

**THE STATE OF NEW HAMPSHIRE**

**MERRIMACK, SS**

**SUPERIOR COURT**

**Docket No. 217-2003-EQ-00106**

**In the Matter of the Liquidation of  
The Home Insurance Company**

**LIQUIDATOR'S SIXTY-SIXTH 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 Sixty-Sixth Report on the liquidation of Home, as of September 11, 2017 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 43 full and part time 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 unrestricted liquid assets currently total approximately \$907 million as set forth on the June 30, 2017 financial statement attached as Exhibit A. This figure does not include the \$479.7 million of interim distributions paid

to non-guaranty association claimants on allowed Class II claims or the net \$256.1 million paid to insurance guaranty associations in early access distributions through June 30, 2017. These amounts are discussed in greater detail below. The Liquidator estimates that total assets net of all Class I expenses will be approximately \$1.9 billion. This estimate includes the interim distribution amounts paid to non-guaranty association claimants and the early access distributions amounts paid to guaranty associations. It 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 September 1, 2017, the Liquidator has made, with the Court's approval, early access net distributions totaling \$256.1 million. (See Section 11 below.)

As a condition for receiving early access distributions, 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. In accordance with paragraph 4 of the Orders approving the first interim distribution (issued June 13, 2012, as amended July 2, 2012) and the second interim distribution (issued November 16, 2015), early access distributions that have become permanent through interim distributions are no longer subject to claw back by the Liquidator. The Liquidator

has calculated the amount of such early access distributions no longer subject to claw back to date, and has sent letters to the affected guaranty associations to apprise them as to the amount of the early access distribution which is now deemed to be permanent. The Liquidator has also sent letters to those guaranty associations which have received reimbursement from special deposits in excess of the interim distribution percentage to advise them that previously paid early access distributions will not become permanent. (See Section 12 below.)

4. Proofs of claim. The claim filing deadline in the Home liquidation was June 13, 2004. The Liquidator received 12 new proofs of claim between the last Liquidator's report and September 1, 2017. The proofs of claim submitted now total 20,764. 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 148 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 September 1, 2017, for all priority classes, the following table outlines activity from inception of the Liquidation:

	<u>12/01/14</u>	<u>12/01/15</u>	<u>12/05/16</u>	<u>9/01/17</u>
<b>Proofs of Claim Filed:</b>	20,672	20,704	20,733	20,764
<b>POCs Resolved (Court App) (1)-(2):</b>	15,729	17,494	18,337	18,758
<b>Total \$ Court App Determinations:</b>	\$2.18b	\$2.43b	\$2.73b	\$2.8b
<b>Total \$ Class II Court App. Det:</b>	\$1.94b	\$2.13b	\$2.41b	\$2.48b
<b>Total Remaining Open POCs (3)</b>	4,225	3,210	2,396	2,006

**Breakdown of Open POC Count as of 12/05/16 & 9/01/17 (3)**

	<u>12/05/16</u>	<u>9/01/17</u>
i. Insureds/Claimants	2,097	1,748
ii. Contribution Claims	43	6
iii. Guaranty Associations	60	60
iv. Insurer	189	189
v. <u>Government/other</u>	7	9 (4)
<b>Total</b>	<b>2,396</b>	<b>2,006</b>

(1) POC counts include single POCs that may encompass multiple underlying claims and multiple POCs that may concern single underlying claims. Multiple determinations may be issued for individual POCs.

(2) The number of POCs resolved includes POCs determined and approved by the Court as Class V determinations that are deferred as to amount. The number of deferred Class V determinations can change if a final determination as to amount is issued.

(3) The number of open POCs excludes 311 POCs at 09/01/17 determined and approved by the Court as Class V determinations that are deferred as to amount.

(4) In the course of a review of the open POCs, two records were moved from another category to this category.

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 two reports of claims and recommendations to the Court reflecting a total of approximately

\$15.4 million in determinations for all classifications. In addition, the Court has approved three settlement agreements reflecting \$16.6 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, 953 claimants have filed requests for review; 865 of these have been sent notices of redetermination or have withdrawn the request for review. Claimants have filed 59 objections with the Court to commence disputed claim

proceedings. As of September 1, 2017, there are three 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. There are currently no pending motions to recommit.

8. Financial reports. The unaudited June 30, 2017 Home statements are attached as Exhibit A to this report. The June 30, 2017 statements reflect \$905,774,464 in assets under the Liquidator's direct control and \$42,354,397 in reinsurance collections, net investment income, and other receipts and \$9,432,978 in operating disbursements from January 1 through June 30, 2017. A 15% first interim distribution to Class II creditors was made in December 2014, and a 10% second interim distribution was made in August 2016. (See Section 12 below.) Subsequently allowed Class II claims are to receive the 15% first interim distribution and the 10% second interim distribution after each December 31 or June 30. (See Section 14 below.) Cumulative interim distribution checks in the amount of \$143,937 remain outstanding and are reflected as liabilities in the Statement of Net Assets as of June 30, 2017.

9. 2017 Budget. A comparison of the actual and budgeted general and administrative expenses of the Home liquidation, on an incurred basis, through June 30, 2017 is attached as Exhibit B. As of June 30, 2017, actual expenses were below budget by \$454.305 or 6.2% 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	\$16.2
2016	\$15.7	\$14.6
2017	\$14.5	

The Liquidator filed a copy of the 2017 Budget on October 24, 2016 as Exhibit 8 to the Liquidator’s Filing Regarding Status Report. As of September 1, 2017, the liquidation staff is 43 in number, which includes seven 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 December 10, 2012. A summary of Home’s holdings of bonds and short-term investments as of June 30, 2017 is attached as Exhibit C, and a report listing the individual holdings of Home as of that date is attached as Exhibit D (the groupings on Exhibit C differ from those on Exhibit D). The book value of Home’s bonds and short-term investments managed by Conning Asset Management (“Conning”) at June 30, 2017, was approximately \$882 million compared to their market value of \$885 million. This represented an unrealized gain (market value above book value) of approximately \$3 million. Short-term holdings in the Conning-managed portfolio at June 30, 2017 were \$24 million at market value. The portfolio is expected to generate

approximately \$23 million of cash from net investment income in 2017, as continuing low 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. As of June 30, 2017, such investments for Home had a market value of approximately \$9.5 million. These assets, along with sweep bank accounts, will be used to fund operating requirements.

As of August 28, 2017, the Conning-managed portfolio had an unrealized gain of \$6.9 million, a \$3.46 million increase from June 30, 2017 due to a decrease in bond yields. 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 and market expectations for growth and additional inflation as a result of a more "business friendly" political environment. 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. The U.S. Federal Reserve has indicated that it will continue to increase rates in 2017, although the timing and magnitude of such increases remains uncertain.

Additionally, dramatic decreases in oil prices have adversely impacted market values of bonds in the portfolio involved in oil drilling and oilfield services. Market value sensitivities analysis performed by Conning indicated that market values of the portfolio could potentially fluctuate \$25 million downwards and \$24 million upwards if interest rates increased or decreased 100 basis points, respectively, based on the portfolio values as of June 30, 2017. 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. As of August 28, 2017, the Liquidator and Conning believe that all securities in the portfolio will pay full amounts of principal in spite of fluctuating market values.

11. Early access distributions to guaranty associations. The Liquidator has made early access distributions to a total of 55 insurance guaranty associations from 2005 through 2016. The Liquidator makes an early access distribution only after obtaining approval from the Court and “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 Liquidator has made claw back requests of certain guaranty associations. In June 2015, claw back requests were issued to 19 guaranty associations totaling \$3.8 million. The reimbursements were received in July 2015. The most recent claw back requests were issued in November 2016 to 11 guaranty associations totaling \$5.9 million; all reimbursements were received by March 1, 2017. 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 an early access distribution cap of 40% of the association’s paid loss and expense and case reserves. Given the large number of guaranty associations affected by the cap and the decreasing association claim volume over the last few years, the tenth and eleventh early access distributions also reflected an additional cap of 75% of the association’s cumulative paid claims in accordance with the Court’s approval orders. The eleventh early access

distribution also reflected a \$25,000 minimum payment threshold. A net total of \$256.1 million has been paid to guaranty associations in early access through June 30, 2017.

