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

LIQUIDATOR'S FIFTY-SEVENTH REPORT

I, Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby submit this Fifty-Seventh Report on the liquidation of Home, as of June 19, 2015, 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 52 employees with offices in New York City (Home's former corporate headquarters) and Manchester, 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 liquid assets currently total approximately $1.067 billion as set forth on the March 31, 2015 financial statement attached as Exhibit B. This figure does not include either the $191 million paid to claimants in December, 2014 as the first interim distribution on allowed Class II claims, or the $232 million paid to insurance guaranty

associations in the nine early access distributions before December 2014. A first interim distribution amount of $36 million to one Class II creditor will be paid into escrow pursuant to the approved settlement agreement once the form of escrow agreement is also approved. These amounts are discussed in greater detail below. The Liquidator estimates that total assets net of expenses will be approximately $1.9 billion. This estimate can vary depending on a number of factors, including but not limited to future collection of reinsurance and investment income.

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 December 31, 2014, the Liquidator had made, with the Court's approval, nine early access distributions to the guaranty associations totaling approximately $232 million. As a condition for receiving these advances, 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 paragraph 4 of the Order Approving Interim Distribution To Claimants With Allowed Class II Claims issued March 13, 2012 (as amended July 2, 2012) ("Interim Distribution Order"), early access payments totaling approximately $47 million have become permanent and are no longer subject to claw back by the Liquidator. On May 20, 2015, the Court approved a tenth early access distribution, which the Liquidator made on June 16, 2015 in the total amount of $15.9 million.

4. Proofs of claim. The claim filing deadline in the Home liquidation was June 13, 2004. The Liquidator received 12 new proofs of claim for Home between the last Liquidator's report and June 1, 2015. The proofs of claim submitted now total 20,695. 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 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 159 proofs of claim for Home pursuant to the Restated and Revised Order Establishing Procedures Regarding Claims entered January 19, 2005 ("Claims Procedures Order"). As of June 1, 2015, the Liquidator has issued 20,951 determinations for Home totaling approximately $2.38 billion. As of June 1, 2015, 20,075 determinations (including settlements) involving a total amount of approximately $2.29 billion have been approved by the Court. The 20,075 determinations are comprised of 17,018 final and 3,057 partial determinations. Partial determinations address proofs of claim shown to include a verified paid loss along with a remaining potential or claimed unliquidated exposure.

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 the last Liquidator's report, the Liquidator has submitted three reports of claims and recommendations to the Court reflecting a total of approximately $40.8 million in determinations. In addition, the Liquidator has moved for approval of two settlement agreements since the last report reflecting a total of approximately $23 million in determinations.

6. 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 a 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.

7. 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 New Hampshire statutes and the Claim Procedures Order. Since inception, 851 claimants have filed requests for review; 612 of these have been sent notices of redetermination or have withdrawn the request for review. Claimants have filed 57 objections with the Court to commence disputed claim proceedings. As of June 1, 2015, there are two disputed claim proceedings pending before the Referee, including one (2005-

HICIL-4) that has been stayed. The Claims Procedures Order provides for review of the Referee's reports by motion to recommit. One such motion is presently pending.

8. Financial reports. The audited December 31, 2014 financial statements for Home are attached as Exhibit A to this report. The unaudited March 31, 2015 Home statements are attached as Exhibit B to this report and reflect $1,067,646,581 in assets under the Liquidator's direct control, and $24,843,705 in reinsurance collections, net investment income, and other receipts and $6,254,036 in operating disbursements from January 1 through March 31, 2015. An interim distribution to Class II creditors was made in December 2014 and January 2015. The March 31, 2015 financial statements reflect $4,512,655 of disbursements for such Class II distributions during the first quarter (other amounts were paid in December and are reflected in the December 31, 2014 financial statements). Checks totaling $318,534 that were issued but not yet cashed are shown as liabilities in the Statement of Net Assets. A Class II distribution payable of $36,328,251 is similarly shown as a liability. It reflects an interim distribution to a creditor (the Western Asbestos Settlement Trust) that is to be paid into escrow as required by the settlement agreement approved on May 2, 2011. The parties have agreed on a form of escrow agreement, and the Liquidator moved for approval of the escrow agreement on June 3, 2015.

9. 2015 Budget. A comparison of the actual and budgeted general and administrative expenses of the Home liquidation, on an incurred basis, through March 31, 2015 is attached as Exhibit C. As of March 31, 2015, actual expenses were below budget by approximately $149,000 or 3.5 %, 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	

The Liquidator filed a copy of the 2015 Budget on November 7, 2014 as Exhibit 8 to the Liquidator's Filing Regarding Status Report. As of June 1, 2015, the liquidation staff is 52 in number, which includes four part time employees. In addition, there are five Information Technology consultants, and other consultants who periodically work for the estate.

10. Investment update. The Liquidator invests Home's assets in accordance with the Fourth Revised Investment Guidelines approved September 10, 2012. A summary of Home's holdings of bonds and short-term investments as of March 31, 2015 is attached as Exhibit D, and a report listing the individual holdings of Home as of that date is attached as Exhibit E (the groupings on Exhibit D differ from those on Exhibit E). The book value of Home's bonds and short-term investments managed by Conning Asset Management ("Conning") at March 31, 2015, was approximately $1.048 billion compared to their market value of $1.065 billion. This represented an unrealized gain (market value above book value) of approximately $17.0 million. Short-term holdings in the Conning-managed portfolio at March 31, 2015 were $43 million at market value. The portfolio is expected to generate approximately $28 million of cash from net investment income in 2015, as continuing reductions in yields on reinvested assets are expected to have an impact on future investment income.

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 and notes. As of March 31, 2015, such investments for Home had a market value of approximately $9.6 million. These assets, along with sweep bank accounts, will be used to fund operating requirements.

As of May 21, 2015, the Conning-managed portfolio had an unrealized gain of $13.2 million as a increase in interest rates caused an decrease in the gain from March 31, 2015. As of June 1, 2015, the Liquidator and Conning believe that all securities in the portfolio will pay full amounts of principal in spite of fluctuating market values.

Market values of the portfolio can fluctuate widely as credit spreads change and as continuing sluggish economic growth coincides with the inflationary effects of large new issuances of government debt. Additional pressures on market values may result from uncertainties about the continuation and magnitude of low interest rate policies by the U.S. Federal Reserve as well as the other central banks around the world. Market value sensitivities analysis performed by Conning indicated that market values could potentially fluctuate $30 million downwards and $25 million upwards if interest rates increased or decreased 100 basis points, respectively, based on the portfolio values as of March 31, 2015. 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.

11. Early access distributions to guaranty associations. As described in the Liquidator's previous reports, the Liquidator has made nine early access distributions to insurance guaranty associations from 2005 through 2013. The Liquidator makes an early access

distribution only after obtaining approval from the Court and the "claw back" agreements with the guaranty associations requiring the return of any amounts advanced that are necessary to pay creditors whose claims fall in the same or a higher priority class. See RSA 402-C:29, III. The cash payments from the Home liquidation to guaranty associations for the nine early access distributions (after the return of certain amounts in response to "claw back" requests) total $232 million. 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 early access distribution caps. They are also subject to the "claw back" agreements.

The Liquidator moved for approval of a tenth early access distribution on March 6, 2015, and the Court approved the tenth early access distribution on May 20, 2015. The early access distribution was paid on June 16, 2015 in the total amount of approximately $15.9 million. The early access distributions now total $248 million.

The Liquidator made early access distributions to a total of 55 guaranty associations from 2005 through 2013. In connection with an analysis performed in anticipation of the tenth early access distribution, 49 guaranty associations were found to have exceeded the established distribution cap of 40% of the association's paid loss and expense and case reserves. Of these associations, 25 are being reviewed for possible "claw back" requests. Given the large number of guaranty associations affected by the cap and the decreasing association claim volume over the last few years, the Liquidator applied an additional cap on early access at 75% of the guaranty association's cumulative paid claims to the tenth early access distribution in accordance with the order dated May 20, 2015.

12. The interim distribution. In light of the resolution of litigation with the United States as described in paragraph 9 of the Liquidator's Fifty-Fifth Report, the Liquidator has made the 15% interim distribution approved in the Interim Distribution Order in accordance with the Liquidator's Report Regarding Process for Interim Distribution filed on November 12, 2014. That report set forth the process by which the Liquidator would make the 15% interim distribution to claimants, or their assignees, with Class II priority claims allowed by the Court over the course of the liquidation, from June 2003 through November 30, 2014. The interim distribution totaled \$275 million, consisting of \$191.4 million distributed to non-guaranty association Class II claimants; \$36.3 million to be paid into the Western Asbestos Settlement Trust escrow once the escrow agreement is approved; and \$47 million of prior early access distributions to guaranty associations that are deemed interim distributions and no longer subject to clawback pursuant to the Interim Distribution Order. Certain guaranty associations have had claims satisfied from special deposits and accordingly have not received interim distributions from the Home estate.

In order to avoid sending distribution checks to addresses that are out-of-date, the Liquidator sent emails or letters to all claimants or, where applicable, their assignees, to advise of the distribution and to request that they confirm in writing their address and other pertinent information relating to the distribution. As of June 1, 2015, the Liquidator has received written confirmations relating to all but three of the distribution checks (these three await resolution of various legal issues or receipt of the required written confirmation).[1] In addition, as noted above, the Western Asbestos Settlement Trust distribution has not yet been paid into escrow pending

[1] A number of claimants did not respond to the initial requests. The Liquidator sent a subsequent request to the address of record and attempted telephone contact in an effort to reach the distribution recipients. The Liquidator also conducted internet searches. In those cases where the Liquidator has not received a response confirming the correct recipient and a current address, the distribution checks have not for the present time been issued.

approval of the escrow agreement. The Liquidator has mailed all other checks to the claimant or assignee at the confirmed address. As of June 1, 2015 there are eight uncashed distribution checks. The Liquidator has followed up with each holder of an uncashed distribution check.

13. Milliman reserve study. The Liquidator has previously engaged the actuarial firm Milliman, Inc. to estimate Home's unpaid direct liabilities as of December 31, 2010 and December 31, 2012. 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. Milliman's prior analysis of unpaid loss and 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.

The Liquidator engaged Milliman to estimate Home's unpaid direct liabilities as of December 31, 2014. A copy of the executive summary of the Milliman report dated June 18, 2015 concerning unpaid loss and ALAE as of December 31, 2014 is attached as Exhibit F to this 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 as set forth in Exhibit F is \$4.034 billion, and the estimate at the 95% confidence level is \$5.405 billion.

The Liquidator will now consider the potential for a second interim distribution in light of Milliman's most recent estimates. The Liquidator presently anticipates making a recommendation to the Court concerning such a distribution in the third quarter 2015.

14. 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 amounts the Liquidator has received through reinsurance collections, including commutations, as well as estimates of future collections are included in the "Estimated Ultimate Asset Collection" number provided in the Liquidator's Filing Regarding Status Report filed annually in November and noted in paragraph 2 above.

The Liquidator reports, in accordance with the Court's December 23, 2004 order, that since the last report, the Liquidator has completed and moved for approval of two commutations, one with Providence Washington Insurance Company and the other with Arrowood Indemnity Company, which motions were approved by the Court on June 15, 2015.

15. 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 administrative expenses from inception to September 30, 2013, 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. On May 29, 2014, a Class I distribution was issued to guaranty associations totaling $4.6 million, which brought the total Class I distribution to $51.8 million (after deduction of setoffs). Since the last Liquidator's report, a report of claims and recommendation was approved by the Court reflecting a total of approximately $18.75 million in

additional Class I determinations, bringing the total to $70.55 million. The Liquidator anticipates making a Class I distribution to guaranty associations in the third quarter 2015.

16. Significant litigation. Massachusetts Second Injury and COLA Reimbursement. The Liquidator commenced an administrative proceeding before the Massachusetts Department of Industrial Accidents (the "DIA") seeking second-injury reimbursement from the Workers' Compensation Trust Fund, as well as cost of living adjustment ("COLA") reimbursement for payments to Massachusetts workers' compensation claimants. In a decision filed on February 6, 2012, Judge Taub, ruling on the COLA reimbursement claim, found in favor of the Trust Fund. Home appealed to the DIA Reviewing Board on February 15, 2012. In June 2014, the Reviewing Board affirmed Judge Taub's decision on different reasoning. Home appealed to the Massachusetts Appeals Court. The appeal was briefed and oral argument was heard on June 2, 2015.

17. 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.

18. Storage Costs. In a continuing effort to reduce the costs for Home's off-site record storage, the Liquidator is disposing of records in accordance with the orders granting the Liquidator's six motions for approval of disposal of certain records filed between 2004 and 2013, and the order granting the Liquidator's motion for approval to dispose of imaged records filed in January 2005. Pursuant to the Court's orders, the liquidation staff disposed of over 84,077 boxes

of documents by the end of 2014. Nonetheless, approximately 94,376 boxes remained in storage with off-site vendors at the end of 2014, in addition to the boxes stored at the liquidation offices. The annual cost of storing the records with off-site vendors is presently approximately $381,664 per year and disposal of even part of the boxes in off-site storage would result in significant savings.

