

**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.

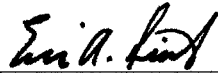
Respectfully submitted,

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 8, 2012

**Certificate of Service**

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 8<sup>th</sup> day of November, 2012, by first class mail, postage prepaid to all persons on the attached service list.



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Eric A. Smith

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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The Home Insurance Company  
Docket No. 03-E-0106

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# Exhibit 1 - Comparison of Home to Reliance / Transit

	Home	Reliance	Transit
Size of the estate (1):			
Estimated liabilities (gross, undiscounted)	\$4.1 billion	\$9.1 billion	\$3.1 billion
Estimated assets	\$1.9 billion	\$5.6 billion	\$1.4 billion
	10th Full Year of Receivership-2013 Projection (2) (millions)	10th Full Year of Receivership-2011 (millions)	14th Full Year of Receivership-1999 (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)	\$1,454.00	\$4,395.10	\$912.90
Notices of Determination Issued (4)	\$2,100.00	\$938.80	\$1,203.40
Operating expenses	\$18.40	\$48.00	\$17.0 (5)
Salaries and benefits	\$11.70	\$30.20	Unknown
Employee count, end of period	61	138	81

Notes:

- (1) For Home and Reliance, assets and liabilities (gross, undiscounted) are estimated ultimate amounts based on currently available data. Transit's liabilities and related assets are estimated based on data in the 1999 and March 2000 reports.
- (2) The amounts shown are projected based on the budget for 2013.
- (3) Transit liquidation date was 12/3/85, but reinsurance billings began in 1990, so 1999 was used for the 10th year of comparative operating data.
- (4) Home amounts are projected based on goals for 2013. Amounts for Home, Reliance and Transit are based on Liquidator allowed amounts, not Court approved allowances. As of October 1, 2012, Home had issued NODs of \$391 million for Guaranty Funds. Reliance only issues NODs to Guaranty Funds when a GA claim is not allowed, but has made early access cash payments to Guaranty Funds of \$2.09 billion as of 12/31/11. 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**

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**HOME**

**Estimated Ultimate Asset Collection - \$1.9B**

**Estimated Ultimate Undiscounted  
Insurance Liabilities - \$4.1B**

## Exhibit 3 - Cash, Invested Assets and Credits History\*

### The Home Insurance Company In Liquidation CASH AND INVESTED ASSETS

	September 30, 2012	December 31, 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	\$48,015,169	\$59,221,326	\$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	1,088,014,658	1,048,273,796	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	217,236	173,378	217,668	229,120	277,937	1,078	10,359	156,570	396,748	18,710,427	13,299,185
Interest Income Receivable	8,398,353	8,071,024	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
<b>Total Liquid Assets</b>	<b>\$1,144,645,416</b>	<b>\$1,115,739,524</b>	<b>\$1,073,885,306</b>	<b>\$986,381,940</b>	<b>\$936,661,381</b>	<b>\$861,863,584</b>	<b>\$802,295,062</b>	<b>\$779,177,587</b>	<b>\$663,650,785</b>	<b>\$468,387,154</b>	<b>\$12,706,888</b>
Preferred Stock, Non Liquid, at Equity											10,777,739
Common Stock, Non Liquid, at Equity	961,085	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	-	-
<b>Total Cash and Invested Assets</b>	<b>\$1,145,606,501</b>	<b>\$1,116,618,192</b>	<b>\$1,075,273,758</b>	<b>\$988,157,730</b>	<b>\$938,924,907</b>	<b>\$865,659,630</b>	<b>\$806,671,451</b>	<b>\$783,902,437</b>	<b>\$681,277,758</b>	<b>\$485,619,430</b>	<b>\$39,410,025</b>
<b>Add:</b>											
Credit for Early Access Distributions to Guaranty Associations	222,464,338	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 Assoc.	35,283,339	35,270,839	35,270,839	17,239,636	14,307,128	14,307,128					
WC Advance Payments to Guaranty Assoc.	3,152,304	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)	55,744,250	55,743,765	49,516,486	49,516,486	49,516,486	49,516,486	49,557,548	49,427,549	35,951,299	30,464,419	-
<b>Adjusted total cash and invested assets</b>	<b>\$1,462,250,732</b>	<b>\$1,422,381,966</b>	<b>\$1,366,982,892</b>	<b>\$1,245,625,162</b>	<b>\$1,171,529,759</b>	<b>\$1,064,458,601</b>	<b>\$951,981,782</b>	<b>\$871,873,332</b>	<b>\$720,450,814</b>	<b>\$519,305,406</b>	<b>\$39,410,025</b>