12. Interim Distributions. By Order dated March 13, 2012 (as amended July 2, 2012), the Court approved the first interim distribution of 15% to claimants with allowed Class II claims. The interim distribution was subject to receipt of a waiver of federal priority claims from the United States Department of Justice (“US DOJ”), which was received on November 5, 2014. By Order dated November 6, 2015, the Court approved the second interim distribution of 10% to claimants with allowed Class II claims (for a cumulative interim distribution percentage of 25%). The second interim distribution was also subject to receipt of a waiver of federal priority claims from the US DOJ, which was received on July 18, 2016.

The Liquidator paid first interim distributions totaling \$258.3 million to creditors with allowed Class II claims through July 31, 2016. This total included \$36.3 million paid into the escrow account for the Western Asbestos Settlement Trust distribution that was approved by Order dated June 22, 2015. In August 2016, the Liquidator paid second interim distributions totaling \$183.3 million to creditors with allowed Class II claims. This total included an additional \$24.2 million payment into the Western Asbestos Settlement Trust escrow. It also included 25% first and second distribution amounts for those recent Class II claimant-creditors who had not previously received the first interim distribution. As part of the interim distribution process, the Liquidator periodically issues distribution checks to claimants for newly allowed Class II claims as provided in the interim distribution approval orders.

The cumulative interim distributions total \$483.6 million through August 31, 2017. This total does not include the amounts of prior early access distributions to guaranty associations that are deemed interim distributions no longer subject to claw back pursuant to the interim distribution approval orders (which are included in the early access total in paragraph 11). 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 September 1, 2017, the Liquidator has received written confirmations for all but six of the distribution checks issued to date (these six await resolution of various legal issues or receipt of the required written confirmation).<sup>1</sup> The Liquidator has mailed all other checks to the claimant or assignee at the confirmed address. As of September 1, 2017, there are eight uncashed distribution checks for the first and second interim distributions totaling \$141,139.34. The Liquidator has followed up with each holder of an uncashed distribution check.

As described in previous reports, in October 2014, the United States provided to the Liquidator a list of 305 entities believed by the U.S. Environmental Protection Agency (“EPA”) to be potentially responsible for various environmental liabilities and claims and to have held policies with Home. In accordance with the Release Agreement, the Liquidator provided the EPA with information which as of November 2015 had allowed it

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<sup>1</sup> 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 to reach the distribution recipients. The Liquidator also conducted internet searches. In those cases where the Liquidator has not received a satisfactory response confirming the correct recipient and a current address, the distribution checks have not for the present time been issued.

to remove 225 entities from the list of 305. Since that time, the Liquidator has supplied the EPA with the available policy information in response to its remaining requests. Dialogue continued in 2016 with the U.S. Department of Justice (“DOJ”) and EPA. On December 15, 2016, the Liquidator received from the DOJ the EPA’s list of twelve Home insureds with potential exposure. The Liquidator had previously supplied the EPA with policy and other information regarding eleven of these insureds. On February 28, 2017, the Liquidator supplied the DOJ with policy information for the twelfth insured, along with a summary of the policy information for the other eleven insureds.

By letter dated June 16, 2017, the DOJ presented the United States’ proposal to resolve its claims in Home’s liquidation. On July 28, 2017, the Liquidator presented the DOJ with the Liquidator’s counterproposal. Based upon recent communication from DOJ, the Liquidator expects to receive a response soon.

13. Milliman reserve study. The Liquidator engaged the actuarial firm Milliman, Inc. to estimate Home’s unpaid direct liabilities as of December 31, 2010, December 31, 2012, and December 31, 2014. Milliman’s report concerning unpaid loss and allocated loss adjustment expense (“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 filed February 13, 2012, and the executive summary was included in the motion papers. 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. A copy of the executive summary of the Milliman report dated June 18, 2015 concerning unpaid loss and ALAE as of December 31, 2014 was attached as an exhibit to the Liquidator’s Fifty-Seventh 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 was \$4.034 billion, and the estimate at the 95% confidence level was \$5.406 billion.

14. Multiple claims. RSA 402-C:40, IV provides that in the event several claims founded on one policy are filed, and the aggregate allowed amount of all claims to which the same limit of liability in the policy is applicable exceeds that limit, then each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. This presents a potential risk for allowed claims under such policies in the event that other claims subject to the same policy limit are allowed, as the allowances subject to the same limit would need to be reduced on a pro rata basis to adjust the total of such allowances to the applicable policy limit. Distributions will be based on the reduced allowances. The Liquidator will be unable to finally determine the extent to which a claim allowance may be subject to proration until all claims against the policy have been determined. The Liquidator is tracking claims against policies and will further address this issue, if warranted, in any future application to increase the interim distribution percentage. If at the time of a distribution there are allowed claims subject to the same limit that are required to be reduced pursuant to RSA 402-C:40, IV, the Liquidator will make the reductions and advise the claimants of the reasons for them.

15. 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 Section 2 above.

16. 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 expenses 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. Most recently, a Class I distribution was issued to guaranty associations totaling \$1.08 million on October 31, 2016, which brought the total Class I distribution to \$72.5 million (after deduction of setoffs).

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. New York Office Surrender of Space; Manchester Office Lease Extension.

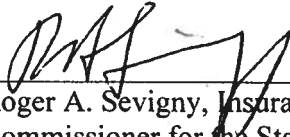
Pursuant to the terms of the Lease Agreement for office space located at 61 Broadway in New York City, the Liquidator had a unilateral contraction option to surrender 7,500 square feet or approximately one-third of the Premises effective as of January 1, 2018. By letter dated April 15, 2016, the Liquidator gave notice to the Landlord of his intention to exercise the option and to terminate the Lease Agreement with respect to the contraction space effective as of January 1, 2018. As required by the Lease Agreement in order to implement the option, on May 24, 2017, the Liquidator and the Landlord executed an amendment to the Lease Agreement. The Liquidator is in the process of vacating the space to be surrendered, which will be vacated by December 31, 2017. The reduction in the square footage of Home's office space will result in significant savings to the estate.

The Lease Agreement for office space in Manchester, New Hampshire was amended in August 2013 to grant the Liquidator options to extend the term of the Lease Agreement for two periods of two years each (from January 1, 2016 through December 31, 2017 and from January 1, 2018 through December 31, 2019), (the "Second Extension Term" and "Third Extension Term" respectively). In 2015, the Liquidator exercised the option to extend the term of the Lease for the Second Extension term, and by letter dated July 18, 2017, the Liquidator delivered to the Landlord the Extension Notice pursuant to which the Liquidator elected to exercise the option to extend the term of the Lease Agreement for the Third Extension Term.

19. Document Storage. The amended contract with Iron Mountain regarding storage of Home's records housed at Iron Mountain facilities as approved by the Court on November 2, 2016 extends until November 30, 2021, and provides for a further five year extension at the Liquidator's option. As of September 1, 2017, there are approximately 81,218 boxes of documents in storage at Iron Mountain.

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

Respectfully submitted,


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

September 21, 2017

### CERTIFICATE OF SERVICE

I hereby certify that on September 22 2017, a copy of the Liquidator's Sixty-Sixth Report, without the confidential appendix, was served upon the persons named on the attached Service List, by first class mail, postage prepaid.

