

THE HOME INSURANCE COMPANY IN LIQUIDATION

Financial Statements (Modified Cash Basis)

December 31, 2009 and December 31, 2008
(Unaudited)

The Home Insurance Company In Liquidation

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

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Assets		
Unrestricted bonds, short-term investments and cash at cost:		
Bonds (Note 2)	\$917,276,479	\$780,430,643
Short-term investments	9,509,750	49,738,716
Cash and cash equivalents	<u>50,365,241</u>	<u>98,735,353</u>
Total unrestricted bonds, short-term investments and cash at cost	977,151,470	928,904,712
Common stocks, marketable, at market value (Note 2)	229,120	277,937
Interest income due and accrued	8,572,125	7,060,880
Receivable from US International Reinsurance Company (Note 4)	<u>32,417</u>	<u>23,088</u>
Total unrestricted liquid assets	985,985,132	936,266,617
Unrestricted illiquid assets: (Note 1)		
Surplus notes	-	146,800
Common stocks	87,065	101,995
Limited partnership interests	<u>1,688,725</u>	<u>2,014,731</u>
Total unrestricted illiquid assets	1,775,790	2,263,526
Restricted liquid assets - cash (Note 5)	429,225	417,852
Total assets, excluding certain amounts	<u>988,190,147</u>	<u>938,947,995</u>
Liabilities		
Incurred but unpaid administrative expenses and investment expenses (Note 3)	4,863,942	5,080,004
Notices of Determination approved for Class I creditors (Note 8)	-	2,932,508
Claims checks payable (Note 1)	<u>19,148</u>	<u>241,897</u>
Total liabilities	4,883,090	8,254,409
Net assets, excluding certain amounts	<u>\$983,307,057</u>	<u>\$930,693,586</u>

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)

	<u>January 1, 2009</u> To <u>December 31, 2009</u>	<u>January 1, 2008</u> To <u>December 31, 2008</u>
Cash and marketable securities received:		
Reinsurance collections - unrestricted	\$ 53,578,957	\$ 81,976,956
Net investment income	38,584,120	42,279,695
Salvage, subrogation and other claim recoveries	3,047,638	1,392,218
Agents' balances	1,733,335	3,052,546
Realized capital gains on sale of bonds (Note 1)	1,233,527	2,482,643
Receivable collected from USI Re	124,690	112,391
Miscellaneous income	103,914	1,281,961
Repatriation of funds - Canadian Branch	-	3,330,950
Proceeds from distribution by subsidiary (Note 1)	-	1,570,697
Return of special deposits	-	86,395
Deposits with outside claim adjusters	-	30
All other	136,739	18,371
Total cash receipts	<u>98,542,920</u>	<u>137,584,853</u>
Cash operating disbursements:		
Human resources costs (Note 3)	13,294,606	13,729,509
Consultant and outside service fees	2,890,835	3,145,835
Realized capital losses on sale of bonds (Note 1)	2,713,430	5,805,941
General office and rent expense	2,484,211	2,744,142
Losses and loss expenses paid (Note 1)	1,702,299	735,735
Legal and audit fees	848,739	1,183,683
Investment expenses	755,962	671,771
Computers and equipment cost	468,542	527,214
Administration costs	222,637	208,533
Capital contribution	10,000	25,000
All other	30,948	36,004
Total cash operating disbursements	<u>25,422,209</u>	<u>28,813,367</u>
Excess of receipts over operating disbursements	<u>73,120,711</u>	<u>108,771,486</u>
Distributions to state guaranty associations (Note 8)	21,930,072	33,805,882
Class I Distributions	2,932,508	-
Excess of receipts over disbursements and distributions	<u>48,258,131</u>	<u>74,965,604</u>
Beginning cash and marketable securities, at cost	929,322,564	854,356,960
Ending cash and marketable securities, at cost	<u>\$ 977,580,695</u>	<u>\$ 929,322,564</u>

See accompanying notes.

The Home Insurance Company in Liquidation

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

	<u>January 1, 2009 To December 31, 2009</u>	<u>January 1, 2008 To December 31, 2008</u>
Net Assets, beginning of period	\$930,693,586	\$859,513,686
Excess of unrestricted and restricted receipts over disbursements and distributions	48,258,131	74,965,604
Other changes in net assets:		
Fair value of marketable common stocks, liquid	(48,817)	276,859
Surplus notes, illiquid (Note 1)	(146,800)	-
Common stock, illiquid (Note 1)	(14,930)	(1,643,256)
Limited partnership interests, illiquid	(326,006)	110,736
Interest income due and accrued	1,511,245	(444,666)
Due from USI Reinsurance	9,329	(2,968)
Incurred but unpaid administrative and investment expenses (Note 3)	216,062	989,252
Notices of Determination approved for Class I creditors (Note 8)	2,932,508	(2,851,898)
Claims checks payable	222,749	(219,763)
Net Assets, end of period	<u>\$983,307,057</u>	<u>\$930,693,586</u>

See accompanying notes.

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

Notes to Financial Statements

December 31, 2009

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 losses and 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. Checks issued for such losses and 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. In December 2008, Home received a \$1.6 million distribution from the ongoing voluntary dissolution of a subsidiary classified as unrestricted illiquid common stock. The carrying value was also decreased by \$1.6 million as a result of the distribution. In September 2009, Home received approximately \$215,000 as full payment for a surplus note with a carrying value of approximately \$147,000.

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.

This statement does not include any assets of Home's branches outside of the United States. In December 2008, the Canadian Provisional Liquidator of Home's Canada Branch repatriated approximately \$3.3 million U.S. dollars to the Liquidator.

