

ANNUAL STATEMENT

OF THE

**HOW INSURANCE COMPANY, A RISK
RETENTION GROUP, In Receivership**

1999

OF

Richmond

IN THE STATE OF

Virginia

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF Virginia/Vatican

FOR THE YEAR ENDED

DECEMBER 31, 1999

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
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Statement of Actuarial Opinion



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GROUP, In Receivership

Management's Discussion and Analysis



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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership

Audited Financial Information



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1999
OF THE CONDITION AND AFFAIRS OF THE

HOW Insurance Company, A Risk Retention Group, In Receivership

NAIC Group Code	<u>0000</u> <small>(Current Period)</small>	<u>0000</u> <small>(Prior Period)</small>	NAIC Company Code	<u>41246</u>	Employer's ID Number	<u>52-1208234</u>
Organized under the Laws of the State of				<u>Virginia</u>	, using	
Incorporated	<u>02/23/1981</u>	Commenced Business	<u>07/27/1981</u>			
Statutory Home Office	<u>1300 E. Main Street</u> <small>(Street and Number)</small>			<u>Richmond, VA 23219</u> <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	<u>7501 N. Capital of Texas Highway, Suite C-200</u> <small>(Street and Number)</small>					
	<u>Austin, TX 78731</u> <small>(City or Town, State and Zip Code)</small>					<u>512-404-6555</u> <small>(Area Code) (Telephone Number)</small>
Mail Address	<u>7501 N. Capital of Texas Highway, Suite C-200</u> <small>(Street and Number or P.O. Box)</small>			<u>Austin, TX 78731</u> <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	<u>7501 N. Capital of Texas Highway, Suite C-200</u> <small>(Street and Number)</small>					
	<u>Austin, TX 78731</u> <small>(City or Town, State and Zip Code)</small>					<u>512-404-6555</u> <small>(Area Code) (Telephone Number)</small>
Annual Statement Contact	<u>Mike R. Parker</u> <small>(Name)</small>			<u>512-404-6555</u> <small>(Area Code) (Telephone Number) (Extension)</small>		
	<u>mparker@palomar-ic.com</u> <small>(E-mail Address)</small>					<u>512-404-6530-</u> <small>(FAX Number)</small>

On Friday, October 14, 1994, in cause No. HE-1059-1, Styled Commonwealth of Virginia ex rel. State Corporation Commission and Steven T. Foster, Commissioner of Insurance v. Home Warranty Corporation, Home Owners Warranty Corporation, and HOW Insurance Company, a Risk Retention Group, the Circuit Court of the City of Richmond, Virginia, entered its FINAL ORDER APPOINTING RECEIVER FOR REHABILITATION OR LIQUIDATION (the "Receivership Order") appointing the State Corporation Commission of the Commonwealth of Virginia (the "Commission") permanent Receiver of HOW Insurance Company ("HOWIC" or "the Company"), as well as its parent Home Warranty Corporation ("HWC") and its affiliate, Home Owners Warranty ("HOW") (collectively, "the Companies"). The Receivership Order also appoints Steven T. Foster, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia, as Deputy Receiver and Patrick Cantilo as Special Deputy Receiver of the Companies. HOWIC remains in receivership and the Deputy Receiver continues to conduct the affairs of HOWIC and administers its operations pursuant to the terms of the Receivership Order. On April 24, 1996, a "Second Order in Aid of Receivership" appointed Alfred W. Gross, Acting Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia (the "Bureau") Acting Deputy Receiver of the Companies, effective May 1, 1996. Mr. Gross has now been appointed Commissioner of Insurance of the Bureau and Deputy Receiver of the Companies.

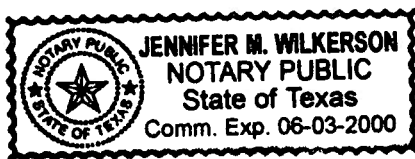
AUTHORIZED REPRESENTATIVES

Mike R. Parker

State of Texas..... }
County of Travis..... } ss

The authorized representatives of this company, being duly sworn, each depose and say that they are the described authorized representatives of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, and have been completed in accordance with the NAIC annual statement instructions and accounting practices and procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Authorized Representative



Subscribed and sworn to before me this 28th day of April, 2000

- a. Is this an original filing? Yes [X] No []
- b. If no,
1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

ASSETS

	Current Year				Prior Year
	1 Ledger Assets	2 Non-Ledger Assets	3 Assets Not Admitted	4 Net Admitted Assets (Cols 1 + 2 - 3)	5 Net Admitted Assets
1. Bonds (less \$) liability for asset transfers with put options, Schedule D, Part 1)	128,470,361		550,929	127,919,432	118,888,885
2. Stocks:					
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....					
2.2 Common stocks (Schedule D, Part 2, Section 2).....					
3. Mortgage loans on real estate (Schedule B):					
3.1 First liens					
3.2 Other than first liens					
4. Real estate: (Schedule A):					
4.1 Properties occupied by the company (less \$ encumbrances)					
4.2 Other properties (less \$ encumbrances)					
5. Cash (\$641,972 Schedule E, Part 1) and short-term investments (\$1,280,054 Schedule DA, Part 1)	1,922,026			1,922,026	10,936,538
6. Other invested assets (Schedule BA)					
7. Receivable for securities					
8. Aggregate write-ins for invested assets					
9. Subtotals, cash and invested assets (Lines 1 to 8)	130,392,387		550,929	129,841,458	129,825,423
10. Agents' balances or uncollected premiums (net as to commissions and dividends):					
10.1 Premiums and agents' balances in course of collection (after deducting ceded reinsurance balances payable of (\$)					
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (after deducting ceded reinsurance balances payable of \$) (Including \$ earned but unbilled premiums)					
10.3 Accrued retrospective premiums (after deducting ceded reinsurance balances payable of \$)					
11. Funds held by or deposited with reinsured companies					
12. Bills receivable, taken for premiums					
13. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 2 and 3)	1,933,667			1,933,667	4,594,715
14. Federal income tax recoverable and interest thereon					1,017,397
14A. Guaranty funds receivable or on deposit					
15. Electronic data processing equipment					
16. Interest, dividends and real estate income due and accrued		1,531,261		1,531,261	1,627,198
17. Receivable from parent, subsidiaries and affiliates	4,663,308		4,663,308	0	
18. Equities and deposits in pools and associations					
19. Amounts receivable relating to uninsured accident and health plans					
20. Other assets nonadmitted (Exhibit 1)	0				
21. Aggregate write-ins for other than invested assets	650,994		3,550	647,444	634,967
22. TOTALS (Lines 9 through 21)	137,640,356	1,531,261	5,217,787	133,953,830	137,699,700
DETAILS OF WRITE-INS					
0801.				0	0
0802.					
0803.					
0898. Summary of remaining write-ins for Line 8 from overflow page					
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)					
2101. Loss Reserve Prepayments	647,444			647,444	634,967
2102. Miscellaneous Receivables	3,550		3,550	0	0
2103.				0	0
2198. Summary of remaining write-ins for Line 21 from overflow page					
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	650,994		3,550	647,444	634,967

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 3A, Line 32, Column 5)	51,474,518	61,744,425
1A. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 2)		
2. Loss adjustment expenses (Part 3A, Line 32, Column 6)	32,752,199	32,847,918
3. Contingent commissions and other similar charges		
4. Other expenses (excluding taxes, licenses and fees)	50,659	1,881,506
5. Taxes, licenses and fees (excluding federal and foreign income taxes)		
6. Federal and foreign income taxes (excluding deferred taxes)		
7. Borrowed money		
8. Interest, including \$ on borrowed money		
9. Unearned premiums (Part 2A, Line 34, Column 5) (after deducting ceded reinsurance unearned premiums of \$ 5,322,000)	9,173,000	17,982,000
10. Dividends declared and unpaid:		
a. Stockholders		
b. Policyholders		
11. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 14)	34,269,746	32,233,474
12. Amounts withheld or retained by company for account of others		
13. Remittances and items not allocated		
14. Provision for reinsurance (Schedule F, Part 7)	452,000	1,126,200
15. Excess of statutory reserves over statement reserves (Schedule P Interrogatories)	0	
16. Net adjustments in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates		
19. Payable for securities		
20. Liability for amounts held under uninsured accident and health plans		
21. Capital Notes \$ and interest thereon \$		
22. Aggregate write-ins for liabilities	21,982,027	22,578,382
23. Total liabilities (Lines 1 through 22)	150,154,149	170,393,905
24. Aggregate write-ins for special surplus funds		
25A. Common capital stock	1,000,000	1,000,000
25B. Preferred capital stock		
25C. Aggregate write-ins for other than special surplus funds		
26A. Surplus Notes		
26B. Gross paid in and contributed surplus	5,115,405	5,115,405
26C. Unassigned funds (surplus)	(22,315,724)	(38,809,609)
26D. Less treasury stock, at cost:		
(1) shares common (value included in Line 25A \$)		
(2) shares preferred (value included in Line 25B \$)		
27. Surplus as regards policyholders (Lines 24 to 26C, less 26D) (Page 4, Line 32)	(16,200,319)	(32,694,204)
28. TOTALS (Page 2, Line 22, Col. 4)	133,953,830	137,699,701
DETAILS OF WRITE-INS		
2201. Loss payments - deferred, see footnote no. 6.....	11,271,110	15,958,078
2202. Loss reserve prepayments, See footnote no. 7.....	1,573,979	1,580,142
2203. Deferred LAE.....	1,288,855	1,288,855
2298. Summary of remaining write-ins for Line 22 from overflow page	7,848,083	3,751,307
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	21,982,027	22,578,382
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)		
25C01.....		
25C02.....		
25C03.....		
25C98. Summary of remaining write-ins for Line 25C from overflow page		
25C99. Totals (Lines 25C01 thru 25C03 plus 25C98) (Line 25C above)		

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 2, Line 32, Column 4)	8,809,000	10,992,000
DEDUCTIONS		
2. Losses incurred (Part 3, Line 32, Column 7)	(3,490,121)	(1,195,446)
3. Loss expenses incurred (Part 4, Line 22, Column 1)	4,800,753	(3,801,546)
4. Other underwriting expenses incurred (Part 4, Line 22, Column 2)	1,809,068	7,212,312
5. Aggregate write-ins for underwriting deductions	3,816,896	
6. Total underwriting deductions (Lines 2 through 5)	6,936,596	2,215,320
7. Net underwriting gain or (loss) (Line 1 minus Line 6)	1,872,404	8,776,680
INVESTMENT INCOME		
8. Net investment income earned (Part 1, Line 14)	6,094,869	5,978,684
9. Net realized capital gains or (losses) (Part 1A, Line 10)	(303,358)	348,198
9A. Net investment gain or (loss) (Lines 8 + 9)	5,791,511	6,326,882
OTHER INCOME		
10. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		
11. Finance and service charges not included in premiums		
12. Aggregate write-ins for miscellaneous income	8,971,759	9,400,277
13. Total other income (Lines 10 through 12)	8,971,759	9,400,277
14. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 7 + 9A + 13)	16,635,674	24,503,839
14A. Dividends to policyholders (Exhibit 2, Line 16, Column 1 plus Page 3, Line 10b, Column 1 minus Column 2)		
14B. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 14 minus Line 14A)	16,635,674	24,503,839
15. Federal and foreign income taxes incurred		
16. Net income (Line 14B minus Line 15) (to Line 18)	16,635,674	24,503,839
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards policyholders, December 31 prior year (Page 4, Line 32, Column 2)	(32,694,207)	(57,175,236)
GAINS AND (LOSSES) IN SURPLUS		
18. Net income (from Line 16)	16,635,674	24,503,839
19. Net unrealized capital gains or (losses) (Part 1A, Line 11)	(439,800)	(107,153)
20. Change in nonadmitted assets (Exhibit 1, Line 6, Col. 3)	(376,186)	2,743
21. Change in provision for reinsurance (Page 3, Line 14, Column 2 minus Column 1)	674,200	81,600
22. Change in foreign exchange adjustment		
23. Change in excess of statutory reserves over statement reserves (Page 3, Line 15, Column 2 minus Column 1)	0	
23A. Change in surplus notes		
24. Capital changes:		
a. Paid in (Exhibit 2, Line 6, Column 1)		
b. Transferred from surplus (Stock Dividend)		
c. Transferred to surplus		
25. Surplus adjustments:		
a. Paid in (Exhibit 2, Line 7, Column 1)		
b. Transferred to capital (Stock Dividend)		
c. Transferred from capital		
26. Net remittances from or (to) Home Office (Exhibit 2, Line 4b minus Line 12b, Column 1)		
27. Dividends to stockholders (cash)		
28. Change in treasury stock (Page 3, Line 26D (1) and (2), Column 2 minus Column 1)		
29. Extraordinary amounts of taxes for prior years		
30. Aggregate write-ins for gains and losses in surplus		
31. Change in surplus as regards policyholders for the year (Lines 18 through 30)	16,493,888	24,481,029
32. Surplus as regards policyholders, December 31 current year (Lines 17 plus Line 31) (Page 3, Line 27)	(16,200,319)	(32,694,207)
DETAILS OF WRITE-INS		
0501. Interest Expense on Deferred Loss Payments	3,816,896	0
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	3,816,896	
1201. Miscellaneous income	241,571	277
1202. Litigation Settlements	8,700,000	9,500,000
1203. Litigation Payments	(217,500)	(100,000)
1298. Summary of remaining write-ins for Line 12 from overflow page	247,688	
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above)	8,971,759	9,400,277
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	9,015,210	11,904,291
3. Underwriting expenses paid	3,644,971	6,769,468
4. Other underwriting income (expenses)	(3,816,896)	
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(16,477,077)	(18,673,759)
6. Net investment income	6,498,030	6,707,423
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties	2,036,272	1,671,347
7.3 Net amount withheld or retained for account of others		
7.4 Aggregate write-ins for miscellaneous items	8,971,759	9,400,277
7.5 Total other income (Lines 7.1 to 7.4)	11,008,031	11,071,624
8. Dividends to policyholders on direct business, less \$		
dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	1,017,397	0
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	2,046,381	(894,712)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	38,971,282	53,952,382
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Lines 11.1 to 11.7)	38,971,282	53,952,382
12. Cost of investments acquired (long-term only):		
12.1 Bonds	49,047,157	51,600,563
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investments acquired (Lines 12.1 to 12.6)	49,047,157	51,600,563
13. Net Cash from investments (Line 11.8 minus Line 12.7)	(10,075,875)	2,351,819
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$		
less amounts repaid \$		
14.3 Net transfers from affiliates		
14.4 Borrowed funds received		
14.5 Other cash provided	4,113,766	3,664,565
14.6 Total (Lines 14.1 to 14.5)	4,113,766	3,664,565
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates		
15.3 Borrowed funds repaid		
15.4 Other applications	5,098,785	56,261
15.5 Total (Lines 15.1 to 15.4)	5,098,785	56,261
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(985,019)	3,608,304
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(9,014,513)	5,065,411
18. Cash and short-term investments:		
18.1 Beginning of year	10,936,538	5,871,127
18.2 End of year (Line 17 plus Line 18.1)	1,922,025	10,936,538
DETAILS OF WRITE-INS		
07.401 Miscellaneous Income	241,571	277
07.402 Litigation Settlements	8,700,000	9,500,000
07.403 Litigation Payments	(217,500)	(100,000)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	247,688	
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	8,971,759	9,400,277

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - INTEREST, DIVIDENDS AND REAL ESTATE INCOME

1	2	3	Paid in Advance		Due and Accrued (h)		8 Earned During Year Cols. 3 + 5 + 6 - 4 - 7
			4	5	6	7	
	Schedule	Collected During Year	Current Year	Prior Year	Current Year	Prior Year	
1. U.S. government bonds	D (a)	1,407,204			198,806	238,668	1,367,342
1.1 Bonds exempt from U.S. tax	D (a)	77,804			17,897	20,509	75,192
1.2 Other bonds (unaffiliated)	D (a)	7,233,590			1,314,558	1,344,024	7,204,124
1.3 Bonds of affiliates	D (a)						
2.1 Preferred stocks (unaffiliated)	D (b)						
2.11 Preferred stocks of affiliates	D (b)						
2.2 Common stocks (unaffiliated)	D						
2.21 Common stocks of affiliates	D						
3. Mortgage loans	B (c)						
4. Real estate	A (d)						
5.1 Cash on hand and on deposit	E	72,750					72,750
5.2 Short-term investments	DA (e)	230,164				23,997	206,167
6. Other invested assets	BA						
7. Derivative instruments	DB/DC (f)						
8. Aggregate write-ins for investment income							
9. TOTALS		(g) 9,021,512			1,531,261	1,627,198	(g) 8,925,575

		DEDUCTIONS		
10. Total investment expenses incurred (Part 4, Line 22, Col. 3)			2,830,706	
10A. Interest expense			(i)	
11. Depreciation on real estate (for companies which depreciate annually on a formula basis)				
12. Aggregate write-ins for deductions from investment income				
13. Total deductions (Lines 10 to 12)				2,830,706
14. Net Investment Income Earned (Line 9 minus Line 13 - to Page 4, Line 8)				6,094,869

DETAILS OF WRITE-INS								
0801.							0	
0802.							0	
0803.							0	
0898.	Summary of remaining write-ins for Line 8 from overflow page							
0899.	Totals (Lines 0801 thru 0803 plus 0898) (Part 1, Line 8)							
1201.								
1202.								
1203.								
1298.	Summary of remaining write-ins for Line 12 from overflow page							
1299.	Totals (Lines 1201 thru 1203 plus 1298) (Part 1, Line 12)							

- (a) Includes \$ 492,810 accrual of discount less \$ 794,978 amortization of premium.
- (b) Includes \$ accrual of discount less \$ amortization of premium.
- (c) Includes \$ accrual of discount less \$ amortization of premium.
- (d) Includes \$ for company's occupancy of its own buildings.
- (e) Includes \$ accrual of discount less \$ amortization of premium.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes asset transfers with put options accounted for as financing arrangements: \$ Column 3, \$ Column 8.
- (h) Admitted items only. State basis of exclusions.
- (i) Includes \$ interest on surplus notes and \$ interest on capital notes.

PART 1A - CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

1	2	3	4	5	6	7
	Profit on Sales or Maturity	Loss on Sales or Maturity	Increases by Adjustment in Book Value	Decreases by Adjustment in Book Value	Net Gain or (Loss) from change in Difference Between Book and Admitted Values	Total (Net of Cols. 2 to 6 incl.) (Cols. 2 - 3 + 4 - 5 + 6)
1. U.S. government bonds		67,498				(67,498)
1.1 Bonds exempt from U.S. tax	122	6,536				(6,414)
1.2 Other bonds (unaffiliated)	55,937	285,383			(439,800)	(669,246)
1.3 Bonds of affiliates						
2.1 Preferred stocks (unaffiliated)						
2.11 Preferred stocks of affiliates						
2.2 Common stocks (unaffiliated)						
2.21 Common stocks of affiliates						
3. Mortgage loans						
4. Real estate				(a)		
5.1 Cash on hand and on deposit						
5.2 Short-term investments						
6. Other invested assets						
7. Derivative instruments						
8. Aggregate write-ins for capital gains and (losses)						
9. TOTALS	56,059	359,417			(439,800)	(743,158)

(Distribution of Line 9, Col. 7)							
10.	Net realized capital gains or (losses) (Page 4, Line 9) (Col. 2-3, Line 9)						(303,358)
11.	Net unrealized capital gains or (losses) (Page 4, Line 19) (Col. 4 - 5 + 6, Line 9)						(439,800)

DETAILS OF WRITE-INS							
0801.							
0802.							
0803.							
0898.	Summary of remaining write-ins for Line 8 from overflow page						
0899.	Totals (Lines 0801 thru 0803 plus 0898) (Part 1A, Line 8)						

(a) Excluding \$ depreciation on real estate included in Part 1, Line 11.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

Lines of Business		1	2	3	4
		Net Premiums Written per Column 4, Part 2B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 2A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty				
11.1	Medical malpractice - occurrence				
11.2	Medical malpractice - claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability - occurrence				
17.2	Other liability - claims-made				
18.1	Products liability - occurrence		17,982,000	9,173,000	8,809,000
18.2	Products liability - claims-made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30A.	Reinsurance - Nonproportional Assumed Property				
30B.	Reinsurance - Nonproportional Assumed Liability				
30C.	Reinsurance - Nonproportional Assumed Financial Lines				
31.	Aggregate write-ins for other lines of business				
32.	TOTALS		17,982,000	9,173,000	8,809,000
DETAILS OF WRITE-INS					
3101.				
3102.				
3103.				
3198.	Summary of remaining write-ins for Line 31 from overflow page				
3199.	Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Advance Premiums 100%	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health				(c)	
14. Credit accident and health (group and individual)					
15. Other accident and health				(c)	
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
18.1 Products liability - occurrence		9,173,000			9,173,000
18.2 Products liability - claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30A. Reinsurance - Nonproportional Assumed Property					
30B. Reinsurance - Nonproportional Assumed Liability					
30C. Reinsurance - Nonproportional Assumed Financial Lines					
31. Aggregate write-ins for other lines of business					
32. TOTALS		9,173,000			9,173,000
33. Accrued retrospective premiums based on experience					
34. Balance (Line 32 plus Line 33)					9,173,000
DETAILS OF WRITE-INS					
3101.					
3102.					
3103.					
3198. Summary of remaining write-ins for Line 31 from overflow page					
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)					

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force.

Are they so returned in this statement? Yes [] No []

(b) State here basis of computation used in each case .

(c) Including \$reserved for deferred maternity and other similar benefits.

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - PREMIUMS WRITTEN**

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1	2		3		4
	Direct Business (a)	a From Affiliates	b From Non-Affiliates	a To Affiliates	b To Non-Affiliates	Net Premiums Written Cols. 1 + 2a + 2b - 3a - 3b
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30A. Reinsurance - Nonproportional Assumed Property	XXX					
30B. Reinsurance - Nonproportional Assumed Liability	XXX					
30C. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
31. Aggregate write-ins for other lines of business						
32. TOTALS						
DETAILS OF WRITE-INS						
3101.						
3102.						
3103.						
3198. Summary of remaining write-ins for Line 31 from overflow page						
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)						

NONE

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No []

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 3A, Col. 5)	6 Net Losses Unpaid Previous Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 3) to Premiums Earned (Col. 4, Part 2)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
18.1 Products liability - occurrence	4,294,539		(2,485,247)	6,779,786	51,474,518	61,744,425	(3,490,121)	(39.6)
18.2 Products liability - claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30A. Reinsurance - Nonproportional Assumed Property	XXX							
30B. Reinsurance - Nonproportional Assumed Liability	XXX							
30C. Reinsurance - Nonproportional Assumed Financial Lines	XXX							
31. Aggregate write-ins for other lines of business								
32. TOTALS	4,294,539		(2,485,247)	6,779,786	51,474,518	61,744,425	(3,490,121)	(39.6)
DETAILS OF WRITE-INS								
3101.								
3102.								
3103.								
3198. Summary of remaining write-ins for Line 31 from overflow page								
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)								

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	1 Adjusted or in Process of Adjustment		2 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	3 Net Losses Excl. Incurred But Not Reported (Cols. 1a + 1b - 2)	4 Incurred But Not Reported			5 Net Losses Unpaid (Cols. 3 + 4a + 4b - 4c)	6 Unpaid Loss Adjustment Expenses
	a Direct	b Reinsurance Assumed			a Direct	b Reinsurance Assumed	c Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
18.1 Products liability - occurrence	7,450,970		2,564,452	4,886,518	73,621,000		27,033,000	51,474,518	32,752,199
18.2 Products liability - claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30A. Reinsurance - Nonproportional Assumed Property	XXX				XXX				
30B. Reinsurance - Nonproportional Assumed Liability	XXX				XXX				
30C. Reinsurance - Nonproportional Assumed Financial Lines	XXX				XXX				
31. Aggregate write-ins for other lines of business									
32. TOTALS	7,450,970		2,564,452	4,886,518	73,621,000		27,033,000	51,474,518	32,752,199
DETAILS OF WRITE-INS									
3101.									
3102.									
3103.									
3198. Summary of remaining write-ins for Line 31 from overflow page									
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)									

(a) Including \$ for present value of life indemnity claims and \$ reserved for deferred maternity and other similar benefits.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 4 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
a. Direct	(930,827)			(930,827)
b. Reinsurance assumed				
c. Reinsurance ceded	913,504			913,504
d. Net claim adjustment service (a + b - c)	(1,844,331)			(1,844,331)
2. Commission and brokerage:				
a. Direct excluding contingent				
b. Reinsurance assumed excluding contingent				
c. Reinsurance ceded excluding contingent				
d. Contingent-direct				
e. Contingent-reinsurance assumed				
f. Contingent-reinsurance ceded				
g. Policy and membership fees				
h. Net commission and brokerage (a + b - c + d + e - f + g)				
3. Allowances to managers and agents				
4. Advertising				
5. Boards, bureaus and associations				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
a. Salaries				
b. Payroll taxes				
9. Employee relations and welfare				
10. Insurance				
11. Directors' fees				
12. Travel and travel items				
13. Rent and rent items				
14. Equipment				
15. Printing and stationery				
16. Postage, telephone and telegraph, exchange and express				
17. Legal and auditing		1,809,068		1,809,068
17A. Totals (Lines 3 to 17)		1,809,068		1,809,068
18. Taxes, licenses and fees:				
a. State and local insurance taxes deducting guaranty association credits of \$				
b. Insurance department licenses and fees				
c. Gross guaranty association assessments				
d. All other (excluding federal and foreign income and real estate)				
e. Total taxes, licenses and fees (a + b + c + d)				
19. Real estate expenses				
20. Real estate taxes				
20A. Reimbursements by uninsured accident and health plans				
21. Aggregate write-ins for miscellaneous expenses	6,645,084	0	2,830,706	9,475,790
22. Total expenses incurred	4,800,753	1,809,068	2,830,706	(a) 9,440,527
23. Less unpaid expenses - current year	32,752,199		50,659	32,802,858
24. Add unpaid expenses - prior year	32,847,918	1,835,903	45,603	34,729,424
25. Amounts receivable relating to uninsured accident and health plans, prior year				
26. Amounts receivable relating to uninsured accident and health plans, current year				
27. TOTAL EXPENSES PAID (Lines 22 - 23 + 24 - 25 + 26)	4,896,472	3,644,971	2,825,650	11,367,093
DETAILS OF WRITE-INS				
2101. Excess of Increase in ULAE Reserves over ULAE Expenses	6,645,084			6,645,084
2102. Investment Interest Expense			2,631,447	2,631,447
2103. Investment Management Expense			199,259	199,259
2198. Summary of remaining write-ins for Line 21 from overflow page	0		0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	6,645,084	0	2,830,706	9,475,790

(a) Includes management fees of \$0 paid to affiliates and \$0 paid to non-affiliates.