Dated: September 22, 2017

  
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Eric A. Smith  
NH Bar ID No. 16952



THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

In the Matter of the Liquidation of  
The Home Insurance Company  
Docket No. 217-2003-EQ-00106

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**THE HOME INSURANCE COMPANY IN LIQUIDATION**

**Financial Statements (Modified Cash Basis)**

**June 30, 2017 and December 31, 2016  
(Unaudited)**

## The Home Insurance Company In Liquidation

### Statement of Restricted and Unrestricted Net Assets Excluding Certain Amounts (Modified-Cash Basis) (Unaudited)

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
<b>Assets</b>		
Unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost:		
Fixed-income securities (Note 2)	\$ 866,231,117	\$ 851,313,636
Short-term investments	9,497,986	38,395,561
Cash and cash equivalents	<u>26,063,698</u>	<u>12,784,507</u>
<b>Total unrestricted fixed-income, short-term investments, and cash and cash equivalents, at cost</b>	<b>\$ 901,792,801</b>	<b>\$ 902,493,704</b>
Common stocks, at fair value (Note 2)	2	2
Interest income due and accrued	<u>4,790,082</u>	<u>4,931,823</u>
<b>Total unrestricted liquid assets</b>	<b>\$ 906,582,885</b>	<b>\$ 907,425,529</b>
Unrestricted illiquid assets: ( Note 1)		
Limited partnership interests	<u>654,785</u>	<u>695,440</u>
<b>Total unrestricted illiquid assets</b>	<b>\$ 654,785</b>	<b>\$ 695,440</b>
Restricted liquid assets: (Note 4)		
Cash	<u>195,667</u>	<u>195,667</u>
<b>Total restricted liquid assets</b>	<b>\$ 195,667</b>	<b>\$ 195,667</b>
<b>Total restricted and unrestricted assets, excluding certain amounts</b>	<b>\$ <u>907,433,337</u></b>	<b>\$ <u>908,316,636</u></b>
<b>Liabilities</b>		
Incurred but unpaid administrative expenses and investment expenses (Note 3)	1,514,936	2,308,731
Class II distribution checks outstanding (Note 9)	<u>143,937</u>	<u>204,898</u>
<b>Total liabilities</b>	<b>\$ <u>1,658,873</u></b>	<b>\$ <u>2,513,629</u></b>
<b>Restricted and unrestricted net assets, excluding certain amounts</b>	<b>\$ <u><u>\$905,774,464</u></u></b>	<b>\$ <u><u>\$905,803,007</u></u></b>

See accompanying notes.

**The Home Insurance Company in Liquidation**

**Statement of Restricted and Unrestricted Cash Receipts and Disbursements  
(Modified-Cash Basis)  
(Unaudited)**

	<b>January 1, 2017</b>	<b>January 1, 2016</b>
	<b>To</b>	<b>To</b>
	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>Cash and marketable securities received:</b>		
Reinsurance collections - unrestricted	\$ 27,002,385	\$ 46,260,931
Net investment income	9,535,062	21,927,647
Miscellaneous income (Note 10)	3,717,063	5,744,533
Agents' balances	1,110,708	1,758,141
Realized capital gains on sale of fixed-income securities (Note 1)	623,813	65,633
Salvage, subrogation and other claim recoveries	363,405	583,425
Return of special deposit	-	109,046
All other	1,961	14,236
<b>Total cash receipts</b>	<b>\$ 42,354,397</b>	<b>\$ 76,463,592</b>
<b>Cash operating disbursements:</b>		
Human resources costs (Note 3)	5,587,227	9,397,803
Consultant and outside service fees	1,365,535	2,719,460
General office and rent expense	807,784	1,622,951
Realized capital losses on sale of fixed-income securities (Note 1)	536,575	1,162,673
Legal and audit fees	463,731	738,148
Investment expenses	370,629	828,232
Computers and equipment cost	124,544	210,505
Administration costs	94,308	212,362
Loss expenses paid (Note 1)	53,871	468,305
Capital contribution	5,882	26,736
All other	22,892	12,765
<b>Total cash operating disbursements</b>	<b>\$ 9,432,978</b>	<b>\$ 17,399,940</b>
<b>Excess of receipts over operating disbursements</b>	<b>\$ 32,921,419</b>	<b>\$ 59,063,652</b>
Distributions to state guaranty associations, net (Note 6)	(5,005,962)	13,840,933
Deductible reimbursements (Note 7)	261,783	449,249
Class I Distributions (Note 8)	-	1,081,089
Class II Distributions (Note 9)	38,366,501	190,692,522
<b>Cash receipts/(deficiency) in excess of disbursements and distributions</b>	<b>\$ (700,903)</b>	<b>\$ (147,000,141)</b>
Beginning restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost	902,689,371	1,049,689,512
<b>Ending restricted and unrestricted fixed-income securities, short-term investments, and cash and cash equivalents, at cost</b>	<b>\$ 901,988,468</b>	<b>\$ 902,689,371</b>

See accompanying notes.

## The Home Insurance Company in Liquidation

### Statement of Changes in Restricted and Unrestricted Net Assets Excluding Certain Amounts (Modified-Cash Basis) (Unaudited)

	<u>January 1, 2017 To June 30, 2017</u>	<u>January 1, 2016 To December 31, 2016</u>
Restricted and unrestricted net assets, excluding certain amounts, beginning of year	\$ 905,803,007	\$ 1,052,864,463
Unrestricted and restricted cash receipts/(deficiency) in excess of cash operating disbursements	(700,903)	(147,000,141)
Other changes in restricted and unrestricted net assets:		
Limited partnership interests, illiquid	(40,655)	(105,116)
Interest income due and accrued	(141,741)	(167,426)
Incurred but unpaid administrative and investment expenses (Note 3)	793,795	338,101
Class II distribution checks outstanding (Note 9)	<u>60,961</u>	<u>(126,874)</u>
Restricted and unrestricted net assets, excluding certain amounts, end of year	<u>\$ 905,774,464</u>	<u>\$ 905,803,007</u>

See accompanying notes.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements  
(Modified-Cash Basis)  
(Unaudited)

June 30, 2017

**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 cash equivalents, 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")

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

2) Investments

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

	<u>June 30, 2017</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed-income securities:				
U.S. Treasury notes	\$ 40,478,125	\$ 253,125	\$ -	\$ 40,731,250
Government agencies	8,977,320	22,500	-	8,999,820
Corporate	579,296,745	2,945,260	(9,032,627)	573,209,378
Mortgage-backed	164,882,458	2,096,645	(1,243,167)	165,735,936
Asset-backed	72,596,469	441,236	(439,580)	72,598,125
Total	<u>\$ 866,231,117</u>	<u>\$ 5,758,766</u>	<u>\$(10,715,374)</u>	<u>\$ 861,274,509</u>
 Total Common Stock	 \$ 1,628,052	 \$ -	 \$ (1,628,050)	 \$ 2

The amortized cost of unrestricted fixed-income securities is \$857,902,740 at June 30, 2017. Based on such amortized cost, gross unrealized gains are \$6,324,713 and gross unrealized losses are \$2,952,944.

	<u>December 31, 2016</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed-income securities:				
U.S. Treasury notes	\$ 59,684,375	\$ 750,001	\$ -	\$ 60,434,376
Government agencies	9,974,800	43,024	-	10,017,824
Corporate	574,810,059	2,382,636	(11,862,075)	565,330,620
Mortgage-backed	158,624,768	2,292,049	(1,667,498)	159,249,319
Asset-backed	48,219,634	256,994	(643,155)	47,833,473
Total	<u>\$ 851,313,636</u>	<u>\$ 5,724,704</u>	<u>\$(14,172,728)</u>	<u>\$842,865,612</u>
 Total Common Stock	 \$ 1,628,052	 \$ -	 \$ (1,628,050)	 \$ 2

The amortized cost of unrestricted fixed-income securities is \$842,390,656 at December 31, 2016. Based on such amortized cost, gross unrealized gains are \$5,573,326 and gross unrealized losses are \$5,098,370.



