

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 FILING REGARDING STATUS REPORT

Pursuant to RSA 402-C:25, Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator of The Home Insurance Company , hereby files for the benefit of the Court, claimants and other interested persons the information submitted herewith on the status of the liquidation that supplements and updates information filed at this time in previous years. This information is also being provided to the Home Coordinating Committee of the National Conference of Insurance Guaranty Funds.

Respectfully submitted,

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

By his attorneys,

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November 9, 2011

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 9th day of November, 2011, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith

THE STATE OF NEW HAMPSHIRE

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Exhibit 1 - Comparison of Home to Reliance / Transit

	Home	Reliance	Transit
Size of the estate (1):			
Estimated liabilities (gross, undiscounted)	4.2 billion	9.2 billion	3.7 billion
Assets	1.9 billion	5.6 billion	1.4 billion
	9th Full Year of Receivership-2012 Projection (2) (millions)	9th Full Year of Receivership-2010 (millions)	13th Full Year of Receivership-1998 (3) (millions)
Operating data:			
Cash and marketable securities, end of period (grossed up for early access cash distributions, guaranty fund expenses and interim asset distributions to creditors)	1,400	4,132	822
Notices of Determination Issued (4)	1,900	894	1,180
Operating expenses	18.6	55.5	18.2 (5)
Salaries and benefits	12.0	34.9	Unknown
Employee count, end of period	65	160	89

Notes:

- (1) For Home and Reliance, estimated liabilities (gross, undiscounted) and, for Reliance, 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 are estimated ultimate amounts.
- (2) The amounts shown are projected based on the budget for 2012.
- (3) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1998 was used for the 9th year of comparative operating data.
- (4) Home amounts are projected based on goals for 2012. Amounts for Home, Reliance and Transit are based on Liquidator allowed amounts, not Court approved allowances. As of October 1, 2011, Home had issued NODs of \$336 million for Guaranty Funds. Reliance does not appear to be issuing Guaranty Fund NODs, but has made early access cash payments to Guaranty Funds of \$1.65 billion as of 12/31/10. Transit allowances for Guaranty Funds could not be determined from available data.
- (5) Expense data for Transit is not adjusted for inflation to current period.

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

	<u>HOME</u>
Estimated Ultimate Asset Collection	- \$1.9B
Estimated Ultimate Undiscounted Insurance/Reinsurance Liabilities	- \$4.2B

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Exhibit 3 - Cash, Invested Assets and Credits History - Home*

The Home Insurance Company In Liquidation CASH AND INVESTED ASSETS

	September 30, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003	March 5, 2003
Cash and Cash Equivalents	\$62,810,424	\$40,212,353	\$50,794,466	\$99,153,205	\$108,485,965	\$144,971,913	\$188,480,732	\$88,879,918	\$47,822,700	(\$953,085)
Marketable Securities, Liquid, at cost	1,026,899,212	1,024,968,409	926,786,229	830,169,359	745,870,995	650,912,179	585,008,998	570,309,950	400,464,024	321,943
Common Stock, Liquid, at Market Value	192,346	217,668	229,120	277,937	1,078	10,359	156,570	396,748	18,710,427	13,299,185
Interest Income Receivable	8,228,483	8,486,876	8,572,125	7,060,880	7,505,546	6,400,611	5,531,287	4,064,169	1,390,004	38,845
Total Liquid Assets	\$1,098,130,465	\$1,073,885,306	\$986,381,940	\$936,661,381	\$861,863,584	\$802,295,062	\$779,177,587	\$663,650,785	\$468,387,154	\$12,706,888
Preferred Stock, Non Liquid, at Equity										10,777,739
Common Stock, Non Liquid, at Equity	878,668	1,388,452	1,775,790	2,116,726	3,649,246	4,229,589	4,578,050	17,497,773	17,232,275	15,925,398
Surplus Notes, Non Liquid	-	-	-	146,800	146,800	146,800	146,800	129,200	-	-
Total Cash and Invested Assets	\$1,099,009,133	\$1,075,273,758	\$988,157,730	\$938,924,907	\$865,659,630	\$806,671,451	\$783,902,437	\$681,277,758	\$485,619,430	\$39,410,025
Add:										
Credit for Early Access Distributions to Guaranty Associations	211,596,866	203,769,505	187,559,006	165,628,934	131,823,053	92,531,226	35,321,789	-	-	-
Class I distribution to Guaranty Associations	35,270,839	35,270,839	17,239,636	14,307,128	14,307,128					
WC Advance Payments to Guaranty Associations	3,152,304	3,152,304	3,152,304	3,152,304	3,152,304	3,221,557	3,221,557	3,221,557	3,221,557	-
Assets held by States to pay Home Claims (Market Value)	52,320,348	49,516,486	49,516,486	49,516,486	49,516,486	49,557,548	49,427,549	35,951,299	30,464,419	-
Adjusted total cash and invested assets	\$1,401,349,490	\$1,366,982,892	\$1,245,625,162	\$1,171,529,759	\$1,064,458,601	\$951,981,782	\$871,873,332	\$720,450,614	\$519,305,406	\$39,410,025