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED
ITEMS**

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 15 and 17 to 19, Column 3	4,663,308	4,287,122	(376,186)
2. Other Assets:			
2.1 Bills receivable not taken for premiums			
2.2 Furniture, equipment and supplies			
2.3 Loans on personal security, endorsed or not			
3. Total (Lines 2.1 to 2.3) (Page 2, Line 20, Column 3)			
4. Aggregate write-ins for other than invested assets (Page 2, Line 21, Column 3)	3,550	3,550	0
5. Aggregate write-ins for related items			
6. Total (Line 1 plus Lines 3 to 5)	4,666,858	4,290,672	(376,186)
DETAILS OF WRITE-INS			
0401. Miscellaneous Receivables.....	3,550	3,550	0
0402.		0	0
0403.		0	0
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	3,550	3,550	0
0501. Loans on company's stock.....			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

EXHIBIT 2 - RECONCILIATION OF LEDGER ASSETS

	1 Current Year	2 Prior Year
INCREASE IN LEDGER ASSETS		
1. Net premiums written (Part 2, Line 32, Col. 1)		
2. Interest, dividends and real estate income received (Part 1, Line 9, Col. 3)	9,021,512	8,716,855
3. From sale or maturity of ledger assets (Part 1A, Line 9, Col. 2)	56,059	418,471
4. Other income items or increases, viz:		
a. Agents' balances previously charged off		
b. Remittances from home office to U.S. branch (gross)		
c. Funds held under reinsurance treaties (net)	2,036,272	1,671,347
d. Borrowed money (gross)		
e. Amounts withheld or retained for account of others (net)		
f. Aggregate write-ins for increases in ledger assets	9,469,138	13,143,547
5. Adjustment in book value of ledger assets (Part 1A, Line 9, Col. 4)		
6. Capital paid in (Page 4, Line 24a)		
7. Surplus paid in (Page 4, Line 25a)		
7A. Surplus notes (Page 4, Line 23A)		
8. Total (Lines 1 to 7A)	20,582,981	23,950,220
DECREASE IN LEDGER ASSETS		
9. Net losses paid (Part 3, Line 32, Col. 4)	6,779,786	6,499,537
10. Expenses paid (Part 4, Line 27, Col. 4)	11,367,093	14,858,292
10A. Interest expense (Part 1, Line 10A)		
11. From sale or maturity of ledger assets (Part 1A, Line 9, Col. 3)	359,417	70,273
11A. Surplus notes (Page 4, Line 23A)		
12. Other disbursement items or decreases, viz:		
a. Agents' balances charged off		
b. Remittances to home office from U.S. branch (gross)		
c. Funds held under reinsurance treaties (net)		
d. Borrowed money (gross)		
e. Amounts withheld or retained for account of others (net)		
f. Aggregate write-ins for decreases in ledger assets	4,910,631	136,864
13. Adjustment in book value of ledger assets (Part 1A, Line 9, Col. 5) and depreciation (Part 1, Line 11)		
14. Federal and foreign income taxes paid		
15. Dividends paid stockholders		
16. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		
17. Total (Lines 9 to 16)	23,416,927	21,564,965
RECONCILIATION BETWEEN YEARS		
18. Amount of ledger assets as per balance December 31 of previous year	140,474,301	138,089,047
19. Increase or (decrease) in ledger assets during the year (Line 8 minus Line 17)	(2,833,946)	2,385,254
20. Balance = ledger assets December 31 of current year	137,640,355	140,474,301
DETAILS OF WRITE-INS		
04f01. Miscellaneous Income	241,571	277
04f02. Increase in Loss Payments Deferred		3,643,270
04f03. Increase in Ledger Liabilities	172,539	0
04f98. Summary of remaining write-ins for Line 4f from overflow page	9,055,028	9,500,000
04f99. Totals (Lines 04f01 thru 04f03 plus 04f98) (Line 4f above)	9,469,138	13,143,547
12f01. Decrease in Loss Reserve Prepayments	6,164	2,031
12f02. Decrease in Ledger Liabilities		13,747
12f03. Litigation Payments	217,500	100,000
12f98. Summary of remaining write-ins for Line 12f from overflow page	4,686,967	21,086
12f99. Totals (Lines 12f01 thru 12f03 plus 12f98) (Line 12f above)	4,910,631	136,864



ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

NAIC Group Code 0000

BUSINESS IN THE STATE OF

DURING THE YEAR 1999

NAIC Company Code 41246

Table with 12 columns: Line of Business, Direct Premiums Written, Direct Premiums Earned, Dividends Paid or Credited to Policyholders on Direct Business, Direct Unearned Premium Reserves, Direct Losses Paid (deducting salvage), Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Rows include 1. Fire, 2.1 Allied lines, 2.2 Multiple peril crop, 2.3 Federal flood, 3. Farmowners multiple peril, 4. Homeowners multiple peril, 5.1 Commercial multiple peril (non-liability portion), 5.2 Commercial multiple peril (liability portion), 6. Mortgage guaranty, 8. Ocean marine, 9. Inland marine, 10. Financial guaranty, 11. Medical malpractice, 12. Earthquake, 13. Group accident and health, 14. Credit A & H (group and individual), 15.1 Collectively renewable A & H, 15.2 Non-cancellable A & H, 15.3 Guaranteed renewable A & H, 15.4 Non-renewable for stated reasons only, 15.5 Other accident only, 15.6 All other A & H, 15.7 Federal employees health benefits program premium, 16. Workers' compensation, 17. Other liability, 18. Products liability, 19.1 Private passenger auto no-fault (personal injury protection), 19.2 Other private passenger auto liability, 19.3 Commercial auto no-fault (personal injury protection), 19.4 Other commercial auto liability, 21.1 Private passenger auto physical damage, 21.2 Commercial auto physical damage, 22. Aircraft (all perils), 23. Fidelity, 24. Surety, 26. Burglary and theft, 27. Boiler and machinery, 28. Credit, 31. Aggregate write-ins for other lines of business, 32. TOTALS (a), DETAILS OF WRITE-INS, 3101., 3102., 3103., 3198. Summary of remaining write-ins for Line 31 from overflow page, 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)

(a) Finance and service charges not included in Line 1 to 32 \$



ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

NAIC Group Code **0000**

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 1999

NAIC Company Code **41246**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H												
15.2 Non-cancellable A & H												
15.3 Guaranteed renewable A & H												
15.4 Non-renewable for stated reasons only												
15.5 Other accident only												
15.6 All other A & H												
15.7 Federal employees health benefits program premium												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
31. Aggregate write-ins for other lines of business												
32. TOTALS (a)												
DETAILS OF WRITE-INS												
3101.												
3102.												
3103.												
3198. Summary of remaining write-ins for Line 31 from overflow page												
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)												

(a) Finance and service charges not included in Line 1 to 32 \$

15.GT

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

GENERAL INTERROGATORIES

1. (a) Does the company issue both participating and non-participating policies? Yes [] No [X]
 (b) If yes, state the amount of calendar year net premiums written on:
 (i) Participating policies: \$
 (ii) Non-participating policies: \$
2. For Mutual Companies and Reciprocal Exchanges Only:
 (a) Does company issue assessable policies? Yes [] No []
 (b) Does company issue non-assessable policies? Yes [] No []
 (c) If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
 (d) Total amount of assessments laid or ordered to be laid during the year on deposit notes or contingent premiums? \$
3. For Reciprocal Exchanges Only:
 (a) Does the Exchange appoint local agents? Yes [] No []
 (b) If yes, is the commission paid:
 (i) out of Attorney's-in-fact compensation? Yes [] No [] NA []
 (ii) as a direct expense of the Exchange? Yes [] No [] NA []
 (c) What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
 (d) Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
 (e) If yes, give full information

4. CAPITAL STOCK OF THIS COMPANY

1 Class	2 Number of Shares Authorized	3 Number of Shares Outstanding	4 Par Value Per Share	5 Redemption Price If Callable	6 Is Dividend Rate Limited?	7 Are Dividends Cumulative?
Preferred	0	0	0.000	0	Yes [] No []	Yes [] No []
Common	50,000	50,000	20.000	X X X	XXX XXX	XXX XXX

5. (a) Does the company own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 (b) If yes, (i) explain
 (ii) Name of real estate holding company
 (iii) Number of parcels involved?
 (iv) Total book value \$
6. (a) Is the company a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
 (b) If yes, did the company register and file with its domiciliary State Insurance Commissioner, Director, or Superintendent, or with such regulatory official of the State of Domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners in its Model Holding Company System Regulatory Act and model regulations pertaining thereto, or is the company subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] NA []
 (c) State regulating VA
7. (a) Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the company? Yes [] No [X]
 (b) If yes, (i) state the percentage of foreign control: %
 (ii) State the nationality(s) of the foreign person(s) or entity(s) or (iii) Identify the type of entity(s) (e.g., individual, corporation or if the company is a mutual or reciprocal, the nationality of its government, manager or attorney in fact).
 manager or attorney in fact; and
8. (a) Total amount loaned during the year:
 (i) to directors or other officers \$0
 (ii) to stockholders not officers \$0
 (b) Total amount of loans outstanding at end of year:
 (i) to directors or other officers \$0
 (ii) to stockholders not officers \$0
9. (a) Did any person while an officer, director or trustee of the company receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the company? Yes [] No [X]
 (b) Did any person while an officer, director, trustee or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to their regular compensation on account of the reinsurance transactions of the company? Yes [] No [X]
 (c) Has this company an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No []
 (d) Except for retirement plans generally applicable to its staff employees and agents and contracts with its agents for the payment of commissions, has the company any agreement with a person whereby it agrees that for any service rendered or to be rendered, they shall receive directly or indirectly any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes [] No [X]
10. What amount of installment notes is owned and now held by the company? \$0
11. (a) Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [] No [X]
 (b) If yes, what amount? \$
12. (a) Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$
 (b) Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
 (c) State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

GENERAL INTERROGATORIES (continued)

13. (a) What provision has this company made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
N/A
- (b) Describe the method used to estimate this company's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process. What provision has this company made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
- (c) Does the company carry catastrophe reinsurance protection, with provision for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- (d) If no, describe any arrangements or mechanisms employed by the company to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
-
14. (a) Has this company guaranteed any financed premium accounts? Yes [] No [X]
(b) If yes, give full information
-
15. (a) Has this company reinsured any risk with any other company under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)? Yes [X] No []
(b) If yes, indicate the number of reinsurance contracts containing such provisions: 1
-
16. (a) Has this company reinsured any risk with any other company and agreed to release such company from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
(b) If yes, give full information
-
17. If the company has assumed risks from another company, there should be charged on account of such reinsurances a reserve equal to that which the original company would have been required to charge had it retained the risks. Has this been done? Yes [] No [] NA [X]
-
18. (a) Has this company guaranteed policies issued by any other company and now in force? Yes [] No [X]
(b) If yes, give full information
-
19. (a) Were all stocks, bonds and other securities owned December 31 of current year, over which the company has exclusive control in the actual possession of the company on said date, except as shown by the Schedule E-Part 2-Special Deposits? Yes [X] No []
(b) If no, give full and complete information relating thereto:
-
20. (a) Were any of the stocks, bonds or other assets of the company owned at December 31 of the current year not exclusively under the control of the company, except as shown on the Schedule E-Part 2-Special Deposits; or has the company sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21). Yes [] No [X]
(b) If yes, state the amount thereof at December 31 of the current year:
 (i) loaned to others \$
 (ii) subject to repurchase agreements \$
 (iii) subject to reverse repurchase agreements \$
 (iv) subject to dollar repurchase agreements \$
 (v) subject to reverse dollar repurchase agreements \$
 (vi) pledged as collateral \$
 (vii) placed under option agreements \$
 (viii) letter stock or other securities restricted as to sale \$
 (ix) other \$
 (c) For each category above, if any of these assets are held by others, identify by whom held.
 (i) (vi)
 (ii) (vii)
 (iii) (viii)
 (iv) (ix)
 (v)
 (d) For categories (b)(i) and (iii) above, and for any other securities that were made available for use by another person during the year covered by this statement, attach a schedule as shown in the instructions to the annual statement.
 (e) For category (b)(vii) above, do any of the option agreements involve asset transfers with put options? Yes [] No [] NA [X]
 If yes, disclose in the Notes to Financial Statements the information specified in the instructions to the annual statement.
-
21. Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
 If yes, state the amount thereof at December 31 of the current year:
 (i) Rented from others \$
 (ii) Borrowed from others \$
 (iii) Leased from others \$
 (iv) Other \$
 Disclose in Notes to Financial Statements the nature of each of these obligations.
-
22. (a) State as of what date the latest financial examination of the company was made or is being made. 12/31/1990
 (b) State the as of date of the latest financial examination report that is available from either the state of domicile or the company. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1990
 (c) State as of what date the latest financial examination report became available to other states or the public form either the state of domicile or the company. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/12/1992
 (d) By what departments?
-
23. (a) Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the company? Yes [] No [X]
 (b) If yes, date of change:
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
-
24. (a) Has any direct new business been solicited or written in any state where the company was not licensed? Yes [] No [X]
 (b) If yes, explain

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

GENERAL INTERROGATORIES (continued)

(ONLY UNITED STATES BRANCHES OF FOREIGN COMPANIES NEED ANSWER INTERROGATORIES 28 AND 29)

25. Is the purchase or sale of all investments of the company passed upon either by the board of directors or a subordinate committee thereof? Yes No
26. Does the company keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes No
27. Have the instructions for completing the blank required by this department been followed in every detail? Yes No
28. What changes have been made during the year in the United States manager or the United States trustees of the company?
.....
29. Does this statement contain all business transacted for the company through its United States branch, on risks wherever located? Yes No
30. (a) During the period covered by this statement, did any agent, general agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the company) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
(i) sales of new business? Yes No
(ii) renewals? Yes No
(b) During the period covered by this statement, did any sales/service organization owned in whole or in part by the company or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
(i) sales of new business? Yes No
(ii) renewals? Yes No
31. (a) If the company recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
(i) unpaid losses: \$.....
(ii) unpaid underwriting expenses (including loss adjustment expenses): \$.....
(b) Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$.....
(c) If the company underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes No NA
(d) If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
(i) From: %
(ii) To: %
(e) Are letters of credit or collateral and other funds received from insureds being utilized by the company to secure premium or promissory notes taken by the company, or to secure any of the company's reported direct unpaid loss reserves, including unpaid losses under deductible features of commercial policies? Yes No
(f) If yes, state the amount thereof at December 31 of the current year:
(i) Letters of credit: \$.....3,064,766
(ii) Collateral and other funds: \$.....1,673,979
32. What interest, direct or indirect, has the company in the capital stock of any other insurance company?
.....
33. (a) Does the company have any direct Medicare Supplement Insurance in force? Yes No
(b) If yes, indicate premium earned on U.S. business only. \$.....
(c) What portion of Item (b) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....
Reason for excluding
.....
(d) Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (b) above. \$.....
(e) Indicate total incurred claims on all Medicare Supplement insurance. \$.....
34. (a) Was the company's prior year's annual statement amended? Yes No
(b) If yes, furnish the following information regarding the last amendment to the prior year's annual statement filed with the company's state of domicile:
(i) Amendment number
(ii) Date of amendment
35. What is the name, address and affiliation (officer/employee of the company or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion?
Theodore J. Zubulake, FCAS, MAAA
William M. Mercer, Inc.
Two World Trade Center, 54th Floor, New York, NY 10048.....
36. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PriceWaterhouseCoopers LLP
1100 Louisiana Street, Suite 4100, Houston, TX 77002.....

GENERAL INTERROGATORIES (continued)

37. (a) Has the Company been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
 (b) If yes, provide name of company, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any company that has ceased to exist as a result of the merger or consolidation.

Name of Company	NAIC Company Code	State of Domicile

38. (a) Has this company had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
 (b) If yes, give full information

39. (a) Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 (b) If answer is yes,
 (i) amount paid as losses or risk adjustment: \$.....
 (ii) amount paid as expenses: \$.....
 (iii) other amounts paid: \$.....

40. (a) Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....0
 (b) List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations or Rating Bureaus during the period covered by this statement.

Name of Organization	Amount Paid

41. (a) Amount of payments for legal expenses, if any? \$.....4,556,804
 (b) List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

Name of Firm	Amount Paid
Cantilo & Bennett, L.L.P.	3,887,560

42. (a) Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0
 (b) List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

Name of Firm	Amount Paid

NOTES TO FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying financial statements of HOW Insurance Company, A Risk Retention Group, in Receivership (the "Company"), have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Bureau of Insurance (the "Bureau"), State Corporation Commission (the "Commission") of the Commonwealth of Virginia, including full adoption of the reporting requirement adopted by the NAIC in September 1995 for "Unearned Premium - Single or Fixed Premium Policies with Coverage Periods in Excess of Thirteen Months".

2. Receivership

On October 14, 1994, in Cause No. HE-1059-1, styled Commonwealth of Virginia, ex rel. State Corporation Commission and Steven T. Foster, Commissioner of Insurance v. Home Warranty Corporation, Home Owners Warranty Corporation, and HOW Insurance Company, a Risk Retention Group, the Circuit Court for the City of Richmond, Virginia, entered its FINAL ORDER APPOINTING RECEIVER FOR REHABILITATION OR LIQUIDATION (the "Receivership Order") appointing the Commission permanent Receiver of the Company, as well as its parent, Home Warranty Corporation ("HWC"), and its affiliate, Home Owners Warranty Corporation ("HOW") (collectively, "the Companies"). The Receivership Order also appointed Steven T. Foster, Commissioner of Insurance of the Bureau, as Deputy Receiver and Patrick H. Cantilo as Special Deputy Receiver of the Companies. In May of 1996, Alfred W. Gross replaced Steven Foster as the Commissioner of Insurance of the Bureau and as Deputy Receiver of the Company.

The liabilities of the Company will be paid subject to the payment priority scheme authorized by Virginia law. This financial statement has been prepared in conformity with the format adopted by the Bureau, and therefore, this financial statement does not segregate the Company's liabilities by order of payment priority. In this connection, certain liabilities listed in this financial statement may never be paid if the Company has insufficient assets available to satisfy these claims.

The Receivership Order directed the Receiver, Deputy Receiver and the Special Deputy Receiver to take control and possession of all of the Companies' property and affairs. The Deputy Receiver takes the place of the Board of Directors for the purpose of answering the various "General Interrogatories". Also, the "General Interrogatories" have been answered to the best of the Deputy Receiver's and his Authorized Representatives' knowledge and may be subject to change. Information for periods prior to October 7, 1994, is presented as previously reported to the Bureau by the Company or as presented in the books and records of the Company. The Deputy Receiver continues to evaluate the way in which the Company reported its pre-receivership information

On March 12, 1996, and May 2, 1996, the Company entered into administrative service arrangements (the "Service Agreements") with third-party companies for the administration of certain specified aspects of the Company's operations and affairs. The Service Agreements enabled the Company to close its administrative office in Irving, Texas, on April 30, 1996, at which time it terminated most of its employees. The remaining employees of the Company were terminated in July of 1996.

In January of 1997, the Company applied for recognition of tax-exempt status under Internal Revenue Code ("IRC") Section 501(c)(15) retroactively to January 1, 1995. On April 10, 1997, HOWIC received a favorable determination letter from the Internal Revenue Service recognizing the Company as being tax-exempt as of January 1, 1995. As a result of this determination, all income received by the Company in 1995 and subsequent calendar years will be exempt from federal income taxes, except income required to be recognized as unrelated business income under IRC Section 511.

3. Investments

Bonds are stated at amortized cost using the scientific method.

The Company's investment guidelines provide as follows: (a) up to 100% of its assets may be invested in fixed income securities rated NAIC Class 1, (b) up to 25% of its assets may be invested in fixed-income securities rated NAIC 2, (c) up to 10% of its assets may be invested in fixed-income securities rated NAIC Class 3, and (d) up to 2% of its assets may be invested in fixed-income securities rated NAIC Class 4, provided that such Class 4 securities are rated no lower than BB by Standard & Poor's or any equivalent nationally recognized securities rating organization. The Company may not invest in fixed-income securities rated NAIC 5 or lower without the approval of the Deputy Receiver. The Company may not invest in equities.

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NOTES TO FINANCIAL STATEMENTS

4. Reserves

The Deputy Receiver's staff investigated the method by which the Company established incurred but not reported ("IBNR") reserves. The Company's management reported IBNR reserves based on claims reported in the 15 days subsequent to year end. The Deputy Receiver's staff determined from its reviews that the more appropriate period to measure IBNR claims was approximately 650 days. This change was reflected at December 31, 1994. Historical losses were reported by the Company on a report year rather than a manifestation year basis. The receivership staff continues to review the historical loss information of the Company. The Deputy Receiver has allocated IBNR reserves to the receivership year because the Company did not previously record data which would reasonably permit such allocation by year with sufficient reliability.

5. Debt

The Company has no outstanding debt obligations to third parties.

6. Claims Payments

On November 29, 1994, the Deputy Receiver issued his First Directive (the "Directive") which authorized initial payments of 40% on approved direct claims for the cost of repairing defects to a home which are covered by the Company's Warranty. The unpaid portion of the approved direct claims are reflected as "Loss payments - deferred" in the liabilities. The same Directive imposed a moratorium on the payment of "indirect claims" under the Company's warranty, which include, but are not limited to, amounts owed for extra-contractual obligations, non-economic damages, consequential damages, and litigation costs and attorneys' fees.

A second directive dated January 23, 1996, increased the direct claim payment rate to 50%. The Company began paying direct claims at the 50% rate in February of 1996.

A third directive dated December 28, 1998, increased the direct claim payment rate to 60% and directed that the following indirect claims be reclassified as direct claims: (i) claims approved by the Deputy Receiver for damages determined to be extra contractual obligations of the Company, non-economic damages, consequential damages, litigation costs or attorneys' fees incurred by a home owner or member builder in asserting a claim against the Company before receivership; and (ii) claims approved by the Deputy Receiver for litigation costs and attorneys' fees incurred by a member builder in an action brought against the member builder to recover under the Major Structural Defect Insurance coverage provided by the Company. The Company began paying claims at the 60% rate in January of 1999.

A fourth directive dated August 13, 1999, increased the direct claim payment rate to 70%. The Company began paying direct claims at the 70% rate in October of 1999.

The Deputy Receiver has approved the payment of 8% simple interest on all deferred direct claim amounts until the date that such claims are paid, if at all, by HOWIC in receivership. The total interest accrued on all deferred direct claims is approximately \$3,816,896 for the period ended December 31, 1999. HOWIC will not pay interest on deferred loss settlements until all direct and deferred direct claims have been paid in the receivership.

