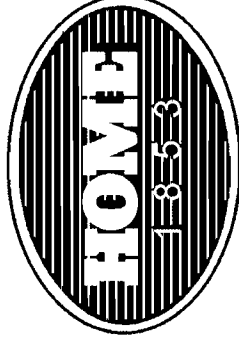


The Home Insurance Company In Liquidation



Hearing

**Superior Court, Merrimack County
New Hampshire**

October 3, 2005

Exhibit 1 -

Comparison of Home to Reliance / Transit



	Home	Reliance	Transit
Size of the estate (2):			
Estimated liabilities (gross, undiscounted)	3.6 billion	8.8 billion	3.7 billion
Estimated reinsurance recoverable (from inception)	1.4 billion	3.7 billion	1.3 billion
Assets	1.6 billion	5.9 billion	1.4 billion
Operating data:			
Cash and marketable securities, end of period (grossed up for early access cash distributions)	799	826	227
Cash collected, net of loss and lae	150	402	108
Operating expenses	26	122	22 (3)
Operating expenses as a % of net cash collected	17%	30%	20%
Salaries and benefits	14.8	54	Unknown
Salaries and benefits as a % of net cash collected	9.9%	13%	Unknown
Employee count, end of period	88	422	157
Net cash collected per person (millions)	1.7	1.0	0.7

Notes:

- (1) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1991 was used for comparative operating data.
- (2) For Home and Reliance, estimated liabilities (gross, undiscounted) and related assets are based on pre-liquidation assumptions. Transit's estimated liabilities and related assets were determined from more fully developed data in the 1999 report. Home's assets and reinsurance recoverables are estimated ultimate amounts.
- (3) Expense data for Transit is not adjusted for inflation to current period.

Exhibit 2 -

Cash & Invested Asset History



	August 31, 2005	December 31, 2004	December 31, 2003	March 5, 2003
Cash and cash equivalents	\$78,246,861	\$88,879,918	\$47,822,700	(\$953,085)
Marketable securities, liquid, at cost	622,655,686	570,309,950	400,464,024	321,943
Common stock, liquid, at market value	223,991	396,748	18,710,427	13,299,185
Interest income receivable	4,449,913	4,064,169	1,390,004	38,845
Total liquid assets	\$705,576,450	\$663,650,785	\$468,387,154	\$12,706,888
Preferred stock, non liquid, at equity				10,777,739
Common stock, non liquid, at equity	4,615,603	17,497,773	17,232,275	15,925,398
Surplus notes, non liquid	129,200	129,200		
Total cash and invested assets	\$710,321,253	\$681,277,758	\$485,619,430	\$39,410,025

Exhibit 3

POC Inventory - Home and USI Re



As of: September 19, 2005

POC Description	Total POCs		Companions	Filed After Bar Date	Total POCs Returned	POC Claimed Amount (000's)
	Issued	Returned				
AM Best Carriers	2,549	96	9	1	106	\$172,855
Policy Claimants	27,470	7,220	161	783	8,164	\$1,892,754
OSAP - OSAP	11,008	398	958	2	1,358	\$10,165
EMTL Claimants	1,391	164	5	2	171	\$3,683,659
Policy Holders	263,432	7,054	153	291	7,498	\$13,315,400
Vendors	21,773	521	59	34	614	\$191,500
Producers	41,953	20	16	0	36	\$49
Government	142	94	3	5	102	\$50,561
Employees	1,583	53	8	0	61	\$1,254
International	1,575	249	6	9	264	\$417,368
Home Assumed	693	160	7	2	169	\$484,974
USI Re	1,413	176	10	13	199	\$49,451
Home Ceded	727	46	6	1	53	\$52,852
Total	375,709	16,251	1,401	1,143	18,795	\$20,322,842

Exhibit 3 -

POC Summary - Home and USI Re



	Total Claimed Amount	Home O/S Loss Reserve & Dedicated
Proofs of Claims ≥ \$40M		
56 Insureds and Claimant	\$ 15,499,893,468	\$ 284,301,093 *
8 Reinsurance Carriers	\$ 797,501,633	\$ -
Grand Total	\$ 16,297,395,101	\$ 284,301,093
Claimants from \$20 to \$40M		
68 Insureds and Claimant	\$ 1,899,504,369	
6 Reinsurance Carriers	\$ 143,341,753	
Subtotal	\$ 2,042,846,122	