On June 18, 2015, the Liquidator filed a seventh motion for approval of disposal of certain records. The motion seeks authority to dispose of closed and open claim file records imaged by the guaranty associations, along with records concerning reinsurance that has been commuted. The procedures adopted by the Liquidator to dispose of documents in accordance with the orders includes an audit process intended to confirm through a random sampling of the boxes that the material in the boxes is eligible for destruction. Years of experience in auditing of the boxes has confirmed the reliability of Home's records databases and, as a result, the audit procedures have been revised to reduce the number of boxes required to be sampled and to streamline and thus reduce the expense of the disposal audit process.

19. Ancillary proceedings in the United States. Ancillary receiverships for Home remain pending in Oregon, New York, and Massachusetts.

Respectfully submitted,

Roger A. Sevigny, Insurance Commissioner
for the State of New Hampshire, as Liquidator
of The Home Insurance Company

June 22, 2015

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2015, a copy of the Liquidator's Fifty-Seventh Report, without the confidential appendix, was served upon the persons named on the attached Service List, by first class mail, postage prepaid.

Dated: June 23, 2015

Eric A. Smith
NH Bar ID No. 16952

Exhibits:

A - 12/31/14 Audited Financial Statement
B - 3/31/15 Unaudited Financial Statement
C – Comparison of actual and budgeted general and administrative expenses through 3/31/15
D – Holdings of bonds and short-term investments as of 3/31/15 - Home
E – Individual holdings report as of 3/31/15 – Home
F - Executive Summary of Milliman report as of December 31, 2014

Confidential Appendix

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

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Exhibit A

Financial Statements (Modified-Cash Basis)

The Home Insurance Company in Liquidation
Years Ended December 31, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP

EY
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The Home Insurance Company in Liquidation

Financial Statements
(Modified-Cash Basis)

Years Ended December 31, 2014 and 2013

Contents

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Report of Independent Auditors

The Special Deputy Liquidator
The Home Insurance Company in Liquidation

We have audited the accompanying financial statements of The Home Insurance Company in Liquidation (the Liquidating Company), which comprise the statements of restricted and unrestricted net assets, excluding certain amounts (modified-cash basis) as of December 31, 2014 and 2013, and the related statements of restricted and unrestricted cash receipts and disbursements, and changes in fixed-income securities, short-term investments, and cash and cash equivalents (modified-cash basis), and changes in restricted and unrestricted net assets, excluding certain amounts (modified-cash basis), for the years then ended, and the related notes to the financial statements (modified-cash basis).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with the modified-cash basis of accounting described in Note 1; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the restricted and unrestricted net assets, excluding certain amounts of the Liquidating Company as of December 31, 2014 and 2013, and its restricted and unrestricted cash receipts and disbursements, and changes in fixed-income securities, short-term investments, and cash and cash equivalents, and changes in restricted and unrestricted net assets, excluding certain amounts, during the years then ended, on the basis of accounting described in Note 1.

Modified-Cash Basis of Accounting

As described in Note 1 to the financial statements, the financial statements have been prepared on a modified-cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles, to meet the requirements of the New Hampshire Department of Insurance, the Insurance Commissioner of the State of New Hampshire, and the Liquidation Court. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of the Liquidating Company, the New Hampshire Department of Insurance, the Insurance Commissioner of the State of New Hampshire (the Liquidator), and the Liquidation Court to whose jurisdiction the Liquidating Company is subject and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

May 18, 2015

The Home Insurance Company in Liquidation

Statements of Restricted and Unrestricted Net Assets, Excluding Certain Amounts (Modified-Cash Basis)

	December 31 2014	December 31 2013
Assets		
Unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost:		
Fixed-income securities	**$ 987,166,576**	$ 1,131,742,151
Short-term investments	**9,502,371**	9,496,599
Cash and cash equivalents	**87,997,752**	44,953,662
Total unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	**1,084,666,699**	1,186,192,412
Common stock, at fair value	**2**	224,628
Interest income due and accrued	**5,853,279**	6,744,455
Total unrestricted liquid assets	**1,090,519,980**	1,193,161,495
Unrestricted illiquid assets:		
Limited partnership interest	**869,083**	925,034
Total unrestricted illiquid assets	**869,083**	925,034
Restricted liquid assets:		
Cash	**321,891**	321,891
Total restricted liquid assets	**321,891**	321,891
Total restricted and unrestricted assets, excluding certain amounts	**1,091,710,954**	1,194,408,420
Liabilities		
Incurred but unpaid administrative expenses and investment expenses	**3,010,696**	3,156,096
Checks payable	**–**	9,250
Class II distribution payable	**36,328,251**	–
Checks payable – Class II distribution	**4,792,772**	–
Total liabilities	**44,131,719**	3,165,346
Restricted and unrestricted net assets, excluding certain amounts	**$ 1,047,579,235**	$ 1,191,243,074

See accompanying notes.

The Home Insurance Company in Liquidation

Statements of Restricted and Unrestricted Cash Receipts and Disbursements, and Changes in Fixed-Income Securities, Short-Term Investments, and Cash and Cash Equivalents (Modified-Cash Basis)

	Year Ended December 31 2014	2013
Cash receipts:		
Reinsurance collections	**$ 75,350,700**	$ 43,419,111
Net investment income	**29,423,229**	27,499,552
Salvage, subrogation, and other claim recoveries	**2,853,075**	7,738,078
Agents' balances	**1,524,893**	2,306,712
Realized capital gains on sale of fixed-income securities	**567,335**	12,219
Realized capital gains on sale of common stock	**256,936**	–
Return of special deposit	**104,000**	–
Other	**111,536**	46,670
Total cash receipts	**110,191,704**	81,022,342
Cash operating disbursements:		
Human resources costs	**11,279,389**	10,456,513
Consultant and outside service fees	**2,616,345**	3,009,409
Realized capital losses on sale of fixed-income securities	**1,932,788**	1,034,061
General office and rent expense	**1,549,484**	1,448,222
Legal fees	**993,593**	1,025,418
Investment expenses	**922,924**	899,386
Computers and other equipment expense	**299,114**	227,407
Administration costs	**278,589**	268,096
Loss expenses paid	**271,592**	831,810
Other	**28,966**	853,054
Total cash operating disbursements	**20,172,784**	20,053,376
Excess of cash receipts over cash operating disbursements	**90,018,920**	60,968,966
Distribution to state guaranty associations	**–**	(9,554,234)
Deductible reimbursements	**(330,329)**	(402,449)
Class I distributions	**(4,626,964)**	–
Class II distributions	**(186,587,340)**	–
Cash (deficiency)/receipts in excess of disbursements and distributions	**(101,525,713)**	51,012,283
Beginning restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	**1,186,514,303**	1,135,502,020
Ending restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	**$ 1,084,988,590**	$ 1,186,514,303

See accompanying notes.

The Home Insurance Company in Liquidation

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

	Year Ended December 31	
	2014	**2013**
Restricted and unrestricted net assets, excluding certain amounts, beginning of year	**$ 1,191,243,074**	$ 1,141,331,823
Unrestricted and restricted cash (deficiency)/receipts in excess of cash operating disbursements	**(101,525,713)**	51,012,283
Other changes in restricted and unrestricted net assets:		
Fair value of common stock	**(224,626)**	(8,832)
Limited partnership interest, illiquid	**(55,951)**	(36,051)
Interest income due and accrued	**(891,176)**	(44,660)
Incurred but unpaid administrative expenses and investment expenses	**145,400**	(1,006,038)
Checks payable	**9,250**	(5,451)
Class II distribution payable	**(36,328,251)**	–
Checks payable – Class II distribution	**(4,792,772)**	–
Restricted and unrestricted net assets, excluding certain amounts, end of year	**$ 1,047,579,235**	$ 1,191,243,074

See accompanying notes.

The Home Insurance Company in Liquidation

Notes to Financial Statements
(Modified-Cash Basis)

December 31, 2014

1. Background and Significant Accounting Policies

The Home Insurance Company (the Company) was declared insolvent on June 11, 2003, and the liquidation of the Company was ordered (the Liquidation Order) by the Merrimack County Superior Court of the State of New Hampshire (the Liquidation Court). The Insurance Commissioner of the State of New Hampshire (the Liquidator) was appointed Liquidator of the Company. The liquidation of the Company (since June 11, 2003, The Home Insurance Company in Liquidation) is being conducted in accordance with New Hampshire statutes governing insurance insolvency proceedings. The Company has issued no new insurance policies since 1995, and it was placed in supervision by the New Hampshire Insurance Department in 1997. The principal activities since the date of the Liquidation Order (insolvency) consist of determining claims under policies issued prior to the date of insolvency, recovering reinsurance balances for losses ceded under reinsurance agreements, and collecting assets to distribute to creditors. On June 13, 2003, the Liquidation Court issued a revised Liquidation Order, which did not change the effective date of the insolvency.

The following represents the significant accounting policies affecting The Home Insurance Company in Liquidation (the Liquidating Company) that are used in preparing the accompanying financial statements. These policies differ from accounting principles generally accepted in the United States.

Basis of Accounting

The Liquidating Company's financial statements are prepared using a modified-cash basis of accounting, which differs from U.S. generally accepted accounting principles (GAAP). Only those assets that are within the possession of the Liquidator and other known amounts for which ultimate realization by the Liquidating Company is expected to occur, primarily liquid and illiquid investments, cash, and certain receivables, are recorded. Liabilities that have been acknowledged by the Liquidating Company are prioritized into ten creditor classes in accordance with the New Hampshire statute establishing creditor classes in insurer insolvencies (Revised Statutes Section (RSA) 402-C:44), as discussed below under the caption "Priority of Claims and Distributions to Creditors." These financial statements reflect the restricted and unrestricted net assets and the cash receipts, cash disbursements (including the 15% interim distribution to class II creditors described below and the early access distributions to state guarantee associations as described in Note 8), and other changes in net assets on the basis described above.

1. Background and Significant Accounting Policies (continued)

Under this basis of accounting, the Liquidating Company excludes the amounts of certain assets, such as reinsurance recoverable, securities on deposit with various states, funds held, and claims against others, and certain liabilities, including insurance policy claims and losses, as such amounts have not been settled and agreed to with third parties or the Liquidation Court.

"Restricted" is a term used to denote certain assets held and managed by the Liquidating Company for parties at interest. The right of ownership to these assets is conditional upon future events. Accordingly, such amounts are shown separately where appropriate (see Note 6).

Use of Estimates

The preparation of financial statements requires the use of estimates and assumptions by management that affect amounts reported in these financial statements and accompanying notes. Actual results may vary from these estimates as more information becomes known.

Fixed-Income Securities

Fixed-income securities are carried at cost with no provision for amortization of premium or discount on purchase price. Amounts received over or under original cost are treated as a gain or loss upon disposition and are treated as net investment income at maturity. Fixed-income securities are generally held until maturity. The types of fixed-income securities that the Liquidating Company may invest in are prescribed by order of the Liquidation Court and consist principally of U.S. government agency securities and other high-credit-quality corporate, mortgage-backed, and asset-backed debt instruments. In 2012, the Liquidation Court approved revised guidelines for the Liquidating Company allowing limited investments in high-yield and municipal debt investments. The Liquidating Company accrues interest income on fixed-income securities as the realization of such amounts is expected to occur.

Cash and Cash Equivalents

Cash equivalents are presented at cost, which approximates fair value. Cash equivalents consist principally of money market accounts, commercial paper, and U.S. Treasury bills with maturities at the date of acquisition of less than 90 days.

1. Background and Significant Accounting Policies (continued)

Short-Term Investments

Short-term investments are reported at cost, which approximates fair value and consists primarily of commercial paper and U.S. Treasury bills with maturities at the date of acquisition between 90 days and one year.

Common Stock

Common stock is carried at fair value based upon the closing price on a national exchange.

Limited Partnership Interest

Limited partnership interest is an illiquid asset that comprises an 18% investment in a partnership. The carrying value of this investment is equal to the percentage of equity owned as determined based on the most recently available K-1 partnership tax form.

Loss Expenses Paid

The amount shown for loss expenses paid in the statements of restricted and unrestricted cash receipts and disbursements, and changes in fixed-income securities, short-term investments, and cash and cash equivalents 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.

Employee Benefits

Substantially all full-time employees of the Liquidating Company are covered by various employee incentive plans, which were approved by the Liquidation Court. The costs incurred for these plans are based on the years of service but are paid in the subsequent year. The amount accrued was $1,750,483 and $2,351,871 at December 31, 2014 and 2013, respectively. The amount paid in 2014 and 2013 was $2,406,871 and $1,374,052, respectively.

1. Background and Significant Accounting Policies (continued)

Reinsurance Recoveries

Reinsurance recoveries are recognized when collected.

Deductible Reimbursements

Deductible reimbursements, net of related fees, are recognized when paid.

Priority of Claims and Distributions to Creditors

The Liquidating Company will distribute funds to policyholders/creditors in accordance with RSA 402-C:44, which governs asset distributions from the estate of the Liquidating Company.