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

Notes to Financial Statements (continued)

2) Marketable Securities

The carrying values and estimated fair values of marketable bonds and common stock by major category are summarized as follows:

	December 31, 2009			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable Bonds:				
U.S. Treasury notes	\$ 91,451,099	\$ 3,185,069	\$ (8,594)	\$ 94,627,574
Government agencies	127,608,960	1,911,690	-	129,520,650
Corporate	492,442,784	15,213,334	(3,483,193)	504,172,925
Mortgage Backed	147,241,676	5,207,287	(519,159)	151,929,804
Asset Backed	<u>58,531,960</u>	<u>2,627,139</u>	<u>(224,414)</u>	<u>60,934,685</u>
Total Marketable Bonds	<u>\$ 917,276,479</u>	<u>\$ 28,144,519</u>	<u>\$ (4,235,360)</u>	<u>\$ 941,185,638</u>

Total Common Stock	\$ 1,907,248	\$ -	\$ (1,678,128)	\$ 229,120
--------------------	--------------	------	----------------	------------

The amortized cost of unrestricted marketable bonds is \$910,193,779. Based on such amortized cost, gross unrealized gains are \$32,586,300 and gross unrealized losses are \$1,594,441.

	December 31, 2008			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable Bonds:				
U.S. Treasury notes	\$ 101,230,702	\$ 6,855,262	\$ (88,342)	\$ 107,997,622
Government agencies	152,697,020	6,452,965	-	159,149,985
Corporate	285,741,224	2,269,299	(14,442,797)	273,567,726
Mortgage Backed	175,749,674	2,933,985	(4,859,025)	173,824,634
Asset Backed	<u>65,012,023</u>	<u>-</u>	<u>(4,277,210)</u>	<u>60,734,813</u>
Total Marketable Bonds	<u>\$ 780,430,643</u>	<u>\$ 18,511,511</u>	<u>\$(23,667,374)</u>	<u>\$ 775,274,780</u>

Total Common Stock	\$ 1,907,248	\$ -	\$ (1,629,311)	\$ 277,937
--------------------	--------------	------	----------------	------------

The amortized cost of unrestricted marketable bonds is \$775,319,916. Based on such amortized cost, gross unrealized gains are \$19,383,654 and gross unrealized losses are \$19,428,790.

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

Notes to Financial Statements (continued)

2) Marketable Securities (continued)

The carrying value and fair values of marketable bonds by contractual maturity are as follows:

Marketable Bonds	<u>Unrestricted</u>	
	<u>Cost</u>	<u>Fair Value</u>
December 31, 2009		
One year or less	\$ 74,679,591	\$ 74,187,819
Over one year through five years	590,833,276	605,437,074
Over five years through twenty years	45,989,976	48,696,256
Mortgage Backed	147,241,676	151,929,804
Asset Backed	<u>58,531,960</u>	<u>60,934,685</u>
Total	<u>\$ 917,276,479</u>	<u>\$ 941,185,638</u>

Marketable Bonds	<u>Unrestricted</u>	
	<u>Cost</u>	<u>Fair Value</u>
December 31, 2008		
One year or less	\$ 29,390,073	\$ 28,916,647
Over one year through five years	446,697,558	447,648,127
Over five years through twenty years	63,581,315	64,150,559
Mortgage Backed	175,749,674	173,824,634
Asset Backed	<u>65,012,023</u>	<u>60,734,813</u>
Total	<u>\$ 780,430,643</u>	<u>\$ 775,274,780</u>

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

Notes to Financial Statements (continued)

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 December 31, 2009, are as follows:

Human resources costs	\$3,394,668
Consultant and outside service fees	807,579
Legal and auditing fees	191,230
General office and rent expense	173,724
Other administration costs	75,669
Computer and equipment costs	<u>20,235</u>
Total accrued administrative expenses	<u>\$4,663,105</u>
Accrued investment expenses	<u>200,837</u>
Total accrued expenses	<u>\$4,863,942</u>

The amount of accrued expenses at December 31, 2008 was \$5,080,004 and net assets for 2009 increased by \$216,062 due to the decrease in the accrual.

Substantially all full-time employees of Home are covered by various employee incentive plans, which were approved by Merrimack County Superior Court of the State of New Hampshire (the Court) on January 29, 2009. The costs of these plans are primarily payable in 2010, but are based on 2009 service and were being accrued over the service period in 2009. Accrued administrative expense includes \$3,394,668 of incentive plan costs.

4) Receivable from US International Reinsurance Company (USI Re)

At December 31, 2009 and December 31, 2008, Home had amounts receivable of \$32,417 and \$23,088, respectively, from USI Re for administrative expenses incurred by Home on behalf of USI Re. Home was reimbursed \$124,690 and \$112,391 for such expenses in 2009 and 2008, respectively.

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

(Notes to Financial Statements (continued))

5) 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 draw downs 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 \$429,225 at the end of December 31, 2009.

6) Securities on Deposit

Investments on deposit at the original cost with various states were \$1,838,354, \$1,815,931 and \$73,947,287 at December 31, 2009, December 31, 2008, and June 11, 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 at par value of \$48,102,110, and market value as of December 31, 2009 of \$49,516,486, for use by the related state guaranty associations, and these amounts may be offset against future distributions to such guaranty associations.

7) Early Access Distribution

On January 12, 2009, the Court approved a fifth early access distribution to insurance guaranty associations based on guaranty association payments through September 30, 2008. The Liquidator paid \$21,930,072 in March 2009 relating to this early access distribution. Early access payments through December 31, 2009 were \$187.6 million. The Liquidator may periodically make additional early access distributions in the future, subject to Court approval.

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

(Notes to Financial Statements (continued))

7) Early Access Distribution (continued)

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	\$187,559,006
Assets withdrawn from special deposits held by states to pay Home claims (market value, see note 6)	49,516,486
Other deemed Early Access advances paid in cash	<u>3,152,304</u>
Total	<u>\$240,227,796</u>

8) Allowed Claims

As of December 31, 2009, the Liquidator has allowed, and the Court has approved, \$17,622,716 of Class I claims, \$653,919,215 of Class II claims, \$83,619,526 of Class V claims and \$5,315 of Class VIII claims. Class I claims for Guaranty Association administrative costs of \$2,932,508 were paid on March 18, 2009. 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.