The Deputy Receiver has entered into claims handling agreements with certain builders in which such builders settle the direct claims of their customers.

Under the terms of the Receivership Appeal Procedure, claimants are permitted two levels of appeal for denied claims. The first level of appeal is to the Deputy Receiver. The second level of appeal is to the Commission if such claim appeal is denied by the Deputy Receiver. As of December 31, 1999, approximately 1140 appeals and 167 Petitions for Review have been filed with the Deputy Receiver and Commission, respectively, since the inception of the receivership proceeding. The majority of these appeals involve claims by home owners for the following: (a) Major Structural Defect coverages for claims arising in the third through the tenth year after the home's construction; and (b) Builder's Limited Warranty/Builder Default coverage for defect claims arising during the first two years after the home's construction.

In regard to the appeal and petition information and statistics referenced by the preceding paragraph, there have been approximately 921 home owner appeals, 148 builder appeals, 37 vendor and local council appeals, 9 attorney fees appeals, 8 former employee appeals, 3 appeals relating to additional distributions authorized by the third directive of the Deputy Receiver, and 14 appeals of former members of the Company's Board of Directors and others submitted to the Deputy Receiver. In addition, there have been approximately 116 home owner petitions, 24 builder petitions, 10 vendor and local council petitions, 2 attorney fees petitions, 6 former

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NOTES TO FINANCIAL STATEMENTS

employees petitions and 9 petitions of former members of the Company's Board of Directors and others submitted to the Deputy Receiver. Generally, builder appeals involve disputes with respect to determinations of responsibility for making certain home repairs under the Builder's Limited Warranty. Further, builder appeals include, but are not limited to, claims for the refund of loss reserve prepayments, capital contributions, and enrollment fees. The appeals from claimants, other than home owners, generally involve fees for goods and services provided to the Company prior to the inception of the receivership proceedings.

7. Loss Prepayments

Pursuant to certain agreements between the Company and certain Member Builders, participating Member Builders are liable for specified payments which they may be required to prepay in the form of cash, Certificates of Deposit (CD's), or Letters of Credit (LOC's). Prepayments were made by builders and held by the Company as follows: (a) cash payments were deposited in the general operating account of the Company; (b) CD's received were issued in the Company's name; and (c) LOC's named the Company as the beneficiary. The Company held LOC's in the amount of \$3,064,766 and a collateralized security interest of \$114,651 at December 31, 1999. Cash prepayments and CD's were \$1,573,979 at December 31, 1999, and this amount is included in the Company's financials as of that date.

8. Related Party Transactions

Before they were placed in receivership, the Companies and their affiliates operated under previously adopted protocols and agreements for the allocation of revenues and expenses among themselves. The Deputy Receiver has not found adequate documentation for at least some of these protocols and agreements. Beginning January 1, 1995, the Deputy Receiver has provisionally concentrated revenues and expenses at the Company, both operationally and for purposes of its financial reports.

9. Leases

While the Company is not a direct party to any lease obligations, rent payments may be made by the Company. The office space in Arlington, Virginia, was reduced in December of 1994 to a partial floor (13,971 square feet), which was vacated on September 30, 1995. The landlord of this lease space has requested that a lump sum payment, in an amount to be determined, be made to the landlord in satisfaction of its alleged loss of approximately \$3,500,000 arising from the early termination of this lease. The Deputy Receiver has established a \$500,000 liability for this matter based on his best estimate of the Company's exposure under this lease. Based upon future events, circumstances, and undetermined factors, this liability may or may not be required and a material reduction or increase of this reserve may be appropriate.

HOW operated an office facility and a warehouse storage facility in Irving, Texas, pursuant to lease arrangements which expired in calendar year 1996. In July of 1996, the Company executed a lease for approximately 6,000 square feet of warehouse space located in Dallas, Texas. The lease provides the warehouse space over a five-year period at a monthly base rent of approximately \$2,375.00 per month.

10. Regulatory Status

The Company was engaged in the business of administering and insuring a home builder warranty protection plan for new homes known as the Home Owners Warranty Program (the "HOW Program"). Before receivership, the HOW Program was available in all jurisdictions (other than Alaska) and the District of Columbia. During the course of receivership, a number of these states have placed restrictions on the Company's authority to write new insurance business. The Deputy Receiver imposed a moratorium on the issuance of new insurance business at the inception of the receivership. The moratorium for new insurance business remains in effect.

11. Litigation

The following is a description of certain litigation or claims filed by or against the Company:

A. Fire Retardant Treated ("FRT") Plywood Roof Sheathing Litigation

In 1977, the New Jersey legislature passed the New Home Warranty and Builders Registration Act (the "Registration Act") which established a state funded and sponsored builder warranty program largely modeled upon the pre-existing HOW Program. For private warranty plans, the legislation established an approval process which required each such plan to submit an application for continued approval to operate within New Jersey every two years. Since the Company pre-existed this legislation, the HOW Program was "grandfathered" for its initial approval in 1977 and obtained re-approval from New Jersey upon reapplication until 1989.

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NOTES TO FINANCIAL STATEMENTS

During the 1980's, certain New Jersey home owners began to complain that the roofs of their townhomes and multi-family dwellings were deteriorating. The home owners alleged that fire retardant treated plywood roof sheathing ("FRT plywood"), which was treated with chemicals designed to make the wood char at temperatures much less than the temperature at which wood burns so as to prevent the spread of fire across roof lines, was defective because the wood was deteriorating at temperatures far lower than it was designed. The Company's warranty document specifically provides that roof sheathing is a non-structural component that is separate and distinct from the structural roof system which consists generally of tresses, braces and framing. As such, the roof sheathing was considered to be a first year warranty item and not a ten year structural item.

The State of New Jersey decided to assure prompt relief to these home owners by agreeing to cover FRT plywood claims under the "Major Construction" or "Structural" defect portions of its warranty coverage (as defined in the statute). To do so, it expanded its traditional definition of structural elements to include plywood roof sheathing in spite of prior limitations respecting coverage for that element.

Similarly, the New Jersey Department of Community Affairs (the "DCA"), which is charged with administering and enforcing the Registration Act, opined that the Registration Act required such coverage and that any private warranty company that refused to provide ten year coverage for FRT plywood would have its authorization to conduct business in New Jersey revoked. In May of 1990, the DCA formally notified the Company that its application for renewal as an approved private warranty program in New Jersey was denied due to its position on coverage of FRT plywood roof sheathing. The DCA then established a fund for FRT plywood related claims to reimburse participating plans for the cost of repairs in exchange for an assignment of rights by the plans to the DCA of any rights to go against the manufacturers of these products and other responsible parties for contribution and/or indemnity. The Company elected not to participate voluntarily in New Jersey's suggested remedy.

New Jersey's position was that roof sheathing was "intended" to be covered for ten years as a structural component since the outset of the state plan in 1977. The Registration Act, which mandates that private warranty plans must offer warranty coverage equivalent to the state's plan, requires that coverage deviating from the state plan automatically conform to its provisions.

The Company offered to provide supplemental FRT plywood coverage going forward but would not agree to an expanded coverage on enrolled units applied retroactively. The DCA was not agreeable to this approach but allowed the Company to continue to operate in a state of suspended approval while its administrative action was pending.

On April 26, 1990, New Jersey Senator Paterniti introduced S. 2602 (the "Paterniti Amendment"), which was signed into law on July 11, 1991, as L. 1991, C.202. This bill essentially codified the remedies proposed by New Jersey for defects in residential structures built using FRT plywood. The remediation system provides for payments by the new home warranty fund to those who demonstrate either actual damage to the sheathing or that inevitable premature failure would occur within the first ten years of residence. It also provides for the subrogation of claims that residents, builders and warrantors might have against manufacturers and other responsible parties.

The Paterniti Amendment also asserts a retroactive application based upon the rationale that it was merely a clarification of the intent of the original Registration Act. The DCA's position was that this "clarification" function was a legitimate foundation and justification for the proposed retroactive application and effectively mandated the Company's participation in the program to its inception in 1977.

The above described events resulted in litigation in two forums. First, the Company and some of its corporate affiliates were sued by home owner associations to replace roofs that contained allegedly defective roof sheathing. At the time of receivership, the Company was a co-defendant in approximately fifty-seven (57) such home owners' suits involving over 50,000 roofs. While the home owner associations in many of these lawsuits have entered into settlement agreements with other co-defendants, some of the settling parties have assigned any rights they have against the Company and its affiliates to the DCA. This litigation has been stayed since September of 1991 in all cases except for two home owner association suits.

During 1995 the DCA intervened in the home owner lawsuits and moved to have all FRT plywood claims involving non-settling parties transferred and consolidated into the case captioned as, The Commons at Kingswood Station, C. A. v. Orleans Construction Company, et al. All cases involving non-settling parties were consolidated into The Commons at Kingswood Station, C.A. suit. In this suit, the DCA asserted its right to recover payments made by it on behalf of non-settling defendants in the original action. The Companies were severed from this case.

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NOTES TO FINANCIAL STATEMENTS

The Deputy Receiver believes that there are meritorious defenses to the FRT plywood claims. This financial statement does not address the extent of the Company's liability, if any, for FRT plywood litigation and related claims.

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NOTES TO FINANCIAL STATEMENTS

B. Claim of Finley Forest Condominium Association (“Finley Forest”)

Finley Forest is a 62 unit condominium complex in Chapel Hill, North Carolina. Fifty-one of the buildings were built on masonry foundations and have flat roofs. The other 11 buildings have slab on grade foundations and pitched roofs. The oldest buildings at the complex were completed in 1985; the newest buildings were completed in 1993.

In February of 1994, Finley Forest filed a claim with the HOW Companies for various items it alleged were covered by the HOW Program. While the largest portion (approximately \$2.9 million) of the claim was for structural defects in the roof framing systems of the 51 flat roofed buildings at the complex, the claim also alleged foundation problems for the 11 slab on grade buildings. In August of 1994, Finley Forest filed suit against HOW, the developer, and the project architect. Once the HOW Companies’ receivership proceedings commenced in October of 1994, the Deputy Receiver sought a stay of the litigation; however, Finley Forest continued to prosecute its claims against the other defendants.

In April of 1995, Finley Forest submitted a claim to the receivership. That claim was in the principal amount of approximately \$4.5 million and also sought recovery of approximately \$10.7 million in punitive damages, attorneys’ fees and interest. Beginning in September 1995, mediation settlement conferences were held with the defendants other than HOW, and in June of 1996, the other defendants to the suit settled with Finley Forest. Subsequently, Finley Forest filed a revised administrative claim with the receivership, claiming approximately \$3.1 million dollars in actual damages for roof and foundation claims and additional limited warranty claims. Additionally, the revised administrative claim set forth renewed demands for attorneys’ fees and for interest or treble damages arising from alleged unfair and deceptive trade practices.

During the administrative claim process, Finley Forest developed a repair plan and began to repair the roofs and various other items at the complex. An “early access payment” in the amount of \$200,000 was approved and paid by the HOW Companies in March of 1999 to assist Finley Forest in continuing with repairs to the damaged units. This early access payment will be applied towards future liability, if any, which may be determined for the claims presented by Finley Forest.

At this time, no Notice of Claim Determination has been issued by the HOW Companies. The HOW Companies continue to evaluate the claims submitted by Finley Forest.

C. On April 29, 1999, the Companies initially received the claim of Rock Springs Vista III (“Rock Springs”).

Rock Springs is a condominium complex located in Las Vegas, Nevada, and consists of 576 units constructed in 144 buildings. Investigation of the claim revealed that only 263 of the 576 units were actually enrolled in the HOW Program at an enrollment amount of approximately \$17 million. The Rock Springs Home Owners Association (the “HOA”) alleges the existence of construction defects in each of the 576 units, including numerous electrical, plumbing, HVAC, architectural, and structural defects.

The HOA alleges repair costs totaling approximately \$34 million, including approximately \$2.5 million for structural repairs. The structural defects alleged by the HOA include: defects in the roof diaphragm; defects in the roof framing; defects in the floor framing; improper connections at building eaves, rakes, and headwall transitions; missing, undersized, or improperly installed anchors; and improper foundation post connections. The HOW Companies are currently evaluating the claims submitted by the Rock Springs HOA.

D. Claims of ARDC Corporation (“ARDC”).

In these claims, numerous lawsuits were filed against ARDC in the State of Florida for damages allegedly constituting major structural defects (“MSDs”). The claims can basically be divided into two groups: (1) those claims arising from lawsuits instituted in the wake of damage inflicted by Hurricane Andrew in 1992 (“Hurricane Related Claims”); and (2) those claims arising from lawsuits seeking damages for construction defects unrelated and occurring prior to Hurricane Andrew (“Pre-Hurricane Claims”). In regard to Pre-Hurricane Claims, ARDC is seeking \$290,670 in defense costs and \$132,500 as indemnification for amounts paid to the home owners for the costs to repair alleged MSDs. The Pre-Hurricane Claims total \$423,170 and involve approximately 12 homes.

The Hurricane Related Claims arise from class action litigation, which ARDC alleges involved approximately 1,000 HOW enrollments. ARDC further alleges that, with respect to this claim, it has incurred and continues to incur defense costs which currently exceed \$3 million. ARDC seeks in excess of \$7,108,800 for the indemnity portion of the Hurricane Related Claims. Accordingly, the total Hurricane Related Claims exceed \$10 million.

In addition to the Pre-Hurricane Claims and Hurricane Related Claims, ARDC seeks the return of \$37,782.14 drawn under its letter of credit by the HOW Companies for failure to satisfy its obligations under the builder agreement. ARDC petitioned the Commission for immediate relief in this matter. However, the petition was dismissed without prejudice on the ground that the Commission appeal was premature considering the fact that the Deputy Receiver had yet to enter his initial determination regarding the claim. The Pre-Hurricane Claims and Hurricane Related Claims remain pending as of this financial statement.

E.

In addition to litigation concerning FRT plywood pending in New Jersey, the Company, its affiliates and its insureds were subject to claims litigation or threatened litigation brought under the Company's warranty documents that may have a material effect on the Company's financials. As of December 31, 1999, the Deputy Receiver had posted loss reserves of approximately \$3,927,075 in regard to these litigation matters. This loss reserve amount is included in these financial statements. This reserve amount reflects only a small portion of the potential claims liability, if any, which may arise from FRT litigation and other litigation or threatened litigation matters. The Deputy Receiver believes that there are

NOTES TO FINANCIAL STATEMENTS

meritorious defenses to many of the litigation or threatened litigation cases which would either preclude or limit any recovery. Due to the inherent uncertainty of litigation, the Company's actual liability may vary from its reserved liability for such litigation matters. The Deputy Receiver has stayed or moved to stay all pending litigation cases that were filed against the Companies. In most cases, litigation continues against the Company's insureds.

F. During July of 1997, the Company began to mail the "REPORT TO HOME OWNERS, MEMBER BUILDERS, CREDITORS, AND OTHER INTERESTED PERSONS" (the "Report") to approximately 1.7 million recipients. The Reports were sent in eight batches each within fifteen days of the prior mailing. Among other things, the Report informed these parties of the status of the receivership proceedings and of the directive issued by the Deputy Receiver on November 29, 1994 (the "Directive"). The Directive authorized the partial payment of approved direct claims (claims for the repair of covered defects as specified in the HOW Warranty Documents) and it temporarily suspended the payment of indirect claims under the HOW Warranty Documents (claims under the HOWIC Warranty Documents which include, but are not limited to, extra contractual obligations, non-economic damages, consequential damages, and litigation costs and attorneys' fees) until all direct claims have been paid in full. These parties were also notified that any person who wished to object to the suspension and classification of indirect claims must file an Application with the Clerk of the Commission within ten days of the Report date. Failure to file the Application timely constituted a waiver of any right to object to the Deputy Receiver's suspension and classification of indirect claims. The complete text of the Report and other receivership information for the Company can be reviewed on-line at the Company's internet web site as follows: www.howcorp.com

Six Applications were filed with the Commission to object to the suspension and classification of indirect claims. Three of these Applications have been rendered moot by either the Third Directive or settlement of the underlying claim. The third directive of the Deputy Receiver reclassified indirect claims as direct claims of the Company. Two of the Applications lack proper standing. One Application presents legal issues for the Commission's determination.

G. In January of 1996, the Deputy Receiver instituted a legal action against certain former employees, consultants, responsible third parties, and officers and directors of the Company. The litigation, styled Gross, et al. v. National Association of Home Builders, et al.; Cause No. 96-00472, was filed in the 101st Judicial District Court of Dallas County, Texas, in conjunction with a class action lawsuit maintained by home owners with homes enrolled in the HOW Program. In May of 1997, the Court denied certification of a class of home owners. The Texas home owners appealed this decision which was affirmed on appeal. The Deputy Receiver sought damages from the defendants on a number of different legal grounds, including, but not limited to, breach of fiduciary duty, negligence, fraud, waste of corporate assets, voidable transfers, conspiracy and violation of applicable laws. The lawsuit was settled against all parties other than the outside accounting and actuarial professional firms who provided professional services to the Companies before receivership. In March of 1999, the Court dismissed the claims of the Deputy Receiver against the outside accounting and actuarial professional firms. The Deputy Receiver decided not to appeal the Court's dismissal of the litigation against the professional firms.

12. The Company has entered into an agreement with Compagnie Europeene de Reassurance Paris, in Liquidation, in which it has agreed to accept a 25% settlement of its claims. The amount accepted by the Company amounted to \$26,250.

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 1999	2 1998	3 1997	4 1996	5 1995
Gross Premiums Written (Page 9, Part 2B, Cols. 1 & 2)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					86,487
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
4A. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 31)					
4B. Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C)					
5. Total (Line 32)					86,487
Net Premiums Written (Page 9, Part 2B, Col. 4)					
6. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					(1,158,852)
7. Property Lines (Lines 1, 2, 9, 12, 21 & 26)					
8. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
9A. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 31)					
9B. Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C)					
10. Total (Line 32)					(1,158,852)
Statement of Income (Page 4)					
11. Net Underwriting Gain or (Loss) (Line 7)	1,872,404	8,776,680	(12,211,085)	(6,227,360)	52,942,511
12. Net Investment Gain or (Loss) (Line 9A)	5,791,511	6,326,882	6,620,211	7,042,755	6,213,262
13. Total Other Income (Line 13)	8,971,759	9,400,277	3,042	483,934	5,941
14. Dividends to Policyholders (Line 14A)					
15. Federal and Foreign Income Taxes Incurred (Line 15)				50,000	
16. Net Income (Line 16)	16,635,674	24,503,839	(5,587,832)	1,249,329	59,161,714
Balance Sheet Lines (Pages 2 and 3)					
17. Total Admitted Assets (Page 2, Line 22, Col. 4)	133,953,830	137,699,700	135,454,215	143,105,997	153,618,380
18. Agents' Balances or Uncollected Premiums (Page 2, Col. 4)					
18.1 In Course of Collection (Line 10.1)					
18.2 Deferred and Not Yet Due (Line 10.2)					
18.3 Accrued Retrospective Premiums (Line 10.3)					
19. Total Liabilities (Page 3, Line 23)	150,154,149	170,393,905	192,629,451	196,111,155	207,090,536
20. Losses (Page 3, Lines 1 and 1A)	51,474,518	61,744,425	69,439,408	63,359,590	58,696,088
21. Loss Adjustment Expenses (Page 3, Line 2)	32,752,199	32,847,918	42,041,382	41,821,751	47,291,431
22. Unearned premiums (Page 3, Line 9)	9,173,000	17,982,000	28,974,000	42,840,000	57,929,000
23. Capital Paid Up (Page 3, Lines 25A & 25B)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
24. Surplus as Regards Policyholders (Page 3, Line 27)	(16,200,319)	(32,694,204)	(57,175,235)	(53,005,158)	(53,472,156)
Risk-Based Capital Analysis					
25. Total Adjusted Capital	(16,200,319)	(32,694,204)	(57,175,235)	(53,005,158)	
26. Authorized Control Level Risk-Based Capital	10,450,516	12,116,724	14,592,392	12,853,893	
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 4) (Line divided by Page 2, Line 9, Col. 4) x 100.0					
27. Bonds (Line 1)	98.5	91.6	95.4	92.9	98.1
28. Stocks (Lines 2.1 & 2.2)					
29. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)					
30. Real Estate (Lines 4.1 & 4.2)					
31. Cash and Short-Term Investments (Line 5)	1.5	8.4	4.6	6.8	1.9
32. Other Invested Assets (Line 6)					
32A. Receivable for Securities (Line 7)					
33. Aggregate Write-Ins for Invested Assets (Line 8)				0.2	
34. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
35. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 5)					
36. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 5)					
37. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)					
38. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 1, Col. 13)					
38A. Affiliated Mortgage Loans on Real Estate					
38B. All Other Affiliated					
39. Total of above Lines 35, 36, 37, 38, 38A & 38B					
40. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 39 above divided by Page 3, Col. 1, Line 27 x 100.0)					

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 1999	2 1998	3 1997	4 1996	5 1995
Capital and Surplus Accounts (Page 4)					
41. Net Unrealized Capital Gains or (Losses) (Line 19)	(439,800)	(107,153)	67,886	(71,862)	(77,444)
42. Dividends to Stockholders (Cash) (Line 27)					
43. Change in Surplus as Regards Policyholders for the Year (Line 31)	16,493,888	24,481,029	(4,170,079)	467,000	62,771,944
Gross Losses Paid (Page 10, Part 3, Cols. 1 & 2)					
44. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,294,539	7,476,917	6,336,246	6,152,181	8,327,984
45. Property Lines (Lines 1, 2, 9, 12, 21 & 26)					
46. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
47A. All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31)					
47B. Non-Proportional Reinsurance Lines (Lines 30A, 30B & 30C)					
48. Total (Line 32)	4,294,539	7,476,917	6,336,246	6,152,181	8,327,984
Net Losses Paid (Page 10, Part 3, Col. 4)					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	6,779,786	6,499,537	5,762,909	7,612,723	9,722,598
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)					
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
52A. All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31)					
52B. Non-Proportional Reinsurance Lines (Lines 30A, 30B & 30C)					
53. Total (Line 32)	6,779,786	6,499,537	5,762,909	7,612,723	9,722,598
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
54. Premiums Earned (Line 1)	100.0	100.0	100.0	100.0	100.0
55. Losses Incurred (Line 2)	(39.6)	(10.9)	85.4	81.4	(269.1)
56. Loss Expenses Incurred (Line 3)	54.5	(34.6)	63.0	42.2	81.8
57. Other Underwriting Expenses Incurred (Line 4)	20.5	65.6	39.4	17.7	28.3
58. Net Underwriting Gain or (Loss) (Line 7)	21.3	79.8	(88.1)	(41.3)	259.1
Other Percentages					
59. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 13 divided by Page 9, [Page 8, 1994 and prior] Lines 4 + 5 - 13 divided by Page 9, Part 2B, Col. 4, Line 32 x 100.0)					498.4
60. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	14.9	(45.5)	148.4	123.6	(187.4)
61. Net Premiums Written to Policyholders' Surplus (Page 9, Part 2B, Col. 4, Line 32 divided by Page 3, Line 27, Col. 1 x 100.0)					2.2
One Year Loss Development (000 omitted)					
62. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(11,445)	(7,584)	14,275	7,725	(70,912)
63. Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 62 above divided by Page 4, Line 17, Col. 1 x 100.0)	35.0	13.3	(26.9)	(14.4)	61.0
Two Year Loss Development (000 omitted)					
64. Development in Estimated Losses and Loss Expenses Incurred Two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(19,087)	6,901	22,274	(61,663)	(2,324)
65. Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 64 above divided by Page 4, Line 17, Col. 2 x 100.0)	33.4	(13.0)	(41.7)	53.0	(12.0)