The RSA establishes the following classes of creditors:

Class I: Payment of all administration expenses of closing the business and liquidating the Company

Class II: Payment of policy claims (excluding any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant)

Class III: Claims of the federal government

Class IV: Debts due to employees for services performed

1. Background and Significant Accounting Policies (continued)

Class V: All other claims, including claims of any state or local government, not falling within other classes

Class VI: Claims based solely on judgments

Class VII: Interest on claims already paid

Class VIII: Miscellaneous subordinated claims

Class IX: Preferred ownership claims, including surplus or contribution notes, or similar obligations, and premium funds on assessable policies

Class X: The claims of shareholders or other owners

The claims of a higher class of creditor (e.g., Class I) must be paid in full before a lower creditor class becomes eligible for payment. The Liquidating Company is currently paying Class I (Administration Costs) creditors, and in 2014, a 15% interim distribution was paid to Class II creditors. The Liquidator had submitted a motion to the Liquidation Court seeking approval for the 15% interim distribution on allowed Class II claims on February 10, 2012. 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. The cash distribution of $191,380,112 was paid in December 2014, of which $4,792,772 is outstanding as a payable at the end of December 31, 2014. An additional liability of $36,328,251 was established reflecting the 15% interim distribution to a creditor which will be paid into escrow in 2015 pursuant to an approved settlement agreement. The Liquidator and creditor are discussing the calculation of the amount payable under the agreement and the terms of the escrow agreement.

The Liquidating Company also has advanced early access distributions to insurance guaranty associations (Guaranty Associations) for Class II claims, which will be credited against amounts payable to such Guaranty Associations when payments are made to all Class II creditors (see Note 8).

1. Background and Significant Accounting Policies (continued)

As of December 31, 2014, the Liquidator has allowed, and the Liquidation Court has approved, $55,068,201 of Class I claims, $1,939,904,213 of Class II claims, $2,672,527 of Class III claims, $189,889,316 of Class V claims, and $5,315 of Class VIII claims. Class I claims paid in 2014 included $4,626,964 for the fourth distribution of Guaranty Associations' administrative costs. Distributions on allowed claims will depend on the amount of assets available for distribution and the allowed claims in each successive priority class under New Hampshire RSA 402-C:44. It is anticipated that additional payments will be made to Class II creditors in the future, after the Liquidation Court's approval. It is management's judgment that there will not be sufficient assets to make distributions on allowed claims below the Class II priority.

2. Investments

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

	December 31, 2014				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Fair Value Level
Fixed-income securities:					
U.S. Treasury notes	$ 59,770,770	$ 496,875	$ (5,047)	$ 60,262,598	1
Government agencies	41,258,740	28,864	(635,621)	40,651,983	2
Corporate	626,267,935	5,661,626	(8,264,550)	623,665,011	2
Mortgage-backed	214,061,572	5,591,827	(1,097,441)	218,555,958	2
Asset-backed	45,807,559	272,582	(794,420)	45,285,721	2
Total	$ 987,166,576	$ 12,051,774	$ (10,797,079)	$ 988,421,271	
Common stock	$ 1,628,052	$ –	$ (1,628,050)	$ 2	1

2. Investments (continued)

The amortized cost of unrestricted fixed-income securities is $978,048,262 at December 31, 2014. Based on such amortized cost, gross unrealized gains are $13,133,386 and gross unrealized losses are $2,760,377.

	December 31, 2013				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Fair Value Level
Fixed-income securities:					
U.S. Treasury notes	$ 86,395	$ 1,342	$ –	$ 87,737	1
Government agencies	111,978,880	27,584	(239,465)	111,766,999	2
Corporate	722,082,869	9,394,086	(9,755,943)	721,721,012	2
Mortgage-backed	198,718,095	3,401,826	(2,826,878)	199,293,043	2
Asset-backed	98,875,912	248,389	(1,274,320)	97,849,981	2
Total	$ 1,131,742,151	$ 13,073,227	$ (14,096,606)	$ 1,130,718,772	
Common stock	$ 1,907,545	$ –	$ (1,682,917)	$ 224,628	1

The amortized cost of unrestricted fixed-income securities is $1,122,668,929 at December 31, 2013. Based on such amortized cost, gross unrealized gains are $15,804,797 and gross unrealized losses are $7,754,954.

The fair value measurements and disclosures topic of the Financial Accounting Standards Board Accounting Standards Codification with respect to financial statements prepared in accordance with GAAP clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements.

Various inputs are used in determining the fair value of the Liquidating Company's unrestricted investments. These inputs are summarized in three broad levels as follows:

- Level 1 Inputs – Quoted prices in active markets for identical securities without adjustment. The Level 1 assets of the Liquidating Company include an investment in an exchange-traded common stock and would include the Liquidating Company's U.S. Treasury securities if reported at fair value in the statements of changes in restricted and unrestricted net assets, excluding certain amounts.

2. Investments (continued)

- Level 2 Inputs – Other significant observable inputs other than Level 1 inputs (including quoted prices for similar securities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data). The Level 2 assets of the Liquidating Company, if reported at fair value on a recurring basis, would include corporate and asset-backed fixed-income securities (including mortgage-backed fixed-income securities), and government agency debt.

  The fair value of these securities for purposes of financial statement disclosure is determined using pricing quotes from third-party pricing services. These third-party pricing services use pricing matrices with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

- Level 3 Inputs – Significant unobservable inputs, including the Liquidating Company's own assumptions in determining the fair value of investments. At December 31, 2014 and 2013, the Liquidating Company has no Level 3 fixed-income securities or common stock investments. The limited partnership interest presented on the statements of restricted and unrestricted net assets, excluding certain amounts, if reported at fair value, would be classified as Level 3, and the fair value reported would be $869,083 and $925,034 in 2014 and 2013, respectively.

The Liquidating Company had net unrealized gains of $1,254,695 on fixed-income securities at December 31, 2014, and net unrealized losses of $1,023,379 on fixed-income securities at December 31, 2013. Gross unrealized gains and gross unrealized losses are calculated based on cost and do not reflect adjustments for amortization. The net unrealized losses at December 31, 2013, were due to market conditions, including changes in the interest rate environment during 2013. At December 31, 2013, the securities in the fixed-income portfolio continued to be highly rated securities. Management has the ability and intent to hold fixed-income securities for a period of time sufficient for recovery.

As of December 31, 2014, disposals of certain fixed-income securities resulted in total proceeds of $257,888,614 and gross realized gains and losses of $567,335 and $1,932,788, respectively. Securities were sold in 2014 primarily to provide funds for the 15% interim distribution. As of

2. Investments (continued)

December 31, 2013, disposals of certain fixed-income securities resulted in total proceeds of $14,362,766 and gross realized gains and losses of $12,219 and $1,034,061, respectively. Securities were sold in 2013 primarily to address credit concerns and to lengthen the duration of the portfolio.

The cost and fair values of unrestricted fixed-income securities by contractual maturity as of December 31, 2014, were as follows:

	Cost	Fair Value
Unrestricted fixed-income securities		
One year or less	$ 125,393,275	$ 124,461,920
Over one year through five years	480,069,581	478,826,902
Over five years through twenty years	121,834,589	121,290,770
Mortgage-backed	214,061,572	218,555,958
Asset-backed	45,807,559	45,285,721
Total	$ 987,166,576	$ 988,421,271

Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

3. Securities on Deposit

Investments on deposit (at original cost) with various states were $995,049 and $1,099,521 at December 31, 2014 and 2013, respectively. As described in Note 1, the Liquidating Company does not record the amount of these assets, as it does not have access to such amounts as they have not been settled and agreed to with the states.

Various states have withdrawn securities on deposit for use by the related state guaranty associations, and the amounts withdrawn, including investment income thereon, may be offset against future distributions to such guaranty associations. Since June 11, 2003, deposits with market value of $56,443,936 and par value of $48,102,110 have been withdrawn for use by state guaranty associations.

4. Related-Party Transactions

U.S. International Reinsurance Company in Liquidation (USI Re) is a wholly owned subsidiary of the Liquidating Company. The claims against USI Re have been determined in their entirety. The Liquidation Court's approval to distribute USI Re's assets to its creditors was received on April 10, 2013, and the distributed checks were issued on May 29, 2013. A motion regarding closure of USI Re was approved by the Liquidation Court on December 2, 2013.

5. Class I Liabilities: Incurred But Unpaid Administrative Expenses and Investment Expenses

Class I liabilities represent accrued administrative expenses, including investment expenses, incurred in the normal course of the Liquidating Company, and consist of the following accruals at December 31, 2014 and 2013:

	December 31	
	2014	**2013**
Human resources costs	**$ 1,750,965**	$ 2,352,165
Consultant and outside service fees	**754,146**	311,708
Accrued investment expenses	**232,285**	227,252
Legal and professional fees	**116,786**	99,128
General office and rent expense	**84,943**	97,629
Other administration costs	**71,137**	66,807
Computers and equipment costs	**434**	1,407
	$ 3,010,696	$ 3,156,096

6. Restricted Funds

The Liquidator has drawn down on letters of credit (LOCs) posted by insurance companies that have assumed risks from the Liquidating Company. The LOCs have been drawn down upon receiving notices of cancellation or notices of nonrenewal of the LOC 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 related to reinsurance recoveries totaling $321,891 at December 31, 2014 and 2013. Restricted funds will be recognized as unrestricted reinsurance recoveries when such balances are proven and/or settled with the beneficial owner.

7. Commitments

The Liquidating Company leases office space and equipment under operating leases expiring in various years through August 31, 2025.

Minimum future rental payments for the next five years under noncancelable operating leases having remaining terms are:

Year ending December 31:	
2016	$ 851,206
2017	851,576
2018	907,029
2019	924,970
2020	967,495
	$ 4,502,276

Rent expense incurred was $787,176 and $683,545 for the years ended December 31, 2014 and 2013, respectively. The Manchester, New Hampshire office lease term for the period July 10, 2008 to July 31, 2013, was extended from August 1, 2013 through December 31, 2015, with the option to extend for another two periods of two years from January 1, 2016 through December 31, 2017, and from January 1, 2018 through December 31, 2019.

8. Early Access Distribution

On February 26, 2013, the Liquidation Court approved a ninth early access distribution based on guaranty association payments through September 30, 2012, less recoveries and prior early access distribution amounts and various other adjustments. The Liquidator paid $9,554,234 through December 31, 2013, relating to this early access distribution. Early access payments through December 31, 2014, were $232,018,572. No early access distributions were made during 2014.

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 following summary represents early access distributions and related advances that are not reflected in the statements of restricted and unrestricted net assets, excluding certain amounts.

	2014	2013
Early access distributions paid in cash	**$ 232,018,572**	$ 232,018,572
Assets withdrawn from special deposits held by states to pay Liquidating Company claims (market value)	**56,443,936**	55,814,650
Other deemed early access advances paid in cash	**3,148,212**	3,148,212
Total	**$ 291,610,720**	$ 290,981,434

9. 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 Liquidating Company's expenses incurred in the collection process. Forty-six Guaranty Associations have signed the Deductible Agreement to date. On February 11, 2014, the Liquidator paid $330,329 after netting of the fee. On May 7, 2013, the Liquidator paid $402,449 after netting of the fee.

10. Income Taxes

The 2014 income tax return has not been filed but is expected to reflect additional tax losses. The Liquidating Company had total net operating loss carryforwards of $2,841,860,895 at December 31, 2013, upon filing of the 2013 income tax return. These operating loss carryforwards expire in various amounts from 2019 to 2033.

11. Subsequent Events

The Liquidating Company evaluated its financial statements for subsequent events through May 18, 2015, the date the financial statements were available to be issued. The Liquidating Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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Exhibit B

THE HOME INSURANCE COMPANY IN LIQUIDATION

Financial Statements (Modified Cash Basis)

March 31, 2015 and December 31, 2014
(Unaudited)

The Home Insurance Company In Liquidation

Statement of Net Assets
(Modified Cash Basis)
(Unaudited)

	March 31, 2015	December 31, 2014
Assets		
Unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost:		
Fixed-income securities (Note 2)	$1,015,844,229	$987,166,576
Short-term investments	9,500,838	9,502,371
Cash and cash equivalents	73,086,225	87,997,752
Total unrestricted fixed-income, short-term investments, and cash and cash equivalents, at cost	**1,098,431,292**	**1,084,666,699**
Common stocks, at fair value (Note 2)	2	2
Interest income due and accrued	5,874,831	5,853,279
Total unrestricted liquid assets	**1,104,306,125**	**1,090,519,980**
Unrestricted illiquid assets: (Note 1)		
Limited partnership interests	800,556	869,083
Total unrestricted illiquid assets	**800,556**	**869,083**
Restricted liquid assets: (Note 4)		
Cash	321,891	321,891
Total restricted liquid assets	**321,891**	**321,891**
Total restricted and unrestricted assets, excluding certain amounts	**1,105,428,572**	**1,091,710,954**
Liabilities		
Incurred but unpaid administrative expenses and investment expenses (Note 3)	1,134,449	3,010,696
Checks payable (Note 1)	757	-
Class II distribution payable (Note 9)	36,328,251	36,328,251
Checks payable - Class II distributions (Note 9)	318,534	4,792,772
Total liabilities	**37,781,991**	**44,131,719**
Restricted and unrestricted net assets, excluding certain amounts	**$1,067,646,581**	**$1,047,579,235**

See accompanying notes.