The Home Insurance Company in Liquidation ("Home")

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

2) Investments (continued)

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

**Unrestricted fixed-income securities**

	<u>Cost</u>	<u>Fair Value</u>
June 30, 2017		
One year or less	\$ 101,396,535	\$ 97,939,597
Over one year through five years	426,699,158	425,834,541
Over five years through twenty years	100,656,497	99,166,310
Mortgage-backed	164,882,458	165,735,936
Asset-backed	<u>72,596,469</u>	<u>72,598,125</u>
Total	<u>\$ 866,231,117</u>	<u>\$ 861,274,509</u>

**Unrestricted fixed-income securities**

	<u>Cost</u>	<u>Fair Value</u>
December 31, 2016		
One year or less	\$ 106,529,903	\$ 103,744,442
Over one year through five years	415,246,485	412,548,855
Over five years through twenty years	122,692,846	119,489,523
Mortgage-backed	158,624,768	159,249,319
Asset-backed	<u>48,219,634</u>	<u>47,833,473</u>
Total	<u>\$ 851,313,636</u>	<u>\$ 842,865,612</u>

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

**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 June 30, 2017, are as follows:

Human resources costs	\$ 680,468
Consultant and outside service fees	460,737
Legal and auditing fees	71,537
General office and rent expense	31,830
Computer and equipment costs	2,000
Other administration costs	<u>83,640</u>
Total accrued expenses	<u>\$ 1,330,212</u>
Accrued investment expenses	<u>184,724</u>
Total accrued expenses	<u>\$1,514,936</u>

The amount of accrued expenses at December 31, 2016 was \$2,308,731 and net assets for 2017 increased by \$793,795 due to the decrease in the accrual.

Various full-time employees of Home are covered by employee incentive plans, which were approved by the Liquidation Court on November 2, 2016. The costs of these plans are primarily payable in 2018, but are based on 2017 service and are being accrued over the service period in 2017. Accrued administrative expense includes \$680,136 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 \$195,667 at June 30, 2017 and December 31, 2016.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

**5) Securities on Deposit**

Investments on deposit at the original cost with various states and the federal government were \$770,651, \$772,414, and \$73,947,287 at June 30, 2017, December 31, 2016 and June 13, 2003, respectively. During 2016, the only remaining state deposit was returned; such deposit had a market value and cost of \$109,305. The federal deposit is still held at June 30, 2017. 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 \$56,588,869 may be offset against future distributions to such guaranty associations.

**6) Early Access Distribution**

On November 2, 2016, the Liquidation Court approved the eleventh early access distribution to insurance guaranty associations based on guaranty association through July 30, 2016. The Liquidator paid \$14.7 million for the eleventh early access distribution through December 31, 2016. On May 20, 2015, the Liquidation Court approved the tenth early access distribution to insurance guaranty associations based on guaranty association payments through September 30, 2014. The Liquidator paid \$15.9 million for the tenth early access distribution through December 31, 2015. The total of all early access payments through June 30, 2017 was \$256.1 million.

As a condition for receiving early access distributions, 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 the “claw back” agreements, the Liquidator requested and received the return of \$5.9 million for the eleventh early access advance as of June 30, 2017. The Liquidator requested and received the return of \$3.8 million from the guaranty associations for the tenth early access advance through December 31, 2015. Such returns of “claw back” amounts are netted against the related early access advances in the financial statements. The distribution caps are (1) an amount equal to 40% of the total incurred costs projected by each guaranty association, and (2) an amount equal to 75% of each guaranty association’s cumulative paid claims.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

**6) Early Access Distribution (continued)**

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 Statement of Net Assets.

Early Access Distributions paid in cash	\$ 252,942,104
Assets withdrawn from special deposits held by states to pay Home claims (market value, see note 5)	56,588,869
Other deemed Early Access advances paid in cash	<u>3,148,212</u>
Total	<u>\$ 312,679,185</u>

**7) 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 Home’s expenses incurred in the collection process. Forty-six Guaranty Associations have signed the Deductible Agreement to date. On March 1, 2017 and February 17, 2016, the Liquidator paid \$261,783 and \$449,249, respectively, after netting of the fee.

The Home Insurance Company in Liquidation (“Home”)

Notes to Financial Statements (continued)  
(Modified-Cash Basis)  
(Unaudited)

**8) Allowed Claims**

As of June 30, 2017, the Liquidator has allowed, and the Liquidation Court has approved, \$74,050,281 of Class I claims, \$2,469,517,865 of Class II claims, \$2,672,527 of Class III claims, \$251,039,183 of Class V claims and \$5,315 of Class VIII claims. Class I claims paid in 2016 included \$1,081,089 for the sixth 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 Liquidation 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.

Additionally, on September 28, 2015, the Liquidator submitted a motion to the Liquidation Court seeking Approval for a second interim distribution of 10% on allowed Class II claims. The Liquidation Court issued an order approving the motion on November 16, 2015 (the Order). On March 7, 2016, the Order was amended so that claimants who had not received the first interim distribution would be paid the second interim distribution coincident with the first interim distribution. The second interim distribution was subject to a waiver from the United States Justice Department. The waiver was received on July 18, 2016.

As of June 30, 2017, cash paid relating to the interim distributions in 2017 and 2016 totaled \$38,366,501 and \$190,692,522 respectively, and \$143,937 remains outstanding as a payable for outstanding checks. The total of all class II payments through June 30, 2017 was \$479,695,094. The amounts paid in 2016 and 2015 include interim distributions to a creditor totaling \$60,490,642 which was transferred into escrow pursuant to an approved settlement agreement and approved escrow agreement. The funds held by the escrow agent are subject to the jurisdiction of the Liquidation Court but are no longer under control of the Liquidation and are therefore not reflected on the Statement of the Restricted and Unrestricted Net Assets.

The Home Insurance Company in Liquidation  
 G&A Expenses (Actual vs Budget)  
 June 30, 2017

	Actual 2017	YTD		Variance 2017	Full Year Budget
		Budget 2017			
<b>General &amp; Administrative Expense</b>					
Salary and Benefits	4,119,193	4,217,250	(98,057)	8,453,001	
Travel	12,262	36,860	(24,598)	79,945	
Rent	728,252	793,199	(64,947)	1,691,172	
Equipment	120,817	127,500	(6,683)	255,000	
Printing and Stationery	12,470	23,610	(11,140)	46,970	
Postage	5,910	9,760	(3,850)	19,220	
Telephone	57,906	86,000	(28,094)	165,900	
Outside Services, including Special Deputy	1,364,230	1,475,580	(111,350)	2,701,160	
Legal and Auditing	388,688	436,500	(47,812)	756,500	
Bank Fees	79,127	90,000	(10,873)	180,000	
Corporate Insurance	1,708	604	1,104	76,208	
Miscellaneous Income/Expenses	2,046	50,050	(48,004)	100,000	
<b>Total Expenses Incurred</b>	<b>6,892,608</b>	<b>7,346,913</b>	<b>(454,305)</b>	<b>14,525,076</b>	

The Home Insurance Company in Liquidation  
 Portfolio Summary Report- Bonds and Short Term Investments  
 Securities Held as of June 30, 2017  
 (000's)

Conning Managed:		Book Value	Market Value	Unrealized Gain (Loss)	Eff Mat (Years)	Book Yield	Average Credit Quality	Earned Income 6/30/17
% of BV								
<b>Fixed Income</b>								
2.7%	Short Term	23,635	23,635	-	0.05	0.95	Aaa	110
1.5%	Agency	13,048	12,953	(95)	1.62	1.41	Aa1	430
4.6%	Government	40,268	40,731	463	3.25	1.99	Aaa	95
63.8%	Corporate	562,813	563,991	1,178	2.80	2.29	A1	6,176
0.6%	Corporate High Yield	5,358	5,265	(93)	0.95	3.43	Ba2	156
17.7%	Mortgage Backed	156,240	158,062	1,822	3.39	2.64	Aaa	1,003
8.2%	Asset Backed	72,494	72,598	104	2.59	1.68	Aaa	532
0.9%	CMBS	7,681	7,674	(7)	0.19	1.24	Aaa	77
100.0%	<b>Total</b>	<b>881,537</b>	<b>884,909</b>	<b>3,372</b>	<b>2.79</b>	<b>2.24</b>	<b>Aa3</b>	<b>8,579</b>

**Other investments- Home Insurance**  
 100% US Treasury Bills and Notes

9,509	9,505	(4)	0.09	0.31	Aaa	13
891,046	894,414	3,368	2.76	2.22	Aa3	8,592 (2)
<b>Total Home Insurance (1)</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 June 30, 2017, would be \$19.7 million over the next 12 months.