*The Liquidator has also collected \$6.9M in deductible reimbursements which have been remitted to the Guaranty Associations pursuant to the Deductible Agreement with the Guaranty Associations.

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Exhibit 4 - POC Inventory - Home

As of: October 7, 2011

POC Prefix/Category	Total POCs Mailed	POCs Returned	Companions	Filed After Filing Deadline	Total POCs Returned	POC Claimed Amount (000) *
AM Best Carriers	2,867	415	2	5	422	174,299
Policy Claimants	28,646	7,536	168	625	8,329	2,116,887
OSAP	11,008	636	732	7	1,375	18,422
EMTL Claimants	1,404	179	5	6	190	2,161,210
Policy Holders	255,969	7,575	139	1,121	8,835	14,328,968
Vendors	21,758	525	51	36	612	183,907
Producers	41,946	22	2	1	25	340
Government	144	90	2	6	98	55,800
Employees	1,587	56	0	2	58	1,273
International	1,572	244	4	13	261	417,015
Home Assumed	721	186	0	11	197	493,325
USI Re	2	0	1	0	1	0
Home Ceded	724	44	4	2	50	99,586
TOTALS:	368,348	17,508	1,110	1,835	20,453	20,051,032

* Approximately 15% of all returned POC's provided a stated amount.

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Exhibit 5 - POC Determination - Home

Home Notices of Determination

As of Date: October 7, 2011

POC Prefix & Description	POCs Reviewed	NODs Mailed (1)	Within 60 Days (2)	> 60 Days or Acknowledged (3)	NOD Issued Amount (000) (4)	RFR (5)	OBJ (6)	RFR & OBJ Amount (000) (4)	Court Approved
AM Best Carriers	50	49	8	5	\$4,850	0	3	\$0.00	33
Policy Claimants	5,881	5,880	1	19	\$18,673	72	1	\$0.00	5,787
OSAP	1,347	1,347	0	0	\$305	8	0	\$0.00	1,339
EMTL Claimants	74	74	1	13	\$57,968	0	1	\$0.00	59
Policy Holders	5,118	5,116	64	260	\$922,027	24	32	\$500	4,735
Vendors	540	538	0	2	\$4,629	0	0	\$0.00	536
Producer	23	23	0	0	\$15	0	0	\$0.00	23
Government	839	839	50	0	\$349,385	175	3	\$24,469	611
Employees	59	59	0	0	\$0	1	0	\$0.00	58
International	469	469	4	28	\$40,111	4	1	\$0.00	432
Home Assumed	423	423	14	28	\$54,500	3	0	\$1,446	378
USI Re	2	2	0	0	\$0	0	0	\$0.00	2
Home Ceded	16	16	1	4	\$52,893	0	0	\$0.00	11
TOTAL :	14,841	14,835	143	358	\$1,505,356	287	41	\$26,415	14,004

(1) The NODs Mailed total is comprised of 12,691 final and 2,144 partial notices.

(2) Claimants may object to Liquidator's Notice of Determination within sixty days.

(3) Includes notices of determinations acknowledged and accepted by the claimant.

(4) This amount reflects the Liquidator's valuation of each claim.

(5) Pending Requests for Redetermination.

(6) 41 POCs pertaining to 9 objections, which are pending or are stayed.