The Home Insurance Company in Liquidation

Statements of Receipts and Disbursements, and Changes in Cash, Bonds, Short-Term Investments and Cash Equivalents (Modified Cash Basis) (Unaudited)

	January 1, 2015 To March 31, 2015	January 1, 2014 To December 31, 2014
Cash and marketable securities received:		
Reinsurance collections - unrestricted	$ 17,255,952	$ 75,350,700
Net investment income	7,059,386	29,423,229
Agents' balances	333,438	1,524,893
Realized capital gains on sale of fixed-income securities (Note 1)	104,498	567,335
Salvage, subrogation and other claim recoveries	67,901	2,853,075
Miscellaneous income	8,727	64,752
Realized capital gains on sale of common stock (Note 1)	-	256,936
Return of special deposit	-	104,000
All other	13,803	46,784
Total cash receipts	**24,843,705**	**110,191,704**
Cash operating disbursements:		
Human resources costs (Note 3)	3,988,017	11,279,389
Consultant and outside service fees	1,072,112	2,616,345
General office and rent expense	434,648	1,549,484
Legal and audit fees	305,381	993,593
Investment expenses	232,285	922,924
Computers and equipment cost	71,506	299,114
Administration costs	66,074	278,589
Loss expenses paid (Note 1)	59,719	271,592
Capital contribution	4,250	25,150
Realized capital losses on sale of fixed-income securities (Note 1)	-	1,932,788
All other	20,044	3,816
Total cash operating disbursements	**6,254,036**	**20,172,784**
Excess of receipts over operating disbursements	**18,589,669**	**90,018,920**
Deductible reimbursements (Note 7)	312,421	330,329
Class I Distributions (Note 8)	-	4,626,964
Class II Distributions (Note 9)	4,512,655	186,587,340
Cash receipts/(deficiency) in excess of disbursements and distributions	**13,764,593**	**(101,525,713)**
Beginning restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	1,084,988,590	1,186,514,303
Ending restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	**$ 1,098,753,183**	**$ 1,084,988,590**

See accompanying notes.

The Home Insurance Company in Liquidation

Statement of Changes in Net Assets
(Modified Cash Basis)
(Unaudited)

	January 1, 2015 To March 31, 2015	January 1, 2014 To December 31, 2014
Restricted and unrestricted net assets, excluding certain amounts, beginning of year	$1,047,579,235	$1,191,243,074
Unrestricted and restricted cash receipts/(deficiency) in excess of cash operating disbursements	13,764,593	(101,525,713)
Other changes in restricted and unrestricted net assets:		
Fair value of common stocks, liquid (Note 2)	-	(224,626)
Limited partnership interests, illiquid	(68,527)	(55,951)
Interest income due and accrued	21,552	(891,176)
Incurred but unpaid administrative and investment expenses (Note 3)	1,876,247	145,400
Checks payable (Note 1)	(757)	9,250
Class II distribution payable (Note 9)	-	(36,328,251)
Checks payable - Class II distributions (Note 9)	4,474,238	(4,792,772)
Restricted and unrestricted net assets, excluding certain amounts, end of year	$1,067,646,581	$1,047,579,235

See accompanying notes.

The Home Insurance Company in Liquidation ("Home")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements

March 31, 2015

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 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, 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")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

2) Investments

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

	March 31, 2015			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-income securities:				
U.S. Treasury notes	$ 59,770,770	$ 1,506,251	$ (6,643)	$ 61,270,378
Government agencies	41,258,740	79,198	(729,934)	40,608,004
Corporate	637,842,940	7,508,843	(6,909,200)	638,442,583
Mortgage-backed	222,604,143	6,386,893	(702,296)	228,288,740
Asset-backed	54,367,636	502,747	(786,562)	54,083,821
Total	$ 1,015,844,229	$ 15,983,932	$ (9,134,635)	$1,022,693,526
Total Common Stock	$ 1,628,052	$ -	$ (1,628,050)	$ 2

The amortized cost of unrestricted fixed-income securities is $1,005,812,277 at March 31, 2015. Based on such amortized cost, gross unrealized gains are $17,909,685 and gross unrealized losses are $1,028,436.

	December 31, 2014			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-income securities:				
U.S. Treasury notes	$ 59,770,770	$ 496,875	$ (5,047)	$ 60,262,598
Government agencies	41,258,740	28,864	(635,621)	40,651,983
Corporate	626,267,935	5,661,626	(8,264,550)	623,665,011
Mortgage-backed	214,061,572	5,591,827	(1,097,441)	218,555,958
Asset-backed	45,807,559	272,582	(794,420)	45,285,721
Total	$ 987,166,576	$ 12,051,774	$ (10,797,079)	$ 988,421,271
Total Common Stock	$ 1,628,052	$ -	$ (1,628,050)	$ 2

The amortized cost of unrestricted fixed-income securities is $978,048,262 at December 31, 2014. Based on such amortized cost, gross unrealized gains are $13,133,386 and gross unrealized losses are $2,760,377.

The Home Insurance Company in Liquidation ("Home")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

2) Investments (continued)

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

	Unrestricted fixed-income securities	
March 31, 2015	**Cost**	**Fair Value**
One year or less	$ 122,400,851	$ 120,913,609
Over one year through five years	463,345,452	464,596,431
Over five years through twenty years	153,126,147	154,810,925
Mortgage-backed	222,604,143	228,288,740
Asset-backed	54,367,636	54,083,821
Total	$ 1,015,844,229	$ 1,022,693,526

	Unrestricted fixed-income securities	
December 31, 2014	**Cost**	**Fair Value**
One year or less	$ 125,393,275	$ 124,461,920
Over one year through five years	480,069,581	478,826,902
Over five years through twenty years	121,834,589	121,290,770
Mortgage-backed	214,061,572	218,555,958
Asset-backed	45,807,559	45,285,721
Total	$ 987,166,576	$ 988,421,271

3) Incurred But Unpaid Administrative Expenses and Investment Expenses

Accrued administrative expenses incurred in the normal course of Home's liquidation, but unpaid as of March 31, 2015, are as follows:

Human resources costs	$ 426,389
Consultant and outside service fees	286,688
Legal and auditing fees	95,701
General office and rent expense	32,710
Computer and equipment costs	14,372
Other administration costs	65,467
Total accrued expenses	$ 921,327
Accrued investment expenses	213,122
Total accrued expenses	$1,134,449

The amount of accrued expenses at December 31, 2014 was $3,010,696 and net assets for 2015 increased by $ 1,876,247 due to the decrease in the accrual.

Various full-time employees of Home are covered by employee incentive plans, which were approved by Merrimack County Superior Court of the State of New Hampshire (the Court) on January 6, 2015. The costs of these plans are primarily payable in 2016, but are based on 2015 service and are being accrued over the service period in 2015. Accrued administrative expense includes $426,362 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 $321,891 at the end of March 31, 2015.

5) Securities on Deposit

Investments on deposit at the original cost with various states were $994,915, $995,049, and $73,947,287 at March 31, 2015, December 31, 2014 and June 13, 2003, respectively. As described in Note 1, the Liquidator does not record the amount of these assets as such amounts have not been settled and agreed to with the states.

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 $56,567,800 may be offset against future distributions to such guaranty associations.

6) Early Access Distribution

The total of all early access payments through March 31, 2015 was $232 million.

Early access distributions and related advances are not recorded as assets in the accompanying Statement of Net Assets 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 amongst members of the same class of creditor of Home. 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	$ 232,018,572
Assets withdrawn from special deposits held by states to pay Home claims (market value, see note 6)	56,567,800
Other deemed Early Access advances paid in cash	3,148,212
Total	$ 291,734,584

7) Home Deductible Policies - Reimbursement

On April 6, 2011, the 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 five Guaranty Associations have signed the Deductible Agreement to date. On March 17, 2015, the Liquidator paid $312,421 after netting of the fee. On February 11, 2014, the Liquidator paid $330,329 after netting of the fee.

8) Allowed Claims

As of March 31, 2015, the Liquidator has allowed, and the Court has approved, $70,974,011 of Class I claims, $2,051,857,350 of Class II claims, $2,672,527 of Class III claims, $191,190,264 of Class V claims and $5,315 of Class VIII claims. Class I claims paid for the year included $ 4,626,964 for the fourth 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 the allowed claims in each successive priority class under New Hampshire RSA 402-C: 44.

9) Interim Distribution

On February 10, 2012, the Liquidator submitted a motion to the 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. The cash distribution of $191,418,529 was paid through March 2015, of which $4,512,655 was paid in 2015 and $318,534 is outstanding as a payable at the end of March 31, 2015. An additional liability of $36,328,251 was established reflecting the 15% interim distribution to a creditor which will be paid into escrow in 2015 pursuant to an approved settlement agreement. The Liquidator filed a motion for approval of the escrow agreement on May 29, 2015.

Exhibit C

The Home Insurance Company in Liquidation
G&A Expenses (Actual vs Budget)
March 31, 2015

	YTD			
General & Administrative Expense	Actual 2015	Full Year Budget	Variance 2015	Full Year Budget
Salary and Benefits	2,661,235	2,667,508	(6,273)	10,558,600
Travel	15,266	34,085	(18,820)	134,130
Rent	317,417	380,725	(63,308)	1,514,049
Equipment	85,731	61,363	24,368	245,460
Printing and Stationery	14,431	12,005	2,426	46,345
Postage	4,037	4,849	(812)	19,300
Telephone	46,414	50,356	(3,942)	201,444
Outside Services, including Special Deputy	628,807	731,409	(102,602)	3,253,640
Licensing Fees	-	-	-	500
Legal and Auditing	260,260	242,500	17,760	965,000
Bank Fees	45,289	51,600	(6,311)	203,900
Corporate Insurance	-	-	-	101,350
Miscellaneous Income/Expenses	7,533	1,551	5,982	6,200
Total Expenses Incurred before expense recoveries & UK Liquidation Expenses	4,086,418	4,237,951	(151,533)	17,249,919
Expense Recoveries	2,205	-	2,205	-
Total Expenses Incurred after expense recoveries & UK Liquidation Expenses	4,088,623	4,237,951	(149,328)	17,249,919

Exhibit D

The Home Insurance Company in Liquidation
Portfolio Summary Report- Bonds and Short Term Investments
Securities Held as of March 31, 2015
(000's)

% of BV	Conning Managed:	Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 3/31/15	
Fixed Income									
4.1%	Short Term	42,555	42,555	-	0.04	0.02	Aaa	0	
3.8%	Agency	40,310	40,608	298	5.70	1.95	Aaa	139	
5.7%	Government	59,725	61,191	1,466	1.80	1.37	Aaa	288	
57.8%	Corporate	606,372	614,063	7,691	3.06	2.29	A2	3,463	
2.3%	Corporate High Yield	24,004	24,379	375	2.30	4.64	Ba2	310	
19.3%	Mortgage Backed	202,104	208,823	6,719	5.00	2.84	Aaa	1,375	
5.1%	Asset Backed	53,669	54,084	415	2.60	1.39	Aaa	212	
1.9%	CMBS	19,554	19,466	(88)	2.90	1.23	Aaa	60	
100.0%	Total	1,048,293	1,065,169	16,876	3.25	2.20	Aa3	5,847	
Other investments- Home Insurance									
100%	US Treasury Bills and Notes	9,576	9,581	5	0.37	0.10	Aaa	2	
Total Home Insurance (1)		1,057,869	1,074,750	16,881	3.22	2.18	Aa3	5,849	(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 March 31, 2015, would be $23.5 million.