US INTERNATIONAL REINSURANCE COMPANY IN LIQUIDATION

Financial Statements (Modified Cash Basis)

December 31, 2009 and December 31, 2008
(Unaudited)

US International Reinsurance Company In Liquidation

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

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Assets		
Unrestricted liquid bonds, short-term investments and cash at cost:		
Bonds, at cost (Note 3)	\$ 1,540,653	\$ 2,024,821
Short-term investments	2,509,290	2,065,503
Cash	<u>1,075,019</u>	<u>1,087,982</u>
Total unrestricted liquid bonds, short-term investments and cash at cost	5,124,962	5,178,306
Interest income due and accrued	6,801	19,521
Total unrestricted liquid assets	<u>5,131,763</u>	<u>5,197,827</u>
Restricted liquid assets:		
Bonds, at cost (Note 3)	-	343,487
Short-term investments	<u>337,618</u>	<u>-</u>
Total restricted liquid bonds and short-term investments at cost	337,618	343,487
Interest income due and accrued	-	3,842
Total restricted liquid assets	<u>337,618</u>	<u>347,329</u>
Total assets, excluding certain amounts	5,469,381	5,545,156
Liabilities		
Incurred but unpaid administrative expenses (Note 6)	12,306	9,190
Payable to The Home Insurance Company in Liquidation (Note 2 & 5)	32,417	23,088
Net assets, excluding certain amounts	<u>\$ 5,424,658</u>	<u>\$ 5,512,878</u>

See accompanying notes.

US International Reinsurance Company In Liquidation

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

	<u>January 1, 2009 To December 31, 2009</u>	<u>January 1, 2008 To December 31, 2008</u>
Cash and marketable securities received:		
Reinsurance collections	\$ 109,098	\$ 13,928
Net investment income	34,854	208,818
All other	912	-
Total cash and marketable securities received	<u>144,864</u>	<u>222,746</u>
Cash operating disbursements:		
Consultant and outside service fees	59,621	66,716
Net payments to Home Insurance Company (Note 2)	124,690	112,391
All other	19,766	8,023
Total cash operating disbursements	<u>204,077</u>	<u>187,130</u>
(Deficiency) excess receipts over disbursements	(59,213)	35,616
Beginning cash and marketable securities, at cost	<u>5,521,793</u>	<u>5,486,177</u>
Ending cash and marketable securities, at cost	<u>\$ 5,462,580</u>	<u>\$ 5,521,793</u>

See accompanying notes.

US International Reinsurance Company in Liquidation

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

	January 1, 2009 To December 31, 2009	January 1, 2008 To December 31, 2008
Net Assets, beginning of period	\$5,512,878	\$5,454,924
(Deficiency) excess receipts over disbursements	(59,213)	35,616
Other changes in net assets:		
Interest income due and accrued	(16,562)	17,094
Incurred but unpaid administrative expenses	(3,116)	2,276
Payable to The Home Insurance Company in Liquidation	(9,329)	2,968
Net Assets, end of period	<u>\$5,424,658</u>	<u>\$5,512,878</u>

US International Reinsurance Company in Liquidation ("USI Re")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements

December 31, 2009

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, 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.

2) Net Liabilities to Home Insurance Company

At December 31, 2009 and December 31, 2008, the Liquidator accrued liabilities of \$32,417 and \$23,088, respectively, to Home for USI Re's allocated share of various administrative expenses incurred. The amount paid to Home was \$124,690 and \$112,391 for such expenses in 2009 and 2008, respectively.

US International Reinsurance Company in Liquidation ("USI Re")
 (Modified Cash Basis)
 (Unaudited)

Notes to Financial Statements (continued)

3) Marketable Securities

The carrying values and estimated fair values of marketable securities by major category are summarized as follows:

	<u>December 31, 2009</u>			Fair Value
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Unrestricted Marketable Bonds				
U.S. Treasury notes	\$ 1,540,653	\$ -	\$ (13,767)	\$ 1,526,886

	<u>December 31, 2008</u>			Fair Value
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Unrestricted Marketable Bonds				
U.S. Treasury notes	\$ 2,024,821	\$ -	\$ (33,295)	\$ 1,991,526
Restricted Marketable Bonds				
U.S. Treasury notes	\$ 343,487	\$ -	\$ (3,375)	\$ 340,112

US International Reinsurance Company in Liquidation ("USI Re")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

3) Marketable Securities (continued)

The carrying value and fair values of marketable bonds by contractual maturity are as follows:

Marketable Bonds	Unrestricted		Restricted	
	Cost	Fair Value	Cost	Fair Value
December 31, 2009				
One year or less	\$ 1,540,653	\$ 1,526,886	\$ -	\$ -

Marketable Bonds	Unrestricted		Restricted	
	Cost	Fair Value	Cost	Fair Value
December 31, 2008				
One year or less	\$ 2,024,821	\$ 1,991,526	\$ 343,487	\$ 340,112

4) Securities on Deposit

Investments on deposit with various states were \$502,451, \$490,759, and \$4,964,360 at December 31, 2009, December 31, 2008, 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.

At December 31, 2009 and December 31, 2008, the Statement of Restricted and Unrestricted Net Assets reflect, for New Mexico, restricted short term investments of \$337,618 and bonds of \$343,487, respectively. These funds are held for the policyholders and creditors as such amounts have not been settled and agreed to with New Mexico.

5) Incurred But Unpaid Administrative Expenses

USI Re incurred administrative expenses relating to outside service fees of \$32,417, in the normal course of liquidation, that were unpaid as of December 31, 2009.

US International Reinsurance Company in Liquidation ("USI Re")
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

6) Allowed Claims

As of December 31, 2009, the Liquidator has allowed, and the Court has approved, \$6,925,298 of Class V claims. 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.

