

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 FILING REGARDING STATUS REPORT

Pursuant to RSA 402-C:25, Christopher R. Nicolopoulos, 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 similar information filed at about this time in previous years.

Respectfully submitted,

CHRISTOPHER R. NICOLOPOULOS, INSURANCE
COMMISSIONER OF THE STATE OF NEW
HAMPSHIRE, AS LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,

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November 19, 2020

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Filing Regarding Status Report was sent, this 19th day of November, 2020, by first class mail, postage prepaid to all persons on the attached service list.

/s/ Eric A. Smith _____

Eric A. Smith

THE STATE OF NEW HAMPSHIRE

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Exhibit 1 - Cash and Invested Assets

	September 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	
Cash and Cash Equivalents	71,690,649	34,871,056	154,973,851	65,176,379	\$12,980,174	\$61,071,556	\$88,319,643	\$45,275,553	\$78,525,441	
Marketable Securities, Liquid, at cost	723,675,923	777,688,556	749,762,900	845,481,282	889,709,197	988,617,956	996,668,947	1,141,238,750	1,056,976,579	
Common Stock, Liquid, at Market Value	2	2	2	2	2	2	2	224,628	233,460	
Interest Income Receivable	3,595,551	4,485,145	4,296,062	5,007,814	4,931,823	5,099,249	5,853,279	6,744,455	6,789,115	
Total Liquid Assets	798,962,125	817,044,759	909,032,815	915,665,477	\$907,621,196	\$1,054,788,763	\$1,090,841,871	\$1,193,483,386	\$1,142,524,595	
Preferred Stock, Non Liquid, at Equity										
Common Stock, Non Liquid, at Equity	475,276	592,358	592,358	654,785	695,440	800,556	869,083	925,034	961,085	
Surplus Notes, Non Liquid										
Total Cash and Invested Assets	799,437,401	817,637,117	909,625,173	916,320,262	\$908,316,636	\$1,055,589,319	\$1,091,710,954	\$1,194,408,420	\$1,143,485,680	
Add:										
Credit for Early Access Distributions										
to Guaranty Associations	252,942,104	252,942,104	252,942,104	252,942,104	257,948,066	244,107,133	232,018,572	232,018,572	222,464,338	
Class I distribution to Guaranty Assoc.	94,674,409	94,674,409	86,022,844	80,589,485	72,489,981	71,408,893	51,865,748	47,238,784	47,238,784	
Class II distributions	656,958,044	625,263,233	513,085,532	483,473,823	441,328,593	250,636,071	186,587,340	-	-	
WC Advance Payments to Guaranty Assoc.	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	3,148,212	
Assets held by States to pay Home										
Claims (Market Value)	55,744,793	55,744,793	55,673,235	55,673,235	56,588,869	56,567,800	56,443,936	55,814,650	55,744,250	
Adjusted total cash and invested assets	1,862,904,964	1,849,409,868	1,820,497,099	1,792,147,121	\$1,739,820,357	\$1,681,457,428	\$1,621,774,762	\$1,532,628,638	\$1,472,081,264	
	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	\$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	1,048,273,796	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	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	8,071,024	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
Total Liquid Assets	\$1,115,739,524	\$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	\$1,116,618,192	\$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 Assoc.	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	3,221,557	3,221,557	3,221,557	3,221,557	-
Assets held by States to pay Home										
Claims (Market Value)	55,744,250	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	\$1,422,382,451	\$1,366,982,891	\$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

Exhibit 2 - Home Proofs of Claim and Notices of Determination ⁽¹⁾

As of: September 30, 2020

<u>CLAIMS</u>	<u>Count</u>
Total POCs Mailed	369,519
Total POCs Returned	20,828
<u>FINAL DETERMINATIONS</u>	<u>Count</u>
NODs Mailed- Approved by the Court. ⁽²⁾	20,780
NODs RFRed or OBJ. Resolution is pending.	77
NODs within 60 days and/or pending court approval. ⁽³⁾	25
<u>PARTIAL DETERMINATIONS</u> ⁽⁴⁾	<u>Count</u>
NODs Mailed- Approved by the Court.	4,127
NODs RFRed or OBJ. Resolution is pending.	6
NODs within 60 days and/or pending court approval. ⁽³⁾	11
TOTAL # of NODs (Final and Partial)	25,026
<u>TOTAL NUMBER OF POCs UNRESOLVED</u>	<u>Count</u>
Partial NODs, NODs pending court approval and POCs to be determined.	843

⁽¹⁾ Proofs of Claim and Notices of Determination for all priority classes. Notices of Determination include Notices of Redetermination.