Exhibit E

THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF MARCH 31, 2015

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
313384ER6	FED HOME LN DISCOUNT NOTE	0.000	04/22/2015	40,000,000.00	39,999,066.80	39,999,066.80
177366101	CITIZENSSELECT PRIME MMK-A	0.010	04/15/2015	2,556,419.64	2,556,419.64	2,556,419.64
	TOTAL CASH EQUIVALENTS			42,556,419.64	42,555,486.44	42,555,486.44
	SHORT TERM (OVER 90 DAYS)					
912796GA1	US TREASURY BILL		08/13/2015	9,503,000.00	9,501,408.25	9,501,194.43
	TOTAL SHORT TERM			9,503,000.00	9,501,408.25	9,501,194.43
	U S TREASURY					
912810DV7	US TREASURY N/B	9.250	02/15/2016	74,000.00	74,621.34	79,752.02
912828A83	US TREASURY N/B	2.375	12/31/2020	20,000,000.00	20,392,282.20	20,918,750.00
912828VA5	US TREASURY N/B	1.125	04/30/2020	20,000,000.00	19,292,376.00	19,734,376.00
912828VZ0	US TREASURY N/B	2.000	09/30/2020	20,000,000.00	20,040,252.20	20,537,500.00
	TOTAL U S TREASURY			60,074,000.00	59,799,531.74	61,270,378.02
	GOVERNMENT AGENCIES					
3134A4VG6	FREDDIE MAC	4.750	11/17/2015	10,000,000.00	10,106,557.30	10,283,092.00
3135G0ES8	FANNIE MAE	1.375	11/15/2016	20,000,000.00	20,215,529.00	20,270,914.00
3137EADJ5	FREDDIE MAC	1.000	07/28/2017	10,000,000.00	9,988,340.60	10,053,998.00
	TOTAL GOVERNMENT AGENCIES			40,000,000.00	40,310,426.90	40,608,004.00
	TOTAL GOVERNMENT & AGENCIES			100,074,000.00	100,109,958.64	101,878,382.02
	CORPORATE					
00206RAY8	AT&T INC	2.400	08/15/2016	4,000,000.00	4,027,276.52	4,070,155.60
009158AS5	AIR PRODUCTS & CHEMICALS	1.200	10/15/2017	4,000,000.00	3,997,900.12	4,008,424.80
02581FYA1	AMERICAN EXPR CENTURION	5.950	06/12/2017	3,000,000.00	3,146,945.67	3,303,986.40
0258M0DK2	AMERICAN EXPRESS CREDIT	2.125	03/18/2019	4,330,000.00	4,323,440.83	4,376,520.22
02666QM26	AMERICAN HONDA FINANCE	1.600	02/16/2018	6,725,000.00	6,722,752.98	6,781,104.66
03523TAN8	ANHEUSER-BUSCH INBEV WOR	5.375	01/15/2020	3,000,000.00	3,447,115.71	3,456,602.10
03523TBE7	ANHEUSER-BUSCH INBEV WOR	7.750	01/15/2019	3,000,000.00	3,593,656.26	3,628,332.30
037833AR1	APPLE INC	2.850	05/06/2021	7,000,000.00	7,059,434.41	7,271,855.50
038222AE5	APPLIED MATERIALS INC	2.650	06/15/2016	3,000,000.00	3,028,292.85	3,063,324.30
03938LAW4	ARCELORMITTAL	5.250	02/25/2017	2,350,000.00	2,326,435.14	2,450,345.00
046353AB4	ASTRAZENECA PLC	5.900	09/15/2017	4,500,000.00	4,929,041.75	5,009,480.10
046353AF5	ASTRAZENECA PLC	1.950	09/18/2019	2,500,000.00	2,534,095.55	2,515,497.50
05367AAE3	AVIATION CAPITAL GROUP	4.625	01/31/2018	2,000,000.00	2,000,000.00	2,095,876.40
05531FAG8	BB&T CORPORATION	3.200	03/15/2016	8,000,000.00	7,998,127.76	8,168,232.80
055451AH1	BHP BILLITON FIN USA LTD	6.500	04/01/2019	2,500,000.00	2,496,187.33	2,941,036.25
055451AT5	BHP BILLITON FIN USA LTD	2.050	09/30/2018	1,400,000.00	1,398,548.26	1,427,712.44
05565QBU1	BP CAPITAL MARKETS PLC	3.561	11/01/2021	8,550,000.00	8,999,054.12	9,005,268.69
06051GET2	BANK OF AMERICA CORP	2.000	01/11/2018	5,000,000.00	5,000,536.35	5,035,983.00
06366RMS1	BANK OF MONTREAL	1.450	04/09/2018	7,355,000.00	7,345,707.77	7,354,605.77
06406HCL1	BANK OF NEW YORK MELLON	2.100	08/01/2018	7,000,000.00	7,032,145.82	7,121,340.10
064159BE5	BANK OF NOVA SCOTIA	1.375	12/18/2017	5,000,000.00	4,996,940.15	5,007,885.00
071813AY5	BAXTER INTERNATIONAL INC	5.375	06/01/2018	6,600,000.00	7,243,639.59	7,376,397.60
097014AL8	BOEING CAPITAL CORP	4.700	10/27/2019	4,000,000.00	4,386,656.60	4,495,798.00
097751BB6	BOMBARDIER INC	4.250	01/15/2016	2,400,000.00	2,426,035.46	2,460,000.00
112585AB0	BROOKFIELD ASSET MAN INC	5.800	04/25/2017	2,000,000.00	2,131,114.70	2,161,963.20
12572XAA8	CME GROUP INDEX SERVICES	4.400	03/15/2018	5,100,000.00	5,430,796.15	5,520,750.00
136069FA4	CANADIAN IMPERIAL BANK	1.550	01/23/2018	8,000,000.00	7,845,970.80	8,034,548.80
136375BU5	CANADIAN NATL RAILWAY	1.450	12/15/2016	4,800,000.00	4,787,374.61	4,856,755.20

THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF MARCH 31, 2015

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
140420NH9	CAPITAL ONE BANK USA NA	2.250	02/13/2019	5,000,000.00	4,999,647.70	5,019,874.00
141781BA1	CARGILL INC	1.900	03/01/2017	5,000,000.00	4,995,227.95	5,077,453.00
14912L5C1	CATERPILLAR FINANCIAL SE	1.750	03/24/2017	3,500,000.00	3,497,419.77	3,551,601.90
14912L6J5	CATERPILLAR FINANCIAL SE	2.000	03/05/2020	3,750,000.00	3,747,863.78	3,760,185.75
151020AD6	CELGENE CORP	2.450	10/15/2015	2,000,000.00	2,001,883.96	2,016,036.00
156700AQ9	CENTURYLINK INC	5.150	06/15/2017	2,350,000.00	2,384,525.85	2,490,448.46
166764AB6	CHEVRON CORP	2.355	12/05/2022	3,500,000.00	3,500,000.00	3,456,656.35
17275RAR3	CISCO SYSTEMS INC	2.125	03/01/2019	8,000,000.00	8,026,057.68	8,159,764.00
191216AR1	COCA-COLA CO/THE	3.150	11/15/2020	4,000,000.00	4,250,326.64	4,252,686.40
22160KAF2	COSTCO WHOLESALE CORP	1.700	12/15/2019	8,040,000.00	8,027,702.82	8,041,738.25
233851AK0	DAIMLER FINANCE NA LLC	2.950	01/11/2017	7,500,000.00	7,614,579.75	7,741,503.00
24422EQZ5	JOHN DEERE CAPITAL CORP	2.800	09/18/2017	1,000,000.00	1,025,432.22	1,042,436.40
25243YAM1	DIAGEO CAPITAL PLC	5.750	10/23/2017	2,200,000.00	2,410,849.03	2,444,384.80
25271CAK8	DIAMOND OFFSHORE DRILL	5.875	05/01/2019	2,787,000.00	3,157,472.31	3,117,234.42
25470XAH8	DISH DBS CORP	4.625	07/15/2017	2,400,000.00	2,398,839.07	2,463,000.00
256882AB7	DPL INC	6.500	10/15/2016	350,000.00	360,346.24	376,250.00
263534CF4	E.I. DU PONT DE NEMOURS	2.750	04/01/2016	7,050,000.00	7,047,377.19	7,196,331.92
26875PAL5	EOG RESOURCES INC	2.450	04/01/2020	5,025,000.00	5,018,435.14	5,109,033.08
278642AE3	EBAY INC	2.600	07/15/2022	8,000,000.00	7,731,190.48	7,643,442.40
291011AU8	EMERSON ELECTRIC	4.750	10/15/2015	8,000,000.00	8,069,227.78	8,183,800.00
30231GAD4	EXXON MOBIL CORPORATION	1.819	03/15/2019	6,000,000.00	6,000,000.00	6,076,428.00
31677QAY5	FIFTH THIRD BANK	1.150	11/18/2016	6,600,000.00	6,599,057.72	6,609,364.08
341099CP2	DUKE ENERGY FLORIDA INC	3.100	08/15/2021	4,000,000.00	4,236,883.40	4,203,953.20
34540UAA7	FORD MOTOR CREDIT CO LLC	2.375	01/16/2018	1,925,000.00	1,920,666.06	1,957,887.66
368710AG4	GENENTECH INC	4.750	07/15/2015	3,000,000.00	2,994,632.31	3,036,372.00
36962G6P4	GENERAL ELEC CAP CORP	2.100	12/11/2019	2,725,000.00	2,723,539.43	2,777,316.46
36962G7G3	GENERAL ELEC CAP CORP	2.300	01/14/2019	3,500,000.00	3,535,801.54	3,589,088.65
36962G7M0	GENERAL ELEC CAP CORP	2.200	01/09/2020	5,000,000.00	5,102,677.25	5,044,736.00
37045XAE6	GENERAL MOTORS FINL CO	4.750	08/15/2017	2,350,000.00	2,350,000.00	2,476,312.50
38144LAB6	GOLDMAN SACHS GROUP INC	6.250	09/01/2017	3,400,000.00	3,733,195.44	3,770,205.26
38148LAA4	GOLDMAN SACHS GROUP INC	2.600	04/23/2020	4,000,000.00	4,039,436.16	4,029,913.20
41283LAF2	HARLEY-DAVIDSON FINL SER	2.150	02/26/2020	5,000,000.00	5,029,034.55	5,015,764.50
431282AK8	HIGHWOODS REALTY LIMITED	5.850	03/15/2017	2,500,000.00	2,654,120.03	2,703,550.00
437076BB7	HOME DEPOT INC	2.250	09/10/2018	2,825,000.00	2,822,210.34	2,915,463.28
438516AS5	HONEYWELL INTERNATIONAL	5.300	03/15/2017	2,205,000.00	2,362,154.39	2,396,000.19
44328MAB0	HSBC BANK PLC	3.500	06/28/2015	5,000,000.00	5,005,618.45	5,035,125.00
44328MAC8	HSBC BANK PLC	4.125	08/12/2020	3,000,000.00	3,221,277.60	3,279,591.90
44841CAA2	HUTCH WHAMPOA INT 11 LTD	3.500	01/13/2017	5,000,000.00	5,037,012.85	5,162,179.00
452308AU3	ILLINOIS TOOL WORKS INC	1.950	03/01/2019	7,000,000.00	6,980,073.03	7,085,652.00
459200HE4	IBM CORP	1.875	05/15/2019	4,000,000.00	3,975,122.56	4,042,748.00
459200HM6	IBM CORP	1.625	05/15/2020	2,455,000.00	2,441,336.30	2,421,674.85
459745GJ8	INTL LEASE FINANCE CORP	5.750	05/15/2016	2,375,000.00	2,409,240.33	2,470,000.00
46625HGY0	JPMORGAN CHASE & CO	6.000	01/15/2018	2,500,000.00	2,727,538.30	2,793,586.25
46625HHU7	JPMORGAN CHASE & CO	4.250	10/15/2020	5,000,000.00	5,363,493.70	5,443,065.00
46625HHX1	JPMORGAN CHASE & CO	3.450	03/01/2016	2,500,000.00	2,496,851.53	2,556,694.25
49455WAD8	KINDER MORGAN FINANCE	5.700	01/05/2016	1,500,000.00	1,521,183.47	1,549,857.00
548661CH8	LOWES COMPANIES INC	5.000	10/15/2015	4,000,000.00	4,002,980.43	4,094,996.00
55608PAH7	MACQUARIE BANK LTD	2.600	06/24/2019	7,860,000.00	7,909,935.10	7,981,046.36
57629WBS8	MASSMUTUAL GLOBAL FUNDIN	2.100	08/02/2018	8,000,000.00	7,990,007.44	8,163,392.00
58013MEE0	MCDONALDS CORP	5.350	03/01/2018	6,000,000.00	6,583,310.70	6,681,292.20
585055AU0	MEDTRONIC INC	2.625	03/15/2016	2,500,000.00	2,497,726.45	2,545,437.25
589331AN7	MERCK SHARP & DOHME CORP	5.000	06/30/2019	5,000,000.00	5,574,754.10	5,667,794.50
59156RBE7	METLIFE INC	1.564	12/15/2017	3,945,000.00	3,954,168.93	3,995,537.03
59217GAY5	MET LIFE GLOB FUNDING I	1.500	01/10/2018	2,500,000.00	2,499,323.00	2,510,276.25
594918AV6	MICROSOFT CORP	1.625	12/06/2018	7,000,000.00	6,969,933.81	7,094,355.10
61747YDW2	MORGAN STANLEY	2.650	01/27/2020	4,000,000.00	4,044,256.64	4,063,014.40
637071AJ0	NATIONAL OILWELL VARCO I	2.600	12/01/2022	5,925,000.00	5,908,230.41	5,826,261.65
637432MX0	NATIONAL RURAL UTIL COOP	2.150	02/01/2019	2,530,000.00	2,542,728.81	2,563,299.86
637432NB7	NATIONAL RURAL UTIL COOP	2.300	11/15/2019	3,400,000.00	3,452,492.09	3,460,967.10
63946CAD0	NBCUNIVERSAL ENTERPRISE	1.974	04/15/2019	7,590,000.00	7,512,418.06	7,633,680.45
64110DAC8	NETAPP INC	2.000	12/15/2017	825,000.00	822,691.49	827,250.52

