HATHAWAY ENERG	2.800 01/15/2023	3,125,000.00	3,125,000.00	3,188,371.88
084670BR8	BERKSHIRE HATHAWAY INC	2.750 03/15/2023	5,000,000.00	5,090,813.65	5,136,370.00
09659W2E3	BNP PARIBAS	3.500 03/01/2023	5,000,000.00	5,159,881.70	5,178,455.00
10112RAU8	BOSTON PROPERTIES LP	3.850 02/01/2023	2,500,000.00	2,629,650.35	2,618,687.50
12189LAQ4	BURLINGTN NORTH SANTA FE	3.850 09/01/2023	5,000,000.00	5,257,881.60	5,311,535.00
125523AE0	CIGNA CORP	3.400 09/17/2021	1,425,000.00	1,425,000.00	1,457,106.68
126650CW8	CVS HEALTH CORP	4.100 03/25/2025	1,760,000.00	1,746,753.89	1,887,251.52
14912L6C0	CATERPILLAR FINANCIAL SE	3.300 06/09/2024	4,000,000.00	4,091,892.24	4,208,168.00
14913Q2W8	CATERPILLAR FINL SERVICE	2.650 05/17/2021	2,500,000.00	2,499,166.90	2,525,675.00
166764AB6	CHEVRON CORP	2.355 12/05/2022	3,500,000.00	3,500,000.00	3,547,897.50
17275RBD3	CISCO SYSTEMS INC	2.200 02/28/2021	7,500,000.00	7,457,743.43	7,531,830.00
172967FT3	CITIGROUP INC	4.500 01/14/2022	4,000,000.00	4,110,538.08	4,190,464.00
191216BY5	COCA-COLA CO/THE	1.550 09/01/2021	5,000,000.00	4,970,010.80	4,992,150.00
225433AT8	CRED SUIS GP FUN LTD	3.800 06/09/2023	2,000,000.00	2,090,553.56	2,093,274.00
22546QAR8	CREDIT SUISSE NEW YORK	3.000 10/29/2021	2,000,000.00	2,006,468.86	2,037,200.00
233851BW3	DAIMLER FINANCE NA LLC	3.300 05/19/2025	3,000,000.00	3,030,725.97	3,101,310.00
24422ETG4	JOHN DEERE CAPITAL CORP	2.800 03/06/2023	7,000,000.00	7,107,668.33	7,182,791.00
25243YAX7	DIAGEO CAPITAL PLC	3.000 05/18/2020	4,000,000.00	4,004,946.00	4,011,932.00
254687CM6	WALT DISNEY COMPANY/THE	3.000 09/15/2022	3,000,000.00	3,091,117.95	3,090,399.00
260543CH4	DOW CHEMICAL CO/THE	3.000 11/15/2022	3,600,000.00	3,588,705.97	3,685,532.40
26875PAK7	EOG RESOURCES INC	2.625 03/15/2023	4,000,000.00	3,979,772.16	4,071,632.00
278642AE3	EBAY INC	2.600 07/15/2022	3,600,000.00	3,554,735.44	3,632,292.00
30231GAF9	EXXON MOBIL CORPORATION	2.709 03/06/2025	5,000,000.00	5,015,261.95	5,168,870.00
31677QBG3	FIFTH THIRD BANK	2.250 06/14/2021	1,283,000.00	1,264,656.20	1,288,025.51
341099CP2	DUKE ENERGY FLORIDA INC	3.100 08/15/2021	4,000,000.00	4,055,761.28	4,064,492.00
354613AJ0	FRANKLIN RESOURCES INC	2.800 09/15/2022	4,000,000.00	4,097,903.04	4,105,208.00
36164Q6M5	GE CAPITAL INTL FUNDING	3.373 11/15/2025	5,000,000.00	5,128,159.50	5,187,460.00
36164QMS4	GE CAPITAL INTL FUNDING	2.342 11/15/2020	3,683,000.00	3,686,547.06	3,687,577.97
369550BE7	GENERAL DYNAMICS CORP	3.000 05/11/2021	2,600,000.00	2,595,840.81	2,641,636.40
370334CF9	GENERAL MILLS INC	4.000 04/17/2025	2,250,000.00	2,248,295.04	2,435,539.50
38141GWQ3	GOLDMAN SACHS GROUP INC	3.272 09/29/2025	4,000,000.00	3,995,731.45	4,128,068.00
3814267X7	GOLDMAN SACHS BANK USA	2.420 05/24/2021	5,000,000.00	5,000,000.00	5,001,965.00
404280BA6	HSBC HOLDINGS PLC	3.600 05/25/2023	3,000,000.00	3,129,320.37	3,121,383.00
42217KBA3	WELLTOWER INC	3.750 03/15/2023	3,400,000.00	3,548,176.52	3,540,001.80
428236BX0	HEWLETT-PACKARD CO	4.050 09/15/2022	1,500,000.00	1,524,602.03	1,567,210.50
437076BL5	HOME DEPOT INC	2.000 04/01/2021	7,500,000.00	7,443,391.50	7,518,632.50
438516BT2	HONEYWELL INTERNATIONAL	2.150 08/08/2022	4,000,000.00	4,040,951.89	4,039,128.00
44328MAC8	HSBC BANK PLC	4.125 08/12/2020	3,000,000.00	3,026,909.22	3,040,071.00
458140AM2	INTEL CORP	2.700 12/15/2022	5,000,000.00	5,100,680.85	5,123,875.00
459200JW2	IBM CORP	2.800 05/13/2021	2,325,000.00	2,324,901.93	2,355,631.88
46625HHU7	JPMORGAN CHASE & CO	4.250 10/15/2020	5,000,000.00	5,055,224.05	5,085,555.00