The Home Insurance Company in Liquidation
 US International Reinsurance Company in Liquidation
 G&A Expenses (Actual vs Budget)
 December 31, 2009

General & Administrative Expense	YTD		
	Actual 2009	Budget 2009	Variance 2009
Salary and Benefits	12,797,159	13,373,565	(576,406)
Travel	73,575	129,158	(55,583)
Rent	2,168,728	2,274,354	(105,626)
Equipment	283,627	326,900	(43,273)
Printing and Stationery	70,224	84,480	(14,256)
Postage	39,343	47,644	(8,301)
Telephone	220,349	364,200	(143,851)
Disaster Recovery	0	10,000	(10,000)
Outside Services, including Special Deputy	3,414,016	2,714,400	699,616
Licensing Fees	(2,986)	1,000	(3,986)
Legal and Auditing	801,530	1,186,500	(384,970)
Bank Fees	173,895	153,000	20,895
Corporate Insurance	112,029	116,505	(4,476)
Miscellaneous Expenses	(41,370)	5,120	(46,490)
Total US Expenses Incurred	20,110,117	20,786,826	(676,709)
Miscellaneous Income	(68,607)	(200,000)	131,393
Total US Incurred	20,041,510	20,586,826	(545,316)

The Home Insurance Company in Liquidation
 Portfolio Summary Report- Bonds and Short Term Investments
 Securities Held as of December 31, 2009
 (000's)

Conning Managed:		Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 12/31/09
% of AV								
Fixed Income								
4%	Short Term	33,942	33,942	-	0.08	0.08	Aaa	428
10%	Government	90,786	94,528	3,742	3.08	3.23	Aaa	2,942
18%	Agency	167,300	170,316	3,016	1.80	3.06	Aaa	5,813
47%	Corporate	446,170	463,378	17,208	3.29	4.27	A1	16,347
16%	Mortgage Backed	147,101	151,930	4,829	3.35	5.14	Aaa	7,584
0%	Commercial Mortgage Backed	-	-	-	-	-	N/A	602
6%	Asset Backed	58,758	60,935	2,177	1.30	5.26	Aa1	3,377
100%	Total	944,057	975,029	30,972	2.78	4.00	Aa2	37,094
Other investments- Home Insurance								
100%	US Treasury Bills and Notes	9,609	9,639	30	0.64	0.38	Aaa	108
Total Home Insurance		953,666	984,668	31,002	2.76	3.97	Aa1	37,202
Other investments- USI Re								
100%	US Treasury Bills and Notes	4,377	4,379	2	0.40	0.21	Aaa	23
Grand total (1)		958,043	989,047	31,004	2.75	3.95	Aa1	37,225 (2)

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

(2) On an annualized basis, the total estimated income generated by the portfolio, calculated based on holdings as of December 31, 2009, would be \$ 36.9 million.

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2009**

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
02665KAN7	AMERICAN HONDA FINANCE		01/22/2010	5,000,000.00	4,999,591.65	4,999,591.65
3025Q1B10	FPL FUELS INC		02/01/2010	5,000,000.00	4,999,354.15	4,999,354.15
313385SC1	FED HOME LN DISCOUNT NOTE		01/22/2010	5,000,000.00	4,999,883.35	4,999,883.35
313589SR5	FANNIE MAE DISCOUNT NOTE		02/04/2010	7,500,000.00	7,499,504.18	7,499,504.18
313589SW4	FANNIE MAE DISCOUNT NOTE		02/09/2010	7,500,000.00	7,499,431.28	7,499,431.28
177366101	CITIZENSSELECT PRIME MMF	0.030	01/15/2010	3,944,729.04	3,944,729.04	3,944,729.04
TOTAL CASH EQUIVALENTS				33,944,729.04	33,942,493.65	33,942,493.65
SHORT TERM (OVER 90 DAYS)						
912795U41	US TREASURY BILL		05/06/2010	9,543,000.00	9,530,739.89	9,539,373.66
TOTAL SHORT TERM				9,543,000.00	9,530,739.89	9,539,373.66
U S TREASURY						
912810DV7	US TREASURY N/B	9.250	02/15/2016	74,000.00	78,328.15	99,674.30
9128277B2	US TREASURY N/B	5.000	08/15/2011	5,000,000.00	5,097,535.15	5,331,250.00
912828AJ9	US TREASURY N/B	4.375	08/15/2012	5,000,000.00	5,081,054.55	5,379,300.00
912828FH8	US TREASURY N/B	4.875	05/31/2011	5,000,000.00	4,989,895.65	5,282,600.00
912828HK9	US TREASURY N/B	3.375	11/30/2012	30,000,000.00	30,221,734.20	31,509,300.00
912828JD3	US TREASURY N/B	3.375	06/30/2013	25,000,000.00	25,144,907.25	26,240,250.00
912828JK7	US TREASURY N/B	3.125	08/31/2013	5,000,000.00	5,037,758.50	5,195,700.00
912828JM3	US TREASURY N/B	3.125	09/30/2013	15,000,000.00	15,213,611.10	15,589,500.00
TOTAL U S TREASURY				90,074,000.00	90,864,824.55	94,627,574.30
GOVERNMENT AGENCIES						
3133XHPH9	FEDERAL HOME LOAN BANK	4.875	11/18/2011	10,000,000.00	10,215,146.20	10,681,300.00
3133XRCW6	FEDERAL HOME LOAN BANK	3.375	06/24/2011	10,000,000.00	9,983,735.60	10,331,300.00
3133XSAE8	FEDERAL HOME LOAN BANK	3.625	10/18/2013	10,000,000.00	10,321,633.80	10,475,000.00
3134A4UK8	FREDDIE MAC	4.875	11/15/2013	10,000,000.00	10,443,580.60	10,943,800.00
31359MHK2	FANNIE MAE	5.500	03/15/2011	10,000,000.00	10,257,307.80	10,568,800.00
31359MM26	FANNIE MAE	5.125	04/15/2011	10,000,000.00	10,237,550.20	10,562,500.00
31359MXJ7	FANNIE MAE	4.350	01/25/2010	35,000,000.00	34,999,953.45	35,076,650.00
3137EABE8	FREDDIE MAC	4.125	12/21/2012	10,000,000.00	10,174,512.30	10,634,400.00
31398AUJ9	FANNIE MAE	2.875	12/11/2013	10,000,000.00	10,063,324.90	10,200,000.00
31398AWG3	FANNIE MAE	2.250	04/09/2012	10,000,000.00	10,019,573.00	10,046,900.00
TOTAL GOVERNMENT AGENCIES				125,000,000.00	126,716,317.85	129,520,650.00
TOTAL GOVERNMENT & AGENCIES				215,074,000.00	217,581,142.40	224,148,224.30
CORPORATE						
00206RAF9	AT&T INC	4.950	01/15/2013	2,000,000.00	1,999,048.08	2,133,760.00
002819AA8	ABBOTT LABORATORIES	5.150	11/30/2012	3,850,000.00	4,180,397.03	4,207,857.50
010392FA1	ALABAMA POWER CO	5.800	11/15/2013	3,000,000.00	3,205,756.44	3,287,370.00
013817AD3	ALCOA INC	6.500	06/01/2011	3,000,000.00	3,080,715.06	3,163,380.00
025816AQ2	AMERICAN EXPRESS	4.875	07/15/2013	3,000,000.00	3,007,726.53	3,130,140.00
02581FYM5	AMERICAN EXPR CENTURION	5.200	11/26/2010	4,250,000.00	4,249,191.65	4,396,965.00
03076CAA4	AMERIPRISE FINANCIAL INC	5.350	11/15/2010	3,000,000.00	2,995,545.27	3,099,690.00
031162AJ9	AMGEN INC	4.850	11/18/2014	7,000,000.00	6,776,252.94	7,536,060.00