⁽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 determinations can change if a final determination as to amount is issued.

⁽³⁾ Claimants may object to Liquidator's Notices of Determination within 60 days.

⁽⁴⁾ Some POCs were issued one or more interim NOD allowances as satisfactory documentation was presented to the Liquidator. The POC remains open subject to further and/or final determinations as warranted.

Exhibit 3 - Guaranty Fund Incurred



Guaranty Fund Reported Indemnity & ALAE Paid (as of 09/30/20)	\$664M
Early Access Distributions (Indemnity and ALAE) (as of 09/30/20)	\$256M
Amount of Early Access deemed permanent and not subject to claw back - \$127M	
Early Access amount available to a potential clawback request - \$129M	
Guaranty Fund Incurred (as of 09/30/20)	\$938M

Exhibit 4 - Investments

The Home Insurance Company in Liquidation
Portfolio Summary Report- Bonds and Short Term Investments
Securities Held as of September 30, 2020
(000's)

Conning Managed:

% of BV		<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 9/30/20</u>
Fixed Income								
7.3%	Short Term	56,552	56,552	-	0.04	0.02	N/A	255
3.5%	Agency	26,756	27,884	1,128	2.17	2.50	Aa3	632
3.9%	Government	29,935	30,640	705	1.20	2.14	Aaa	630
60.0%	Corporate	464,836	480,851	16,014	2.00	2.40	A2	9,281
10.2%	Mortgage Backed	79,379	83,393	4,014	3.03	2.47	Aaa	1,663
14.7%	Asset Backed	113,905	115,514	1,609	1.19	2.09	Aaa	1,561
0.4%	CMBS	3,471	3,834	363	5.08	2.87	Aaa	74
100.0%	Total	<u>774,835</u>	<u>798,668</u>	<u>23,834</u>	<u>1.84</u>	<u>2.18</u>	<u>A1</u>	<u>14,095</u>
Other investments- Home Insurance								
100%	US Treasury Bills and Notes	9,891	9,891	-	0.21	0.07	Aaa	96
Total Home Insurance ⁽¹⁾		784,726	808,559	23,834	1.82	2.16	Aa3	14,191 ⁽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, 2020, would be \$15.5 million over the next 12 months.

Exhibit 5 - Operating Expenses

**The Home Insurance Company in Liquidation
G&A Expenses (Actual vs Budget)
September 30, 2020**

General & Administrative Expense	YTD			Full Year Budget
	Actual 2020	Budget 2020	Variance 2020	
Salary and Benefits	5,499,964	5,518,862	(18,898)	7,364,604
Travel	12,863	25,762	(12,899)	36,149
Rent	800,391	887,768	(87,377)	1,170,469
Equipment	164,653	151,350	13,303	201,800
Printing and Stationery	11,955	27,487	(15,533)	36,650
Postage	3,816	9,153	(5,337)	12,204
Telephone	77,556	69,900	7,656	93,200
Outside Services, including Special Deputy	1,809,247	2,010,533	(201,285)	2,680,710
Legal and Auditing	496,445	1,011,250	(514,805)	1,305,000
Bank Fees	117,323	119,250	(1,927)	159,000
Corporate Insurance	48,737	77,000	(28,263)	77,000
Miscellaneous Income/Expenses	927	75,000	(74,073)	100,000
Total Expenses Incurred	9,043,876	9,983,314	(939,438)	13,236,786

Exhibit 6 - Budget

**The Home Insurance Company in Liquidation
Budget 2021
Expected Full Year 2020 and Budget 2020 and 2021**

	Expected Actual 2020	Budget 2020	Budget 2021
General & Administrative Expense			
Salary and Benefits	7,228,157	7,364,604	6,628,359
Travel	21,351	36,149	20,300
Rent	1,089,867	1,170,469	1,264,880
Equipment	333,632	201,800	406,031
Printing and Stationery	16,902	36,650	17,200
Postage	4,814	12,204	6,600
Telephone	112,442	93,200	112,442
Outside Services, including Special Deputy	2,346,007	2,680,710	2,447,358
Legal and Auditing	949,630	1,305,000	1,100,000
Bank Fees	186,660	159,000	180,000
Corporate Insurance	90,657	77,000	90,000
Miscellaneous (Income) Expenses	151,057	100,000	100,500
Total Expenses Incurred	12,531,176	13,236,786	12,373,669