**THE HOME INSURANCE COMPANY IN LIQUIDATION  
HOLDINGS REPORT  
AS OF JUNE 30, 2017**

CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
03785DUK0	APPLE INC	07/19/2017	5,000,000.00	4,997,775.00	4,997,775.00
11070JUT5	BRITISH COLUMBIA PROV OF	07/27/2017	2,500,000.00	2,498,031.95	2,498,031.95
59157TUJ0	METLIFE SHORT TERM FUND	07/18/2017	5,000,000.00	4,997,638.90	4,997,638.90
74800JUE3	QUEBEC PROVINCE	07/14/2017	3,660,000.00	3,658,784.07	3,658,784.07
82880WUA8	SIMON PROPERTY GRP LP	07/10/2017	5,000,000.00	4,998,812.50	4,998,812.50
262006208	DREYFUS GOVERN CASH MGMT-INS	0.910 07/15/2017	2,483,382.10	2,483,382.10	2,483,382.10
<b>TOTAL CASH EQUIVALENTS</b>			<b>23,643,382.10</b>	<b>23,634,424.52</b>	<b>23,634,424.52</b>
<b>SHORT TERM (OVER 90 DAYS)</b>					
912796LM9	US TREASURY BILL	08/03/2017	9,512,000.00	9,509,342.15	9,505,056.24
<b>TOTAL SHORT TERM</b>			<b>9,512,000.00</b>	<b>9,509,342.15</b>	<b>9,505,056.24</b>
<b>U S TREASURY</b>					
912828A83	US TREASURY N/B	2.375 12/31/2020	20,000,000.00	20,244,030.60	20,487,500.00
912828VZ0	US TREASURY N/B	2.000 09/30/2020	20,000,000.00	20,024,303.00	20,243,750.00
<b>TOTAL U S TREASURY</b>			<b>40,000,000.00</b>	<b>40,268,333.60</b>	<b>40,731,250.00</b>
<b>GOVERNMENT AGENCIES</b>					
3137EADJ5	FREDDIE MAC	1.000 07/28/2017	9,000,000.00	8,999,658.18	8,999,820.00
<b>TOTAL GOVERNMENT AGENCIES</b>			<b>9,000,000.00</b>	<b>8,999,658.18</b>	<b>8,999,820.00</b>
<b>TOTAL GOVERNMENT &amp; AGENCIES</b>			<b>49,000,000.00</b>	<b>49,267,991.78</b>	<b>49,731,070.00</b>
<b>CORPORATE</b>					
00440EAU1	CHUBB INA HOLDINGS INC	2.875 11/03/2022	8,000,000.00	8,272,345.13	8,141,184.00
009158AS5	AIR PRODUCTS & CHEMICALS	1.200 10/15/2017	4,000,000.00	3,999,758.08	3,996,308.00
0258M0EG0	AMERICAN EXPRESS CREDIT	2.700 03/03/2022	5,000,000.00	4,989,536.90	5,041,790.00
02666QM28	AMERICAN HONDA FINANCE	1.600 02/16/2018	6,725,000.00	6,724,502.89	6,730,487.60
03523TAN8	ANHEUSER-BUSCH INBEV WOR	5.375 01/15/2020	3,000,000.00	3,242,742.03	3,250,140.00
03523TBE7	ANHEUSER-BUSCH INBEV WOR	7.750 01/15/2019	3,000,000.00	3,247,265.31	3,263,700.00
037833AR1	APPLE INC	2.850 05/06/2021	7,000,000.00	7,038,620.19	7,197,918.00
037833BU3	APPLE INC	2.850 02/23/2023	5,000,000.00	5,140,590.50	5,086,455.00
037833CM0	APPLE INC	2.500 02/09/2022	3,000,000.00	2,999,861.19	3,023,574.00
048353AB4	ASTRAZENECA PLC	5.900 09/15/2017	4,500,000.00	4,536,586.98	4,538,191.50
046353AF5	ASTRAZENECA PLC	1.950 09/18/2019	2,500,000.00	2,517,215.78	2,503,007.50
04685A2B6	ATHENE GLOBAL FUNDING	4.000 01/25/2022	4,050,000.00	4,048,843.85	4,195,176.30
04685A2C4	ATHENE GLOBAL FUNDING	2.750 04/20/2020	5,000,000.00	4,991,430.70	5,010,115.00
05367AAE3	AVIATION CAPITAL GROUP	4.625 01/31/2018	2,000,000.00	2,000,000.00	2,029,902.00
05531FAX1	BB&T CORPORATION	2.750 04/01/2022	7,000,000.00	6,987,607.27	7,075,327.00
055451AH1	BHP BILLITON FIN USA LTD	6.500 04/01/2019	2,500,000.00	2,498,212.58	2,696,577.50
05565QBU1	BP CAPITAL MARKETS PLC	3.561 11/01/2021	8,550,000.00	8,854,406.25	8,916,042.60
06051GET2	BANK OF AMERICA CORP	2.000 01/11/2018	5,000,000.00	5,000,104.20	5,007,520.00
08366RMS1	BANK OF MONTREAL	1.450 04/09/2018	7,355,000.00	7,352,587.19	7,349,667.63
08406HCL1	BANK OF NEW YORK MELLON	2.100 08/01/2018	2,000,000.00	2,002,880.64	2,011,090.00
08406RAA5	BANK OF NY MELLON CORP	2.600 02/07/2022	5,000,000.00	4,990,106.25	5,026,445.00
08406RAC1	BANK OF NY MELLON CORP	2.661 05/16/2023	2,605,000.00	2,605,000.00	2,607,787.35
064159BE5	BANK OF NOVA SCOTIA	1.375 12/18/2017	5,000,000.00	4,999,468.80	4,999,250.00
084670BR8	BERKSHIRE HATHAWAY INC	2.750 03/15/2023	5,000,000.00	5,161,214.20	5,066,265.00
097014AL8	BOEING CAPITAL CORP	4.700 10/27/2019	4,000,000.00	4,201,720.08	4,263,316.00
097023BQ7	BOEING CO	1.875 08/15/2023	3,000,000.00	2,999,806.14	2,889,252.00
12189LAQ4	BURLINGTN NORTH SANTA FE	3.850 09/01/2023	5,000,000.00	5,434,291.40	5,356,545.00
136069FA4	CANADIAN IMPERIAL BANK	1.550 01/23/2018	8,000,000.00	7,968,482.16	8,001,792.00