\*The Liquidator has also collected \$7.3M in deductible reimbursements which have been remitted to the Guaranty Associations pursuant to the Deductible Agreement with the Guaranty Associations.



## Exhibit 4 - Home Proofs of Claim and Notices of Determination

As of: October 18, 2012

<u>CLAIMS</u>	<u>Count</u>	<u>POC Claimed Amount (000)</u>
Total POCs Mailed	368,679	
Total POCs Returned	20,504	\$20,132,184
<u>FINAL DETERMINATIONS</u>	<u>Count</u>	<u>NOD Allowed Amount (000) (5)</u>
NODs Mailed- Approved by the Court.	14,171	\$1,036,640
NODs RFRed or OBJ. Resolution is pending. (1)	142	\$2,672
NODs within 60 days and/or pending court approval. (2)	152	\$236
<u>PARTIAL DETERMINATIONS (3)</u>	<u>Count</u>	<u>NOD Allowed Amount (000) (5)</u>
NODs Mailed- Approved by the Court.	2,079	\$601,688
NODs RFRed or OBJ. Resolution is pending. (1)	204	\$28,048
NODs within 60 days and/or pending court approval. (2)	18	\$688
<b>TOTAL NODs (4)</b>	<b><u>16,942</u></b>	<b><u>\$1,669,972</u></b>
<u>TOTAL NUMBER OF POCs UNRESOLVED</u>	<u>Count</u>	<u>POC Claimed Amount (000) (6)</u>
Partial NODs, NODs pending court approval and POCs to be determined.	6,333	\$7,281,197

(1) 302 Requests for Review were filed and are pending. Additionally, 9 objections pertaining to 44 POCs are pending or are stayed.

(2) Claimants may object to Liquidator's Notice of Determination within 60 days of issuance.


(3) Some POC claimants were issued interim allowances as satisfactory documentation was presented to the Liquidator subject to further partial and/or final determinations, if and when warranted.

(4) The Total NODs represents the Liquidator's aggregate number of NODs issued, both partials/interim and final determinations.

(5) This amount reflects the Liquidator's aggregate allowances for the specified category of claims.

(6) Approximately 18% of the unresolved POCs provided a stated amount.

## **Exhibit 5 - Guaranty Fund Ultimate Liabilities - Home**



<b>Guaranty Fund Reported Indemnity &amp; ALAE Paid (as of 9/30/12)</b>	<b>\$373M</b>
<b>Early Access Distributions (Indemnity and ALAE) (as of 9/30/12)</b>	<b>\$222M</b>
<b>Estimated GF Ultimate Liabilities</b>	<b>\$1,175M</b>

# Exhibit 6 - Investments

**The Home Insurance Company in Liquidation  
Portfolio Summary Report- Bonds and Short Term Investments  
Securities Held as of September 30, 2012  
(000's)**