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule A - Verification

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Verification

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Verification

NONE

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4	5
		Book Value	Market Value (a)	Actual Cost	Par Value of Bonds	Statement Value
BONDS						
Governments (Including all obligations guaranteed by governments)	1. United States	21,689,352	21,478,457	21,734,057	20,740,553	21,689,352
	2. Canada					
	3. Other Countries					
	4. Totals	21,689,352	21,478,457	21,734,057	20,740,553	21,689,352
States, Territories and Possessions (Direct and guaranteed)	5. United States					
	6. Canada					
	7. Other Countries					
	8. Totals					
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States					
	10. Canada					
	11. Other Countries					
	12. Totals					
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	36,031,689	34,622,729	35,613,201	37,194,175	36,031,689
	14. Canada	2,013,098	2,041,120	2,056,070	2,000,000	2,013,098
	15. Other Countries					
	16. Totals	38,044,787	36,663,849	37,669,271	39,194,175	38,044,787
Public Utilities (unaffiliated)	17. United States	7,201,428	7,127,226	7,257,821	7,155,000	7,201,428
	18. Canada					
	19. Other Countries					
	20. Totals	7,201,428	7,127,226	7,257,821	7,155,000	7,201,428
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	61,534,795	60,263,774	61,569,174	62,826,537	60,983,866
	22. Canada					
	23. Other Countries					
	24. Totals	61,534,795	60,263,774	61,569,174	62,826,537	60,983,866
Parent, Subsidiaries and Affiliates	25. Totals					
	26. Total Bonds	128,470,362	125,533,306	128,230,323	129,916,265	127,919,433
PREFERRED STOCKS						
Public Utilities (unaffiliated)	27. United States				X X X	
	28. Canada				X X X	
	29. Other Countries				X X X	
	30. Totals				X X X	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				X X X	
	32. Canada				X X X	
	33. Other Countries				X X X	
	34. Totals				X X X	
Industrial and Miscellaneous (unaffiliated)	35. United States				X X X	
	36. Canada				X X X	
	37. Other Countries				X X X	
	38. Totals				X X X	
Parent, Subsidiaries and Affiliates	39. Totals				X X X	
	40. Total Preferred Stocks				X X X	
COMMON STOCKS						
Public Utilities (unaffiliated)	41. United States					
	42. Canada					
	43. Other Countries					
	44. Totals					
Banks, Trust and Insurance Companies (unaffiliated)	45. United States					
	46. Canada					
	47. Other Countries					
	48. Totals					
Industrial and Miscellaneous (unaffiliated)	49. United States					
	50. Canada					
	51. Other Countries					
	52. Totals					
Parent, Subsidiaries and Affiliates	53. Totals					
	54. Total Common Stocks					
	55. Total Stocks					
	56. Total Bonds and Stocks	128,470,362	125,533,306	128,230,323		

(a) The aggregate value of bonds which are valued at other than actual market is \$0 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book value of bonds and stocks, prior year	119,000,014	6. Deduct consideration for bonds and stocks disposed of Col. 5, Part 4	38,971,282
2. Cost of bonds and stocks acquired, Col. 5, Part 3	49,047,157	7. Decrease by adjustment in book value:	
3. Increase by adjustment in book value:		7.1 Col. 11, Part 1	244,263
3.1 Col. 10, Part 1	460,698	7.2 Col. 10, Part 2, Sec. 1	
3.2 Col. 9, Part 2, Sec. 1		7.3 Col. 9, Part 2, Sec. 2	
3.3 Col. 8, Part 2, Sec. 2		7.4 Col. 10, Part 4	550,716
3.4 Col. 9, Part 4	32,112		794,979
4. Profit on disposal of bonds and stocks, Col. 11, Part 4	56,059	8. Loss on disposal of bonds and stocks, Col. 12, Part 4	359,417
5. Total	168,596,040	9. Book value of bonds and stocks, current year	128,470,362

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations

1	2	3	4	5	6	7	8	9	10	11	12
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 7 as a % of Line 10.7	Total from Col. 7 Prior Year	% From Col. 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	3,782,443	9,019,861	7,376,738	1,488,398	21,912	21,689,352	16.8	26,322,852	20.2	21,689,352	.0
1.2 Class 2	.0	.0	.0	.0	.0	.0				.0	.0
1.3 Class 3	.0	.0	.0	.0	.0	.0				.0	.0
1.4 Class 4	.0	.0	.0	.0	.0	.0				.0	.0
1.5 Class 5	.0	.0	.0	.0	.0	.0				.0	.0
1.6 Class 6	0	0	0	0	0	0				0	0
1.7 TOTALS	3,782,443	9,019,861	7,376,738	1,488,398	21,912	21,689,352	16.8	26,322,852	20.2	21,689,352	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1	.0	.0	.0	.0	.0	.0				.0	.0
2.2 Class 2	.0	.0	.0	.0	.0	.0				.0	.0
2.3 Class 3	.0	.0	.0	.0	.0	.0				.0	.0
2.4 Class 4	.0	.0	.0	.0	.0	.0				.0	.0
2.5 Class 5	.0	.0	.0	.0	.0	.0				.0	.0
2.6 Class 6	0	0	0	0	0	0				0	0
2.7 TOTALS											
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1	.0	.0	.0	.0	.0	.0				.0	.0
3.2 Class 2	.0	.0	.0	.0	.0	.0				.0	.0
3.3 Class 3	.0	.0	.0	.0	.0	.0				.0	.0
3.4 Class 4	.0	.0	.0	.0	.0	.0				.0	.0
3.5 Class 5	.0	.0	.0	.0	.0	.0				.0	.0
3.6 Class 6	0	0	0	0	0	0				0	0
3.7 TOTALS											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	.0	.0	.0	.0	.0	.0				.0	.0
4.2 Class 2	.0	.0	.0	.0	.0	.0				.0	.0
4.3 Class 3	.0	.0	.0	.0	.0	.0				.0	.0
4.4 Class 4	.0	.0	.0	.0	.0	.0				.0	.0
4.5 Class 5	.0	.0	.0	.0	.0	.0				.0	.0
4.6 Class 6	0	0	0	0	0	0				0	0
4.7 TOTALS											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	10,435,281	13,492,895	7,400,994	5,434,648	1,280,969	38,044,787	29.4	15,618,741	12.0	38,044,787	.0
5.2 Class 2	.0	.0	.0	.0	.0	.0				.0	.0
5.3 Class 3	.0	.0	.0	.0	.0	.0				.0	.0
5.4 Class 4	.0	.0	.0	.0	.0	.0				.0	.0
5.5 Class 5	.0	.0	.0	.0	.0	.0				.0	.0
5.6 Class 6	0	0	0	0	0	0				0	0
5.7 TOTALS	10,435,281	13,492,895	7,400,994	5,434,648	1,280,969	38,044,787	29.4	15,618,741	12.0	38,044,787	

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations

1	2	3	4	5	6	7	8	9	10	11	12
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 7 as a % of Line 10.7	Total from Col. 7 Prior Year	% From Col. 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1	.0	2,998,901	947,496	.0	.0	3,946,397	3.1	3,940,448	3.0	3,946,397	.0
6.2 Class 2	.0	2,329,028	623,575	.0	.0	2,952,603	2.3	2,364,985	1.8	2,952,602	.0
6.3 Class 3	.0	.0	152,428	150,000	.0	302,428	0.2	926,187	0.7	302,428	.0
6.4 Class 4	.0	.0	.0	.0	.0	.0		.0		.0	.0
6.5 Class 5	.0	.0	.0	.0	.0	.0		.0		.0	.0
6.6 Class 6	0	0	0	0	0	0		0		0	0
6.7 TOTALS		5,327,929	1,723,499	150,000		7,201,428	5.6	7,231,620	5.6	7,201,427	
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	4,097,661	15,490,598	9,193,869	1,077,189	.0	29,859,317	23.1	45,502,467	35.0	29,859,317	.0
7.2 Class 2	4,001,422	9,334,626	5,122,714	.0	.0	18,458,762	14.3	22,860,548	17.6	18,458,763	.0
7.3 Class 3	.0	2,572,868	8,518,283	913,750	.0	12,004,901	9.3	11,975,041	9.2	12,004,900	.0
7.4 Class 4	.0	.0	.0	.0	.0	.0		522,864	0.4	.0	.0
7.5 Class 5	.0	.0	1,940,940	.0	.0	1,940,940	1.5	.0		1,940,940	.0
7.6 Class 6	.0	.0	.0	.0	.0	.0		.0		.0	.0
7.7 TOTALS	8,099,083	27,398,092	24,775,806	1,990,939		62,263,920	48.2	80,860,920	62.2	62,263,920	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.2 Class 2	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.3 Class 3	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.4 Class 4	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.5 Class 5	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.6 Class 6	0	0	0	0	0	0		0		0	0
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.2 Class 2	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.3 Class 3	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.4 Class 4	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.5 Class 5	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.6 Class 6	0	0	0	0	0	0		0		0	0
9.7 TOTALS											

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations

1	2	3	4	5	6	7	8	9	10	11	12
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 7 as a % of Line 10.7	Total from Col. 7 Prior Year	% From Col. 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	18,315,385	41,002,255	24,919,097	8,000,235	1,302,881	93,539,853	72.4	XXX	XXX	93,539,853	
10.2 Class 2	4,001,422	11,663,654	5,746,289			21,411,365	16.6	XXX	XXX	21,411,365	
10.3 Class 3		2,572,868	8,670,711	1,063,750		12,307,329	9.5	XXX	XXX	12,307,328	
10.4 Class 4								XXX	XXX		
10.5 Class 5		0	1,940,940			(c) 1,940,940	1.5	XXX	XXX	1,940,940	
10.6 Class 6						(c)		XXX	XXX		
10.7 TOTALS	22,316,807	55,238,777	41,277,037	9,063,985	1,302,881	(b) 129,199,487	100.0	XXX	XXX	129,199,486	
10.8 Line 10.7 as a % of Col. 7	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Class 1	33,875,517	28,531,682	21,630,215	7,134,351	212,743	XXX	XXX	91,384,508	70.3	91,384,506	
11.2 Class 2	1,500,574	13,228,935	10,496,024			XXX	XXX	25,225,533	19.4	25,225,533	
11.3 Class 3		1,550,603	9,198,431	2,152,194		XXX	XXX	12,901,228	9.9	12,901,228	
11.4 Class 4			522,864			XXX	XXX	522,864	0.4	522,864	
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 TOTALS	35,376,091	43,311,220	41,847,534	9,286,545	212,743	XXX	XXX	(b) 130,034,133	100.0	130,034,131	
11.8 Line 11.7 as a % of Col. 9	27.2	33.3	32.2	7.1	0.2	XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Class 1	18,315,385	41,002,254	24,919,097	8,000,235	1,302,881	93,539,852	72.4	91,384,508	70.3	93,539,852	XXX
12.2 Class 2	4,001,422	11,663,654	5,746,289	0	0	21,411,365	16.6	25,225,533	19.4	21,411,365	XXX
12.3 Class 3	0	2,572,868	8,670,711	1,063,750	0	12,307,329	9.5	12,901,229	9.9	12,307,329	XXX
12.4 Class 4	0	0	0	0	0	0	0	522,864	0.4	0	XXX
12.5 Class 5	0	0	1,940,940	0	0	1,940,940	1.5	0	0	1,940,940	XXX
12.6 Class 6	0	0	0	0	0	0	0	0	0	0	XXX
12.7 TOTALS	22,316,807	55,238,776	41,277,037	9,063,985	1,302,881	129,199,486	100.0	130,034,134	100.0	129,199,486	XXX
12.8 Line 12.7 as a % of Col. 7	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	0	0	0	0	0	0				XXX	
13.2 Class 2	0	0	0	0	0	0				XXX	
13.3 Class 3	0	0	0	0	0	0				XXX	
13.4 Class 4	0	0	0	0	0	0				XXX	
13.5 Class 5	0	0	0	0	0	0				XXX	
13.6 Class 6	0	0	0	0	0	0				XXX	
13.7 TOTALS										XXX	
13.8 Line 13.7 as a % of Col. 7								XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10								XXX	XXX	XXX	

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Statement Values by Major Type and Subtype of Issues

1	2	3	4	5	6	7	8	9	10	11	12
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 7 as a % of Line 10.7	Total from Col 7 Prior Year	% From Col. 8 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	.0	2,008,361	4,565,277	.0	.0	6,573,638	.5.1	3,123,804	.2.4	6,573,639	.0
1.2 Single Class Mortgage-Backed/Asset-Backed Bonds	3,782,443	7,011,500	2,811,461	1,488,398	21,912	15,115,714	11.7	23,199,048	17.8	15,115,713	0
1.7 Totals	3,782,443	9,019,861	7,376,738	1,488,398	21,912	21,689,352	16.8	26,322,852	20.2	21,689,352	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations	.0	.0	.0	.0	.0					.0	.0
2.2 Single Class Mortgage-Backed/Asset-Backed Bonds	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined	.0	.0	.0	.0	.0					.0	.0
2.4 Other	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
2.5 Defined	.0	.0	.0	.0	.0					.0	.0
2.6 Other	.0	.0	.0	.0	.0					.0	.0
2.7 Totals											
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations	.0	.0	.0	.0	.0					.0	.0
3.2 Single Class Mortgage-Backed/Asset-Backed Bonds	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined	.0	.0	.0	.0	.0					.0	.0
3.4 Other	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
3.5 Defined	.0	.0	.0	.0	.0					.0	.0
3.6 Other	.0	.0	.0	.0	.0					.0	.0
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations	.0	.0	.0	.0	.0					.0	.0
4.2 Single Class Mortgage-Backed/Asset-Backed Bonds	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined	.0	.0	.0	.0	.0					.0	.0
4.4 Other	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
4.5 Defined	.0	.0	.0	.0	.0					.0	.0
4.6 Other	.0	.0	.0	.0	.0					.0	.0
4.7 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	.0	1,013,525	.0	765,747	.0	1,779,272	.1.4	1,896,157	1.5	1,779,272	.0
5.2 Single Class Mortgage-Backed/Asset-Backed Bonds	4,335,917	12,147,269	6,901,886	4,668,901	1,280,969	29,334,942	22.7	4,609,268	3.5	29,334,941	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined	6,099,365	332,101	499,108	.0	.0	6,930,574	5.4	9,113,315	7.0	6,930,574	.0
5.4 Other	.0	.0	.0	.0	.0					.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
5.5 Defined	.0	.0	.0	.0	.0					.0	.0
5.6 Other	.0	.0	.0	.0	.0					.0	.0
5.7 Totals	10,435,282	13,492,895	7,400,994	5,434,648	1,280,969	38,044,788	29.4	15,618,740	12.0	38,044,787	.0

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Statement Values by Major Type and Subtype of Issues

1 Distribution by Type	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations	.0	5,327,929	1,723,499	150,000	.0	7,201,428	5.6	7,231,620	5.6	7,201,428	.0
6.2 Single Class Mortgage-Backed/Asset-Based Bonds	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
6.3 Defined	.0	.0	.0	.0	.0	.0		.0		.0	.0
6.4 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined	.0	.0	.0	.0	.0	.0		.0		.0	.0
6.6 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
6.7 Totals		5,327,929	1,723,499	150,000		7,201,428	5.6	7,231,620	5.6	7,201,428	
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	6,281,476	22,789,138	24,502,511	1,907,234	.0	55,480,359	42.9	70,507,429	54.2	55,480,360	.0
7.2 Single Class Mortgage-Backed/Asset-Based Bonds	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
7.3 Defined	1,817,607	610,284	273,294	83,705	.0	2,784,890	2.2	8,354,786	6.4	2,784,890	.0
7.4 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined	.0	3,998,670	.0	.0	.0	3,998,670	3.1	1,998,702	1.5	3,998,670	.0
7.6 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
7.7 Totals	8,099,083	27,398,092	24,775,805	1,990,939		62,263,919	48.2	80,860,917	62.2	62,263,920	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations	.0	.0	.0	.0	.0	.0		.0		.0	.0
8.7 Totals											
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.2 Single Class Mortgage-Backed/Asset-Based Bonds	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
9.3 Defined	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.4 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.6 Other	.0	.0	.0	.0	.0	.0		.0		.0	.0
9.7 Totals											

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Statement Values by Major Type and Subtype of Issues

1 Distribution by Type	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total From Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	6,281,476	31,138,953	30,791,287	2,822,981		71,034,697	55.0	XXX	XXX	71,034,699	
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds	8,118,360	19,158,769	9,713,347	6,157,299	1,302,881	44,450,656	34.4	XXX	XXX	44,450,654	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	7,916,972	942,385	772,402	83,705		9,715,464	7.5	XXX	XXX	9,715,464	
10.4 Other								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined		3,998,670				3,998,670	3.1	XXX	XXX	3,998,670	
10.6 Other								XXX	XXX		
10.7 Totals	22,316,808	55,238,777	41,277,036	9,063,985	1,302,881	129,199,487	100.0	XXX	XXX	129,199,487	
10.8 Line 10.7 as a % of Col. 7	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	16,712,276	26,026,073	34,403,179	5,617,482		XXX	XXX	82,759,010	63.6	82,759,012	
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds	6,681,001	12,775,649	4,745,660	3,393,263	212,743	XXX	XXX	27,808,316	21.4	27,808,316	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	11,982,811	2,510,795	2,698,696	275,799		XXX	XXX	17,468,101	13.4	17,468,102	
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined		1,998,702				XXX	XXX	1,998,702	1.5	1,998,702	
11.6 Other						XXX	XXX				
11.7 Totals	35,376,088	43,311,219	41,847,535	9,286,544	212,743	XXX	XXX	130,034,129	100.0	130,034,132	
11.8 Line 11.7 as a % of Col. 9	27.2	33.3	32.2	7.1	0.2	XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	6,281,476	31,138,953	30,791,288	2,822,981	0	71,034,698	55.0	82,759,011	63.6	71,034,698	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds	8,118,359	19,158,769	9,713,346	6,157,298	1,302,881	44,450,653	34.4	27,808,317	21.4	44,450,653	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	7,916,972	942,385	772,402	83,705	0	9,715,464	7.5	17,468,102	13.4	9,715,464	XXX
12.4 Other	0	0	0	0	0	0					XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	0	3,998,670	0	0	0	3,998,670	3.1	1,998,702	1.5	3,998,670	XXX
12.6 Other	0	0	0	0	0	0					XXX
12.7 Totals	22,316,807	55,238,777	41,277,036	9,063,984	1,302,881	129,199,485	100.0	130,034,132	100.0	129,199,485	XXX
12.8 Line 12.7 as a % of Col. 7	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	17.3	42.8	31.9	7.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	0	0	0	0	0					XXX	
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds	0	0	0	0	0					XXX	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0					XXX	
13.4 Other	0	0	0	0	0					XXX	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0					XXX	
13.6 Other	0	0	0	0	0					XXX	
13.7 Totals										XXX	
13.8 Line 13.7 as a % of Col. 7								XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10								XXX	XXX	XXX	

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

CUSIP Identification	Description	Interest		Date of				Book Value	Par Value	Rate Used to Obtain Market Value	Market Value	Actual Cost	Interest		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Year Acquired	Effective Rate of Interest	Statement Value Dec. 31 of Current Year (a)
		a	b	Maturity		Option							9.1 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	9.2 Gross Amount Received During Year							
				Year	Month	Year	Call Price														
US GOVERNMENT OBLIGATIONS																					
ISSUER OBLIGATIONS																					
912827-3G-5	U.S. TREASURY NOTES	6.2500	FA	2002	08			2,008,361	2,000,000	.99883	1,997,660	2,008,594	42,239	.0	.232	0	1	1999	6.170	2,008,361	
912827-V8-2	U.S. TREASURY NOTES	5.8750	MN	2005	11			2,511,009	2,500,000	.97056	2,426,400	2,511,719	18,965	73,438	.709	0	1	1999	5.869	2,511,009	
912827-Z6-2	U.S. TREASURY NOTES	6.5000	AO	2006	10			2,054,268	2,000,000	.99610	1,992,200	2,057,344	27,705	65,000	3,076	0	1	1999	6.098	2,054,268	
COUNTRY TOTAL - U.S.								6,573,639	6,500,000	XXX	6,416,260	6,577,656	88,909	138,438	0	4,017	0	XXX	XXX	XXX	6,573,639
0199999 - Total Bonds - U.S. Government - Issuer Obligations								6,573,639	6,500,000	XXX	6,416,260	6,577,656	88,909	138,438	0	4,017	0	XXX	XXX	XXX	6,573,639
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
36202C-BS-1	GNMA POOL #1849	8.5000	MTLY	2024	08			16,557	15,889	102.41	16,272	16,569	113	1,351	.3	0	1	1998	6.804	16,557	
36202C-G5-6	GNMA POOL #2020	8.5000	MTLY	2025	06			2,350,919	2,256,113	102.41	2,310,508	2,352,703	15,981	191,770	278	0	1	1998	6.520	2,350,919	
36202C-RF-2	GNMA POOL #2286	8.5000	MTLY	2026	09			128,392	123,209	102.32	126,065	128,484	873	10,473	14	0	1	1998	6.586	128,392	
36202C-SP-9	GNMA POOL #2326	8.5000	MTLY	2026	11			1,279,078	1,227,370	102.32	1,255,820	1,279,916	8,694	104,326	185	0	1	1998	7.042	1,279,078	
36202C-TA-1	GNMA POOL #2345	8.5000	MTLY	2026	12			531,284	509,824	102.32	521,642	531,651	3,611	43,335	61	0	1	1998	6.739	531,284	
36202C-UX-9	GNMA POOL #2398	8.5000	MTLY	2027	03			145,200	139,329	102.29	142,514	145,294	987	11,843	30	0	1	1998	7.443	145,200	
36202C-VH-3	GNMA POOL #2416	8.5000	MTLY	2027	04			26,758	25,677	102.29	26,264	26,776	182	2,183	3	0	1	1998	6.714	26,758	
36202C-WF-6	GNMA POOL #2446	8.5000	MTLY	2027	06			394,957	379,001	102.29	387,664	395,226	2,685	32,215	42	0	1	1998	6.715	394,957	
36202C-ZC-0	GNMA POOL #2539	8.5000	MTLY	2028	01			551,312	529,033	102.29	541,127	551,683	3,747	44,968	56	0	1	1998	6.717	551,312	
36203A-P2-6	GNMA POOL #343441	8.5000	MTLY	2024	07			29,172	28,260	103.04	29,118	29,209	200	2,402	5	0	1	1996	7.618	29,172	
362059-Y8-4	GNMA POOL #030435	9.0000	MTLY	2009	04			3,487	3,252	105.57	3,433	3,510	24	293	14	0	1	1998	6.585	3,487	
36205J-AX-3	GNMA POOL #391622	8.5000	MTLY	2024	12			517,888	501,606	103.04	516,834	518,535	3,553	42,636	125	0	1	1996	7.838	517,888	
36205J-HZ-1	GNMA POOL #391848	8.5000	MTLY	2025	03	2022	100.000	4,106	3,979	103.04	4,100	4,113	28	338	0	0	1	1996	6.892	4,106	
36205L-JF-8	GNMA POOL #393662	8.5000	MTLY	2024	12			8,863	8,577	103.04	8,838	8,866	61	729	2	0	1	1996	7.635	8,863	
362064-L8-8	GNMA POOL #034551	9.0000	MTLY	2009	05			121,012	112,680	105.57	118,954	121,624	845	10,141	341	0	1	1998	5.643	121,012	
362135-4V-4	GNMA POOL #097136	10.5000	MTLY	2013	04			71,032	65,221	109.40	71,353	71,743	571	6,848	211	0	1	1996	8.315	71,032	
362135-T3-9	GNMA POOL #096870	10.5000	MTLY	2013	04			71,332	65,801	109.40	71,987	72,381	576	6,909	334	0	1	1996	9.274	71,332	
36214G-3M-0	GNMA POOL #106204	9.0000	MTLY	2013	11			252,684	235,600	105.44	248,424	254,301	1,767	21,204	1,004	0	1	1998	7.962	252,684	
36214H-GD-4	GNMA POOL #106496	9.0000	MTLY	2013	12			53,278	49,679	105.44	52,383	53,623	373	4,471	214	0	1	1998	7.992	53,278	
362151-AU-6	GNMA POOL #150419	10.0000	MTLY	2016	02			46,710	43,113	108.87	46,937	47,047	359	4,311	62	0	1	1995	7.482	46,710	
362153-ED-6	GNMA POOL #152332	10.0000	MTLY	2016	03			208,681	193,017	108.87	210,138	210,630	1,608	19,302	541	0	1	1995	8.670	208,681	
362157-W5-4	GNMA POOL #156468	10.0000	MTLY	2016	11			83,147	76,710	108.87	83,514	83,710	639	7,671	103	0	1	1995	7.570	83,147	
362159-P2-5	GNMA POOL #158041	10.0000	MTLY	2016	04			38,379	35,404	108.87	38,544	38,635	295	3,540	32	0	1	1995	6.460	38,379	
36215D-WA-0	GNMA POOL #132141	10.0000	MTLY	2016	01			47,615	43,928	108.87	47,825	47,937	366	4,393	35	0	1	1995	5.970	47,615	
36215N-3T-9	GNMA POOL #140410	10.0000	MTLY	2016	03			84,122	77,606	108.87	84,490	84,688	647	7,761	74	0	1	1995	6.562	84,122	
36215N-3U-6	GNMA POOL #140411	10.0000	MTLY	2016	04			75,196	69,299	108.87	75,446	75,623	577	6,930	111	0	1	1995	7.644	75,196	
36215N-TV-6	GNMA POOL #140164	10.0000	MTLY	2016	03			79,425	73,098	108.87	79,582	79,769	609	7,310	74	0	1	1995	6.561	79,425	
36215Q-YK-7	GNMA POOL #142114	10.0000	MTLY	2016	03			47,520	43,836	108.87	47,724	47,836	365	4,384	46	0	1	1995	6.781	47,520	
36215U-VT-2	GNMA POOL #145626	10.0000	MTLY	2016	02			162,331	149,831	108.87	163,121	163,503	1,249	14,983	222	0	1	1995	7.541	162,331	
36215U-ZH-4	GNMA POOL #145744	10.0000	MTLY	2016	02	2013	100.000	7,054	6,527	108.87	7,106	7,123	54	653	3	0	1	1995	1.048	7,054	
36215W-BR-4	GNMA POOL #146848	10.0000	MTLY	2016	02			32,274	29,775	108.87	32,416	32,492	248	2,977	27	0	1	1995	6.422	32,274	
36215W-OD-9	GNMA POOL #147252	10.0000	MTLY	2016	02			49,025	45,230	108.87	49,241	49,357	377	4,523	45	0	1	1995	6.672	49,025	
362162-SW-0	GNMA POOL #181533	9.0000	MTLY	2019	10			24,636	22,870	105.32	24,086	24,685	172	2,058	26	0	1	1998	7.223	24,636	
362164-X6-7	GNMA POOL #183501	10.0000	MTLY	2016	10			97,540	89,741	108.87	97,701	97,930	748	8,974	91	0	1	1995	6.775	97,540	
36216H-YB-6	GNMA POOL #165506	8.5000	MTLY	2016	08			139,654	139,191	103.54	144,113	139,844	986	11,831	12	0	1	1986	8.588	139,654	
36216S-J7-8	GNMA POOL #173186	8.5000	MTLY	2016	08			95,251	94,941	103.54	98,298	95,386	672	8,070	13	0	1	1986	8.649	95,251	
36216W-WW-9	GNMA POOL #177161	10.0000	MTLY	2016	09			197,517	182,162	108.87	198,320	198,784	1,518	18,216	168	0	1	1995	6.681	197,517	
36217B-5D-6	GNMA POOL #189044	10.0000	MTLY	2018	05	2015	100.000	9,464	9,755	108.87	10,620	9,404	81	976	0	0	1	1989	13.802	9,464	
36217C-SU-1	GNMA POOL #189631	10.0000	MTLY	2017	08			209,701	193,487	108.81	210,527	211,142	1,612	19,349	312	0	1	1995	8.084	209,701	
36218F-KA-5	GNMA POOL #220889	9.0000	MTLY	2018	05			18,587	17,274	105.38	18,204	18,645	130	1,555	35	0	1	1998	7.745	18,587	
36218V-S9-5	GNMA POOL #233744	10.0000	MTLY	2017	09			100,500	102,800	108.81	111,854	100,102	857	10,280	12	0	1	1989	11.501	100,500	
36218W-MD-0	GNMA POOL #234456	10.0000	MTLY	2018	11			373,248	343,970	108.87	374,480	375,357	2,866	34,397	177	0	1	1995	5.943	373,248	
362199-7D-7	GNMA POOL #271892	9.0000	MTLY	2019	08			19,960	18,530	105.32	19,516	20,001	139	1,668	22	0	1	1998	7.271	19,960	
36219E-BK-5	GNMA POOL #246742	9.0000	MTLY	2018	04			91,610	85,171	105.38	89,753	91,931	639	7,665	195	0	1	1998	7.897	91,610	
36219G-FG-5	GNMA POOL #248667	10.0000	MTLY	2018	04			55,487	51,142	108.87	55,678	55,808	426	5,114	30	0	1	1995	6.059	55,487	
36219M-50-1	GNMA POOL #253855	9.0000	MTLY	2018	06			126,276	117,239	105.38	123,547	126,545	879	10,552	141	0	1	1998	7.047	126,276	
36219N-HR-4	GNMA POOL #254140	10.0000	MTLY	2018	07																