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2009**

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
035229CH4	ANHEUSER-BUSCH COS INC	6.000	04/15/2011	5,000,000.00	5,102,590.62	5,272,450.00
037411AQ8	APACHE CORP	6.250	04/15/2012	3,000,000.00	3,101,973.39	3,270,840.00
046353AC2	ASTRAZENECA PLC	5.400	09/15/2012	6,000,000.00	6,478,175.04	6,554,100.00
055451AD0	BHP BILLITON FIN USA LTD	5.125	03/29/2012	2,000,000.00	2,097,403.30	2,128,800.00
055451AG3	BHP BILLITON FIN USA LTD	5.500	04/01/2014	2,500,000.00	2,492,811.88	2,742,075.00
055451AH1	BHP BILLITON FIN USA LTD	6.500	07/19/2019	2,500,000.00	2,492,465.85	2,867,650.00
05565QBG2	BP CAPITAL MARKETS PLC	3.125	03/10/2012	4,000,000.00	3,999,822.56	4,120,200.00
05565QBL1	BP CAPITAL MARKETS PLC	3.625	05/08/2014	2,875,000.00	2,856,122.29	2,941,153.75
057224AX5	BAKER HUGHES INC	6.500	11/15/2013	3,000,000.00	3,264,834.66	3,386,310.00
06406HBE8	BANK OF NEW YORK MELLON	4.950	11/01/2012	4,000,000.00	3,980,837.72	4,307,920.00
06765XAA7	BARCLAYS BANK PLC	2.700	03/05/2012	5,000,000.00	5,069,808.10	5,108,750.00
071813AZ2	BAXTER INTERNATIONAL INC	4.000	03/01/2014	7,000,000.00	7,305,370.94	7,218,680.00
07385TAJ5	BEAR STEARNS CO INC	5.700	11/15/2014	5,000,000.00	5,175,631.10	5,501,650.00
073928W90	BEAR STEARNS CO INC	5.850	07/19/2010	2,767,000.00	2,784,356.75	2,842,483.76
084664AR2	BERKSHIRE HATHAWAY FIN	4.125	01/15/2010	3,000,000.00	2,999,954.90	3,002,910.00
097014AG9	BOEING CAPITAL CORP	6.500	02/15/2012	4,000,000.00	4,223,326.76	4,374,720.00
097023AY1	BOEING CO	3.500	02/15/2015	3,000,000.00	3,070,208.64	3,008,430.00
126650AV2	CVS CORP	4.875	09/15/2014	3,000,000.00	3,017,147.19	3,178,230.00
134429AM1	CAMPBELL SOUP COMPANY	6.750	02/15/2011	3,000,000.00	3,069,109.26	3,191,940.00
134429AU3	CAMPBELL SOUP CO	3.375	08/15/2014	2,500,000.00	2,498,802.13	2,541,075.00
136375BH4	CANADIAN NATL RAILWAYS	4.400	03/15/2013	5,150,000.00	5,263,304.94	5,368,823.50
14912L2M2	CATERPILLAR FIN SERV CRP	4.750	02/17/2015	4,000,000.00	3,863,567.40	4,198,840.00
14912L3G4	CATERPILLAR FIN SERV CRP	5.125	10/12/2011	2,000,000.00	1,996,374.22	2,122,780.00
14912LZ46	CATERPILLAR FIN SERV CRP	4.600	01/15/2014	1,000,000.00	1,068,748.58	1,053,230.00
166751AH0	CHEVRON CORP	3.950	03/03/2014	7,000,000.00	7,318,858.09	7,308,140.00
17275RAB8	CISCO SYSTEMS INC	5.250	02/22/2011	4,000,000.00	3,997,331.28	4,197,320.00
17275RAG7	CISCO SYSTEMS INC	2.900	11/17/2014	3,000,000.00	3,047,566.14	2,994,540.00
17313YAG6	CITIGROUP FUNDING INC	2.125	07/12/2012	5,000,000.00	5,010,304.45	5,038,600.00
191216AL4	COCA-COLA CO/THE	3.625	03/15/2014	3,000,000.00	3,137,291.04	3,092,370.00