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Exhibit 5a - Guaranty Fund Ultimate Liabilities - Home

Guaranty Fund Reported Indemnity & ALAE Paid (as of 10/11)	\$335M
Early Access Distributions (Indemnity and ALAE) (as of 10/11)	\$211M
Estimated GF Ultimate Liabilities	\$1,125M - 1,675M

Exhibit 6 - Investments

**The Home Insurance Company in Liquidation
Portfolio Summary Report- Bonds and Short Term Investments
Securities Held as of September 30, 2011
(000's)**

Conning Managed:

<u>% of Book Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Eff Mat (Years)</u>	<u>Book Yield</u>	<u>Average Credit Quality</u>	<u>Earned Income 9/30/11</u>
Fixed Income							
5% Short Term	49,878	49,878	-	0.04	0.02	Aaa	30
8% Government	80,331	83,755	3,424	1.53	3.09	Aaa	2,093
15% Agency	157,198	161,393	4,195	1.44	2.22	Aaa	3,148
51% Corporate	532,936	555,471	22,535	2.60	3.64	A1	15,070
18% Mortgage Backed	188,644	197,671	9,027	4.44	4.08	Aaa	5,200
4% Asset Backed	46,003	46,653	650	1.84	1.71	Aaa	819
100% Total	1,054,990	1,094,821	39,831	2.52	3.21	Aa2	26,360
Other investments- Home Insurance							
100% US Treasury Bills and Notes	9,566	9,594	28	0.16	0.09	AAA	18
Total Home Insurance (1)	1,064,556	1,104,415	39,859	0.00	0.00	AA	26,378 (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 September 30, 2011, would be \$34.6 million.

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Exhibit 7 - Operating Expenses

The Home Insurance Company in Liquidation
 G&A Expenses (Actual vs Budget)
 September 30, 2011

	YTD			Full Year Budget
	Actual 2011	Budget 2011	Variance 2011	
General & Administrative Expense				
Salary and Benefits	8,926,007	9,163,640	(237,633)	12,192,658
Travel	68,424	97,319	(28,895)	129,816
Rent	947,664	1,041,661	(93,996)	1,388,881
Equipment	125,413	222,400	(96,987)	296,700
Printing and Stationery	48,887	47,454	1,433	63,205
Postage	23,167	31,913	(8,746)	42,550
Telephone	167,597	223,787	(56,190)	298,250
Outside Services, Including Special Deputy	2,826,084	2,263,450	562,633	3,191,900
Licensing Fees	453	750	(297)	1,000
Legal and Auditing	670,609	768,750	(98,142)	1,025,000
Bank Fees	142,641	121,500	21,141	162,000
Corporate Insurance	93,828	95,255	(1,427)	126,505
Miscellaneous (Income) Expenses	(40,074)	3,500	(43,574)	4,000
Total Expenses Incurred Before Expense Recoveries	14,000,699	14,081,379	(80,680)	18,922,465
Expense Recoveries	(924,400)	-	(924,400)	-
Total Expenses Incurred	13,076,299	14,081,379	(1,005,080)	18,922,465

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Exhibit 8 - Budget 2011

The Home Insurance Company in Liquidation Expected Full Year 2011 and Budget 2011 and 2012

General & Administrative Expense	Expected	Budget	Budget
	Actual 2011	2011	2012
Salary and Benefits	12,054,000	12,192,658	11,996,273
Travel	126,999	129,816	170,234
Rent	1,350,612	1,388,881	1,414,802
Equipment	187,373	296,700	291,500
Printing and Stationery	56,544	63,205	69,073
Postage	32,591	42,550	31,600
Telephone	210,331	298,250	234,800
Outside Services, Including Special Deputy	3,628,136	3,191,900	3,147,205
Licensing Fees	553	1,000	1,000
Legal and Auditing	885,839	1,025,000	1,010,008
Bank Fees	202,318	162,000	161,500
Corporate Insurance	126,331	126,505	101,437
Miscellaneous (Income) Expenses	77	4,000	8,700
Total Expenses Incurred Before Expense Recoveries	18,861,703	18,922,465	18,638,132
Expense Recoveries	(924,400)	-	-
Total Expenses Incurred	17,937,303	18,922,465	18,638,132

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