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification		2 Interest		3 Date of				4 Book Value	5 Par Value	6 Rate Used to Obtain Market Value	7 Market Value	8 Actual Cost	9 Interest		10 Increase by Adjustment in Book Value During Year	11 Decrease by Adjustment in Book Value During Year	12 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	13 NAIC Designation	14 Year Acquired	15 Effective Rate of Interest	16 Statement Value Dec. 31 of Current Year (a)
				Maturity		Option							9.1 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	9.2 Gross Amount Received During Year							
				a Year	b Month	b Year	c Call Price														
36219N-TB-6	GNMA POOL #254446	9.0000	MTLY	2018	05		59,124	54,878	105.38	57,830	59,233	412	4,939	0	51	0	1998	6.582	59,124		
36219S-Z5-1	GNMA POOL #258264	10.0000	MTLY	2018	12		153,756	141,932	108.87	154,521	154,883	1,183	14,193	0	289	0	1995	8.699	153,756		
36219T-N6-0	GNMA POOL #258813	10.0000	MTLY	2018	09		31,131	32,119	108.87	34,968	30,965	268	3,212	13	0	0	1989	11.237	31,131		
36219U-4W-1	GNMA POOL #260137	10.0000	MTLY	2018	08		34,010	35,093	108.87	38,206	33,832	292	3,509	11	0	0	1989	11.355	34,010		
36220H-QY-9	GNMA POOL #278671	9.0000	MTLY	2019	08		229,477	213,455	105.32	224,806	230,398	1,601	19,211	0	574	0	1998	8.243	229,477		
36220L-2N-0	GNMA POOL #281681	9.0000	MTLY	2019	11		97,295	90,290	105.32	95,092	97,457	677	8,126	0	75	0	1998	6.760	97,295		
36220M-AP-4	GNMA POOL #281814	9.0000	MTLY	2019	12		492,343	456,808	105.32	481,101	493,067	3,426	41,113	0	206	0	1998	5.467	492,343		
36220N-DH-7	GNMA POOL #282804	9.0000	MTLY	2019	10		14,352	13,316	105.32	14,025	14,373	100	1,198	0	5	0	1998	5.060	14,352		
36221G-SV-4	GNMA POOL #905932	10.2500	MTLY	2016	02		127,737	118,110	109.18	128,956	129,109	1,009	12,106	0	443	0	1996	9.278	127,737		
36221H-5W-5	GNMA POOL #907161	10.2500	MTLY	2016	02		41,911	38,753	109.18	42,311	42,362	331	3,972	0	145	0	1996	9.278	41,911		
36221H-JU-4	GNMA POOL #906575	10.2500	MTLY	2016	02		60,053	55,300	109.18	60,378	60,449	472	5,668	0	53	0	1996	6.665	60,053		
36221J-JS-5	GNMA POOL #907473	10.2500	MTLY	2016	04		30,857	28,415	109.18	31,024	31,061	243	2,913	0	25	0	1996	6.543	30,857		
36221J-LV-5	GNMA POOL #907796	10.2500	MTLY	2016	03		17,296	15,991	109.18	17,460	17,480	137	1,639	0	60	0	1996	9.282	17,296		
36221M-YS-1	GNMA POOL #910621	10.2500	MTLY	2018	02		62,026	57,259	109.12	62,482	62,591	489	5,869	0	183	0	1996	9.360	62,026		
36221N-2N-5	GNMA POOL #911581	10.2500	MTLY	2019	04		156,060	143,525	109.00	156,437	156,891	1,226	14,711	0	109	0	1996	7.258	156,060		
36221N-PB-6	GNMA POOL #911218	10.2500	MTLY	2019	04	2018	56,816	52,384	109.00	57,096	57,262	447	5,369	0	19	0	1996	4.791	56,816		
36225A-DX-5	GNMA POOL #780118	9.5000	MTLY	2021	08		550,709	513,840	106.96	549,624	551,736	4,068	48,821	0	265	0	1995	7.244	550,709		
36225A-FR-6	GNMA POOL #780176	10.0000	MTLY	2021	03		3,774,945	3,494,286	108.93	3,806,396	3,785,841	29,119	349,429	0	2,397	0	1995	7.724	3,774,945		
COUNTRY TOTAL - U.S.							15,115,713	14,240,553	XXX	15,062,197	15,156,400	109,898	1,318,783	78	10,416	0	XXX	XXX	XXX	15,115,713	
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities							15,115,713	14,240,553	XXX	15,062,197	15,156,400	109,898	1,318,783	78	10,416	0	XXX	XXX	XXX	15,115,713	
0399999 - Total - U.S. Government Bonds							21,689,352	20,740,553	XXX	21,478,457	21,734,057	198,806	1,457,220	78	14,433	0	XXX	XXX	XXX	21,689,352	
SPECIAL REVENUE AND ASSESSMENTS																					
ISSUER OBLIGATIONS																					
NEW YORK																					
649885-HV-5	BTNEW YORK ST MTG AGY REC H/O SER	10.7500	AO	2012	10		344,096	320,000	100.06	320,179	348,800	8,600	34,400	0	927	0	1993	9.944	344,096		
STATE TOTAL							344,096	320,000	XXX	320,179	348,800	8,600	34,400	0	927	0	XXX	XXX	XXX	344,096	
TEXAS																					
539761-AC-0	BTLOCKHART CORRECTIONAL FAC MBIA	8.7500	AO	2012	04		421,651	425,000	102.33	434,898	420,750	9,297	37,188	147	0	0	1991	9.053	421,651		
STATE TOTAL							421,651	425,000	XXX	434,898	420,750	9,297	37,188	147	0	0	XXX	XXX	XXX	421,651	
COUNTRY TOTAL - U.S.							765,747	745,000	XXX	755,077	769,550	17,897	71,588	147	927	0	XXX	XXX	XXX	765,747	
QUEBEC																					
74815H-AS-1	QUEBEC PROVIDENCE CANADA MTN	9.0000	MN	2001	04		1,013,525	1,000,000	102.52	1,025,250	1,057,320	11,500	90,000	0	9,582	0	1994	8.033	1,013,525		
STATE TOTAL							1,013,525	1,000,000	XXX	1,025,250	1,057,320	11,500	90,000	0	9,582	0	XXX	XXX	XXX	1,013,525	
COUNTRY TOTAL - CANADA							1,013,525	1,000,000	XXX	1,025,250	1,057,320	11,500	90,000	0	9,582	0	XXX	XXX	XXX	1,013,525	
2599999 - Total Bonds - Special Revenue - Issuer Obligations							1,779,272	1,745,000	XXX	1,780,327	1,826,870	29,397	161,588	147	10,509	0	XXX	XXX	XXX	1,779,272	
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
GEORGIA																					
047852-DF-2	BTATLANTA GA URBAN RESIDENTIAL FIN	0.0000	MATR	2016	10		413,274	1,650,000	26.145	431,392	267,191	0	0	32,779	0	0	1994	8.615	413,274		
STATE TOTAL							413,274	1,650,000	XXX	431,392	267,191	0	0	32,779	0	0	XXX	XXX	XXX	413,274	
U.S. GOVERNMENT																					
312950-S3-3	FHLMC PC GOLD 15Y POOL #800538	9.5000	MTLY	2005	11		691,658	666,484	102.81	685,225	701,266	5,276	63,316	0	2,875	0	1995	7.713	691,658		
313610-VQ-7	FNMA POOL #46523	8.0000	MTLY	2002	05		29,826	30,456	101.00	30,760	28,057	203	2,436	177	0	0	1987	9.712	29,826		
313611-A2-1	FNMA POOL #46825	8.0000	MTLY	2002	06		5,091	5,210	101.21	5,273	4,799	35	417	28	0	0	1987	10.051	5,091		
313613-0F-1	FNMA POOL #49054	8.0000	MTLY	2002	06		2,974	3,052	101.21	3,089	2,811	20	244	14	0	0	1987	10.750	2,974		
31361X-7J-8	FNMA POOL #44997	8.0000	MTLY	2002	06		48,695	49,731	101.21	50,332	45,815	332	3,979	283	0	0	1987	9.678	48,695		
31361Y-GK-3	FNMA POOL #45202	8.0000	MTLY	2002	04		4,266	4,361	101.08	4,408	4,018	29	349	24	0	0	1987	10.039	4,266		
31365E-BN-2	FNMA POOL #125245	7.0000	MTLY	2023	10		1,343,813	1,315,587	97.250	1,279,408	1,346,421	7,674	92,091	0	552	0	1993	6.763	1,343,813		
31376D-W7-3	FNMA 15 YR #352670	6.5000	MTLY	2013	02		914,589	904,966	97.094	878,668	914,970	4,902	39,215	0	381	0	1999	6.239	914,589		
31378D-NP-1	FNMA 15 YR #395598	6.5000	MTLY	2012	10		325,722	322,381	97.094	313,012	325,944	1,746	13,970	0	223	0	1999	6.242	325,722		
31378F-2D-6	FNMA 15 YR #397772	6.5000	MTLY	2012	09		280,644	277,705	97.125	269,721	280,775	1,504	12,034	0	131	0	1999	6.234	280,644		
31378M-GL-8	FNMA 15 YR #402603	6.5000	MTLY	2012	11		286,645	285,628	97.125	277,416	288,785	1,547	12,377	0	140	0	1999	6.237	286,645		
31378N-GZ-5	FNMA 15 YR #403516	6.5000	MTLY	2013	01		571,407	565,402	97.094	548,971	571,652	3,063	24,501	0	245	0	1999	6.238	571,407		
31378T-K4-6	FNMA 15 YR #408115	6.5000	MTLY	2012	12		285,394	282,412	97.094	274,205	285,534	1,530	12,238	0	141	0	1999	6.239	285,394		

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

CUSIP Identification	Description	Interest		Date of				Book Value	Par Value	Rate Used to Obtain Market Value	Market Value	Actual Cost	Interest		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Year Acquired	Effective Rate of Interest	Statement Value Dec. 31 of Current Year (a)
		a	b	Maturity		Option							9.1 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	9.2 Gross Amount Received During Year							
				Year	Month	Year	Call Price														
31379B-HC-0	FNMA 15 YR #414327	6.5000	MTLY	2013	02			338,859	335,296	.97094	325,552	339,003	1,816	14,530	.0	143	0	1999	6.239	338,859	
31379K-H2-2	FNMA 15 YR #421549	6.5000	MTLY	2013	06			690,975	683,673	.97094	663,806	691,231	3,703	29,626	.0	256	0	1999	6.243	690,975	
31379K-H3-0	FNMA 15 YR #421550	6.5000	MTLY	2013	06			539,076	533,406	.97094	517,906	539,303	2,889	23,114	.0	227	0	1999	6.244	539,076	
31379X-JT-3	FNMA 15 YR #432374	6.5000	MTLY	2013	06			299,578	296,419	.97094	287,805	299,695	1,606	12,845	.0	118	0	1999	6.243	299,578	
31379Y-FR-9	FNMA 15 YR #433176	6.5000	MTLY	2013	07			1,843,314	1,825,224	.97094	1,772,183	1,844,047	9,887	79,093	.0	732	0	1999	6.267	1,843,314	
31380L-TC-2	FNMA 15 YR #443447	6.5000	MTLY	2028	09			677,989	670,691	.97094	651,201	678,106	3,633	29,063	.0	116	0	1999	6.322	677,989	
31380Q-GA-9	FNMA 15 YR #446693	6.5000	MTLY	2013	10			559,566	553,672	.97094	537,583	559,793	2,999	23,992	.0	227	0	1999	6.249	559,566	
31380Q-H3-4	FNMA 15 YR #446750	6.5000	MTLY	2013	10			685,524	678,303	.97094	658,592	685,802	3,674	29,393	.0	279	0	1999	6.249	685,524	
31382D-YS-7	FNMA 30 YR #479621	6.0000	MTLY	2029	02			3,796,013	3,847,237	.91688	3,527,454	3,795,539	19,236	192,362	473	.0	0	1999	6.312	3,796,013	
31382G-NY-9	FNMA 15 YR #482007	6.5000	MTLY	2014	04			306,017	302,787	.97062	293,892	306,135	1,640	13,121	.0	118	0	1999	6.255	306,017	
31382J-T7-6	FNMA 15 YR #483974	6.5000	MTLY	2014	02			2,630,382	2,604,505	.97094	2,528,818	2,631,366	14,108	112,862	.0	984	0	1999	6.274	2,630,382	
31382L-BY-1	FNMA 15 YR #485255	6.5000	MTLY	2014	02			3,902,588	3,864,198	.97094	3,751,904	3,904,047	20,931	167,449	.0	1,459	0	1999	6.274	3,902,588	
31382L-X2-7	FNMA 15 YR #485897	6.5000	MTLY	2014	03			399,712	395,495	.97062	383,876	399,867	2,142	17,138	.0	156	0	1999	6.254	399,712	
31382M-CY-8	FNMA 15 YR #486187	6.5000	MTLY	2014	03			603,696	597,327	.97062	579,777	603,931	3,236	25,884	.0	235	0	1999	6.254	603,696	
31382N-SQ-6	FNMA 30 YR #487527	6.0000	MTLY	2029	02			3,904,525	3,957,213	.91688	3,628,289	3,904,038	19,786	197,861	487	.0	0	1999	6.312	3,904,525	
31382Q-UQ-6	FNMA 15 YR #489391	6.5000	MTLY	2014	03			348,361	344,686	.97094	334,670	348,497	1,867	14,936	.0	136	0	1999	6.254	348,361	
31382T-HK-8	FNMA 15 YR #491734	6.5000	MTLY	2014	03			246,076	243,480	.97094	236,404	246,171	1,319	10,551	.0	96	0	1999	6.254	246,076	
31383C-VN-2	FNMA 30 YR #499321	7.0000	MTLY	2029	08			260,603	266,301	.96688	257,481	260,559	1,553	4,660	44	.0	0	1999	7.774	260,603	
31383S-CV-0	FNMA 30 YR #511384	7.0000	MTLY	2029	09			388,287	396,778	.96688	383,637	388,223	2,315	6,944	65	.0	0	1999	7.774	388,287	
31383T-SN-9	FNMA 30 YR #512725	7.0000	MTLY	2029	09			465,844	476,031	.96688	460,265	465,766	2,777	8,331	78	.0	0	1999	7.774	465,844	
31383V-LM-3	FNMA 30 YR #514332	7.0000	MTLY	2029	09			242,387	247,687	.96688	239,483	242,346	1,445	4,335	40	.0	0	1999	7.774	242,387	
STATE TOTAL								27,922,094	27,833,781	XXX	26,641,064	27,934,312	150,423	1,295,255	1,712	9,968	0	XXX	XXX	XXX	27,922,094
COUNTRY TOTAL - U.S.								28,335,368	29,483,781	XXX	27,072,457	28,201,503	150,423	1,295,255	34,491	9,968	0	XXX	XXX	XXX	28,335,368
MANITOBA																					
563469-DA-0	MANITOBA PROVINCE CANADA DEB	7.7500	FA	2002	02			999,573	1,000,000	101.59	1,015,870	998,750	32,292	77,500	182	.0	0	1994	7.924	999,573	
STATE TOTAL								999,573	1,000,000	XXX	1,015,870	998,750	32,292	77,500	182	.0	0	XXX	XXX	XXX	999,573
COUNTRY TOTAL - CANADA								999,573	1,000,000	XXX	1,015,870	998,750	32,292	77,500	182	0	0	XXX	XXX	XXX	999,573
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								29,334,941	30,483,781	XXX	28,088,327	29,200,253	182,714	1,372,755	34,673	9,968	0	XXX	XXX	XXX	29,334,941
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
U.S. GOVERNMENT																					
312911-Z6-0	FHLMC 1360Z	7.5000	MTLY	2021	10	2009	100.000	849,793	859,771	.96024	825,586	849,793	5,374	.0	64,142	.0	0	1995	8.162	849,793	
31358M-YQ-1	FNMA 92-61Z	7.5000	MTLY	2005	08	2000	100.000	33,597	33,726	.99647	33,607	34,369	.211	2,529	.0	257	0	1995	6.848	33,597	
31358T-KP-3	BTFNMA PAC 1993G03 CLJ	7.0000	MTLY	2022	03	2000	100.000	1,991,056	2,000,000	.96190	1,923,800	1,915,625	11,667	140,000	53,973	.0	0	1993	6.926	1,991,056	
31359E-QU-8	BTFNMA PAC 93188 CL PK	5.7500	MTLY	2010	09	2000	100.000	802,561	805,578	.99387	800,640	816,781	3,860	46,321	.58	.0	0	1993	5.885	802,561	
31359F-SU-3	BTFNMA CMO SER 93223 CL PG	5.8000	MTLY	2021	12	2000	100.000	1,992,589	2,000,000	.97442	1,948,840	1,975,000	9,667	116,000	9,125	.0	0	1993	5.709	1,992,589	
31359H-TL-8	BTFNMA PAC 9475E	6.6000	MTLY	2018	09	2000	100.000	1,260,978	1,266,318	.99716	1,262,722	1,226,746	6,965	83,577	14,647	.0	0	1994	6.519	1,260,978	
STATE TOTAL								6,930,574	6,965,393	XXX	6,795,195	6,642,148	37,743	388,427	141,887	315	.0	XXX	XXX	XXX	6,930,574
COUNTRY TOTAL - U.S.								6,930,574	6,965,393	XXX	6,795,195	6,642,148	37,743	388,427	141,887	315	0	XXX	XXX	XXX	6,930,574
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								6,930,574	6,965,393	XXX	6,795,195	6,642,148	37,743	388,427	141,887	315	0	XXX	XXX	XXX	6,930,574
3199999 - Total - Special Revenue Bonds								38,044,787	39,194,175	XXX	36,663,849	37,669,271	249,854	1,922,770	176,708	20,793	0	XXX	XXX	XXX	38,044,787
PUBLIC UTILITIES																					
ISSUER OBLIGATIONS																					
283677-AT-9	EL PASO ELECTRIC CO 1ST MTG SER-D	8.9000	FA	2006	02			152,428	150,000	103.55	155,330	153,450	5,562	13,350	.0	294	0	3	1996	8.737	152,428
283677-AU-6	EL PASO ELECTRIC CO 1ST MTG-SER-E	9.4000	MN	2011	05			150,000	150,000	105.57	158,352	150,000	2,350	14,100	.0	.0	0	3	1996	9.621	150,000
637432-BA-2	BTNATNL RURAL UTIL COOP	6.5000	MS	2002	09			1,998,901	2,000,000	.98609	1,972,180	1,997,500	38,278	130,000	360	.0	0	1995	6.629	1,998,901	
653522-BV-3	NIAGARA MOHAWK PWR CORP	9.2500	AO	2001	10			1,045,544	1,000,000	103.21	1,032,130	1,087,930	23,125	92,500	.0	23,799	0	2	1998	6.564	1,045,544
653522-DJ-8	NIAGARA MOHAWK POWER	7.7500	AO	2008	10			623,575	625,000	.99891	624,319	623,412	12,109	48,438	110	.0	0	2	1998	7.938	623,575
677347-BJ-4	OHIO EDISON CO	8.6250	MS	2003	09			1,283,483	1,230,000	102.73	1,263,616	1,317,109	31,237	106,088	.0	12,159	0	2	1997	7.398	1,283,483
74325X-AA-8	BTPROGRESS CAPITAL MTN	6.8800	FA	2001	08			1,000,000	1,000,000	.98966	989,660	1,000,000	28,667	88,800	.0	.0	0	1	1996	6.998	1,000,000
744567-DT-2	BTPUBLIC SERV ELECT & GAS	6.2500	JJ	2007	01			947,496	1,000,000	93.164	931,640	928,420	31,250	62,500	5,589	.0	0	1	1996	7.349	947,496
COUNTRY TOTAL - U.S.								7,201,428	7,155,000	XXX	7,127,226	7,257,821	172,578	535,775	6,059	36,252	0	XXX	XXX	XXX	7,201,428
3299999 - Total Bonds - Public Utilities - Issuer Obligations								7,201,428	7,155,000	XXX	7,127,226	7,257,821	172,578	535,775	6,059	36,252	0	XXX	XXX	XXX	7,201,428