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3128L0EF5	FHLMC POOL A68234	6.000	11/01/2037	109,450.20	110,349.15	121,400.40
3128ME4A6	FHLMC POOL G16017	3.000	12/01/2031	8,622,225.99	8,828,499.04	8,915,377.71
3128ME4T5	FHLMC POOL G16034	2.500	01/01/2032	9,123,316.68	9,136,347.88	9,255,156.82
3128MJAD2	FHLMC POOL G08003	6.000	07/01/2034	225,720.60	231,248.09	254,177.11
3128MJMC1	FHLMC POOL G08354	5.000	07/01/2039	1,226,645.10	1,241,199.55	1,371,678.87
3128MMVZ3	FHLMC POOLG18631	2.500	01/01/2032	9,210,292.69	9,220,412.78	9,370,772.92
3128PYU36	FHLMC POOL J18702	3.000	03/01/2027	3,560,177.60	3,646,409.94	3,660,924.18
31292JBR0	FHLMC POOL C01848	6.000	06/01/2034	295,626.52	305,845.16	332,888.34
312944AF8	FHLMC POOL A95406	4.000	12/01/2040	1,915,031.10	1,939,217.41	2,056,367.88
31297ECP9	FHLMC POOL A2-6378	6.000	09/01/2034	217,657.70	224,558.32	239,443.53
31307AEK4	FHLMC POOL J21938	2.500	01/01/2028	6,326,063.80	6,474,021.45	6,415,214.23
31307FJM4	FHLMC POOL J26568	3.500	12/01/2028	3,349,259.18	3,477,230.86	3,477,789.71
31307GTQ2	FHLMC POOL J27759	3.000	03/01/2029	5,915,818.00	6,047,967.08	6,093,561.12
3132GDMF6	FHLMC POOL Q00358	4.500	04/01/2041	3,440,158.95	3,611,704.06	3,674,837.24
3132GFXD4	FHLMC POOL Q02476	4.500	08/01/2041	1,858,655.40	1,952,112.55	1,984,486.84
31335H5U3	FHLMC POOL C90859	5.500	10/01/2024	206,746.40	210,118.34	222,649.95
3136AX7E9	FNA 2017-M12 A2	3.184	06/25/2027	3,425,000.00	3,478,503.84	3,556,280.25
31371PC57	FNMA POOL 257592	5.000	03/01/2039	450,503.17	455,615.01	497,003.01
31376KEL6	FNMA POOL 357539	5.500	04/01/2034	295,621.50	295,621.50	331,891.85
3138A8KG0	FNMA POOL AH6594	3.500	03/01/2026	2,305,586.06	2,374,674.08	2,394,942.62
3138EM3Y5	FN AL5314	3.500	03/01/2027	2,101,611.25	2,138,015.02	2,183,475.90
3138NXE37	FNMA POOL AR1053	2.500	01/01/2028	4,628,028.72	4,737,550.88	4,685,923.79
3138YEPP6	FNMA POOL AY1329	3.000	03/01/2030	6,492,305.85	6,725,175.51	6,685,651.98
3140J5GH6	FNMA POOL BM1099	3.000	03/01/2032	5,090,107.12	5,235,566.75	5,245,255.16
31413FGK2	FNMA POOL 944002	6.000	08/01/2037	396,238.33	393,654.39	458,077.93
31415Q4B9	FNMA POOL 986518	5.000	06/01/2038	73,272.28	73,991.54	81,808.11
31416XEL0	FNMA POOL AB1938	3.500	12/01/2025	3,561,905.20	3,644,874.83	3,687,490.57
31416YTY4	FNMA POOL AB3266	4.000	07/01/2041	2,628,266.50	2,687,341.10	2,817,805.02
31416YU89	FNMA POOL AB3306	4.000	07/01/2041	2,138,144.55	2,192,470.03	2,291,607.42
31419LD42	FNMA POOL AE9122	3.500	12/01/2025	1,019,460.30	1,034,088.77	1,055,468.04
31419LYR8	FNMA POOL AE9719	4.500	12/01/2040	5,122,160.80	5,294,035.88	5,557,267.10
36202D5C1	GNMA 2M POOL 3543	5.000	04/20/2034	403,022.70	402,531.40	442,637.49
36202EAK5	GNMA 2M POOL 3610	5.500	09/20/2034	347,072.20	354,678.88	389,662.09
36202EUT4	GNMA 2M POOL 4194	5.500	07/20/2038	526,897.05	528,049.64	585,643.53
36202EUU1	GNMA 2M POOL 4195	6.000	07/20/2038	463,408.20	472,531.55	522,410.98
36202EVN6	GNMA 2M POOL 4221	5.500	08/20/2038	352,275.20	349,523.05	391,576.90
36202EVP1	GNMA 2M POOL 4222	6.000	08/20/2038	257,263.80	260,399.20	291,942.25