191219BV5	COCA-COLA ENTERPRISES	4.250	03/01/2015	3,570,000.00	3,744,550.62	3,749,999.40
20029PAL3	COMCAST CABLE COMMUNICAT	6.750	01/30/2011	3,000,000.00	2,985,309.24	3,166,110.00
20825CAT1	CONOCOPHILLIPS	4.600	01/15/2015	2,000,000.00	2,129,037.20	2,123,980.00
20825UAB0	CONOCO FUNDING CO	6.350	10/15/2011	5,000,000.00	5,132,957.78	5,439,800.00
22160KAB1	COSTCO WHOLESALE CORP	5.300	03/15/2012	5,000,000.00	5,065,685.85	5,393,800.00
22541LAC7	CREDIT SUISSE FB USA INC	6.500	01/15/2012	5,000,000.00	5,155,265.43	5,440,950.00
24422EQM4	JOHN DEERE CAPITAL CORP	4.950	12/17/2012	6,500,000.00	6,495,919.63	6,970,795.00
24702RAD3	DELL INC	4.700	04/15/2013	3,500,000.00	3,556,863.70	3,693,445.00
24702RAH4	DELL INC	3.375	06/15/2012	2,040,000.00	2,087,352.54	2,109,604.80
25243YAL3	DIAGEO CAPITAL PLC	5.200	01/30/2013	5,000,000.00	5,129,680.80	5,352,750.00
254687AW6	WALT DISNEY COMPANY	4.500	12/15/2013	7,000,000.00	7,059,380.84	7,435,750.00
26442CAF1	DUKE ENERGY CAROLINAS	5.750	11/15/2013	4,000,000.00	4,223,943.88	4,375,960.00
26875PAB7	EOG RESOURCES INC	6.125	10/01/2013	6,065,000.00	6,534,405.50	6,697,518.85
278058DF6	EATON CORP	4.900	05/15/2013	7,000,000.00	7,004,946.62	7,407,190.00
291011AU8	EMERSON ELECTRIC	4.750	10/15/2015	3,000,000.00	2,919,549.48	3,227,820.00
33738MAD3	FIRST UNION NATL BANK	7.875	02/15/2010	3,000,000.00	3,013,208.49	3,020,280.00
341081EN3	FLORIDA POWER & LIGHT	4.850	02/01/2013	2,000,000.00	2,022,574.46	2,117,140.00
341099BZ1	FLORIDA POWER CORP	6.650	07/15/2011	2,000,000.00	2,075,268.32	2,143,780.00
35177PAS6	FRANCE TELECOM	4.375	07/08/2014	3,675,000.00	3,892,915.45	3,840,228.00
36186CBF9	GMAC INC	2.200	12/19/2012	5,000,000.00	5,002,643.20	5,030,650.00
368710AG4	GENENTECH INC	4.750	07/15/2015	3,000,000.00	2,909,666.70	3,210,810.00
369550AM0	GENERAL DYNAMICS CORP	5.375	08/15/2015	3,000,000.00	3,003,733.83	3,286,890.00
369550AN8	GENERAL DYNAMICS CORP	5.250	02/01/2014	4,000,000.00	4,387,942.54	4,351,880.00
36962GP65	GENERAL ELEC CAP CORP	4.875	03/04/2015	5,000,000.00	4,887,275.85	5,194,000.00
36962GYY4	GENERAL ELEC CAP CORP	6.000	06/15/2012	5,000,000.00	5,098,808.85	5,389,550.00
373334FN6	GEORGIA POWER COMPANY	5.125	11/15/2012	4,000,000.00	4,054,339.76	4,312,480.00
377372AA5	GLAXOSMITHKLINE CAP INC	4.375	04/15/2014	5,000,000.00	4,958,968.85	5,245,000.00
377372AC1	GLAXOSMITHKLINE CAP INC	4.850	05/15/2013	2,169,000.00	2,325,495.32	2,328,313.05
41283DAA1	HARLEY-DAVIDSON FUNDING	5.250	12/15/2012	7,000,000.00	6,995,077.60	7,155,540.00
427866AK4	HERSHEY CO	6.950	08/15/2012	2,000,000.00	2,088,119.20	2,229,280.00
428236AQ6	HEWLETT-PACKARD CO	4.500	03/01/2013	5,000,000.00	5,002,673.45	5,300,800.00