* Numbers as of December 2004

Exhibit 3 -

POC Determination - Home and USI Re



As of Date :September 19, 2005

POC Description	POCs Reviewed		NODs Issued		Within 60 Days		> 60 Days or Acknowledged		NOD Issued Amount (000's)	RFR OBJ		RFR & OBJ Amount (000's)	Court Approved	Court Approved Amount (000's)	
	5	62	10	4	636	40	21	69		24	36				56
AM Best Carriers	5	5	3	0					\$2	0	1	\$0	1	\$2	
Policy Claimants	62	62	11	23					\$202	0	0	\$0	28	\$15	
OSAP - OSAP	10	10	2	2					\$64	0	0	\$0	6	\$48	
EMTL Claimants	4	4	2	1					\$2,400	0	0	\$0	1	\$2,400	
Policy Holders	641	636	132	179					\$9,127	1	15	\$0	309	\$3,969	
Vendors	40	40	4	7					\$482	0	0	\$0	29	\$447	
Producers	21	21	0	5					\$15	0	0	\$0	16	\$15	
Government	69	69	0	0					\$53,911	1	0	\$2	68	\$53,909	
Employees	24	24	3	1					\$0	1	3	\$0	16	\$0	
International	36	36	4	4					\$3,997	0	0	\$0	28	\$3,508	
Home Assumed	56	55	6	6					\$9,566	0	3	\$119	40	\$8,101	
USI Re	13	13	2	2					\$706	0	0	\$0	9	\$688	
Home Ceded	1	1	1	0					\$0	0	0	\$0	0	\$0	
Total	982	976	170	230					\$80,473	3	22	\$121	551	\$73,102	

Exhibit 4 -

Reserves - Home and USI Re



Reserves as of 12/31/04 - \$Millions

	<u>Home</u>	<u>USI Re</u>
Gross Loss Reserves:	\$3,612	\$70
Ceded Loss Reserves:	\$851	\$3

Exhibit 5 - Investments



Portfolio Summary Report- Bonds and Short Term Investments
Securities Held as of August 31, 2005
(000's)

Conning Managed:		Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Projected Income 2005
% of AV	Fixed Income							
11%	Short Term	66,839	66,839	-	0.08	2.88	Aaa	2,468
8%	Government	47,756	47,329	(427)	0.79	3.04	Aaa	1,526
27%	Agency	165,251	164,046	(1,205)	3.55	3.63	Aaa	6,002
31%	Corporate	186,817	187,009	192	5.56	4.27	A1	7,920
14%	Mortgage Backed	86,121	86,120	(1)	4.35	4.96	Aaa	4,345
4%	Commercial Mortgage Backed	25,429	25,320	(109)	5.19	4.45	Aaa	1,122
4%	Asset Backed	26,730	26,630	(100)	3.91	4.13	Aaa	1,088
100%	Total	604,943	603,293	(1,650)	3.59	3.89	Aa1	24,471
Other investments- Home Insurance								
100%	US Treasury Bills	88,926	88,903	(23)	0.25	2.08	Aaa	2,415
Total Home Insurance		693,869	692,196	(1,673)	3.16	3.66	Aa1	26,886
Other investments- USI Re								
100%	US Treasury Bills	1,530	1,530	-	0.5	2.08	Aaa	42
Grand total (1)		695,399	693,726	(1,673)	3.16	3.65	Aa1	26,928 (2)

(1) Investment balances do not include cash amounts invested in sweep accounts of Citizens Bank and investments in common stocks and limited partners
(2) On an annualized basis, the total income generated by the portfolio, calculated based on holdings as of August 31, 2005, would be \$24.9 million

Exhibit 6 - Operating Expenses



G&A Expenses (Actual vs Budget)
August 31, 2005

	YTD			Full Year Budget
	Actual 2005	Budget 2005	Variance 2005	
General & Administrative Expense				
Salary and Benefits	9,638,270	9,848,633	(210,363)	15,003,285
Travel	52,941	193,778	(140,837)	288,452
Rent	1,623,932	1,603,880	20,052	2,430,820
Equipment	728,230	916,352	(188,122)	1,370,528
Printing and Stationery	62,539	67,602	(5,063)	108,388
Postage	40,992	27,184	13,808	48,276
Telephone	293,310	598,867	(305,557)	898,300
Disaster Recovery	48,261	56,000	(7,739)	84,000
Outside Services, including Special Deputy	2,231,928	2,457,192	(225,264)	3,946,936
Licensing Fees	1,533	4,500	(2,967)	7,000
Legal and Auditing	1,227,744	1,382,500	(154,756)	2,057,000
Bank Fees	105,267	95,836	9,431	150,000
Corporate Insurance	113,671	139,600	(25,929)	139,600
Miscellaneous Expenses	25,780	125,000	(99,220)	250,000
Total US Expenses Incurred	16,194,398	17,516,924	(1,322,526)	26,782,585
UK Liquidation expenses paid by the US liquidator	73,539	-	73,539	-
Total US and UK Expenses Incurred	16,267,937	17,516,924	(1,248,987)	26,782,585