TOTAL MORTGAGE BACKED

97,781,265.19 99,888,802.17 101,716,607.85

ASSET BACKED

02587AAJ3	AMXCA 2017-1 A	1.930	09/15/2022	2,670,000.00	2,669,977.14	2,669,503.90
05522RCWE	BACCT 2017-A1 A1	1.950	08/15/2022	5,365,000.00	5,364,901.39	5,365,205.50
14041NFM8	COMET 2017-A3 A3	2.430	01/15/2025	4,465,000.00	4,464,133.61	4,509,403.62
14312QAD8	CARMX 2016-4 A4	1.600	06/15/2022	5,000,000.00	4,980,593.95	4,984,841.06
17305EFM2	CCCIT 2014-A1 A1	2.880	01/23/2023	5,000,000.00	5,040,772.30	5,050,391.38
17305EFR1	CCCIT 2014-A5 A5	2.680	06/07/2023	8,000,000.00	8,046,291.68	8,098,520.54
17305EGB5	CCCIT 2017-A3 A3	1.920	04/07/2022	5,000,000.00	5,001,496.90	5,000,157.72
29366AAA2	ELL 2011-A A1	2.040	09/01/2023	990,136.26	1,007,979.56	990,171.18
34531KAD4	FORDO 2019-C A3	1.870	03/15/2024	3,430,000.00	3,429,812.52	3,428,012.80
43813VAC2	HAROT 2019-4 A3	1.830	01/18/2024	3,635,000.00	3,634,378.74	3,628,206.48
43814TAC6	HAROT 2017-1 A3	1.720	07/21/2021	667,354.00	668,934.15	666,758.67
654747AD8	NAROT 2017-A A3	1.740	08/16/2021	1,019,107.08	1,020,164.59	1,018,478.43
89239JAD6	TAOT 2019-B A3	2.570	08/15/2023	5,000,000.00	5,058,325.90	5,057,772.79
92348MAA7	VZOT 2016-2A A	1.680	05/20/2021	74,353.57	76,085.79	74,328.94
92348PAA0	VZOT 2017-2A A	1.920	12/20/2021	1,328,807.96	1,330,418.87	1,328,542.85
96042HAJ9	WLAKE 2019-3A C	2.490	10/15/2024	3,250,000.00	3,249,418.93	3,249,127.44

TOTAL ASSET BACKED

54,894,758.87 55,043,686.02 55,119,423.30

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TOTAL MARKETABLE SECURITIES			<u>767,706,024.06</u>	<u>773,755,832.68</u>	<u>782,251,690.40</u>
TOTAL MARKETABLE AND C/E			<u>798,489,172.34</u>	<u>804,446,177.30</u>	<u>812,943,012.14</u>
COMMON					
34958N100	FORTICELL BIOSCIENCE, INC		1,926.00	1,627,706.00	1.93
	RIMCO ROYALTY MANAGEMENT, INC		346,302.00	346.30	0.00
TOTAL COMMON			<u>348,228.00</u>	<u>1,628,052.30</u>	<u>1.93</u>
TOTAL MARKETABLE , CASH, C/E AND COMMON			<u>798,837,400.34</u>	<u>806,074,229.60</u>	<u>812,943,014.07</u>
EQUITY SECURITIES					
910585406	UNITED MERCHANTS & MFR		214,166.00	25,800.00	0.00
910858414	UNITED MERCHANTS & MFR - WTS		53,542.00	0.00	0.00
178789103	CITIVEST INTERNATIONAL LTD		12,000.00	668,451.00	561,343.00
COMMON STOCKS			<u>279,708.00</u>	<u>694,251.00</u>	<u>561,343.00</u>
	RIMCO ROYALTY PARTNERS, L.P.		346,302.00	3,199,497.00	592,358.00
LIMITED PARTNERS			<u>346,302.00</u>	<u>3,199,497.00</u>	<u>592,358.00</u>
TOTAL EQUITY SECURITIES			<u>626,010.00</u>	<u>3,893,748.00</u>	<u>1,153,701.00</u>
TOTAL			<u>799,463,410.34</u>	<u>809,967,977.60</u>	<u>814,096,715.07</u>