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140420NH9	CAPITAL ONE BANK USA NA	2.250	02/13/2019	5,000,000.00	4,999,849.00	5,013,710.00
14149YBL1	CARDINAL HEALTH INC	1.948	06/14/2019	1,375,000.00	1,375,000.00	1,376,355.75
14912L6J5	CATERPILLAR FINANCIAL SE	2.000	03/05/2020	3,750,000.00	3,748,825.46	3,739,961.25
166764AB6	CHEVRON CORP	2.355	12/05/2022	3,500,000.00	3,500,000.00	3,481,730.00
17275RAR3	CISCO SYSTEMS INC	2.125	03/01/2019	8,000,000.00	8,011,339.04	8,064,816.00
172967FT3	CITIGROUP INC	4.500	01/14/2022	4,000,000.00	4,237,171.44	4,290,972.00
191216AR1	COCA-COLA CO/THE	3.150	11/15/2020	4,000,000.00	4,153,525.32	4,158,772.00
22160KAF2	COSTCO WHOLESALE CORP	1.700	12/15/2019	8,040,000.00	8,033,458.01	8,019,771.36
233851CY8	DAIMLER FINANCE NA LLC	2.200	05/05/2020	2,940,000.00	2,936,286.93	2,937,280.50
24422EQZ5	JOHN DEERE CAPITAL CORP	2.800	09/18/2017	1,000,000.00	1,002,245.62	1,002,600.00
24422ETG4	JOHN DEERE CAPITAL CORP	2.800	03/06/2023	7,000,000.00	7,187,220.16	7,059,052.00
25243YAM1	DIAGEO CAPITAL PLC	5.750	10/23/2017	2,200,000.00	2,226,116.49	2,224,734.60
25271CAK8	DIAMOND OFFSHORE DRILL	5.875	05/01/2019	2,787,000.00	2,957,825.51	2,863,642.50
25468PDD5	WALT DISNEY COMPANY/THE	1.500	09/17/2018	5,740,000.00	5,738,004.20	5,739,580.98
25470XAH8	DISH DBS CORP	4.625	07/15/2017	2,400,000.00	2,399,979.46	2,401,200.00
260543CH4	DOW CHEMICAL CO/THE	3.000	11/15/2022	4,000,000.00	3,977,396.76	4,075,776.00
26875PAL5	EOG RESOURCES INC	2.450	04/01/2020	5,025,000.00	5,021,290.55	5,050,984.28
278642AE3	EBAY INC	2.600	07/15/2022	4,000,000.00	3,903,892.56	3,963,028.00
30231GAD4	EXXON MOBIL CORPORATION	1.819	03/15/2019	6,000,000.00	6,000,000.00	6,024,228.00
341099CP2	DUKE ENERGY FLORIDA INC	3.100	08/15/2021	4,000,000.00	4,153,290.44	4,107,752.00
34540UAA7	FORD MOTOR CREDIT CO LLC	2.375	01/16/2018	1,925,000.00	1,924,135.94	1,932,253.40
36164QMS4	GE CAPITAL INTL FUNDING	2.342	11/15/2020	3,683,000.00	3,696,347.74	3,714,887.41
36962G6P4	GENERAL ELEC CAP CORP	2.100	12/11/2019	2,725,000.00	2,724,221.49	2,743,328.35
36962G7G3	GENERAL ELEC CAP CORP	2.300	01/14/2019	3,500,000.00	3,514,855.09	3,533,754.00
36962G7M0	GENERAL ELEC CAP CORP	2.200	01/09/2020	1,432,000.00	1,447,602.07	1,445,513.78
37045XAE6	GENERAL MOTORS FINL CO	4.750	08/15/2017	2,350,000.00	2,350,000.00	2,358,013.50
375558BE2	GILEAD SCIENCES INC	1.850	09/04/2018	2,425,000.00	2,424,890.68	2,430,655.10
38141GWG2	GOLDMAN SACHS GROUP INC	2.600	12/27/2020	4,000,000.00	3,997,345.16	4,026,052.00
38148LAA4	GOLDMAN SACHS GROUP INC	2.600	04/23/2020	1,000,000.00	1,005,549.27	1,009,327.00
41283LAF2	HARLEY-DAVIDSON FINL SER	2.150	02/26/2020	5,000,000.00	5,015,865.80	4,976,600.00
428236BX0	HEWLETT-PACKARD CO	4.050	09/15/2022	4,000,000.00	4,121,138.44	4,208,580.00
437076BB7	HOME DEPOT INC	2.250	09/10/2018	2,825,000.00	2,824,009.84	2,848,105.68
44328MAC8	HSBC BANK PLC	4.125	08/12/2020	3,000,000.00	3,132,225.21	3,166,233.00
452308AU3	ILLINOIS TOOL WORKS INC	1.950	03/01/2019	7,000,000.00	6,991,329.87	7,024,283.00
458140AM2	INTEL CORP	2.700	12/15/2022	5,000,000.00	5,181,356.75	5,061,145.00
459200HE4	IBM CORP	1.875	05/15/2019	4,000,000.00	3,988,445.48	4,008,656.00
459200HM6	IBM CORP	1.625	05/15/2020	2,455,000.00	2,447,189.81	2,434,704.52
46625HG0	JPMORGAN CHASE & CO	6.000	01/15/2018	2,500,000.00	2,545,244.23	2,556,672.50
46625HHU7	JPMORGAN CHASE & CO	4.250	10/15/2020	5,000,000.00	5,222,560.05	5,297,070.00
46849LSW2	JACKSON NATL LIFE GLOBAL	2.500	06/27/2022	4,000,000.00	3,987,905.40	3,966,960.00
48125LRF1	JP MORGAN CHASE BANK NA	1.450	09/21/2018	2,300,000.00	2,299,333.62	2,293,008.00
55279HAL4	MANUF & TRADERS TRUST CO	2.500	05/18/2022	5,000,000.00	4,993,157.90	4,980,145.00
55608PAH7	MACQUARIE BANK LTD	2.800	06/24/2019	7,860,000.00	7,884,018.18	7,916,277.60
57629WBS8	MASSMUTUAL GLOBAL FUNDIN	2.100	08/02/2018	8,000,000.00	7,996,669.20	8,035,032.00
57629WCC2	MASSMUTUAL GLOBAL FUNDIN	1.550	10/11/2019	5,000,000.00	4,997,900.75	4,938,840.00
58013MEE0	MCDONALDS CORP	5.350	03/01/2018	3,000,000.00	3,068,048.61	3,077,739.00
585055BR6	MEDTRONIC INC	3.150	03/15/2022	5,000,000.00	5,126,609.40	5,174,720.00
589331AN7	MERCK SHARP & DOHME CORP	5.000	06/30/2019	5,000,000.00	5,276,829.05	5,311,795.00
58933YAQ8	MERCK & CO INC	2.350	02/10/2022	5,000,000.00	4,954,217.70	5,030,730.00
59156RBE7	METLIFE INC	1.564	12/15/2017	3,945,000.00	3,946,572.67	3,950,006.21
59217GAY5	MET LIFE GLOB FUNDING I	1.500	01/10/2018	2,500,000.00	2,499,869.75	2,497,630.00
59217GCD9	MET LIFE GLOB FUNDING I	2.650	04/08/2022	5,000,000.00	4,998,226.50	5,020,295.00
594918AV6	MICROSOFT CORP	1.625	12/06/2018	7,000,000.00	6,988,085.37	7,015,554.00
61747YDW2	MORGAN STANLEY	2.650	01/27/2020	4,000,000.00	4,024,290.04	4,038,196.00
637071AJ0	NATIONAL OILWELL VARCO I	2.600	12/01/2022	5,925,000.00	5,912,807.18	5,727,365.70
637432MX0	NATIONAL RURAL UTIL COOP	2.150	02/01/2019	2,530,000.00	2,535,217.11	2,544,972.54
637432NB7	NATIONAL RURAL UTIL COOP	2.300	11/15/2019	3,400,000.00	3,427,068.90	3,434,866.40
63859UBD4	NATIONWIDE BLDG SOCIETY	2.450	07/27/2021	4,000,000.00	3,994,136.04	3,992,028.00
63946CAD0	NBCUNIVERSAL ENTERPRISE	1.974	04/15/2019	7,590,000.00	7,554,786.65	7,614,788.94
64110DAC8	NETAPP INC	2.000	12/15/2017	825,000.00	824,602.17	826,287.00
64952WBQE	NEW YORK LIFE GLOBAL FDG	2.100	01/02/2019	5,945,000.00	5,944,529.94	5,980,188.46