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CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
64952WBQ5	NEW YORK LIFE GLOBAL FDG	2.100	01/02/2019	5,945,000.00	5,943,853.41	6,026,049.37
665772CF4	NORTHERN STATES PWR-MINN	1.950	08/15/2015	1,000,000.00	999,845.57	1,001,630.80
66989HAC2	NOVARTIS CAPITAL CORP	2.900	04/24/2015	5,000,000.00	4,999,504.55	5,006,595.01
674599CB9	OCCIDENTAL PETROLEUM COR	1.750	02/15/2017	8,000,000.00	8,027,060.00	8,101,992.80
68389XBA2	ORACLE CORP	2.800	07/08/2021	9,000,000.00	9,005,623.38	9,300,477.60
693476BG7	PNC FUNDING CORP	4.250	09/21/2015	4,337,000.00	4,361,903.40	4,405,724.10
69352JAN7	PPL ENERGY SUPPLY LLC	4.600	12/15/2021	2,500,000.00	2,656,259.55	2,322,901.00
718172AN9	PHILIP MORRIS INTL INC	1.625	03/20/2017	8,000,000.00	7,977,045.82	8,119,175.21
74005PBH6	PRAXAIR INC	1.250	11/07/2018	8,000,000.00	7,802,127.92	7,925,524.80
74153WCD9	PRICOA GLOBAL FUNDING 1	2.200	05/16/2019	9,000,000.00	9,000,000.00	9,102,062.70
742718BZ1	PROCTER & GAMBLE CO	4.850	12/15/2015	3,000,000.00	2,990,748.57	3,093,951.00
742718DQ9	PROCTER & GAMBLE CO/THE	3.150	09/01/2015	4,000,000.00	4,008,290.04	4,045,844.00
748356AA0	QUESTAR CORP	2.750	02/01/2016	2,225,000.00	2,224,364.78	2,262,466.33
767201AJ5	RIO TINTO FIN USA LTD	1.875	11/02/2015	10,000,000.00	9,979,218.00	10,063,227.00
771196AS1	ROCHE HLDGS INC	6.000	03/01/2019	1,754,000.00	1,984,260.14	2,035,802.03
77340RAH0	ROCKIES EXPRESS PIPELINE	3.900	04/15/2015	2,450,000.00	2,448,724.80	2,450,000.00
78442FEM6	NAVIENT CORP	6.000	01/25/2017	2,350,000.00	2,335,122.03	2,476,312.50
797440BN3	SAN DIEGO G & E	3.000	08/15/2021	4,450,000.00	4,653,416.66	4,656,046.13
808513AH8	CHARLES SCHWAB CORP	0.850	12/04/2015	1,410,000.00	1,410,000.00	1,412,922.93
808513AJ4	CHARLES SCHWAB CORP	2.200	07/25/2018	4,450,000.00	4,449,158.46	4,546,808.86
824348AP1	SHERWIN-WILLIAMS CO	1.350	12/15/2017	6,250,000.00	6,245,523.56	6,250,766.88
828807BM8	SIMON PROPERTY GROUP LP	5.100	06/15/2015	7,150,000.00	7,187,856.42	7,214,464.40
842808AF4	SOUTHERN ELECTRIC GEN CO	2.200	12/01/2018	5,555,000.00	5,553,655.75	5,581,810.10
857477AH6	STATE STREET CORP	2.875	03/07/2016	7,092,000.00	7,082,573.74	7,238,964.68
881609AY7	TESORO CORP	4.250	10/01/2017	900,000.00	900,000.00	936,000.00
88166CAA6	TEVA PHARMA FIN II/III	3.000	06/15/2015	8,000,000.00	8,004,574.64	8,036,584.00
883556BA9	THERMO FISHER SCIENTIFIC	2.250	08/15/2016	4,332,000.00	4,366,591.15	4,403,367.97
88579YAD3	3M COMPANY	1.375	09/29/2016	9,000,000.00	8,982,788.09	9,115,328.70
89114QAM0	TORONTO-DOMINION BANK	2.625	09/10/2018	5,000,000.00	5,112,482.30	5,202,251.00
89114QAS7	TORONTO-DOMINION BANK	2.125	07/02/2019	4,000,000.00	3,995,782.88	4,050,324.00
89153VAD1	TOTAL CAPITAL INTL SA	0.750	01/25/2016	3,975,000.00	3,978,872.33	3,978,008.28
89153VAP4	TOTAL CAPITAL INTL SA	2.750	06/19/2021	5,000,000.00	5,105,607.85	5,113,463.00
89233P5S1	TOYOTA MOTOR CREDIT CORP	2.050	01/12/2017	7,000,000.00	7,047,073.53	7,149,296.00
89233P7E0	TOYOTA MOTOR CREDIT CORP	1.375	01/10/2018	2,000,000.00	1,998,207.86	2,003,946.00
893526DH3	TRANS-CANADA PIPELINES	3.400	06/01/2015	875,000.00	874,962.58	878,387.13
893526DK6	TRANS-CANADA PIPELINES	3.800	10/01/2020	5,000,000.00	5,335,012.85	5,314,124.00
90261XFA5	UBS AG STAMFORD CT	5.750	04/25/2018	7,000,000.00	7,824,424.37	7,834,991.50
91159HGX2	US BANCORP	2.450	07/27/2015	3,000,000.00	2,997,864.33	3,017,514.00
91159HHH6	US BANCORP	2.200	04/25/2019	7,000,000.00	6,994,828.89	7,116,736.20
913017BH1	UNITED TECHNOLOGIES CORP	4.875	05/01/2015	3,000,000.00	3,007,739.79	3,010,011.00
92276MAW5	VENTAS REALTY LP/CAP CRP	4.750	06/01/2021	4,500,000.00	4,742,341.65	4,969,884.60
92343VBD5	VERIZON COMMUNICATIONS	2.000	11/01/2016	4,750,000.00	4,740,215.90	4,820,405.45
92857WAX8	VODAFONE GROUP PLC	1.625	03/20/2017	4,500,000.00	4,476,160.31	4,528,562.40
928670AK4	VOLKSWAGEN INTL FIN NV	2.375	03/22/2017	6,000,000.00	5,986,925.80	6,126,611.40
931142BY8	WAL-MART STORES INC	4.500	07/01/2015	3,750,000.00	3,765,297.34	3,787,920.00
931142CJ0	WAL-MART STORES INC	5.800	02/15/2018	3,000,000.00	3,322,563.99	3,394,945.50
949746QU8	WELLS FARGO & COMPANY	3.676	06/15/2016	5,500,000.00	5,518,298.12	5,690,520.55
94974BFG0	WELLS FARGO & COMPANY	1.500	01/16/2018	4,000,000.00	3,995,963.92	4,019,352.00
959802AT6	WESTERN UNION CO/THE	3.350	05/22/2019	2,500,000.00	2,499,230.35	2,600,257.00
98212BAC7	WPX ENERGY INC	5.250	01/15/2017	1,000,000.00	1,008,464.12	1,007,500.00
	TOTAL CORPORATE			620,497,000.00	630,375,154.31	638,442,582.67
	MORTGAGE BACKED					
12624PAC9	COMM 2012-CR3 A2	1.765	11/15/2045	5,400,000.00	5,466,472.38	5,437,314.00
17318UAB0	CGCMT 2012-GC8 A2	1.813	09/10/2045	5,400,000.00	5,462,639.30	5,448,924.00
3128L0DF6	FHLMC POOL A68202	6.000	11/01/2037	408,017.42	416,916.36	467,501.22
3128L0EF5	FHLMC POOL A68234	6.000	11/01/2037	758,408.90	764,657.37	868,975.36
3128MJAD2	FHLMC POOL G08003	6.000	07/01/2034	603,690.90	618,783.17	691,512.77
3128MJMC1	FHLMC POOL G08354	5.000	07/01/2039	3,463,952.70	3,504,513.89	3,851,475.13

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3128PYU36	FHLMC POOL J18702	3.000	03/01/2027	11,181,275.20	11,577,496.10	11,797,594.92
31292JBR0	FHLMC POOL C01848	6.000	06/01/2034	819,708.37	848,654.32	938,955.36
312944AF8	FHLMC POOL A95406	4.000	12/01/2040	4,670,424.00	4,729,135.85	5,012,359.75
31297ECP9	FHLMC POOL A2-6378	6.000	09/01/2034	677,451.70	698,755.74	772,616.66
31307AEK4	FHLMC POOL J21938	2.500	01/01/2028	15,646,197.00	16,193,482.04	16,107,700.36
31307FJM4	FHLMC POOL J26568	3.500	12/01/2028	8,633,405.59	9,064,001.36	9,237,680.09
31307GTQ2	FHLMC POOL J27759	3.000	03/01/2029	17,133,373.68	17,649,032.89	18,004,317.89
3132GDMF6	FHLMC POOL Q00358	4.500	04/01/2041	8,082,971.82	8,475,243.05	8,888,502.20
3132GFXD4	FHLMC POOL Q02476	4.500	08/01/2041	5,459,116.10	5,720,125.89	6,003,159.05
31335H5U3	FHLMC POOL C90859	5.500	10/01/2024	812,809.60	834,088.03	915,152.57
31371PC57	FNMA POOL 257592	5.000	03/01/2039	1,283,503.91	1,298,048.60	1,431,986.19
31376KEL6	FNMA POOL 357539	5.500	04/01/2034	759,451.40	759,451.40	859,389.74
3138A8KG0	FNMA POOL AH6594	3.500	03/01/2026	8,344,616.85	8,725,549.69	8,874,696.95
3138AWNL3	FNMA POOL AJ4894	4.000	02/01/2042	11,982,267.03	12,571,321.51	12,845,596.56
3138NXE37	FNMA POOL AR1053	2.500	01/01/2028	11,218,547.90	11,619,539.86	11,573,879.70
3138WCPT4	FNMA POOL AS3133	3.500	08/01/2044	7,732,812.49	7,947,029.72	8,174,205.29
3138X0ZQ4	FNMA POOL AU1650	3.500	07/01/2043	4,719,504.04	4,844,152.61	4,967,802.34
3138X4G79	FNMA POOL AU4721	3.500	09/01/2043	1,931,105.02	1,986,931.62	2,043,565.05
3138YEPP6	FNMA POOL AY1329	3.000	03/01/2030	15,000,000.00	15,728,555.25	15,740,241.00
31412RLY1	FNMA POOL 932843	3.500	12/01/2025	6,941,654.40	7,080,306.24	7,382,613.28
31413FGK2	FNMA POOL 944002	6.000	08/01/2037	1,583,081.05	1,572,980.44	1,822,415.68
31415Q4B9	FNMA POOL 986518	5.000	06/01/2038	502,307.04	507,233.66	560,102.54
31416XEL0	FNMA POOL AB1938	3.500	12/01/2025	11,426,776.04	11,860,974.79	12,206,209.00
31416YTY4	FNMA POOL AB3266	4.000	07/01/2041	5,759,921.50	5,888,924.50	6,227,126.59
31416YU89	FNMA POOL AB3306	4.000	07/01/2041	5,463,245.40	5,598,935.48	5,856,875.51
31419LD42	FNMA POOL AE9122	3.500	12/01/2025	3,508,283.70	3,587,253.20	3,731,142.51
31419LYR8	FNMA POOL AE9719	4.500	12/01/2040	11,910,607.20	12,316,932.56	13,110,558.00
36202D5C1	GNMA 2M POOL 3543	5.000	04/20/2034	1,132,709.00	1,131,387.56	1,249,945.51
36202EAK5	GNMA 2M POOL 3610	5.500	09/20/2034	963,795.50	985,255.01	1,074,766.72
36202EUT4	GNMA 2M POOL 4194	5.500	07/20/2038	1,644,705.90	1,648,303.69	1,825,853.48
36202EUU1	GNMA 2M POOL 4195	6.000	07/20/2038	1,394,052.00	1,421,497.40	1,559,920.63
36202EVN6	GNMA 2M POOL 4221	5.500	08/20/2038	1,095,537.10	1,086,978.22	1,216,199.34
36202EVP1	GNMA 2M POOL 4222	6.000	08/20/2038	831,042.50	841,170.83	929,922.51
61761DAB8	MSBAM 2012-C6 A2	1.868	11/15/2045	8,500,000.00	8,625,176.87	8,579,985.00
	TOTAL MORTGAGE BACKED			214,780,329.95	221,657,888.45	228,288,740.45
	ASSET BACKED					
048312AG7	ACETF 2003-1 A3	5.050	10/20/2020	4,986,797.42	5,438,950.34	5,437,877.68
06742LAE3	DROCK 2014-3 A	2.410	07/15/2022	7,235,000.00	7,233,256.44	7,402,597.33
126802CA3	CABMT 2012-1A A1	1.630	02/18/2020	6,600,000.00	6,599,132.50	6,678,588.18
14313PAC1	CARMX 2013-4 A3	0.800	07/16/2018	3,165,000.00	3,164,884.03	3,164,946.20
15200WAA3	CNP 2012-1 A1	0.901	04/15/2018	1,164,032.14	1,164,623.25	1,160,979.70
161571FK5	CHAIT 2012-A4 A4	1.580	08/16/2021	5,056,000.00	4,909,628.24	5,038,478.43
17305EBU8	CCCIT 2003-A7 A7	4.150	07/07/2017	3,000,000.00	3,024,848.28	3,027,665.70
17305EFR1	CCCIT 2014-A5 A5	2.680	06/07/2023	8,000,000.00	8,180,604.88	8,252,907.20
29366AAA2	ELL 2011-A A1	2.040	09/01/2023	4,143,647.52	4,238,923.11	4,196,008.31
34529WAD2	FORDO 2012-B A4	1.000	09/15/2017	6,500,000.00	6,507,516.67	6,514,410.50
78446WAB3	SLMA 2012-1 A2	0.624	11/25/2020	3,206,908.35	3,206,908.35	3,209,361.63
	TOTAL ASSET BACKED			53,057,385.43	53,669,276.09	54,083,820.86
	TOTAL MARKETABLE SECURITIES			997,911,715.38	1,015,313,685.74	1,032,194,720.43
	TOTAL MARKETABLE AND C/E			1,040,468,135.02	1,057,869,172.18	1,074,750,206.87

THE HOME INSURANCE COMPANY IN LIQUIDATION
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CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
	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		348,228.00	1,628,052.30	1.93
	TOTAL MARKETABLE , C/E AND COMMON		1,040,816,363.02	1,059,497,224.48	1,074,750,208.80
	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	526,071.25	0.00
	COMMON STOCKS		279,708.00	551,871.25	0.00
	RIMCO ROYALTY PARTNERS, L.P.		346,302.00	3,199,497.00	800,556.00
	LIMITED PARTNERS		346,302.00	3,199,497.00	800,556.00
	TOTAL EQUITY SECURITIES		626,010.00	3,751,368.25	800,556.00
	TOTAL		1,041,442,373.02	1,063,248,592.73	1,075,550,764.80

Exhibit F

Milliman Client Report

Milliman

The Home Insurance Company (in Liquidation)

Roll-Forward Analysis of Unpaid Loss and ALAE
As of June 13, 2003, and December 31, 2014

Executive Summary

June 18, 2015

Prepared for:
Liquidator of The Home Insurance Company

Prepared by:
Christopher Tait, FCAS
William Carbone, FCAS
Jason Kurtz, FCAS
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I. Introduction

Background

This is a summary of Milliman's report dated June 18, 2015 ("Current Report"). The Liquidator of The Home Insurance Company ("Home") previously engaged Milliman, Inc. ("Milliman") for the purpose of estimating the direct unpaid loss and allocated loss adjustment expense ("ALAE") of Home as of June 13, 2003 and December 31, 2010 and to map the direct unpaid amounts as of June 13, 2003, which include amounts "paid" (allowed) since the start of liquidation, into Priority Classes I, II and V. That analysis is presented in Milliman's report dated April 27, 2012 ("Initial Report").