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2009**

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
428236AY9	HEWLETT-PACKARD CO	2.950	08/15/2012	2,000,000.00	2,036,930.04	2,040,920.00
438516AK2	HONEYWELL INTERNATIONAL	7.500	03/01/2010	3,000,000.00	3,015,195.87	3,036,090.00
438516AY2	HONEYWELL INTERNATIONAL	3.875	02/15/2014	4,000,000.00	4,214,572.76	4,167,280.00
441812KA1	HSBC FINANCE CORP	6.375	11/27/2012	2,000,000.00	2,079,352.44	2,178,060.00
459200BA8	IBM CORP	4.750	11/29/2012	3,000,000.00	3,005,576.67	3,223,020.00
49337EAA8	KEYSPAN GAS EAST	7.875	02/01/2010	2,000,000.00	2,003,614.04	2,009,640.00
49337WAB6	KEYSPAN CORP	7.625	11/15/2010	3,000,000.00	3,077,355.15	3,163,470.00
532457BE7	ELI LILLY & CO	4.200	03/06/2014	4,000,000.00	3,998,470.32	4,195,880.00
539473AA6	LLOYDS TSB BANK PLC	2.300	04/01/2011	5,000,000.00	5,052,530.55	5,068,650.00
548661CH8	LOWES COMPANIES INC	5.000	10/15/2015	4,000,000.00	4,033,814.78	4,331,560.00
55607EAD2	MACQUARIE BANK LTD	2.600	01/20/2012	5,000,000.00	5,060,650.75	5,105,250.00
585055AP1	MEDTRONIC INC	4.500	03/15/2014	7,000,000.00	7,282,333.59	7,413,280.00
585515AD1	MELLON FUNDING CORP	5.000	12/01/2014	3,000,000.00	3,047,118.81	3,196,020.00
61747YCK9	MORGAN STANLEY	4.200	11/20/2014	5,000,000.00	5,046,977.20	5,003,500.00
629491AA9	NYSE EURONEXT	4.800	06/28/2013	7,000,000.00	6,988,234.33	7,343,910.00
637432DC6	NATIONAL RURAL UTILITIES	4.750	03/01/2014	7,000,000.00	6,878,268.53	7,434,490.00
66989HAA6	NOVARTIS CAPITAL CORP	4.125	02/10/2014	2,000,000.00	2,100,873.98	2,102,360.00
67021CAA5	NSTAR ELECTRIC CO	4.875	10/15/2012	5,000,000.00	5,045,477.35	5,339,150.00
670346AE5	NUCOR CORP	4.875	10/01/2012	5,475,000.00	5,543,069.14	5,899,367.25
674599BV6	OCCIDENTAL PETROLEUM	6.750	01/15/2012	7,000,000.00	7,540,114.89	7,659,050.00
68389XAF2	ORACLE CORP	3.750	07/08/2014	6,983,000.00	7,246,208.75	7,205,129.23
69373UAB3	PACCAR INC	6.375	11/15/2012	4,300,000.00	4,296,650.00	4,659,910.00
695114BU1	PACIFICORP	6.900	11/15/2011	3,000,000.00	3,127,118.43	3,284,280.00
713448BG2	PEPSICO INC	4.650	02/15/2013	7,000,000.00	6,998,993.19	7,477,190.00
717081AR4	PFIZER INC	4.500	02/15/2014	2,200,000.00	2,336,765.29	2,331,846.00
717081CZ4	PFIZER INC	4.450	03/15/2012	4,800,000.00	4,795,003.34	5,076,720.00
724479AG5	PITNEY BOWES INC	5.000	03/15/2015	2,000,000.00	1,954,035.18	2,095,420.00
72447WAU3	PITNEY BOWES INC	4.875	08/15/2014	3,000,000.00	2,990,563.02	3,142,800.00
74005PAJ3	PRAXAIR INC	6.375	04/01/2012	2,000,000.00	2,093,647.06	2,197,720.00
742718BZ1	PROCTER & GAMBLE CO	4.850	12/15/2015	3,000,000.00	2,931,514.77	3,268,920.00
742718DQ9	PROCTER & GAMBLE CO/THE	3.150	09/01/2015	4,000,000.00	4,105,347.88	4,033,600.00
744448BU4	PUBLIC SERV CO OF COLO	7.875	10/01/2012	2,000,000.00	2,161,739.76	2,294,800.00
744448BX8	PUBLIC SERVICE COLORADO	5.500	04/01/2014	2,000,000.00	2,094,515.24	2,171,440.00
78010JCT7	ROYAL BK OF SCOTLAND PLC	3.000	12/09/2011	5,000,000.00	5,108,095.55	5,121,900.00
78387GAS2	AT&T INC	5.300	11/15/2010	5,000,000.00	4,996,809.75	5,197,700.00
78442FBG2	SLM CORP	5.000	10/01/2013	3,000,000.00	2,973,577.68	2,759,820.00
822582AF9	SHELL INTERNATIONAL FIN	4.000	03/21/2014	8,000,000.00	7,998,132.40	8,348,240.00
86801BAB1	SUNTRUST BANK	3.000	11/16/2011	5,000,000.00	5,139,249.35	5,159,250.00
88319QJ20	TEXTRON FINANCIAL CORP	5.125	02/03/2011	3,000,000.00	2,989,647.30	3,028,470.00
893526CC5	TRANS-CANADA PIPELINES	8.625	05/15/2012	2,000,000.00	2,172,853.22	2,269,620.00
89352HAA7	TRANS-CANADA PIPELINES	4.000	06/15/2013	3,750,000.00	3,609,339.23	3,841,687.50
904764AJ6	UNILEVER CAPITAL CORP	3.650	02/15/2014	4,000,000.00	4,080,765.76	4,119,560.00
911312AG1	UNITED PARCEL SERVICE	4.500	01/15/2013	7,000,000.00	7,110,608.75	7,442,400.00
91159HGR5	US BANCORP	4.200	05/15/2014	4,600,000.00	4,599,272.14	4,774,984.00
913017BF5	UNITED TECHNOLOGIES CORP	6.100	05/15/2012	3,000,000.00	3,169,641.93	3,280,620.00
913017BG3	UNITED TECHNOLOGIES CORP	4.375	05/01/2010	4,000,000.00	3,998,983.46	4,058,040.00
92343VAN4	VERIZON COMMUNICATIONS	5.250	04/15/2013	2,000,000.00	2,137,440.72	2,155,940.00
92344GAL0	VERIZON COMMUNICATIONS	7.250	12/01/2010	5,000,000.00	5,071,733.15	5,283,900.00
92857WAF7	VODAFONE GROUP PLC	5.000	12/16/2013	3,000,000.00	2,985,343.74	3,176,520.00
931142BV4	WAL-MART STORES	4.125	02/15/2011	3,000,000.00	3,004,983.03	3,107,550.00
931142BY8	WAL-MART STORES INC	4.500	07/01/2015	3,750,000.00	4,063,905.45	3,998,662.50
949746CL3	WELLS FARGO & COMPANY	5.125	09/01/2012	2,000,000.00	1,998,282.12	2,102,860.00
9612EMAA7	WESTPAC BANKING CORP	3.250	12/16/2011	5,000,000.00	5,139,992.30	5,162,150.00
TOTAL CORPORATE				477,769,000.00	486,753,583.33	504,172,924.09
MORTGAGE BACKED						
3128L0DF6	FHLMC POOL A68202	6.000	11/01/2037	1,851,297.67	1,887,675.91	1,966,429.87
3128L0EF5	FHLMC POOL A68234	6.000	11/01/2037	6,085,411.20	6,125,709.83	6,463,862.92