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64952WCS0	NEW YORK LIFE GLOBAL FDG	2.300 06/10/2022	3,050,000.00	3,044,051.49	3,031,898.25
674599CE3	OCCIDENTAL PETROLEUM COR	2.700 02/15/2023	4,000,000.00	4,018,604.64	3,994,076.00
68389XBA2	ORACLE CORP	2.800 07/08/2021	9,000,000.00	9,003,716.91	9,223,938.00
69353RER5	PNC BANK NA	1.850 07/20/2018	3,625,000.00	3,641,091.23	3,626,674.75
69371RM94	PACCAR FINANCIAL CORP	2.250 02/25/2021	5,550,000.00	5,661,553.17	5,542,540.80
713448BY3	PEPSICO INC	2.750 03/05/2022	7,000,000.00	7,043,196.79	7,148,295.00
74005PBH6	PRAXAIR INC	1.250 11/07/2018	8,000,000.00	7,924,181.52	7,956,200.00
74153WCD9	PRICOA GLOBAL FUNDING 1	2.200 05/16/2019	9,000,000.00	9,000,000.00	9,048,123.00
74256LAY5	PRINCIPAL LFE GLB FND II	2.150 01/10/2020	5,000,000.00	4,994,120.55	4,999,580.00
74456QBH8	PUBLIC SERVICE ELECTRIC	3.150 08/15/2024	5,000,000.00	5,269,779.30	5,072,630.00
747525AE3	QUALCOMM INC	3.000 05/20/2022	5,000,000.00	5,165,566.30	5,121,235.00
747525AR4	QUALCOMM INC	2.600 01/30/2023	2,285,000.00	2,281,391.85	2,274,495.86
771196BB7	ROCHE HOLDING INC	2.875 09/29/2021	7,000,000.00	7,179,286.80	7,156,009.00
797440BN3	SAN DIEGO G & E	3.000 08/15/2021	4,450,000.00	4,584,929.43	4,575,436.60
808513AJ4	CHARLES SCHWAB CORP	2.200 07/25/2018	4,450,000.00	4,449,722.68	4,471,956.30
822582AS1	SHELL INTERNATIONAL FIN	2.375 08/21/2022	5,000,000.00	4,956,614.50	4,975,200.00
824348AP1	SHERWIN-WILLIAMS CO	1.350 12/15/2017	6,250,000.00	6,249,234.69	6,249,356.25
828807CN5	SIMON PROPERTY GROUP LP	2.750 02/01/2023	5,000,000.00	5,087,953.80	4,972,225.00
828807DB0	SIMON PROPERTY GROUP LP	2.625 06/15/2022	2,710,000.00	2,707,601.68	2,719,531.07
842808AF4	SOUTHERN ELECTRIC GEN CO	2.200 12/01/2018	5,555,000.00	5,554,467.83	5,526,447.30
854502AD3	STANLEY BLACK & DECKER I	2.900 11/01/2022	4,000,000.00	4,001,177.60	4,065,480.00
85771PAG7	STATOIL ASA	2.450 01/17/2023	4,000,000.00	4,048,777.68	3,953,428.00
87236YAE8	TD AMERITRADE HOLDING CO	2.950 04/01/2022	3,000,000.00	3,103,328.82	3,058,929.00
881609AY7	TESORO CORP	4.250 10/01/2017	900,000.00	900,000.00	901,125.00
88167AAD3	TEVA PHARMACEUTICALS NE	2.800 07/21/2023	2,100,000.00	2,093,853.47	2,043,075.30
89114QAM0	TORONTO-DOMINION BANK	2.625 09/10/2018	5,000,000.00	5,039,781.90	5,055,655.00
89114QAS7	TORONTO-DOMINION BANK	2.125 07/02/2019	4,000,000.00	3,997,965.88	4,020,160.00
89153VAP4	TOTAL CAPITAL INTL SA	2.750 06/19/2021	5,000,000.00	5,069,257.30	5,102,025.00
89233P7E0	TOYOTA MOTOR CREDIT CORP	1.375 01/10/2018	2,000,000.00	1,999,655.58	1,999,394.00
893526DK6	TRANS-CANADA PIPELINES	3.800 10/01/2020	5,000,000.00	5,203,399.75	5,254,300.00
90261XFA5	UBS AG STAMFORD CT	5.750 04/25/2018	7,000,000.00	7,223,835.36	7,230,342.00
91159HHH6	US BANCORP	2.200 04/25/2019	7,000,000.00	6,997,633.16	7,057,498.00
913017BV0	UNITED TECHNOLOGIES CORP	3.100 06/01/2022	7,000,000.00	7,156,008.58	7,225,806.00
92276MAW5	VENTAS REALTY LP/CAP CRP	4.750 06/01/2021	4,500,000.00	4,656,450.15	4,820,733.00
92826CAC6	VISA INC	2.800 12/14/2022	5,000,000.00	5,184,489.65	5,091,535.00
931142CJ0	WAL-MART STORES INC	5.800 02/15/2018	3,000,000.00	3,071,359.08	3,079,617.00
94974BFG0	WELLS FARGO & COMPANY	1.500 01/16/2018	4,000,000.00	3,999,203.40	3,999,688.00
959802AT6	WESTERN UNION CO/THE	3.350 05/22/2019	2,500,000.00	2,499,635.35	2,550,907.50
<b>TOTAL CORPORATE</b>			<b>566,107,000.00</b>	<b>572,219,976.56</b>	<b>573,209,378.27</b>
<b>MORTGAGE BACKED</b>					
12624PAC9	COMM 2012-CR3 A2	1.765 11/15/2045	4,563,137.59	4,565,171.84	4,562,316.23
17318UAB0	CGCMT 2012-GC8 A2	1.813 09/10/2045	477,929.70	478,018.01	477,824.56
3128L0DF6	FHLMC POOL A68202	6.000 11/01/2037	147,785.47	151,237.78	166,472.04
3128L0EF5	FHLMC POOL A68234	6.000 11/01/2037	266,234.90	268,429.28	299,690.62
3128ME4A6	FHLMC POOL G16017	3.000 12/01/2031	12,506,624.63	12,853,706.48	12,855,800.84
3128ME4T5	FHLMC POOL G16034	2.500 01/01/2032	12,953,506.41	12,977,501.23	13,022,823.21
3128MJAD2	FHLMC POOL G08003	6.000 07/01/2034	367,398.60	376,571.02	415,955.62
3128MJMC1	FHLMC POOL G08354	5.000 07/01/2039	1,920,525.45	1,943,331.69	2,088,830.51
3128MMVZ3	FHLMC POOLG18631	2.500 01/01/2032	12,872,237.02	12,891,238.24	12,939,114.73
3128PYU36	FHLMC POOL J18702	3.000 03/01/2027	6,534,366.80	6,738,643.33	6,710,980.28
31292JBR0	FHLMC POOL C01848	6.000 06/01/2034	464,354.58	480,752.10	525,458.58
312944AF8	FHLMC POOL A95406	4.000 12/01/2040	2,902,884.00	2,939,906.57	3,073,375.02
31297ECP9	FHLMC POOL A2-6378	6.000 09/01/2034	238,776.10	246,412.78	263,317.44
31307AEK4	FHLMC POOL J21938	2.500 01/01/2028	10,857,696.60	11,180,318.29	11,020,302.55
31307FJM4	FHLMC POOL J26568	3.500 12/01/2028	5,975,186.31	6,246,730.56	6,261,092.40
31307GTQ2	FHLMC POOL J27759	3.000 03/01/2029	11,240,849.25	11,537,990.53	11,566,301.06
3132GDMF6	FHLMC POOL Q00358	4.500 04/01/2041	4,932,022.36	5,175,797.48	5,336,625.25
3132GFXD4	FHLMC POOL Q02476	4.500 08/01/2041	2,828,651.80	2,965,777.26	3,060,981.14