**Conning Managed:**

<u>% of BV</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 9/30/12</u>
<b>Fixed Income</b>							
2.8% Short Term	34,322	34,322	-	0.04	0.01	A1	7
6.8% Government	75,115	76,328	1,213	0.59	3.05	Aaa	1,829
6.9% Agency	76,261	79,121	2,860	2.03	2.77	Aaa	1,805
53.2% Corporate	581,983	606,430	24,447	2.74	3.20	A2	14,299
1.6% Corporate High Yield	18,148	18,602	454	4.06	4.61	Ba2	67
14.5% Mortgage Backed	159,666	169,513	9,847	2.89	3.62	Aaa	4,909
13.7% Asset Backed	150,454	151,693	1,239	1.85	1.11	Aaa	1,174
0.5% CMBS	5,535	5,542	7	4.77	1.26	Aaa	1
100.0% Total	1,101,484	1,141,551	40,067	2.40	2.82	Aa3	24,091
<b>Other investments- Home Insurance</b>							
100% US Treasury Bills and Notes	9,566	9,586	20	0.40	0.12	Aaa	9
<b>Grand Total (1)</b>	<b>1,111,050</b>	<b>1,151,137</b>	<b>40,087</b>	<b>2.38</b>	<b>2.80</b>	<b>Aaa</b>	<b>24,100 (2)</b>

(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, 2012, would be \$26.7 million.

## Exhibit 7 - Operating Expenses

**The Home Insurance Company in Liquidation  
G&A Expenses (Actual vs Budget)  
September 30, 2012**

General & Administrative Expense	YTD			Full Year Budget
	Actual 2012	Budget 2012	Variance 2012	
Salary and Benefits	8,853,747	8,977,543	(123,796)	11,996,273
Travel	63,428	128,113	(64,685)	170,234
Rent	984,600	1,061,176	(76,576)	1,414,802
Equipment	150,064	220,498	(70,434)	291,500
Printing and Stationery	39,736	51,976	(12,240)	69,073
Postage	16,878	23,750	(6,872)	31,600
Telephone	136,160	176,125	(39,965)	234,800
Outside Services, including Special Deputy	2,408,565	2,365,995	42,570	3,147,205
Licensing Fees	-	750	(750)	1,000
Legal and Auditing	786,387	755,006	31,381	1,010,008
Bank Fees	137,653	120,625	17,028	161,500
Corporate Insurance	51,617	66,437	(14,820)	101,437
Miscellaneous Income/Expenses	513	6,150	(5,637)	8,700
<b>Total Expenses Incurred</b>	<b>13,629,347</b>	<b>13,954,144</b>	<b>(324,798)</b>	<b>18,638,132</b>

# Exhibit 8 - Budget

## The Home Insurance Company in Liquidation Budget 2013 Expected Full Year 2012 and Budget 2012 and 2013

<b>General &amp; Administrative Expense</b>	<b>Expected Actual 2012</b>	<b>Budget 2012</b>	<b>Budget 2013</b>
<b>Salary and Benefits</b>	<b>11,756,964</b>	<b>11,996,273</b>	<b>11,653,684</b>
<b>Travel</b>	<b>133,832</b>	<b>170,234</b>	<b>170,924</b>
<b>Rent</b>	<b>1,263,955</b>	<b>1,414,802</b>	<b>1,305,839</b>
<b>Equipment</b>	<b>219,355</b>	<b>291,500</b>	<b>260,000</b>
<b>Printing and Stationery</b>	<b>49,668</b>	<b>69,073</b>	<b>65,115</b>
<b>Postage</b>	<b>27,480</b>	<b>31,600</b>	<b>38,760</b>
<b>Telephone</b>	<b>181,185</b>	<b>234,800</b>	<b>204,320</b>
<b>Outside Services, including Special Deputy</b>	<b>3,527,139</b>	<b>3,147,205</b>	<b>3,398,840</b>
<b>Licensing Fees</b>	<b>0</b>	<b>1,000</b>	<b>500</b>
<b>Legal and Auditing</b>	<b>1,091,979</b>	<b>1,010,008</b>	<b>1,080,152</b>
<b>Bank Fees</b>	<b>188,590</b>	<b>161,500</b>	<b>162,505</b>
<b>Corporate Insurance</b>	<b>101,122</b>	<b>101,437</b>	<b>101,437</b>
<b>Miscellaneous (Income) Expenses</b>	<b>52,017</b>	<b>8,700</b>	<b>7,200</b>
<b>Total Expenses Incurred</b>	<b>18,593,286</b>	<b>18,638,132</b>	<b>18,449,275</b>