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2009**

CUSIP	DESCRIPTION	CPN	MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
3128MJAD2	FHLMC POOL G08003	6.000	07/01/2034	3,150,432.40	3,219,374.89	3,363,086.59
3128MJMC1	FHLMC POOL G08354	5.000	07/01/2039	14,553,931.20	14,719,052.24	14,939,028.22
31292JBR0	FHLMC POOL C01848	6.000	06/01/2034	3,723,592.81	3,841,647.20	3,979,701.52
31297ECP9	FHLMC POOL A2-6378	6.000	09/01/2034	2,618,359.70	2,691,785.52	2,795,098.98
31297HX46	FHLMC POOL A2-9699	5.000	01/01/2035	2,779,047.10	2,779,966.46	2,855,192.99
31335H5U3	FHLMC POOL C90859	5.500	10/01/2024	4,153,489.30	4,249,591.57	4,394,142.47
31371PC57	FNMA POOL 257592	5.000	03/01/2039	10,987,692.17	11,111,655.86	11,288,095.67
31376KEL6	FNMA POOL 357539	5.500	04/01/2034	4,006,492.20	4,002,391.68	4,210,983.56
31395RAR9	FHRR R001 AE	4.375	04/15/2015	4,950,110.74	4,921,240.95	5,078,065.16
31396LYT1	FNBR 2006-B2 AB	5.500	05/25/2014	3,057,604.20	3,064,976.88	3,165,190.90
31396NPF7	FHRR R007 AC	5.875	05/15/2016	4,178,715.95	4,181,969.37	4,291,353.24
31396V2P2	FNBR 2007-B2 AB	5.500	12/25/2020	6,076,579.20	6,079,512.36	6,429,112.55
31397G7M6	FHRR R011 AB	5.500	12/15/2020	5,726,080.10	5,765,016.18	6,015,575.82
31407K5D7	FNMA POOL 833444	6.000	09/01/2035	2,414,467.80	2,459,356.45	2,569,138.61
31413FGK2	FNMA POOL 944002	6.000	08/01/2037	7,549,764.65	7,504,471.27	8,008,639.35
31415Q4B9	FNMA POOL 986518	5.000	06/01/2038	12,538,497.86	12,660,934.66	12,881,300.39
36202D5C1	GNMA 2M POOL 3543	5.000	04/20/2034	4,194,270.50	4,188,836.57	4,338,175.92
36202EAK5	GNMA 2M POOL 3610	5.500	09/20/2034	3,754,113.60	3,825,880.16	3,952,856.37
36202EUT4	GNMA 2M POOL 4194	5.500	07/20/2038	11,433,260.70	11,454,024.64	12,000,007.43
36202EUU1	GNMA 2M POOL 4195	6.000	07/20/2038	9,260,041.35	9,434,038.27	9,816,755.04
36202EVN6	GNMA 2M POOL 4221	5.500	08/20/2038	7,496,225.60	7,439,904.58	7,867,813.50
36202EVP1	GNMA 2M POOL 4222	6.000	08/20/2038	6,013,742.90	6,083,103.37	6,375,289.12
466247TW3	JPMMT 2005-A6 3A2	5.207	09/25/2035	3,416,612.52	3,408,768.05	2,884,908.00
TOTAL MORTGAGE BACKED				145,969,833.42	147,100,884.92	151,929,804.19
ASSET BACKED						
048312AF9	ACETF 2003-1 A2	4.460	10/20/2016	3,269,923.58	3,215,507.47	3,454,579.11
14041NCU3	COMET 2006-A6 A6	5.300	02/18/2014	5,000,000.00	4,995,682.10	5,247,226.00
14041NDA6	COMET 2006-A10 A10	5.150	06/16/2014	3,000,000.00	2,987,510.37	3,168,042.60
161571AQ7	CHAIT 2005-A7 A7	4.550	03/15/2013	5,000,000.00	4,978,316.70	5,182,162.00
161571AW4	CHAIT 2005-A10 A10	4.650	12/17/2012	5,000,000.00	4,971,479.25	5,153,150.50
17305ECU7	CCCIT 2005-A7 A7	4.750	10/22/2012	7,500,000.00	7,477,606.05	7,727,763.00
17305EDF9	CCCIT 2006-A4 A4	5.450	05/10/2013	5,000,000.00	5,000,000.00	5,262,532.00
233046AA9	DUNKN 2006-1 A2	5.779	06/20/2031	5,000,000.00	5,002,016.85	4,820,750.00
477876AD8	JDOT 2007-A A4	5.070	04/15/2014	4,741,263.70	4,736,913.54	4,866,367.63
55264TDE8	MBNAS 2005-A6 A6	4.500	01/15/2013	5,000,000.00	4,973,568.50	5,101,215.00
693401AE1	PERF 2005-1 A5	4.470	12/25/2014	3,250,000.00	3,250,000.00	3,440,431.80
69361YAF0	PEGTF 2001-1 A6	6.610	06/15/2015	4,000,000.00	4,145,468.16	4,435,590.00
705220AM3	PECO 2001-A A1	6.520	12/31/2010	3,000,000.00	3,024,099.09	3,074,875.50
TOTAL ASSET BACKED				58,761,187.28	58,758,168.08	60,934,685.14
TOTAL MARKETABLE SECURITIES				907,117,020.70	919,724,518.61	950,725,011.38
TOTAL MARKETABLE AND C/E				941,061,749.74	953,667,012.26	984,667,505.03
COMMON						
22282E102	COVANTA HOLDING CORPORATION			12,639.00	279,195.51	228,639.51
34958N100	EXPLORATION DRILLING INTL			1,926.00	1,627,706.00	134.63
	RIMCO ROYALTY MANAGEMENT, INC			346,302.00	346.30	346.30
TOTAL COMMON				360,867.00	1,907,247.81	229,120.44
TOTAL MARKETABLE, C/E AND COMMON				941,422,616.74	955,574,260.07	984,896,625.47

**THE HOME INSURANCE COMPANY IN LIQUIDATION
HOLDINGS REPORT
AS OF DECEMBER 31, 2009**

CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
<u>EQUITY SECURITIES</u>					
910585406	UNITED MERCHANTS & MFR		214,166.00	25,800.00	0.00
910858414	UNITED MERCHANTS & MFR - WTS		53,542.00	0.00	0.00
607710985	NEW CASTLE HOLDINGS		251,325.00	0.00	87,064.91
178789103	CITIVEST INTERNATIONAL LTD		12,000.00	368,865.00	0.00
91737@107	US INTERNATIONAL RE INC		2,000.00	35,000,000.00	0.00
COMMON STOCKS			533,033.00	35,394,665.00	87,064.91
	RIMCO ROYALTY PARTNERS, L.P.		346,302.00	3,199,497.00	1,688,725.00
LIMITED PARTNERS			346,302.00	3,199,497.00	1,688,725.00
TOTAL EQUITY SECURITIES			879,335.00	38,594,162.00	1,775,789.91
TOTAL			942,301,951.74	994,168,422.07	986,672,415.38