The Liquidator subsequently engaged Milliman to "roll forward" its estimates of unpaid loss and ALAE as of December 31, 2010, to December 31, 2012. That analysis is presented in Milliman's report dated December 9, 2013 ("Prior Report"). The Current Report summarizes the "roll-forward" of the estimates of unpaid loss in the Initial Report from December 31, 2010, to December 31, 2014. This Executive Summary presents the results of our Current Report and will be used by the Liquidator in the performance of his official duties. It reflects all direct liabilities associated with Home policies (excluding unallocated loss adjustment expense), regardless of the priority class into which such liabilities fall. The Current Report is a second update of the Initial Report and should be read in conjunction with the Initial Report.

The Current Report provides actuarial central estimates as well as estimates at higher confidence levels. Both the central estimates and the higher confidence levels are discussed in more detail below.

In performing our analyses for the Initial, Prior and Current Reports, we required a substantial amount of data, information and assistance from liquidation staff. We wish to express our appreciation for their support.

We will be available to answer questions regarding the Current Report as authorized to do so by the Liquidator.

Jason Russ, Jason Kurtz and Mark Goldburd prepared the Asbestos section of the Current Report. William Carbone prepared the Environmental section of the Initial Report, which Christopher Tait has rolled forward to December 31, 2014, in the Current Report. The remainder of the Current Report was prepared by Christopher Tait. Each is a Consultant at Milliman and each is a Member of the American Academy of Actuaries and a Fellow of the Casualty Actuarial Society and meets the qualification standards to provide the estimates in their respective sections of the Current Report.

Scope of Study

The purpose of the Current Report is to present an independent actuarial evaluation of Home's direct unpaid loss and allocated loss adjustment expense as of December 31, 2014 (unpaid claim liability). Our estimates are on an ultimate cost basis, not at present discounted value. Analysis of unpaid unallocated loss adjustment expense (ULAE) is outside the scope of this report.

The Current Report is an update of Milliman's Initial and Prior Reports dated April 27, 2012, and December 9, 2013, respectively.

Priority Classes I, II and V

In addition to providing a "roll forward" of estimated unpaid loss and ALAE to December 31, 2014, this study maps the direct unpaid amounts as of June 13, 2003, which include amounts "paid" (allowed) since the start of liquidation, into Priority Classes I, II and V.

Class I is administration costs. It includes the costs and expenses of administration, including but not limited to the following: the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; and reasonable attorney's fees.

Class II is policy related claims. It includes all claims by policyholders, including claims for unearned premiums in excess of $50, beneficiaries, and insureds arising from and within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company.

Class V is a residual classification. It includes all other claims, including claims of any state or local government, not falling within other Classes. Claims, including those of any non-federal governmental body, for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction or proceeding out of which the penalty or forfeiture arose with reasonable and actual costs occasioned thereby.

Definition of Paid and Unpaid Loss and Allocated Loss Adjustment Expense

Due to the liquidation of Home, the traditional definitions of paid and unpaid loss and ALAE do not apply. The amounts shown as paid in the supporting exhibits of the Initial Report and in the SUMMARY

BY LINE exhibits of the Prior and Current Reports are the amounts identified as paid in Home's Actuarial Database. These amounts have not necessarily been paid to policyholders, claimants or vendors of ALAE services in the traditional sense. The Liquidator may only pay administration costs in full, and other claims allowed by the Merrimack County Superior Court ("Court") will receive a percentage distribution depending on the priorities of the distribution and available assets. The paid losses and ALAE amounts in the supporting exhibits of the Initial Report and in the SUMMARY BY LINE exhibits of the Prior and Current Reports consist of:

1. amounts paid pre-liquidation, plus
2. amounts paid by the Guaranty Associations ("GAs") for which we are advised each GA has filed a proof of claim ("POC") in the Home liquidation, plus
3. amounts spent on coverage counsel, coverage litigation and other experts post-rehabilitation, plus
4. amounts for work engaged but not paid pre-rehabilitation which have either been paid during rehabilitation or determined (allowed) post-liquidation for coverage counsel, coverage litigation, other experts and policyholder defense pre-rehabilitation, plus
5. amounts of loss and ALAE for which a POC has been agreed to by the Liquidator and approved ("allowed") by the Court, plus
6. certain Workers' Compensation indemnity payments covering eight weeks of benefits, made directly by the Liquidator to claimants, approximately at the time Home entered liquidation as an advance on early access distributions to GAs because the GAs were not immediately in position to make payments.

The paid loss data referenced above is net of recoveries and reversals. However, in order to present the unpaid amounts as of June 13, 2003, the commencement of liquidation, the attached SUMMARY BY CLASS exhibits add all amounts recorded as paid post-liquidation through December 31, 2014, gross of recoveries and reversals, to the estimated unpaid amounts as of December 31, 2014. The attached SUMMARY BY CLASS exhibits reflect the mapping of the June 13, 2003 unpaid to the Priority Classes.

This analysis does not reflect an agreement between the GAs and Home that will treat 10% of the GAs' Class II ALAE as Class I. This agreement was approved by the Court on July 15, 2013. The amount that will be reclassified is an immaterial portion of the Total Class II, though material to Class I, estimate.

The Liquidator has made cash payments on allowed Class I amounts and made a court-approved initial percentage distribution on allowed Class II amounts. These payments are subsumed in the allowed amounts within item 5 above.

Unpaid Ceded Reinsurance

The exhibit SUMMARY BY CLASS, Page 4 is not included in the Current Report. The Liquidator asked us to include this exhibit which estimates the unpaid ceded reinsurance as of December 31, 2014 for Class I and Class II liabilities. Those are the classes of claims on which the Liquidator expects to make distributions, and which claimants are expected to pursue for purposes beyond setoff. The two classes are combined because reinsurance contracts do not distinguish among priority classes. Our estimate of unpaid ceded loss (including ALAE) is based upon our undiscounted actuarial Central Estimates of Loss and ALAE unpaid as of December 31, 2014 for Class I and Class II and information provided by Liquidation Staff concerning Home's ceded reinsurance programs. Like the actuarial Central Estimates of gross unpaid Loss and ALAE for those classes, our estimate should be interpreted as the expected value over a range of reasonably possible outcomes and is subject to wide variability. Our estimate is set forth in SUMMARY BY CLASS Page 4 of this Executive Summary. The Liquidator and, prior to its liquidation, Home have entered into commutation agreements with certain reinsurers to resolve relationships with those reinsurers. The estimate of unpaid ceded loss on SUMMARY BY CLASS Page 4 has been adjusted to deduct reinsurance that was commuted prior to December 31, 2014 or where the reinsurer was known to be insolvent prior to December 31, 2014. The estimate has not been reduced to reflect reinsurance collected or commuted since December 31, 2014. It also is not adjusted to provide for collectability issues, including offsets available to reinsurers, cessions that may be disputed by reinsurers, or cessions to reinsurers that may become insolvent or commuted. These collectability issues will reduce the amount collected by the Liquidator, in certain instances materially.

Actuarial Central Estimates

Our estimates are presented as actuarial central estimates. The phrase "actuarial central estimate" as used here should be interpreted as an estimate of the expected value over our range of reasonably possible outcomes. Our selected range of reasonably possible outcomes may not include all conceivable outcomes. For example, it would not include certain conceivable extreme events where the losses from such events are not reliably estimable. Our description of an actuarial central estimate is intended to clarify the concept rather than assign a precise statistical measure (such as a mean, median, mode or percentile) as commonly used actuarial methods typically do not result in these measures.

The central estimates for certain coverages have been "rolled forward" from the estimates in our Initial Report after an evaluation of actual vs. expected loss emergence since July 2009. For the Environmental and Workers' Compensation (excluding OD) coverages, we compared the actual loss emergence during the period July 2009 through June 2014 on both an incurred basis and a paid basis with what we would have projected based on the estimates in our Initial Report. This comparison of actual vs. expected loss was used to evaluate whether we could base updated estimates on our initial estimates, whether we needed to revise our initial estimates first, or whether an entire update of the Initial Report was needed. (With respect to Workers' Compensation, the comparison of actual vs. expected emergence was made excluding sports related CT losses for which a separate estimate was made based on loss experience through December 31, 2014.) As discussed in the "Description of Analysis" section below, we concluded that updated estimates could reasonably be based on the estimates from our Initial Report.

As to Asbestos, our central estimate of ultimate loss (without regard to priority class) decreased by $355.4 million relative to our Prior Report. There are many "moving parts" within the analysis, which reflects loss experience through December 31, 2014, with some components of the estimate increasing while others have decreased. The major factor was closures for less than our prior estimate of asbestos exposure.

Estimates at Higher Confidence Levels

In addition to the central estimates shown in the various summary exhibits, there is a confidence level table immediately following this text (Exhibit 1) that provides estimates of the Priority Class II unpaid loss and ALAE at higher confidence levels for all lines of business combined. The unpaid estimate at each higher confidence level is intended to encompass approximately that percentage of the possible outcomes. Note that even the highest confidence level shown does not encompass all possible outcomes. Developing such confidence level estimates is a very uncertain process, as discussed in greater detail in the section, Estimates at Higher Confidence Levels in the Initial Report. Given this uncertainty, these estimates should not be considered to be precise measurements of future outcomes, but rather results from specific models and assumptions.

The confidence level factors are based on the December 31, 2014 unpaid estimates. The confidence level factors were developed at the line of business level with the total of all lines reduced to reflect independence among lines.

It should be noted:

1. The 99.9% confidence level does not represent the worst possible outcome. Actual results may be above the 99.9% confidence level.
2. Results at the higher confidence levels are shown for the Liquidator to consider in support of his recommendation for an interim distribution of assets. They broadly illustrate the potential impact of random variation on the actual losses that will ultimately be paid, but are not precise measurements. It is impossible to estimate confidence levels such as these with precision, and the potential error in the estimation of the confidence level increases as the confidence level approaches 100% (e.g., the potential error surrounding the 99.9% confidence level estimate is greater than the potential error surrounding the 75% confidence level estimate).
3. The confidence levels were based solely on the methodology described in the Initial Report without regard to other items that could affect the estimation of such confidence levels, for example:
    - No provision is made for model risk (i.e., the risk that the model used is inappropriate), which could widen the range of outcomes.
    - No consideration is made for the possibility that future emergence could be unlike any past emergence and therefore would not be represented in the parameters used in the models.
    - We have not investigated the available policy limits to determine whether sufficient unexhausted limits are available to cover the higher confidence levels shown.
4. Each loading factor in Exhibit 1 is a composite based on factors for the individual lines of business. As noted above, the composite factors are reduced to reflect independence among lines.

    - The loading factors for the Core Lines of business that are independently reviewed by Milliman are based on loss experience through June 30, 2009. The factors are adjusted to apply to the sum of estimated losses unpaid as of December 31, 2014 plus losses paid or "allowed" from liquidation through December 31, 2014.

    - The loading factors for the Core Lines of business that are estimated by liquidation staff were initially provided by liquidation staff to apply to estimated losses unpaid as of 12/31/2010. As an approximation, we have applied those same factors to the estimated losses unpaid as of 12/31/2014 and then added the losses paid or "allowed" from liquidation through December 31, 2014.

    - The loading factors for the A&E Lines of business which are estimated by Milliman were initially produced to apply to estimated losses unpaid as of 12/31/2010. As an approximation, we have applied those same factors to the estimated losses unpaid as of 12/31/2014 and then added the losses paid or "allowed" from liquidation through December 31, 2014.