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Interest		3 Date of			4 Book Value	5 Par Value	6 Rate Used to Obtain Market Value	7 Market Value	8 Actual Cost	9 Interest		10 Increase by Adjustment in Book Value During Year	11 Decrease by Adjustment in Book Value During Year	12 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	13 NAIC Designation	14 Year Acquired	15 Effective Rate of Interest	16 Statement Value Dec. 31 of Current Year (a)	
		a Rate of	b How Paid	Maturity		Option						9.1 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	9.2 Gross Amount Received During Year								
				Year	Month	Year															Call Price
3899999 - Total - Public Utilities Bonds							7,201,428	7,155,000	XXX	7,127,226	7,257,821	172,578	535,775	6,059	36,252	0	XXX	XXX	XXX	7,201,428	
INDUSTRIAL & MISCELLANEOUS ISSUER OBLIGATIONS																					
008916-AA-6	AGRIUM INC.	7.0000	FA.	2004	02		997,936	1,000,000	.95057	950,570	996,780	29,167	70,000	.422	.0	0	2	1997	7.184	997,936	
023586-AA-8	AMERCO NOTE	7.8500	MN.	2003	05		999,836	1,000,000	.96778	967,780	999,700	10,031	78,500	.41	.0	0	3	1996	8.010	967,780	
029062-AA-4	AMERICAN PORTA TELE 144A	0.0000	MATR.	2006	11		2,054,795	3,590,000	.57081	2,049,208	1,586,780	.0	.0	161,054	.0	0	2	1996	8.505	2,054,795	
029717-AM-7	AMER STANDARD SR NT	7.6250	FA.	2010	02		1,005,660	1,000,000	.91375	913,750	1,005,660	28,806	76,250	.0	.0	0	3	1998	7.693	913,750	
031652-AB-6	AMKOR TECHNOLOGIES INC 144A	9.2500	MN.	2006	05		995,068	1,000,000	.99000	990,000	995,000	15,417	.0	.68	.0	0	3	1999	9.574	990,000	
066050-CB-9	BTBANKAMERICA CORP SUB NOTE	7.2000	AO.	2006	04		923,478	1,000,000	.98517	985,170	885,530	15,200	72,000	8,777	.0	0	1	1994	9.004	923,478	
126304-AD-6	CSC HOLDINGS INC SER B DEBENTURES	8.1250	FA.	2009	08		996,749	1,000,000	.99531	995,310	996,270	30,694	81,250	.215	.0	0	3	1997	8.341	995,310	
149123-AP-6	BTBATERPILLAR INC	6.0000	MN.	2007	05		1,914,323	2,000,000	.91001	1,820,020	1,868,820	20,000	120,000	8,771	.0	0	1	1993	6.864	1,914,323	
200336-AN-5	COMDISCO INC	5.7500	FA.	2001	02		1,498,550	1,500,000	.98017	1,470,255	1,494,195	32,583	86,250	1,212	.0	0	2	1996	5.925	1,498,550	
20043J-AG-0	COMINCO LTD MTNS	8.0300	MS.	2003	05		1,297,588	1,275,000	.95468	1,217,217	1,313,148	102,382	.0	5,635	.0	0	2	1997	7.570	1,297,588	
201615-CW-9	BTCOMMERCIAL CR GROUP INC NOTE	7.8750	JJ.	2004	07		1,005,808	1,000,000	.10196	1,019,570	1,010,590	36,312	78,750	.0	1,032	0	1	1994	7.870	1,005,808	
224044-AH-0	COX COMMUNICATION NEW NOTE	6.3750	JD.	2000	06		3,001,646	3,000,000	.10001	3,000,330	3,014,550	8,500	191,250	.0	3,433	0	2	1995	6.349	3,001,646	
233835-AB-3	DAIMLERCHRYSLER SNR NTS	6.9000	MS.	2004	09		1,447,967	1,450,000	.98694	1,431,063	1,447,840	35,295	.0	128	.0	0	1	1999	7.056	1,447,967	
260543-AY-9	BTDOW CHEM NT 99	8.5500	AO.	2009	10		1,597,585	1,575,000	.10685	1,682,872	1,603,742	28,429	134,662	.0	1,447	0	1	1995	8.507	1,597,585	
26882X-D2-8	ERAC USA FINAN CO MTN	7.0000	JD.	2000	06		999,777	1,000,000	.10008	1,000,850	998,260	3,111	70,000	.464	.0	0	2	1996	7.175	999,777	
277461-AS-8	BTEASTMAN KODAK CO NOTE	9.7500	AO.	2004	10		2,250,836	2,000,000	.11154	2,230,760	2,489,740	48,750	195,000	.0	43,581	0	1	1993	6.740	2,250,836	
309601-AB-8	BTFFARMERS INS EXCHANGE 144A	8.5000	FA.	2004	08		1,063,077	1,000,000	.10146	1,014,620	1,087,090	35,417	85,000	.0	11,345	0	1	1997	6.991	1,063,077	
31410H-AF-8	FEDERATED DEPARTMENT STORES	8.1250	AO.	2002	10		1,003,834	1,000,000	.10195	1,019,540	1,006,405	17,153	81,250	.360	1,551	0	2	1997	8.129	1,003,834	
345397-NK-5	BTFFORD MOTOR CREDIT CO NTS	6.1250	JJ.	2006	01		958,623	1,000,000	.93218	932,180	940,380	29,264	61,250	5,360	.0	0	1	1996	7.100	958,623	
404230-AF-4	HMH PROPERTIES MTN	7.8750	JD.	2008	08		902,132	1,000,000	.90000	900,000	901,250	3,500	39,375	.882	.0	0	3	1999	9.801	900,000	
438506-AN-7	BTHONEYWELL INC NOTES	6.6000	AO.	2001	04		499,459	500,000	.99607	498,035	498,145	6,967	33,000	.389	.0	0	1	1996	6.801	499,459	
441065-AH-2	COLUMBIA HEALTH HOSPITAL CORP AMER	0.0000	MATR.	2001	06		1,122,112	1,250,000	.88507	1,106,338	1,012,000	.0	.0	82,159	.0	0	3	1998	7.900	1,106,338	
526055-AA-6	LENFEST SENIOR NOTE	8.3750	MN.	2005	11		498,723	500,000	.10200	498,125	498,125	6,979	41,875	.164	.0	0	3	1995	8.609	498,723	
552078-AM-9	LYONDELL CHEMICAL CO	9.8750	MN.	2007	05		1,040,803	1,000,000	.10200	1,020,000	1,042,500	16,458	44,986	.0	1,697	0	3	1999	9.308	1,020,000	
55262L-AA-8	MBNA CORPORATION	6.8750	JD.	2005	06		986,770	1,000,000	.95104	951,040	982,500	5,729	68,750	1,936	.0	0	2	1997	7.303	986,770	
592173-AG-3	BTMETLIFE INSUR CO 144A	7.0000	MN.	2005	11		2,056,987	2,000,000	.97047	1,940,940	2,069,240	23,333	140,000	.0	7,828	0	5*	1998	6.510	1,940,940	
638585-AD-1	BTNATIONSBANK CORP	6.8750	FA.	2005	02		997,622	1,000,000	.97777	977,770	995,500	25,972	68,750	.375	.0	0	1	1993	7.051	997,622	
638585-AF-6	BTNATIONSBANK SUB NOTE	6.5000	FA.	2003	08		1,000,000	1,000,000	.97784	977,840	1,000,000	24,556	65,000	.0	.0	0	1	1993	6.606	1,000,000	
652228-AE-7	NEWPORT NEWS	8.6250	JD.	2006	12		520,684	500,000	.98750	493,750	525,000	3,594	43,125	.0	2,179	0	3	1997	7.993	493,750	
655422-AK-9	NORANDA INC DEB	8.6250	JJ.	2002	07		1,047,485	1,000,000	.97101	1,014,680	1,109,220	39,771	86,250	.0	16,647	0	2	1995	6.674	1,047,485	
676255-AJ-1	OFFSHORE LOGISTICS INC 144A	7.8750	JJ.	2008	01		648,448	650,000	.92000	598,000	648,200	23,603	51,188	.134	.0	0	3	1998	8.072	598,000	
679833-AB-9	OLD KENT FINANCIAL CORP	6.6250	MN.	2005	11		1,010,732	1,000,000	.95288	952,880	1,016,150	8,465	66,250	.0	1,463	0	1	1995	6.505	1,010,732	
695629-AR-6	PAINE WEBBER SNR	8.8750	MS.	2005	03		1,088,843	1,000,000	.10387	1,038,740	1,139,600	26,132	88,750	.0	13,785	0	2	1995	6.936	1,088,843	
74157K-AC-5	PRIMEDIA INC	7.6250	AO.	2008	04		746,257	750,000	.93000	697,500	745,688	14,297	57,188	.315	.0	0	3	1998	7.856	697,500	
749121-AL-3	QWEST COMMUNICATIONS INTL	7.5000	MN.	2008	11		992,530	1,000,000	.98000	980,000	992,245	12,500	37,188	.249	.0	0	3	1999	7.763	980,000	
79549B-BH-9	BTSALOMON INC NOTES	6.5000	MS.	2000	03		1,000,000	1,000,000	.10002	1,000,150	1,000,000	21,667	65,000	.0	.0	0	1	1997	6.606	1,000,000	
79549B-CF-2	BTSALOMON SMITH BARNEY HLDGS NOTE	6.8750	JD.	2005	06		1,018,627	1,000,000	.97215	972,150	1,028,860	3,056	68,750	.0	2,765	0	1	1995	6.569	1,018,627	
81238X-KR-1	BTSEARNS ROEBUCK & CO MED TERM NT	8.5200	AO.	2002	05		1,572,815	1,500,000	.10201	1,530,090	1,721,580	31,950	127,800	.0	27,669	0	1	1993	6.382	1,572,815	
832248-AC-2	SMITHFIELD FOODS	7.6250	FA.	2008	02		498,501	500,000	.90000	450,000	498,265	14,403	38,125	.129	.0	0	3	1998	7.823	450,000	
880336-AC-4	TENET HEALTHCARE SNR NOTE	8.6250	JD.	2003	12		508,808	500,000	.99750	498,750	515,625	3,594	43,125	.0	1,842	0	3	1995	8.255	498,750	
903290-AC-8	BTUSF&G CORP	8.3750	JD.	2001	06		2,041,681	2,000,000	.10177	2,035,400	2,114,704	7,444	167,500	.0	26,305	0	1	1997	6.966	2,041,681	
908068-AD-1	UNION PLANTERS CORP SUB	6.2500	MN.	2003	11		991,860	1,000,000	.95456	954,560	985,150	10,417	62,500	.0	1,814	0	2	1995	6.599	991,860	
908584-DJ-1	BTUNION TANK CAR	7.1250	FA.	2007	02		499,585	500,000	.95883	479,415	499,465	14,844	35,625	.44	.0	0	1	1997	7.268	499,585	
912912-AT-9	US WEST CAPITAL FUNDING INC 144A	6.8750	FA.	2001	08		2,497,374	2,500,000	.99584	2,489,600	2,496,850	60,156	.0	524	.0	0	2	1999	7.065	2,497,374	
931142-AS-2	BTWALMART STORES INC	7.2500	JD.	2013	06		993,484	1,000,000	.98776	987,760	991,970	6,042	72,500	.278	.0	0	1	1993	7.461	993,484	
942683-AA-1	WATSTON PHARMACEUTICALS	7.1250	MN.	2008	05		992,306	1,000,000	.88092	880,920	991,280	9,104	71,250	.648	.0	0	2	1998	7.381	992,306	
961238-AF-9	WESTPOINT STEVENS	7.8750	JD.	2008	06		963,471	1,000,000	.89500	895,000	964,375	3,500	39,375	.102	.892	0	3	1999	8.712	895,000	
COUNTRY TOTAL - U.S.							54,751,235	56,040,000	XXX	53,522,372	54,723,966	882,306	3,307,019	277,013	171,096	0	XXX	XXX	XXX	54,200,306	
3899999 - Total Bonds - Industrial, Misc. - Issuer Obligations							54,751,235	56,040,000	XXX	53,522,372	54,723,966	882,306	3,307,019	277,013	171,096	0	XXX	XXX	XXX	54,200,306	
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
393505-BA-9	GREEN TREE FINL CORP 93-2 CLA3	6.5500	MTLY.	2018	07	2000	100.000	716.801	716.852	100.13	717.812	715.396	2.087	46.954	445	.0	0	1	1993	6.772	716.801

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Interest		3 Date of			4 Book Value	5 Par Value	6 Rate Used to Obtain Market Value	7 Market Value	8 Actual Cost	Interest		10 Increase by Adjustment in Book Value During Year	11 Decrease by Adjustment in Book Value During Year	12 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	13 NAIC Designation	14 Year Acquired	15 Effective Rate of Interest	16 Statement Value Dec. 31 of Current Year (a)	
		a Rate of	b How Paid	Maturity		Option						9.1 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	9.2 Gross Amount Received During Year								
				a Year	a Month	b Year															c Call Price
393505-BH-4	GREENTREE FINL CORP HSG CL 93-3A5	5.7500	MTLY	2018	10	2000	100.000	.897,111	898,977	.99.856	897,683	901,084	4,308	51,691	.0	1,667	0	1	1993	5.493	897,111
783760-QK-0	RYLAND ACCEPT CORP IV REMIC 81	9.0000	MTLY	2017	02	2016	100.000	1,170,979	1,170,708	.98.775	1,156,367	1,230,524	8,780	105,364	.0	.22	0	1	1992	9.372	1,170,979
COUNTRY TOTAL - U.S.							2,784,890	2,786,537	XXX	2,771,862	2,847,004	15,175	204,009	445	1,689	0	XXX	XXX	XXX	2,784,890	
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities							2,784,890	2,786,537	XXX	2,771,862	2,847,004	15,175	204,009	445	1,689	0	XXX	XXX	XXX	2,784,890	
DEFINED MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED																					
68338S-BA-5	ONYX ACCEPTANCE AUTO TRUST	6.7600	MTLY	2004	05	2003	100.000	1,999,613	2,000,000	.98.813	1,976,260	1,999,572	6,009	39,058	.41	.0	0	12	1999	6.981	1,999,613
878154-AE-3	TEAM FLEET FINANCE	7.3500	MTLY	2003	05	2002	100.000	1,999,056	2,000,000	.99.664	1,993,280	1,998,632	6,533	147,000	.354	.0	0	1	1997	7.626	1,999,056
COUNTRY TOTAL - U.S.							3,998,670	4,000,000	XXX	3,969,540	3,998,204	12,542	186,058	396	0	0	0	XXX	XXX	XXX	3,998,670
4399999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities							3,998,670	4,000,000	XXX	3,969,540	3,998,204	12,542	186,058	396	0	0	0	XXX	XXX	XXX	3,998,670
4599999 - Total - Industrial and Miscellaneous Bonds							61,534,795	62,826,537	XXX	60,263,774	61,569,174	910,023	3,697,085	277,854	172,785	0	XXX	XXX	XXX	60,983,866	
5499999 - Total - Issuer Obligations							70,305,573	71,440,000	XXX	68,846,186	70,386,313	1,173,190	4,142,819	283,219	221,875	0	XXX	XXX	XXX	69,754,644	
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities							44,450,654	44,724,334	XXX	43,150,523	44,356,653	292,612	2,691,538	34,751	20,384	0	XXX	XXX	XXX	44,450,654	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities							9,715,464	9,751,930	XXX	9,567,057	9,489,151	52,917	592,436	142,332	2,004	0	XXX	XXX	XXX	9,715,464	
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities							3,998,670	4,000,000	XXX	3,969,540	3,998,204	12,542	186,058	396	0	0	XXX	XXX	XXX	3,998,670	
6099999 Totals							128,470,361	129,916,265	XXX	125,533,306	128,230,322	1,531,262	7,612,850	460,698	244,263	0	XXX	XXX	XXX	127,919,432	

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Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1		2	3	4	5	6	7
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
US GOVERNMENT OBLIGATIONS - U.S.							
912827-3G-5	U.S. TREASURY NOTES	12/01/1999	Undefined		2,008,594	2,000,000	31,593
912827-V8-2	U.S. TREASURY NOTES	07/16/1999	MERRILL LYNCH		2,511,719	2,500,000	24,745
912827-Z6-2	U.S. TREASURY NOTES	07/07/1999	MORGAN STANLEY		2,057,344	2,000,000	29,481
COUNTRY TOTAL					6,577,656	6,500,000	85,820
0399999 - Total - Bonds - U.S. Government					6,577,656	6,500,000	85,820
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
U.S. GOVERNMENT							
312911-Z6-0	FHLMC 1360Z	Various	PAR ACCRETION		0	61,938	0
31376D-W7-3	FNMA 15 YR #352670	04/19/1999	CS First Boston		997,817	986,907	3,207
31378D-NP-1	FNMA 15 YR #395598	04/19/1999	CS First Boston		373,848	369,760	1,202
31378F-2D-6	FNMA 15 YR #397772	04/19/1999	CS First Boston		366,998	362,985	1,180
31378M-GL-8	FNMA 15 YR #402603	04/19/1999	CS First Boston		315,650	312,199	1,015
31378N-GZ-5	FNMA 15 YR #403516	04/19/1999	CS First Boston		643,403	636,369	2,068
31378T-K4-6	FNMA 15 YR #408115	04/19/1999	CS First Boston		334,726	331,066	1,076
31379B-HC-0	FNMA 15 YR #414327	04/19/1999	CS First Boston		365,429	361,434	1,175
31379K-H2-2	FNMA 15 YR #421549	04/19/1999	CS First Boston		763,510	755,162	2,454
31379K-H3-0	FNMA 15 YR #421550	04/19/1999	CS First Boston		559,916	553,794	1,800
31379X-JT-3	FNMA 15 YR #432374	04/19/1999	CS First Boston		317,802	314,327	1,022
31379Y-FR-9	FNMA 15 YR #433176	04/19/1999	SALOMON BROTHERS INC.		2,019,142	1,998,532	6,495
31380L-TC-2	FNMA 15 YR #443447	04/19/1999	CS First Boston		700,175	692,519	2,251
31380Q-GA-9	FNMA 15 YR #446693	04/19/1999	CS First Boston		619,223	612,453	1,990
31380Q-H3-4	FNMA 15 YR #446750	04/19/1999	CS First Boston		724,748	716,823	2,330
31382D-YS-7	FNMA 30 YR #479621	02/11/1999	PAINE WEBBER INC.		3,984,939	4,039,216	6,732
313826-NY-9	FNMA 15 YR #482007	04/19/1999	CS First Boston		314,846	311,404	1,012
31382J-T7-6	FNMA 15 YR #483974	04/19/1999	SALOMON BROTHERS INC.		2,776,397	2,748,056	8,931
31382L-BV-1	FNMA 15 YR #485255	04/19/1999	SALOMON BROTHERS INC.		4,297,276	4,253,413	13,824
31382L-X2-7	FNMA 15 YR #485897	04/19/1999	Undefined		428,950	424,260	1,379
31382M-CY-8	FNMA 15 YR #486187	04/19/1999	CS First Boston		652,410	645,275	2,097
31382N-SQ-6	FNMA 30 YR #487527	02/11/1999	PAINE WEBBER INC.		3,986,486	4,040,784	6,735
31382Q-UQ-6	FNMA 15 YR #489391	04/19/1999	CS First Boston		359,380	355,450	1,155
31382T-HK-8	FNMA 15 YR #491734	04/19/1999	CS First Boston		259,756	256,916	835
31383C-VN-2	FNMA 30 YR #499321	09/15/1999	SALOMON BROTHERS INC.		265,566	271,419	739
31383S-CV-0	FNMA 30 YR #511384	09/15/1999	SALOMON BROTHERS INC.		391,336	399,960	1,089
31383T-SN-9	FNMA 30 YR #512725	09/15/1999	SALOMON BROTHERS INC.		469,243	479,584	1,306
31383V-LM-3	FNMA 30 YR #514332	09/15/1999	SALOMON BROTHERS INC.		243,531	248,898	678
STATE TOTAL					27,532,504	27,540,903	75,774
COUNTRY TOTAL					27,532,504	27,540,903	75,774
3199999 - Total - Bonds - Special Revenue					27,532,504	27,540,903	75,774
INDUSTRIAL & MISCELLANEOUS - U.S.							
031652-AB-6	AMKOR TECHNOLOGIES INC 144A	11/17/1999	SOC GN CORP		995,000	1,000,000	4,111
233835-AB-3	DAIMLERCHRYSLER SNR NTS	08/24/1999	CS First Boston		1,447,840	1,450,000	0
404230-AF-4	HMH PROPERTIES MTN	11/17/1999	LEHMAN BROTHERS		901,250	1,000,000	33,250
552078-AM-9	LYONDELL CHEMICAL CO	07/22/1999	J P MORGAN		1,042,500	1,000,000	17,830
68338S-BA-5	ONYX ACCEPTANCE AUTO TRUST	08/31/1999	SALOMON BROTHERS INC.		1,999,572	2,000,000	0
749121-AL-3	QWEST COMMUNICATIONS INTL	12/20/1999	Undefined		495,625	500,000	5,104
912912-AT-9	US WEST CAPITAL FUNDING INC 144A	08/25/1999	J P MORGAN		2,496,850	2,500,000	0
961238-AF-9	WESTPOINT STEVENS	12/20/1999	Undefined		452,500	500,000	547
COUNTRY TOTAL					9,831,137	9,950,000	60,842
4599999 - Total - Bonds - Industrial, Misc.					9,831,137	9,950,000	60,842
6099997 - Total - Bonds - Part 3					43,941,297	43,990,903	222,436
6099998 - Total - Bonds - Part 5					5,105,859	5,000,000	18,003
6099999 - Total - Bonds					49,047,157	48,990,903	240,439
7199999 - Total - Preferred and Common Stocks					0	XXX	0
7299999 Totals					49,047,157	XXX	240,439