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31335H5U3	FHLMC POOL C90859	5.500 10/01/2024	442,781.00	453,082.60	487,673.77
31371PC57	FNMA POOL 257592	5.000 03/01/2039	665,539.81	673,083.08	729,262.52
31376KEL6	FNMA POOL 357539	5.500 04/01/2034	461,255.10	461,255.10	512,728.59
3138A8KG0	FNMA POOL AH6594	3.500 03/01/2026	4,798,825.27	4,991,900.63	4,995,551.67
3138NXE37	FNMA POOL AR1053	2.500 01/01/2028	7,747,170.76	7,981,313.58	7,863,162.95
3138YEPP6	FNMA POOL AY1329	3.000 03/01/2030	10,624,480.95	11,074,175.49	10,908,267.21
3140J5GH6	FNMA POOL BM1099	3.000 03/01/2032	7,772,473.20	8,031,150.82	7,987,811.90
31412RLY1	FNMA POOL 932843	3.500 12/01/2025	4,042,496.80	4,113,861.83	4,208,307.89
31413FGK2	FNMA POOL 944002	6.000 08/01/2037	691,065.48	686,595.85	781,153.12
31415Q4B9	FNMA POOL 986518	5.000 06/01/2038	293,469.71	296,332.31	322,259.00
31416XEL0	FNMA POOL AB1938	3.500 12/01/2025	6,765,346.45	6,982,337.77	7,082,537.01
31416YTY4	FNMA POOL AB3266	4.000 07/01/2041	3,646,234.50	3,728,184.24	3,872,841.41
31416YU89	FNMA POOL AB3306	4.000 07/01/2041	3,236,281.20	3,318,546.46	3,421,001.66
31419LD42	FNMA POOL AE9122	3.500 12/01/2025	2,034,904.10	2,074,990.75	2,118,472.73
31419LYR8	FNMA POOL AE9719	4.500 12/01/2040	8,262,513.40	8,542,487.51	8,956,847.93
36202D5C1	GNMA 2M POOL 3543	5.000 04/20/2034	644,103.30	643,345.71	697,911.63
36202EAK5	GNMA 2M POOL 3610	5.500 09/20/2034	579,119.80	591,943.82	638,989.38
36202EUT4	GNMA 2M POOL 4194	5.000 07/20/2038	855,471.60	857,342.94	935,414.57
36202EUU1	GNMA 2M POOL 4195	6.000 07/20/2038	754,163.85	769,011.45	839,557.67
36202EVN6	GNMA 2M POOL 4221	5.500 08/20/2038	565,843.90	561,429.23	618,650.94
36202EVP1	GNMA 2M POOL 4222	6.000 08/20/2038	427,529.30	432,739.81	475,916.94
61761DAB8	MSBAM 2012-C6 A2	1.868 11/15/2045	2,636,700.00	2,637,876.68	2,634,353.34
<b>TOTAL MORTGAGE BACKED</b>			<b>159,997,937.05</b>	<b>163,920,522.11</b>	<b>165,735,935.91</b>
<b>ASSET BACKED</b>					
02587AAJ3	AMXCA 2017-1 A	1.930 09/15/2022	2,670,000.00	2,669,446.43	2,683,657.58
048312AG7	ACETF 2003-1 A3	5.050 10/20/2020	2,118,287.64	2,336,122.38	2,159,447.66
05522RCW6	BACCT 2017-A1 A1	1.950 08/15/2022	5,365,000.00	5,363,595.50	5,390,611.97
055657AB6	BMWLT 2017-1 A2	1.640 07/22/2019	2,335,000.00	2,334,815.72	2,336,952.06
06742LAE3	DROCK 2014-3 A	2.410 07/15/2022	7,235,000.00	7,234,181.65	7,337,148.79
14041NFF3	COMET 2016-A4 A4	1.330 06/15/2022	4,585,000.00	4,584,214.27	4,546,477.29
14041NFM8	COMET 2017-A3 A3	2.430 01/15/2025	4,465,000.00	4,463,110.81	4,504,229.94
14312QAD8	CARMX 2016-4 A4	1.600 06/15/2022	5,000,000.00	4,931,736.40	4,946,084.00
161571FK5	CHAIT 2012-A4 A4	1.580 08/16/2021	5,056,000.00	4,983,176.11	5,045,103.81
17305EFM2	CCCIT 2014-A1 A1	2.880 01/23/2023	5,000,000.00	5,131,442.95	5,161,697.00
17305EFR1	CCCIT 2014-A5 A5	2.680 06/07/2023	8,000,000.00	8,119,605.36	8,212,256.00
17305EGB5	CCCIT 2017-A3 A3	1.920 04/07/2022	5,000,000.00	5,012,868.60	5,008,876.00
29366AAA2	ELL 2011-A A1	2.040 09/01/2023	2,635,331.16	2,691,153.43	2,632,031.20
43814TAC6	HAROT 2017-1 A3	1.720 07/21/2021	2,500,000.00	2,499,868.45	2,501,934.00
654747AD6	NAROT 2017-A A3	1.740 08/16/2021	2,780,000.00	2,779,736.85	2,784,839.42
92347XAA4	VZOT 2016-1A A	1.420 01/20/2021	1,300,000.00	1,299,865.78	1,294,910.11
92348MAA7	VZOT 2016-2A A	1.680 05/20/2021	2,985,000.00	2,984,772.84	2,979,440.14
92348PAA0	VZOT 2017-2A A	1.920 12/20/2021	3,075,000.00	3,074,535.95	3,074,428.05
<b>TOTAL ASSET BACKED</b>			<b>72,104,618.80</b>	<b>72,494,249.48</b>	<b>72,598,125.02</b>
<b>TOTAL MARKETABLE SECURITIES</b>			<b>856,721,555.85</b>	<b>867,412,082.08</b>	<b>870,779,565.44</b>
<b>TOTAL MARKETABLE AND C/E</b>			<b>880,364,937.95</b>	<b>891,046,506.60</b>	<b>894,413,989.96</b>
<b>COMMON</b>					
34958N100	FORTICELL BIOSCIENCE, INC		1,926.00	1,627,706.00	1.93
	RIMCO ROYALTY MANAGEMENT, INC		346,302.00	346.30	0.00
<b>TOTAL COMMON</b>			<b>348,228.00</b>	<b>1,628,052.30</b>	<b>1.93</b>
<b>TOTAL MARKETABLE , CASH, C/E AND COMMON</b>			<b>880,713,165.95</b>	<b>892,874,558.90</b>	<b>894,413,991.89</b>

**THE HOME INSURANCE COMPANY IN LIQUIDATION  
HOLDINGS REPORT  
AS OF JUNE 30, 2017**

CUSIP	DESCRIPTION	CPN MATURITY	QUANTITY	BOOK VALUE	MARKET VALUE
<b><u>EQUITY SECURITIES</u></b>					
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	580,688.75	0.00
<b>COMMON STOCKS</b>			<b>279,708.00</b>	<b>606,488.75</b>	<b>0.00</b>
	RIMCO ROYALTY PARTNERS, L.P.		346,302.00	3,199,497.00	654,785.00
<b>LIMITED PARTNERS</b>			<b>346,302.00</b>	<b>3,199,497.00</b>	<b>654,785.00</b>
<b>TOTAL EQUITY SECURITIES</b>			<b>626,010.00</b>	<b>3,805,985.75</b>	<b>654,785.00</b>
<b>TOTAL</b>			<b>881,339,175.95</b>	<b>896,480,544.65</b>	<b>895,068,776.89</b>