Given the various shortcomings, the confidence levels shown should not be viewed as an exact prediction of the probability of any particular outcome.

II. Limitations

Uncertainty

Any estimate of future claim activity is necessarily subject to a substantial amount of uncertainty due to the unpredictability of changes in economic conditions including inflation, judicial decisions, legislation and claims handling, among other variables. The estimates developed in the Initial Report represent our estimates of the future claim activity based upon claim experience through June 30, 2009 for Home's Core Lines (non-asbestos and environmental exposure) and environmental, and claims and policy information evaluated as of June 30, 2007 for the asbestos analysis. Other than Asbestos, which is based on loss data evaluated as of December 31, 2014, and Sports Injury claims (discussed below in the "Sports Injury CT Claims" section) the estimates in the Current Report are based on the Initial Report and reflect subsequent claim activity through December 31, 2014. Our actuarial central estimate is most properly viewed as the average of a wide range of possible outcomes. We consider the range of potential variability to be greater above our central estimate than below.

The uncertainty in our estimates is greater than it would otherwise be due to the liquidation of Home and the resulting involvement of state GAs and insureds, including their agents, in the process of handling and determining claims. Because Home is in liquidation, its historical loss experience as well as the experience since Home entered liquidation is less predictive of future claim activity, both with respect to the timing of claim reporting and payment, and with respect to the size of the payments that will ultimately be made. We have judgmentally adjusted for these changes based on discussions with liquidation staff regarding changes in the claim handling process. For General Liability and Excess, we have relied upon the development through June 30, 2003 as the basis of the analysis. However, the liquidation of Home and the changes in the claim process adds an additional level of uncertainty to our estimates.

The uncertainty in our estimates is also increased because the underlying loss development triangles compiled from Home's Actuarial Database for the independently reviewed Core Lines are missing loss payments that were made prior to January 1, 1980. Liquidation staff and Milliman used various techniques to estimate the missing payments (see the discussion of "Buildback" in Section IV of the Initial Report), but the missing historical development data adds to the uncertainty of our estimates.

The estimates of asbestos loss exposures are subject to a very high degree of uncertainty. This uncertainty stems from several factors, including a relative lack of historical data, inapplicability of standard actuarial projection techniques, and uncertainty with regard to claim costs, coverage interpretation and the judicial, statutory and regulatory provisions under which the claims may be ultimately resolved. This uncertainty is discussed further in the Analysis of Asbestos Unpaid Claims report found in Appendix 2.

As noted in our Initial Report, estimates of the Environmental unpaid liabilities are subject to additional uncertainty due to Home's efforts to improve the adequacy of environmental case reserves that may affect loss development patterns in ways we cannot predict. While as noted in our Initial Report, we performed diagnostic tests to reduce the risk of over or under projection of ultimate loss, the inherent variability with respect to final outcomes is increased by the environmental case reserve strengthening.

Variability

The impact of key variables in the Initial Report (such as development patterns and trend factors) was considered. The overall results are potentially sensitive to any of these, and reasonable alternative selections could change the results in either direction. Our intent is to be neither overly optimistic nor overly conservative in making our selections

Data

The primary data and other information used in our analysis were provided to us by liquidation staff. We also relied on data from certain external sources such as the Reinsurance Association of America, A.M. Best Company, and the United States Environmental Protection Agency, among other sources. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may be materially distorted. In that event, the results of our analysis may not be suitable for the intended purpose.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency, and have not found material defects in the data. However, due to the liquidation, there are no financial statements to which the claim data provided can be reconciled. Also, the claim data does at times vary from previously provided data beyond the missing payments discussed in Section IV of the Initial Report under "Buildback." If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review is beyond the scope of our assignment.

Use of Milliman's Name

Milliman does not permit the use of Milliman's name, trademarks or service marks, or any reference to Milliman directly or indirectly in any media release, public announcement or public disclosure (other than reports to the courts by the Liquidator), including in any promotional or marketing materials, customer lists, referral lists, websites or business presentations without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.

Report Distribution

All work described in this report is subject to the Limitations described in our Consulting Services Agreement dated October 1, 2003 as amended on May 16, 2011, which states that Milliman's work is prepared solely to be relied upon by the Liquidator of Home, except as otherwise agreed. Other than with respect to the Court supervising the liquidation, no portion of Milliman's work may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work, and may include a legend on its reports so stating. Milliman's work may not be filed with the SEC or other securities regulatory bodies.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Third Party Release Agreement, subject to the following exceptions:

(a) The Liquidator of Home may provide a copy of Milliman's work, in its entirety, to governmental entities as required by law.

(b) We agree that this report may be submitted to the Merrimack County Superior Court, the High Court of Justice Chancery Division Companies Court or other such tribunals as may be necessary in connection with the liquidation of Home.

In the event Milliman consents to release its work product, it must be provided in its entirety. We recommend that any such party have its own actuary or other qualified professional review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

III. Summary of Results

The attached three SUMMARY BY CLASS exhibits summarize the results of Milliman's analysis. We developed independent estimates or reviewed Home's reserves for reserve components that account for about 99% of Home's total indicated unpaid loss and ALAE as of December 31, 2014. The losses are shown in $1,000's. The details underlying the estimates in the summary exhibits are provided in the Current Report.

Exhibit 1

THE HOME INSURANCE COMPANY (IN LIQUIDATION)

Confidence Level Table For All Lines of Business Combined
Class II Estimated Unpaid at Liquidation
(Dollars in Thousands)

Confidence Level	Estimated Total Gross Unpaid Losses [1] (Priority Class II) Loading	Loss & ALAE
Central Est.	1.000	$4,033,699 [2]
75%	1.089	4,392,698
90%	1.232	4,969,517
95%	1.340	5,405,157
99%	1.600	6,453,919
99.9%	2.034	8,204,544

1 Loss & ALAE estimates at higher confidence levels equal the Central Estimate Total times a confidence level loading factor.

2 Central Estimate Class II Subtotal from SUMMARY BY CLASS Page 2.

THE HOME INSURANCE COMPANY (IN LIQUIDATION)

Estimated Loss and ALAE Unpaid at Liquidation and as of 12/31/14
Based on Claim Experience Through 6/30/09, Brought Forward to 12/31/14
Gross of Reinsurance
(Dollars in Thousands)

CLASS I [1]

Coverage	Central Estimate of Unpaid at Liquidation	Central Estimate of Unpaid at 12/31/14
Workers' Compensation		
Milliman-Analyzed Non-High Deductible	$4,185	
Milliman-Analyzed High Deductible	506	
Occupational Disease	148	
Subtotal – Workers' Compensation	**$4,839**	
General Liability		
Milliman-Analyzed Excluding High Deductible	$1,710	
High Deductible Business	17	
CMP Liability	155	
Subtotal – General Liability	**$1,882**	
Excess Lines		
Milliman-Analyzed Excluding D&O	$17,769	
D&O	0	
Subtotal – Excess Lines	**$17,769**	
Other Lines		
Auto Liability	$273	
Professional Liability	1,366	
Risk Management	319	
Small Lines	164	
Subtotal – Other Lines	**$2,122**	
HICL Reserves Not Reviewed by Milliman		
Cut-Through and Omnibus	$0	
DES	24	
Special accounts[2]	537	
Subtotal – Not Reviewed by Milliman	**$561**	
Milliman-Analyzed A&E (Direct)		
Asbestos	$10,149	
Environmental	13,127	
Subtotal	**$23,276**	
a. CLASS I Subtotal — Central Estimate of Unpaid at Time of Liquidation	**$50,449**	
b. CLASS I Loss and ALAE Paid From Liquidation Through 12/31/14		**$23,762**
c. CLASS I Subtotal — Central Estimate of Unpaid as of 12/31/14 (c. = a. – b.)		**$26,687**

[1] Does not include Class II Guaranty Fund expenses to be reclassified from Class II to Class I, as approved by Liquidation Court on July 15, 2013. The amount to be reclassified is immaterial to Class II, although it is material relative to Class I.

[2] Including Breast Implants, HIV and Agent Orange, plus Other Mass Tort accounts excluded from reserve test data.

THE HOME INSURANCE COMPANY (IN LIQUIDATION)

Estimated Loss and ALAE Unpaid at Liquidation and as of 12/31/14 [1]
Based on Claim Experience Through 6/30/09, Brought Forward to 12/31/14
Gross of Reinsurance
(Dollars in Thousands)

CLASS II [2]

Coverage	Central Est. of Unpaid at Liquidation and at 12/31/14
Workers' Compensation	
Milliman-Analyzed Non-High Deductible	$906,406
Milliman-Analyzed High Deductible	32,934
Occupational Disease	11,292
Subtotal – Workers' Compensation	**$950,632**
Sports Injury CT Claims Filed After 6/30/09	**$80,041**
General Liability	
Milliman-Analyzed Excluding High Deductible	$105,345
High Deductible Business	6,961
CMP Liability	18,492
Subtotal – General Liability	**$130,798**
Excess Lines	
Milliman-Analyzed Excluding D&O	$143,198
D&O	7,548
Subtotal – Excess Lines	**$150,746**
Other Lines	
Auto Liability	$33,635
Professional Liability	32,471
Risk Management	68,379
Small Lines	5,864
Subtotal – Other Lines	**$140,349**
HICL Reserves Not Reviewed by Milliman	
Cut-Through and Omnibus	$0
DES	28,858
Special accounts[3]	102,486
Subtotal – Not Reviewed by Milliman	**$131,344**
Milliman-Analyzed A&E (Direct)	
Asbestos	$1,879,347
Environmental	570,442
Subtotal	**$2,449,789**
CLASS II Subtotal	**$4,033,699**

[1] "Unpaid" as used here includes amounts for which the estate is still liable but that have been allowed by the Court or paid by Guaranty Associations. The Liquidator has made a court-approved initial percentage distribution on allowed Class II amounts.
[2] Not reduced to reflect Class II Guaranty Fund expenses to be reclassified from Class II to Class I, as approved by Liquidation Court on July 15, 2013. The amount to be reclassified is immaterial to Class II, although it is material relative to Class I.
[3] Including Breast Implants, HIV and Agent Orange, plus Other Mass Tort accounts excluded from reserve test data.

THE HOME INSURANCE COMPANY (IN LIQUIDATION)

Estimated Loss and ALAE Unpaid at Liquidation and as of 12/31/14 [1]
Based on Claim Experience Through 6/30/09, Brought Forward to 12/31/14
Gross of Reinsurance
(Dollars in Thousands)

CLASS V

Coverage	Central Est. of Unpaid at Liquidation and at 12/31/14
Workers' Compensation	
Milliman-Analyzed Non-High Deductible	$442
Milliman-Analyzed High Deductible	34
Occupational Disease	54
Subtotal – Workers' Compensation	**$530**
General Liability	
Milliman-Analyzed Excluding High Deductible	$471
High Deductible Business	3
CMP Liability	27
Subtotal – General Liability	**$501**
Excess Lines	
Milliman-Analyzed Excluding D&O	$186
D&O	0
Subtotal – Excess Lines	**$186**
Other Lines	
Auto Liability	$39
Professional Liability	643
Risk Management	38
Small Lines	96
Subtotal – Other Lines	**$816**
HICL Reserves Not Reviewed by Milliman	
Cut-Through and Omnibus	$0
DES	14
Special accounts[2]	77
Subtotal – Not Reviewed by Milliman	**$91**
Milliman-Analyzed A&E (Direct)	
Asbestos	$363,850
Environmental	2,188
Subtotal	**$366,038**
CLASS V Subtotal	**$368,162**

[1] "Unpaid" as used here includes amounts for which the estate is still liable but that have been allowed by the Court or paid by Guaranty Associations.
[2] Including Breast Implants, HIV and Agent Orange, plus Other Mass Tort accounts excluded from reserve test data.

THE HOME INSURANCE COMPANY (IN LIQUIDATION)

Unpaid Ceded Reinsurance as of 12/31/14
(Dollars in Thousands)

(1)	(2)
Estimated Gross Loss and ALAE Unpaid as of 12/31/14 (Priority Classes I and II)	Estimated Adjusted Ceded Losses[2] Unpaid as of 12/31/14 (Priority Classes I and II)
$2,084,918 [1]	$344,721 [3]

[1] Central Estimate Class I from SUMMARY BY CLASS Page 1 plus Central Estimate Class II from SUMMARY BY CLASS Page 2 after deduction of amounts that have been "paid" through December 31, 2014 either by (i) payment by the Liquidator for Class I or (ii) allowance by the Court or payment by Guaranty Associations for Class II. The Liquidator has already collected or is seeking to collect available reinsurance on such amounts. "Unpaid" is, accordingly, used here differently from in the Class II exhibit on SUMMARY BY CLASS Page 2.

[2] The estimated part of Column 1 that is ceded to reinsurers after adjustment (deduction) for reinsurance either commuted as of 12/31/14 or with reinsurers known to be insolvent as of 12/31/14.

[3] This estimate does not include adjustments (deductions) necessary to account for reinsurance collected or commuted since December 31, 2014 or to provide for collection issues, including offsets available to reinsurers, reinsurance coverage disputes, and subsequent reinsurer insolvencies.