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1		2	3	4	5	6	7	8	9	10	11	12	13	14
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book Value at Disposal Date	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
US GOVERNMENT OBLIGATIONS - U.S.														
36202C-BS-1	GNMA POOL #1849	Various	PRINCIPAL RECEIPT		11,699	11,699	12,200	11,699	0	494	0	0	411	
36202C-G5-6	GNMA POOL #2020	Various	PRINCIPAL RECEIPT		1,197,589	1,197,589	1,248,861	1,197,589	0	50,472	0	0	40,839	
36202C-RF-2	GNMA POOL #2286	Various	PRINCIPAL RECEIPT		88,031	88,031	91,800	88,031	0	3,713	0	0	3,004	
36202C-SP-9	GNMA POOL #2326	Various	PRINCIPAL RECEIPT		1,011,674	1,011,674	1,054,987	1,011,674	0	42,774	0	0	36,409	
36202C-TA-1	GNMA POOL #2345	Various	PRINCIPAL RECEIPT		389,830	389,830	406,519	389,830	0	16,456	0	0	13,738	
36202C-UX-9	GNMA POOL #2398	Various	PRINCIPAL RECEIPT		86,745	86,745	90,459	86,745	0	3,674	0	0	3,568	
36202C-VH-3	GNMA POOL #2416	Various	PRINCIPAL RECEIPT		25,038	25,038	26,110	25,038	0	1,057	0	0	996	
36202C-WF-6	GNMA POOL #2446	Various	PRINCIPAL RECEIPT		321,736	321,736	335,511	321,736	0	13,581	0	0	12,182	
36202C-ZC-0	GNMA POOL #2539	Various	PRINCIPAL RECEIPT		277,683	277,683	289,572	277,683	0	11,723	0	0	8,353	
36203A-P2-6	GNMA POOL #343441	Various	PRINCIPAL RECEIPT		11,427	11,427	11,810	11,427	0	371	0	0	333	
362059-Y8-4	GNMA POOL #030435	Various	PRINCIPAL RECEIPT		4,125	4,125	4,452	4,125	0	315	0	0	124	
36205J-AX-3	GNMA POOL #391622	Various	PRINCIPAL RECEIPT		136,536	136,536	141,144	136,536	0	4,466	0	0	1,263	
36205J-HZ-1	GNMA POOL #391848	Various	PRINCIPAL RECEIPT		15,728	15,728	16,257	15,728	0	503	0	0	597	
36205L-JF-8	GNMA POOL #393662	Various	PRINCIPAL RECEIPT		1,117	1,117	1,154	1,117	0	37	0	0	64	
362064-L8-8	GNMA POOL #034551	Various	PRINCIPAL RECEIPT		32,545	32,545	35,128	32,545	0	2,505	0	0	1,501	
362135-4V-4	GNMA POOL #097136	Various	PRINCIPAL RECEIPT		4,340	4,340	4,774	4,340	0	401	0	0	260	
362135-T3-9	GNMA POOL #096870	Various	PRINCIPAL RECEIPT		2,166	2,166	2,383	2,166	0	193	0	0	125	
362140-AB-3	GNMA POOL #102702	Various	PRINCIPAL RECEIPT		60,029	60,029	64,794	60,029	0	4,605	0	0	1,347	
36214G-3M-0	GNMA POOL #106204	Various	PRINCIPAL RECEIPT		44,528	44,528	48,062	44,528	0	3,418	0	0	2,231	
36214H-GD-4	GNMA POOL #106496	Various	PRINCIPAL RECEIPT		78,660	78,660	84,904	78,660	0	6,037	0	0	659	
362151-AU-6	GNMA POOL #150419	Various	PRINCIPAL RECEIPT		35,257	35,257	38,474	35,257	0	2,993	0	0	1,802	
362153-ED-6	GNMA POOL #152332	Various	PRINCIPAL RECEIPT		32,254	32,254	35,197	32,254	0	2,708	0	0	2,234	
362157-W5-4	GNMA POOL #156468	Various	PRINCIPAL RECEIPT		25,433	25,433	27,754	25,433	0	2,168	0	0	1,320	
362159-P2-5	GNMA POOL #158041	Various	PRINCIPAL RECEIPT		21,831	21,831	23,823	21,831	0	1,854	0	0	946	
36215D-WA-0	GNMA POOL #132141	Various	PRINCIPAL RECEIPT		1,008	1,008	1,100	1,008	0	85	0	0	55	
36215N-3T-9	GNMA POOL #140410	Various	PRINCIPAL RECEIPT		20,663	20,663	22,549	20,663	0	1,754	0	0	819	
36215N-3U-6	GNMA POOL #140411	Various	PRINCIPAL RECEIPT		21,180	21,180	23,113	21,180	0	1,836	0	0	767	
36215N-TV-6	GNMA POOL #140164	Various	PRINCIPAL RECEIPT		27,740	27,740	30,272	27,740	0	2,429	0	0	957	
36215Q-YK-7	GNMA POOL #142114	Various	PRINCIPAL RECEIPT		24,900	24,900	27,172	24,900	0	2,119	0	0	849	
36215U-VT-2	GNMA POOL #145626	Various	PRINCIPAL RECEIPT		76,245	76,245	83,203	76,245	0	6,473	0	0	2,601	
36215U-ZH-4	GNMA POOL #145744	Various	PRINCIPAL RECEIPT		22,372	22,372	24,414	22,372	0	1,814	0	0	1,150	
36215W-BR-4	GNMA POOL #146848	Various	PRINCIPAL RECEIPT		48,696	48,696	53,140	48,696	0	4,132	0	0	2,822	
36215W-QD-9	GNMA POOL #147252	Various	PRINCIPAL RECEIPT		33,288	33,288	36,325	33,288	0	2,826	0	0	1,704	
362162-SW-0	GNMA POOL #181533	Various	PRINCIPAL RECEIPT		7,447	7,447	8,039	7,447	0	584	0	0	74	
362164-X6-7	GNMA POOL #183501	Various	PRINCIPAL RECEIPT		44,514	44,514	48,576	44,514	0	3,914	0	0	583	
36216H-G4-2	GNMA POOL #165019	Various	PRINCIPAL RECEIPT		7,654	7,220	7,793	7,743	0	34	0	89	627	
36216H-YB-6	GNMA POOL #165506	Various	PRINCIPAL RECEIPT		42,423	42,423	42,621	42,423	0	145	0	0	2,928	
36216S-J7-8	GNMA POOL #173186	Various	PRINCIPAL RECEIPT		23,876	23,876	23,988	23,876	0	81	0	0	463	
36216W-WW-9	GNMA POOL #177161	Various	PRINCIPAL RECEIPT		84,852	84,852	92,595	84,852	0	7,231	0	0	4,939	
362174-3H-5	GNMA POOL #212400	Various	PRINCIPAL RECEIPT		23,938	22,858	24,672	24,208	0	435	0	270	1,735	
36217A-U3-2	GNMA POOL #187902	Various	PRINCIPAL RECEIPT		10,305	9,721	10,493	10,466	8	18	0	161	843	
36217B-5D-6	GNMA POOL #189044	Various	PRINCIPAL RECEIPT		2,647	2,552	2,647	2,647	79	0	0	0	149	
36217C-SU-1	GNMA POOL #189631	Various	PRINCIPAL RECEIPT		75,462	75,462	82,348	75,462	0	6,445	0	0	3,843	
36217K-WL-8	GNMA POOL #196051	Various	PRINCIPAL RECEIPT		8,628	8,168	8,816	8,753	1	54	0	125	672	
36217T-UE-7	GNMA POOL #203181	Various	PRINCIPAL RECEIPT		38,575	36,857	39,783	39,035	0	703	0	460	2,927	
36218F-KA-5	GNMA POOL #220889	Various	PRINCIPAL RECEIPT		1,744	1,744	1,882	1,744	0	136	0	0	90	
36218V-S9-5	GNMA POOL #233744	Various	PRINCIPAL RECEIPT		37,973	37,973	36,976	37,973	854	0	0	0	1,304	
36218W-MD-0	GNMA POOL #234456	Various	PRINCIPAL RECEIPT		6,549	6,549	7,147	6,549	0	561	0	0	367	
362193-SA-3	GNMA POOL #266113	01/15/1999	PRINCIPAL RECEIPT		19,869	19,869	19,348	19,869	453	0	0	0	166	
362199-7D-7	GNMA POOL #271892	Various	PRINCIPAL RECEIPT		311	311	336	311	0	24	0	0	15	
36219E-BK-5	GNMA POOL #246742	Various	PRINCIPAL RECEIPT		21,161	21,161	22,841	21,161	0	1,648	0	0	1,398	
36219G-FG-5	GNMA POOL #248667	Various	PRINCIPAL RECEIPT		1,822	1,822	1,988	1,822	0	156	0	0	91	
36219M-50-1	GNMA POOL #253855	Various	PRINCIPAL RECEIPT		38,249	38,249	41,285	38,249	0	2,994	0	0	924	
36219N-HR-4	GNMA POOL #254140	Various	PRINCIPAL RECEIPT		13,696	13,696	13,204	13,696	418	0	0	0	583	
36219N-TB-6	GNMA POOL #254446	Various	PRINCIPAL RECEIPT		36,636	36,636	39,544	36,636	0	2,869	0	0	1,117	
36219S-Z5-1	GNMA POOL #258264	Various	PRINCIPAL RECEIPT		75,533	75,533	82,425	75,533	0	6,447	0	0	3,380	
36219T-N6-0	GNMA POOL #258813	Various	PRINCIPAL RECEIPT		8,653	8,653	8,342	8,653	270	0	0	0	505	
36219U-4W-1	GNMA POOL #260137	Various	PRINCIPAL RECEIPT		12,897	12,897	12,434	12,897	40	0	0	0	754	
36220H-QY-9	GNMA POOL #278671	Various	PRINCIPAL RECEIPT		64,232	64,232	69,330	64,232	0	4,994	0	0	1,552	

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION COMPANY, In Receivership

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1		2	3	4	5	6	7	8	9	10	11	12	13	14
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book Value at Disposal Date	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
36220L-2N-0...	GNMA POOL #281681	Various	PRINCIPAL RECEIPT		30,255	30,255	32,657	30,255	0	2,372	0	0	1,062	
36220M-AP-4...	GNMA POOL #281814	Various	PRINCIPAL RECEIPT		220,276	220,276	237,761	220,276	0	17,235	0	0	8,819	
36220N-DH-7...	GNMA POOL #282804	Various	PRINCIPAL RECEIPT		8,815	8,815	9,514	8,815	0	689	0	0	185	
36221G-SV-4...	GNMA POOL #905932	Various	PRINCIPAL RECEIPT		3,731	3,731	4,078	3,731	0	318	0	0	212	
36221H-3B-3...	GNMA POOL #907094	Various	PRINCIPAL RECEIPT		65,354	65,354	71,440	68,230	69	2,689	0	2,875	2,815	
36221H-5W-5...	GNMA POOL #907161	Various	PRINCIPAL RECEIPT		931	931	1,018	931	0	79	0	0	53	
36221H-JU-4...	GNMA POOL #906575	Various	PRINCIPAL RECEIPT		1,228	1,228	1,342	1,228	0	107	0	0	69	
36221J-E6-8...	GNMA POOL #907357	Various	PRINCIPAL RECEIPT		33,137	33,137	36,223	35,884	0	78	0	2,747	1,691	
36221J-JS-5...	GNMA POOL #907473	Various	PRINCIPAL RECEIPT		32,330	32,330	35,341	32,330	0	2,807	0	0	2,188	
36221J-UV-5...	GNMA POOL #907796	Various	PRINCIPAL RECEIPT		10,272	10,272	11,229	10,272	0	876	0	0	610	
36221M-7K-8...	GNMA POOL #910798	Various	PRINCIPAL RECEIPT		83,863	83,863	91,672	83,863	0	7,268	0	0	2,860	
36221M-YS-1...	GNMA POOL #910621	Various	PRINCIPAL RECEIPT		971	971	1,061	971	0	84	0	0	55	
36221M-ZP-6...	GNMA POOL #910650	Various	PRINCIPAL RECEIPT		57,806	57,806	63,189	57,806	0	5,032	0	0	987	
36221N-2N-5...	GNMA POOL #911581	Various	PRINCIPAL RECEIPT		72,494	72,494	79,245	72,494	0	6,386	0	0	1,921	
36221N-PB-6...	GNMA POOL #911218	Various	PRINCIPAL RECEIPT		1,510	1,510	1,651	1,510	0	128	0	0	85	
36225A-DX-5...	GNMA POOL #780118	Various	PRINCIPAL RECEIPT		261,671	261,671	280,969	261,671	0	18,911	0	0	11,622	
36225A-FR-6...	GNMA POOL #780176	Various	PRINCIPAL RECEIPT		1,829,700	1,829,700	1,982,365	1,829,700	0	148,216	0	0	91,112	
912827-3C-4...	US TREASURY NOTE 6.000% '02	09/14/1999	BEAR STEARNS CO		1,007,031	1,000,000	1,059,688	1,046,730	0	10,618	0	39,699	67,337	
912827-XE-7...	US TREASURY NOTE 8.875% '99	02/15/1999	MATURITY		1,050,000	1,050,000	1,208,484	1,050,000	0	3,655	0	0	46,594	
912827-YE-6...	U.S. TREASURY NOTES 7.875% '99	11/15/1999	MATURITY		1,000,000	1,000,000	1,085,938	1,000,000	0	12,801	0	0	78,750	
COUNTRY TOTAL					10,673,116	10,661,808	11,441,637	10,719,542	2,555	479,814	0	46,425	497,154	XXX
0399999 - Bonds - U.S. Governments					10,673,116	10,661,808	11,441,637	10,719,542	2,555	479,814	0	46,425	497,154	XXX
SPECIAL REVENUE AND ASSESSMENTS - U.S. GEORGIA														
047852-DF-2...	BT ATLANTA GA URBN RESIDENTIAL FIN	Various	VARIOUS		195,469	805,000	130,357	193,477	7,842	0	1,991	0	0	XXX
STATE TOTAL					195,469	805,000	130,357	193,477	7,842	0	1,991	0	0	XXX
NEW YORK														
649885-HV-5...	BT NEW YORK ST MTG AGY REC H/O SER	10/01/1999	CALLED @ 100.0000000		85,000	85,000	92,650	91,536	0	111	0	6,536	6,450	XXX
STATE TOTAL					85,000	85,000	92,650	91,536	0	111	0	6,536	6,450	XXX
TEXAS														
539761-AC-0...	BT LOCKHART CORRECTIONAL FAC MBIA	04/01/1999	CALLED @ 100.0000000		15,000	15,000	14,850	14,878	1	0	122	0	656	XXX
STATE TOTAL					15,000	15,000	14,850	14,878	1	0	122	0	656	XXX
U.S. GOVERNMENT														
312950-S3-3...	FHLMC PC GOLD 15Y POOL #B00538	Various	PRINCIPAL RECEIPT		505,967	505,967	532,372	505,967	0	21,293	0	0	22,537	
31340Y-LE-7...	FHLMC SER 34 CL 34-C	Various	PRINCIPAL RECEIPT		196,381	196,381	183,217	196,381	0	49	0	0	6,706	
31358M-YQ-1...	FNMA 92-61Z	Various	PRINCIPAL RECEIPT		506,708	506,708	516,367	506,708	0	1,932	0	0	17,232	
31359E-QU-8...	BTFNMA PAC 93188 CL PK	Various	PRINCIPAL RECEIPT		900,449	900,449	912,971	900,449	3,308	0	0	0	27,481	
31359H-TL-8...	BTFNMA PAC 9475E	Various	PRINCIPAL RECEIPT		733,682	733,682	710,754	733,682	11,580	0	0	0	32,028	
313610-VQ-7...	FNMA POOL #46523	Various	PRINCIPAL RECEIPT		14,504	14,504	13,362	14,504	384	0	0	0	635	
313611-A2-7...	FNMA POOL #46825	Various	PRINCIPAL RECEIPT		1,905	1,905	1,755	1,905	54	0	0	0	84	
313613-QF-1...	FNMA POOL #49054	Various	PRINCIPAL RECEIPT		2,058	2,058	1,896	2,058	62	0	0	0	71	
31361X-7J-8...	FNMA POOL #44997	Various	PRINCIPAL RECEIPT		17,528	17,528	16,148	17,528	465	0	0	0	769	
31361Y-GK-3...	FNMA POOL #45202	Various	PRINCIPAL RECEIPT		1,957	1,957	1,803	1,957	53	0	0	0	83	
31365E-BN-2...	FNMA POOL #125245	Various	PRINCIPAL RECEIPT		342,828	342,828	350,863	342,828	0	7,500	0	0	10,199	
31376D-W7-3...	FNMA 15 YR #352670	Various	PRINCIPAL RECEIPT		81,941	81,941	82,846	81,941	0	906	0	0	1,863	
31378D-NP-1...	FNMA 15 YR #395598	Various	PRINCIPAL RECEIPT		47,379	47,379	47,903	47,379	524	0	0	0	1,049	
31378F-2D-6...	FNMA 15 YR #397772	Various	PRINCIPAL RECEIPT		85,281	85,281	86,224	85,281	0	943	0	0	2,050	
31378M-GL-8...	FNMA 15 YR #402603	Various	PRINCIPAL RECEIPT		26,571	26,571	26,865	26,571	0	294	0	0	500	
31378N-GZ-5...	FNMA 15 YR #403516	Various	PRINCIPAL RECEIPT		70,967	70,967	71,752	70,967	0	785	0	0	1,526	
31378T-K4-6...	FNMA 15 YR #408115	Various	PRINCIPAL RECEIPT		48,653	48,653	49,191	48,653	0	538	0	0	1,078	
31379B-HC-0...	FNMA 15 YR #414327	Various	PRINCIPAL RECEIPT		26,138	26,138	26,427	26,138	0	289	0	0	544	
31379K-H2-2...	FNMA 15 YR #421549	Various	PRINCIPAL RECEIPT		71,489	71,489	72,279	71,489	0	790	0	0	2,034	
31379K-H3-0...	FNMA 15 YR #421550	Various	PRINCIPAL RECEIPT		20,388	20,388	20,613	20,388	0	225	0	0	500	
31379X-JT-3...	FNMA 15 YR #432374	Various	PRINCIPAL RECEIPT		17,909	17,909	18,107	17,909	0	198	0	0	412	
31379Y-FR-9...	FNMA 15 YR #433176	Various	PRINCIPAL RECEIPT		173,308	173,308	175,095	173,308	0	1,787	0	0	3,842	
31380L-TC-2...	FNMA 15 YR #443447	Various	PRINCIPAL RECEIPT		21,828	21,828	22,069	21,828	0	241	0	0	560	
31380Q-GA-9...	FNMA 15 YR #446693	Various	PRINCIPAL RECEIPT		58,780	58,780	59,430	58,780	0	650	0	0	1,447	
31380Q-H3-4...	FNMA 15 YR #446750	Various	PRINCIPAL RECEIPT		38,520	38,520	38,945	38,520	0	426	0	0	781	

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1		2	3	4	5	6	7	8	9	10	11	12	13	14
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book Value at Disposal Date	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
31382D-YS-7...	FNMA 30 YR #479621	Various	PRINCIPAL RECEIPT		191,979	191,979	189,400	191,979	2,580	.0	.0	.0	8,326	
31382G-NY-9...	FNMA 15 YR #482007	Various	PRINCIPAL RECEIPT		8,617	8,617	8,712	8,617	.0	95	.0	.0	211	
31382J-T7-6...	FNMA 15 YR #483974	Various	PRINCIPAL RECEIPT		143,551	143,551	145,032	143,551	.0	1,480	.0	.0	3,410	
31382L-BY-1...	FNMA 15 YR #485255	Various	PRINCIPAL RECEIPT		389,215	389,215	393,229	389,215	.0	4,014	.0	.0	9,261	
31382L-X2-7...	FNMA 15 YR #485897	Various	PRINCIPAL RECEIPT		28,765	28,765	29,083	28,765	.0	318	.0	.0	544	
31382M-CY-8...	FNMA 15 YR #486187	Various	PRINCIPAL RECEIPT		47,949	47,949	48,479	47,949	.0	530	.0	.0	1,248	
31382N-SQ-6...	FNMA 30 YR #487527	Various	PRINCIPAL RECEIPT		83,571	83,571	82,448	83,571	1,123	.0	.0	.0	2,152	
31382Q-UQ-6...	FNMA 15 YR #489391	Various	PRINCIPAL RECEIPT		10,764	10,764	10,883	10,764	.0	119	.0	.0	264	
31382T-HK-8...	FNMA 15 YR #491734	Various	PRINCIPAL RECEIPT		13,436	13,436	13,585	13,436	.0	149	.0	.0	312	
31383C-VN-2...	FNMA 30 YR #499321	Various	PRINCIPAL RECEIPT		5,118	5,118	5,007	5,118	.110	.0	.0	.0	71	
31383S-CV-0...	FNMA 30 YR #511384	Various	PRINCIPAL RECEIPT		3,182	3,182	3,113	3,182	.69	.0	.0	.0	25	
31383T-SN-9...	FNMA 30 YR #512725	Various	PRINCIPAL RECEIPT		3,553	3,553	3,477	3,553	.77	.0	.0	.0	28	
31383V-LM-3...	FNMA 30 YR #514332	Various	PRINCIPAL RECEIPT		1,211	1,211	1,185	1,211	.26	.0	.0	.0	12	
STATE TOTAL					4,944,030	4,944,030	4,972,887	4,944,030	19,890	46,074	0	0	161,877	XXX
COUNTRY TOTAL					5,239,499	5,849,030	5,210,744	5,243,921	27,734	46,185	2,113	6,536	168,977	XXX
3199999 - Bonds - Special Revenues					5,239,499	5,849,030	5,210,744	5,243,921	27,734	46,185	2,113	6,536	168,977	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.														
003916-AP-8...	ACCESS MTG LOAN TR 1996-3 A2	Various	PRINCIPAL RECEIPT		276,585	276,585	276,542	276,543	499	.3	.42	.0	5,025	
161546-AV-8...	CFAB 1998-2 IA6	.07/16/1999	CHASE MANHATTAN		2,391,797	2,500,000	2,500,000	2,499,251	.0	692	.0	107,454	96,250	
196879-AF-7...	COLTEC INDUSTRIES, INC	.07/22/1999	CHASE MANHATTAN		663,384	650,000	649,006	649,095	.41	.0	14,289	.0	37,510	
254063-AC-4...	BTDILLARD STORES NOTE	.01/15/1999	MATURITY		1,500,000	1,500,000	1,552,890	1,500,000	.0	574	.0	.0	60,000	
393505-BA-9...	GREEN TREE FINL CORP 93-2 CLA3	Various	PRINCIPAL RECEIPT		1,283,148	1,283,148	1,280,542	1,283,148	887	.0	.0	.0	47,317	
393505-BH-4...	GREENTREE FINL CORP HSG CL 93-3A5	Various	PRINCIPAL RECEIPT		975,599	975,599	977,886	975,599	217	.0	.0	.0	29,516	
404230-AF-4...	HMH PROPERTIES MTN	Various	DONALDSN, LUFKN & JENRETT		728,625	750,000	745,140	745,287	.15	.0	.0	16,662	5,190	
41163G-AE-1...	HARCOURT GENERAL INC	.07/07/1999	SALOMON BROTHERS INC		1,912,340	2,000,000	2,011,180	2,010,152	.0	489	.0	97,812	125,067	
460321-AC-6...	INTERNATIONAL SHIPHOLDING CORP	.02/09/1999	CITICORP SECURITIES		727,500	750,000	746,148	746,438	.31	.0	.0	18,938	18,406	
628907-AB-3...	NAC RE CORP NOTE	.06/15/1999	MATURITY		2,000,000	2,000,000	2,000,000	2,000,000	.0	.0	.0	.0	80,000	
65440D-AH-5...	NINE WEST GROUP SR NT	.06/22/1999	MERRILL LYNCH		1,021,600	1,000,000	1,001,250	1,001,073	.0	63	20,527	.0	71,420	
690768-BB-1...	OWENS ILLINOIS INC	.10/15/1999	GOLDMAN SACHS & CO		1,454,775	1,500,000	1,497,975	1,498,328	.123	.0	.0	43,553	111,375	
783760-OK-0...	RYLAND ACCEPT CORP IV REMIC 81	Various	PRINCIPAL RECEIPT		534,886	534,886	562,215	534,886	.0	134	.0	.0	21,787	
880336-AG-5...	TENET HEALTHCARE SSB	Various	SALOMON BROTHERS INC		498,969	500,000	499,470	499,551	.10	.0	.0	964	30,864	
88037E-AG-6...	TENNECO INC NEW	.11/09/1999	CALLED @ 119.0530000		1,488,162	1,250,000	1,540,112	1,485,549	.0	17,265	2,613	.0	169,850	
925524-AC-4...	VIACOM INC SUB DEBS	.01/05/1999	SALOMON BROTHERS INC		522,000	500,000	507,500	505,908	.0	8	16,092	.0	18,889	
COUNTRY TOTAL					17,979,370	17,970,219	18,347,856	18,210,808	1,823	19,227	53,946	285,383	928,467	XXX
4599999 - Bonds - Industrial and Miscellaneous					17,979,370	17,970,219	18,347,856	18,210,808	1,823	19,227	53,946	285,383	928,467	XXX
6099997 - Bonds - Part 4					33,891,986	34,481,057	35,000,237	34,174,271	32,112	545,226	56,059	338,344	1,594,598	XXX
6099998 - Bonds - Part 5					5,079,297	5,000,000	5,105,859	5,100,370	0	5,489	0	21,073	53,756	XXX
6099999 - Total - Bonds					38,971,282	39,481,057	40,106,096	39,274,641	32,112	550,716	56,059	359,417	1,648,354	XXX
7299999 Totals					38,971,282	XXX	40,106,096	39,274,641	32,112	550,716	56,059	359,417	1,648,354	0

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1		2	3	4	5	6	7	8	9	10	11	12	13	14	15
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Cost to Company	Consideration	Book Value at Disposal Date	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
US GOVERNMENT OBLIGATIONS - U.S.															
912827-Y4-8	0-US TREASURY NOTE 6.625% '01	07/20/1999	BEAR STEARNS CO	Various	VARIOUS	5,000,000	5,105,859	5,079,297	5,100,370	0	5,489	0	21,073	53,756	18,003
COUNTRY TOTAL						5,000,000	5,105,859	5,079,297	5,100,370	0	5,489	0	21,073	53,756	18,003
0399999 - Bonds - U.S. Governments						5,000,000	5,105,859	5,079,297	5,100,370	0	5,489	0	21,073	53,756	18,003
6099998 - Total - Bonds						5,000,000	5,105,859	5,079,297	5,100,370	0	5,489	0	21,073	53,756	18,003
7199999 - Total - Preferred and Common Stocks							0	0	0	0	0	0	0	0	0
7299999 Totals							5,105,859	5,079,297	5,100,370	0	5,489	0	21,073	53,756	18,003

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

CUSIP Identification	1 Description Name of Subsidiary, Controlled or Affiliated Company	2 NAIC Company Code or Alien Insurer Identification Number	3 NAIC Valuation Method (See SVO Purposes and Procedures manual)	4 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	5 If Yes, Amount of Such Intangible Assets	6 Statement Value	Stock of Such Company Owned by Insurer on Statement Date	
							7 Number of Shares	8 % of Outstanding
1799999 Totals							XXX	XXX

Amount of insurer's capital and surplus from the prior year's annual statement: \$(32,694,204)

SCHEDULE D - PART 6 - SECTION 2

CUSIP Identification	1 Name of Lower-tier Company	2 Name of Company Listed in Section 1 Which Controls Lower-tier Company	3 Amount of Intangible Assets Included in Amount Shown in Column 5, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				4 Number of Shares	5 % of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest		Date of Maturity		9 Book Value	10 Increase or (Decrease) by Adjustment in Book Value During Year	11 Par Value	12 Rate Used to Obtain Statement Value	13 Statement Value	14 Actual Cost	Interest		17 Paid for Accrued Interest	18 NAIC Designation	19 Effective Rate of Interest	
				5 Rate of	6 How Paid	7 Year	8 Month							15 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	16 Gross Amount Received				
INDUSTRIAL & MISCELLANEOUS ISSUER OBLIGATIONS																			
161990-22-1	CHASE MANHATTAN	12/1999	Undefined	0.0000	MATR	2000	01	1,280,054	0	1,280,054	COST	1,280,054	1,280,054	0	0	0	1	0.000	
COUNTRY TOTAL - U.S.								1,280,054	0	1,280,054	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX	
3999999 - Industrial and Miscellaneous - Issuer Obligations								1,280,054	0	1,280,054	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX	
4599999 - Total - Industrial and Miscellaneous Bonds								1,280,054	0	1,280,054	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX	
5499999 - Total - Issuer Obligations								1,280,054	0	1,280,054	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX	
6099999 - Total - Bonds								1,280,054	0	1,280,054	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX	
8099999 Totals								1,280,054	(a)	0	XXX	XXX	1,280,054	1,280,054	0	0	0	XXX	XXX

(a) Includes \$other than accrual of discount and amortization of premium.

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book value, prior year	11,145,246	11,145,246			
2. Cost of short-term investments acquired	90,094,793	90,094,793			
3. Increase by adjustment in book value					
4. Profit on disposal of short-term investments					
5. Subtotals (Total of Lines 2 to 4)	90,094,793	90,094,793			
6. Consideration received on disposal of short-term investments	99,959,986	99,959,986			
7. Decrease by adjustment in book value					
8. Loss on disposal of short-term investments					
9. Subtotals (Total of Lines 6 to 8)	99,959,986	99,959,986			
10. Book value, current year	1,280,053	1,280,053			
11. Income collected during year	230,164	230,164			
12. Income earned during year	206,168	206,168			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part A - Section 4

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part B - Section 4

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part C - Section 4

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part D - Section 4

NONE

Schedule DB - Part E - Section 1

NONE

Schedule DB - Part E - Section 2

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair market value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Market Value (a)	Excess of Statement over Market (-), or Market over Statement (+)
1. Bonds	129,199,486	127,155,131	(2,044,355)
2. Preferred Stocks			
3. Totals	129,199,486	127,155,131	(2,044,355)

(a) Amortized or book values shall not be substituted for fair market values. Describe the sources or methods utilized in determining the fair market values.

Market values were obtained from the SVO where available. The market value of bonds not valued by the SVO were obtained from T. Rowe Price Associates, Inc.....

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE E - PART 2 - SPECIAL DEPOSITS

Line Number	Type	Description of Deposit	Where Deposited and Purpose of Deposit	1 Par or Book Value	2 Statement Value	3 Market Value
00001	B	FNMA 7.0% Due 3/25/2022	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	1,991,056	1,923,800
00002	B	FNMA 5.75% Due 9/25/2010	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	805,579	802,561	800,640
00003	B	FNMA 5.8% Due 12/25/2021	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	1,992,589	1,948,840
00004	B	FNMA 6.6% Due 09/25/2018	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,266,318	1,260,978	1,262,722
00005	B	Atlanta Ga Urban Residential Fin 8.375% Due 10/01/2016	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,650,000	1,650,000	1,431,392
00006	B	Lockhart Tex Correctional Facs 8.75% Due 4/01/2012	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	425,000	421,651	434,898
00007	B	Bankamerica Corp 7.2% Due 4/15/*2006	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	923,478	985,170
00008	B	Caterpillar Inc 6.0% Due 5/01/2007	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	1,914,323	1,820,020
00009	B	Commercial Cr Group, Inc. 7.875% Due 7/15/2004	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,005,808	1,019,570
00010	B	Dow Chem Co 8.55% Due 10/15/2009	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,575,000	1,597,585	1,682,872
00011	B	Eastman Kodak Co 9.75% Due 10/01/2004	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	2,250,836	2,230,760
00012	B	Farmers Ins Exchange 8.5% Due 8/01/2004	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,063,077	1,014,620
00013	B	Ford Motor Cr Co 6.125% Due 1/9/2006	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	958,623	932,180
00014	B	Honeywell Inc 6.6% Due 4/15/2001	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	140,000	139,849	139,450
00015	B	Metropolitan Life Ins Co 7.0% Due 11/01/2005	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	1,940,940	1,940,940
00016	B	National Rural Utils Coop Fin corp 6.5% Due 9/15/2002	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	1,998,901	1,972,180
00017	B	Nationsbank Corp 6.875% Due 2/15/2005	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	997,622	977,770
00018	B	Nationsbank Corp 6.5% Due 8/15/2003	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,000,000	977,840
00019	B	New York St Mtg Agy Rev 10.75% Due 10/01/2012	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	320,000	344,096	320,179
00020	B	Progress Cap Hldgs Inc Medium Term 6.88% Due 8/01/2001	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,000,000	989,660
00021	B	Public Service Elec & Gas Co 6.25% Due 1/1/2007	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	947,496	931,640
00022	B	Salomon Inc 6.5% Due 3/01/2000	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,000,000	1,000,150
00023	B	Salomon Smith Barney Holdings 6.875% Due 6/15/2005	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	1,018,627	972,150
00024	B	Sears Roebuck & Co Medium Term Notes 8.52% Due 5/13/2002	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,500,000	1,572,815	1,530,090
00025	B	USF&G Corp 8.375% Due 6/15/2001	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	2,000,000	2,041,681	2,035,400
00026	B	Union Tank Cor Co 7.125% Due 2/01/2007	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	500,000	499,585	479,415
00027	B	Wal Mart Stores Inc 7.25% Due 6/01/2013	Bankers Trust Company; Reinsurance Trust Agreement w/ American Re	1,000,000	993,484	987,760
XX99999 - Total - Not All Policyholders				33,181,897	32,090,935	31,742,108
9999999 Totals				33,181,897	32,090,935	31,742,108

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Schedule F - Part 1

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	1 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		13 Net Amount Recoverable From Reinsurers Cols. 10 - [11 + 12]	14 Funds Held By Company Under Reinsurance Treaties
						2 Paid Losses	3 Paid LAE	4 Known Case Loss Reserves	5 Known Case LAE Reserves	6 IBNR Loss Reserves	7 IBNR LAE Reserves	8 Unearned Premiums	9 Contingent Commis-sions	10 Cols. 2 thru 9 Totals	11 Ceded Balances Payable	12 Other Amounts Due to Reinsurers			
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling						0	0	0		0	0	0		0		0		0	0
0499999 - Total - Authorized - Affiliates						0	0	0		0	0	0		0		0		0	0
13-4924125	10227	American Reinsurance Company	Dover, DE				858			27,033	6,382	5,322			39,595			39,595	34,270
36-3347420	23876	Chatham Reinsurance Corporation	Chatham, NJ			8	1								9	12		(3)	
13-3440360	29700	European Reins. Corp of America	Manchester, NH			188	229	332							749	538		211	
00-0000000	00000	New York Insurance Exchange	New York, NY			22	1								23			23	
13-2930109	22047	North Star Reinsurance Corporation/Signet	Wilmington, DE			5	140	225							370			26	344
06-1008792	37818	Orion Insurance Company	Farmington, CT			1		15							16			6	10
23-2153760	39675	PMA Reinsurance Corporation	Philadelphia, PA			3		44							47			19	28
23-0580680	24457	Reliance Insurance Corporation	Philadelphia, PA			29	73	113							215			36	179
94-6078058	21911	San Francisco Reinsurance Company	Novato, CA			4									4				4
75-1444207	30058	SCOR Reinsurance Company	New York, NY			319	398	614							1,331			1,134	197
13-3029255	39322	Sorema North American Reinsurance Co	New York, NY			59	92	169							320			316	4
41-0406690	24767	St Paul Marine & Fire Insurance Company	St. Paul, MN			78	115	165							358			204	154
47-0698507	23680	TIG Reinsurance Company	Stamford, CT			2		30							32			80	(48)
13-6108722	12904	Tokio Marine & Fire Insurance Company	New York, NY			4	1								5			6	(1)
0599999 - Authorized - Other U.S. Unaffiliated Insurers						722	1,050	2,565		27,033	6,382	5,322		43,074			2,377	40,697	34,270
AA-1122000	00000	Lloyds Underwriters	London, UK			97	8								105			6	99
0899999 - Authorized - Other Non-U.S. Insurers						97	8							105				6	99
0999999 - Total - Authorized						819	1,058	2,565		27,033	6,382	5,322		43,179			2,383	40,796	34,270
AA-1120440	00000	Copenhagen Reinsurance Company (UK) Ltd	London, UK			13	1	0							14			37	(23)
AA-1120580	00000	Excess Insurance Co., Ltd	London, UK			16	1	0							17			17	
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt	Germany			16	3	0							19			24	(5)
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France			4	0	0							4			4	4
AA-1121295	00000	Scan Re Insurance Co., Ltd	London, UK			2	0	0							2				2
1799999 - Unauthorized - Other Non-U.S. Insurers						51	5								56			61	(5)
1899999 - Total - Unauthorized						51	5								56			61	(5)
9999999 Totals						870	1,063	2,565		27,033	6,382	5,322		43,235			2,444	40,791	34,270

NOTE: Report the five largest provisional commission rates included in the cedant's reinsurance treaties.
The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

	1 Name of Company	2 Commission Rate	3 Ceded Premium
1.
2.
3.
4.
5.

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 4

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							8 Percentage Overdue Col. 6/Col. 7	9 Percentage more Than 120 Days Overdue Col. 5 / Col. 7	
				1 Current	Overdue					7 Total Due Cols. 1 + 6			
					2 1 to 29 Days	3 30 - 90 Days	4 91 - 120 Days	5 Over 120 Days	6 Total Overdue Cols. 2 + 3 + 4 + 5				
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling				0					0	0	0.0	0.0	
0499999 - Total - Authorized - Affiliates				0					0	0	0.0	0.0	
36-3347420	23876	Chatham Reinsurance Corporation	Chatham, NJ					9	9	9	100.0	100.0	
13-3440360	29700	European Reins. Corp. of America	Manchester, NH	177				240	240	417	57.6	57.6	
00-0000000	00000	New York Insurance Exchange	New York, NY					23	23	23	100.0	100.0	
13-2930109	22047	North Star Reinsurance Corporation/Signet	Wilmington, DE	136				9	9	145	6.2	6.2	
06-1008792	37818	Orion Insurance Company	Farmington, CT	1					0	1	0.0	0.0	
23-2153760	39675	PMA Reinsurance Corporation	Philadelphia, PA	3					0	3	0.0	0.0	
23-0580680	24457	Reliance Insurance Company	Philadelphia, PA	68				34	34	102	33.3	33.3	
94-6078058	21911	San Francisco Reinsurance Company	Novato, CA					4	4	4	100.0	100.0	
75-1444207	30058	SCOR Reinsurance Company	New York, NY	323				394	394	717	55.0	55.0	
13-3029255	39322	Sorema North American Reinsurance Co	New York, NY	79				72	72	151	47.7	47.7	
41-0406690	24767	St Paul Marine & Fire Insurance Company	St Paul, MN	93				100	100	193	51.8	51.8	
47-0698507	23680	TIG Reinsurance Company	Stamford, CT	2					0	2	0.0	0.0	
13-6108722	12904	Tokio Marine & Fire Insurance Company	New York, NY					5	5	5	100.0	100.0	
0599999 - Authorized - Other U.S. Unaffiliated Insurers				882					890	890	1,772	50.2	50.2
AA-1122000	00000	Lloyds Underwriters	London, UK	0					105	105	105	100.0	100.0
0899999 - Authorized - Other Non-U.S. Insurers									105	105	105	100.0	100.0
0999999 - Total - Authorized				882					995	995	1,877	53.0	53.0
AA-1120440	00000	Copenhagen Reinsurance Company (UK)	London, UK					14	14	14	100.0	100.0	
AA-1120580	00000	Excess Insurance Co., Ltd	London, UK					17	17	17	100.0	100.0	
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt	Germany					19	19	19	100.0	100.0	
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France					4	4	4	100.0	100.0	
AA-1121295	00000	Scan Re Insurance Co., Ltd	London, UK					2	2	2	100.0	100.0	
1799999 - Unauthorized - Other Non-U.S. Insurers									56	56	56	100.0	100.0
1899999 - Total - Unauthorized									56	56	56	100.0	100.0
9999999 Totals				882					1,051	1,051	1,933	54.4	54.4

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 5

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	1 Reinsurance Recoverable all Items Schedule F Part 3, Col. 10	2 Funds Held By Company Under Reinsurance Treaties	3 Letters of Credit	4 Ceded Balances Payable	5 Miscellaneous Balances	6 Other Allowed Offset Items	7 Sum of Cols. 2 thru 6 but not in excess of Col. 1	8 Subtotal Col. 1 minus Col. 7	9 Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	10 20% of Amount in Col. 9	11 Smaller of Col. 7 or Col. 10	12 Smaller of Col. 7 or 20% of Amount in Dispute Included in Col. 1	13 Total Provision for Unauthorized Reinsurance Smaller of Col. 1 or Cols. 8 + 11 + 12
AA-1120440	00000	Copenhagen Reinsurance Company (UK)	London, UK	.14				.37		.14	.0	.0	.0	.0	.0	.0
AA-1120580	00000	Excess Insurance Co., Ltd.	London, UK	.17						.0	.17	.17	.3	.0	.0	.17
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt.	Germany	.19				.24		.19	.0	.0	.0	.0	.0	.0
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France	.4						.0	.4	.4	.1	.0	.0	.4
AA-1121295	00000	Scan Re Insurance Co., Ltd.	London, UK	.2						.0	.2	.2	.0	.0	.0	.2
0899999 - Other Non-U.S. Insurers				56				61		33	23	23	5			23
9999999 Totals				56				61		33	23	23	5			23

1. Amounts in dispute totaling \$are included in Column 1.
2. Amounts in dispute totaling \$are excluded from Column 9.
3. Column 1 excludes \$recoverables on ceded IBNR on contracts in force prior to July 1, 1984 and not subsequently renewed.

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 6

Provision for Overdue Authorized Reinsurance as of December 31, Current Year

Federal ID Number	NAIC Company Code	Name of Reinsurer	1 Reinsurance Recoverable on Paid Losses and LAE More Than 90 Days Overdue (a)	2 Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	3 Amounts Received Prior 90 Days	4 Col. 1 divided by (Cols. 2 + 3)	5 Amounts in Col. 1 for Companies Reporting less than 20% in Col. 4	6 Amounts in Dispute Excluded from Col. 1 for Companies Reporting less than 20% in Col. 4	7 20% of Amount in Col. 6	8 Amount Reported in Col. 5 x 20% + Col. 7
36-3347420	23876	Chatham Reinsurance Corporation	9,000	9,000		100.0	0	0	0	0
13-3440360	29700	European Reins. Corp. of America	240,000	417,000		57.6	0	0	0	0
AA-1122000	00000	Lloyds Underwriters	105,000	105,000		100.0	0	0	0	0
00-0000000	00000	New York Insurance Exchange	23,000	23,000		100.0	0	0	0	0
13-2930109	22047	North Star Reinsurance Corporation/Signet	9,000	145,000		6.2	9,000	0	0	1,800
06-1008792	37818	Orion Insurance Company		1,000		0.0	0	0	0	0
23-2153760	39675	PMA Reinsurance Corporation		3,000		0.0	0	0	0	0
23-0580680	24457	Reliance Insurance Company	34,000	102,000		33.3	0	0	0	0
94-6078058	21911	San Francisco Reinsurance Company	4,000	4,000		100.0	0	0	0	0
75-1444207	30058	SCOR Reinsurance Company	394,000	717,000		55.0	0	0	0	0
13-3029255	39322	Sorema North American Reinsurance Co	72,000	151,000		47.7	0	0	0	0
41-0406690	24767	St Paul Marine & Fire Insurance Company	101,000	193,000		52.3	0	0	0	0
47-0698507	23680	TIG Reinsurance Company		2,000		0.0	0	0	0	0
13-6108722	12904	Tokio Marine & Fire Insurance Company	5,000	5,000		100.0	0	0	0	0
9999999 Totals			996,000	1,877,000		53.1	9,000	0	0	1,800

(a) From Schedule F - Part 4 Columns 4 + 5, total authorized, less \$ in dispute.
 (b) From Schedule F - Part 3 Columns 2 + 3, total authorized, less \$ in dispute.

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ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 7

Provision for Overdue Reinsurance as of December 31, Current Year

Federal ID Number	NAIC Company Code	Name of Reinsurer	1 Reinsurance Recoverable All Items	2 Funds Held By Company Under Reinsurance Treaties	3 Letters of Credit	4 Ceded Balances Payable	5 Other Miscellaneous Balances	6 Other Allowed Offset Items	7 Sum of Cols. 2 thru 6 but not in excess of Col. 1	8 Col. 1 minus Col. 7	9 Greater of Col. 8 or Schedule F - Part 4 Cols. 4 + 5
36-3347420	23876	Chatham Reinsurance Corporation	9,000				12,000		9,000	.0	9,000
13-3440360	29700	European Reins. Corp. of America	749,000				538,000		538,000	211,000	538,000
AA-1122000	00000	Lloyds Underwriters	105,000				6,000		6,000	99,000	758,000
00-0000000	00000	New York Insurance Exchange	23,000						.0	23,000	23,000
23-0580680	24457	Reliance Insurance Company	215,000				36,000		36,000	179,000	179,000
94-6078058	21911	San Francisco Reinsurance Company	4,000						.0	4,000	4,000
75-1444207	30058	SCOR Reinsurance Company	1,331,000				1,134,000		1,134,000	197,000	394,000
13-3029255	39322	Soremo North American Reinsurance Co	320,000				316,000		316,000	4,000	72,000
41-0406690	24767	St Paul Marine & Fire Insurance Company	358,000				204,000		204,000	154,000	154,000
13-6108722	12904	Tokio Marine & Fire Insurance Company	5,000				6,000		5,000	.0	5,000
9999999 Totals			3,119,000				2,252,000		2,248,000	871,000	2,136,000

1. Total	2,136,000
2. x .20	x .20
3. Line 1 x Line 2	427,200
4. Schedule F - Part 6 Col. 8	1,800
5. Provision for Overdue Authorized Reinsurance (Lines 3 + 4)	429,000
6. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 13 x 1000)	23,000
7. Provision for Reinsurance (sum Lines 5 + 6)[Enter this amount on Page 3, Line 14]	452,000

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**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 4)			
1. Cash and invested assets (Line 9)	129,841,458		129,841,458
2. Agents' balances or uncollected premiums (Line 10)			
3. Funds held by or deposited with reinsured companies (Line 11)			
4. Reinsurance recoverable on loss and loss adjustment expense payments (Line 13)	1,933,667	(1,933,667)	0
5. Other assets (Lines 12 and 14 through 21)	2,178,705		2,178,705
6. Net amount recoverable from reinsurers		6,069,788	6,069,788
7. Totals (Line 22)	133,953,830	4,136,121	138,089,951
<u>LIABILITIES</u> (Page 3)			
8. Losses and loss adjustment expenses (Lines 1 through 2)	84,226,717	35,979,452	120,206,169
9. Taxes, expenses, and other obligations (Lines 3 through 8)	50,659		50,659
10. Unearned premiums (Line 9)	9,173,000	5,322,000	14,495,000
11. Dividends declared and unpaid (Line 10)			
12. Funds held by company under reinsurance treaties (Line 11)	34,269,746	(34,269,746)	0
13. Amounts withheld or retained by company for account of others (Line 12)			
14. Provision for reinsurance (Line 14)	452,000	(452,000)	0
15. Other liabilities (Lines 13 and 15 through 22)	21,982,027	(2,443,585)	19,538,442
16. Total liabilities (Line 23)	150,154,149	4,136,121	154,290,270
17. Surplus as regards policyholders (Line 27)	(16,200,319)	X X X	(16,200,319)
18. Totals (Line 28)	133,953,830	4,136,121	138,089,951

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [] No [X]

If yes, give full explanation:

Schedule H - Part 1

NONE

Schedule H - Part 2

NONE

Schedule H - Part 3

NONE

Schedule H - Part 4

NONE

Schedule H - Part 5

NONE

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(6)						6	(6)	XXX
2. 1990	20,678	1,480	19,198	22,656	498	6,752	86	2,853		2,435	31,677	XXX
3. 1991	22,018	3,513	18,505	21,380	521	7,947	1,059	1,900		3,224	29,647	XXX
4. 1992	23,047	5,737	17,310	27,300	1,182	10,120	866	4,181		4,463	39,553	XXX
5. 1993	23,496	7,466	16,030	21,561	4,582	6,744	277	4,677		3,714	28,123	XXX
6. 1994	22,967	7,731	15,236	9,742	3,631	2,703	217	11,485		1,297	20,082	XXX
7. 1995	18,920	5,042	13,878	7,976	248	415	113	1,864		548	9,894	XXX
8. 1996	18,502	3,413	15,089	4,936	358	727	32	7,453		2,005	12,726	XXX
9. 1997	17,937	4,071	13,866	2,990	563	545	20	3,926		690	6,878	XXX
10. 1998	13,588	2,596	10,992	2,832	559	377	29	2,500		572	5,121	XXX
11. 1999	11,105	2,296	8,809	1,172	278	148	11	1,363		190	2,394	XXX
12. Totals	XXX	XXX	XXX	122,539	12,420	36,478	2,710	42,202		19,144	186,089	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	5											5	XXX
2.	8											8	XXX
3.	2,473	1,425										1,048	XXX
4.	341											341	XXX
5.	288	1			1							288	XXX
6.	637	323	73,621	27,033	14		17,381	6,382	21,462			79,377	XXX
7.	116	27										89	XXX
8.	124	5			11							130	XXX
9.	403	87			4							320	XXX
10.	674	187			12							499	XXX
11.	2,383	509			249							2,123	XXX
12. Totals	7,452	2,564	73,621	27,033	291		17,381	6,382	21,462			84,228	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	5	
2.	32,269	584	31,685	156.1	39.5	165.0				8	
3.	33,700	3,005	30,695	153.1	85.5	165.9				1,048	
4.	41,942	2,048	39,894	182.0	35.7	230.5				341	
5.	33,271	4,860	28,411	141.6	65.1	177.2				287	1
6.	137,045	37,586	99,459	596.7	486.2	652.8				46,902	32,475
7.	10,371	388	9,983	54.8	7.7	71.9				89	
8.	13,251	395	12,856	71.6	11.6	85.2				119	11
9.	7,868	670	7,198	43.9	16.5	51.9				316	4
10.	6,395	775	5,620	47.1	29.9	51.1				487	12
11.	5,315	798	4,517	47.9	34.8	51.3				1,874	249
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	51,476	32,752

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	11 One Year	12 Two Year	
1. Prior	4,246	11,818	13,335	11,058	10,982	9,651	11,098	10,969	10,876	10,871	(5)	(98)	
2. 1990	26,478	23,938	26,379	27,651	25,502	28,195	28,059	28,845	28,844	28,832	(12)	(13)	
3. 1991	XXX	27,705	25,640	27,409	27,922	28,450	28,517	28,551	28,652	28,795	143	244	
4. 1992	XXX	XXX	30,589	32,403	36,606	34,715	34,836	35,563	35,263	35,713	450	150	
5. 1993	XXX	XXX	XXX	28,701	28,117	23,887	23,902	23,991	23,756	23,734	(22)	(257)	
6. 1994	XXX	XXX	XXX	XXX	132,928	66,247	73,982	83,133	78,893	66,512	(12,381)	(16,621)	
7. 1995	XXX	XXX	XXX	XXX	XXX	6,376	4,852	8,743	7,543	8,119	576	(624)	
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	7,140	6,866	5,460	5,403	(57)	(1,463)	
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,677	3,467	3,272	(195)	(405)	
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,062	3,120	58	XXX	
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,154	XXX	XXX	
											12. Totals	(11,445)	(19,087)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	4,944	8,892	10,653	10,762	9,635	11,096	10,964	10,872	10,866	XXX	XXX
2. 1990	10,326	22,125	24,860	24,948	25,356	28,057	28,021	28,823	28,824	28,824	XXX	XXX
3. 1991	XXX	13,921	22,471	25,319	25,941	27,692	27,605	27,633	27,733	27,747	XXX	XXX
4. 1992	XXX	XXX	15,925	27,308	31,165	32,452	32,991	34,078	34,794	35,372	XXX	XXX
5. 1993	XXX	XXX	XXX	11,809	21,544	22,438	22,960	23,322	23,448	23,446	XXX	XXX
6. 1994	XXX	XXX	XXX	XXX	(982)	6,235	7,795	7,871	8,197	8,597	XXX	XXX
7. 1995	XXX	XXX	XXX	XXX	XXX	1,034	3,381	4,332	7,204	8,030	XXX	XXX
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	2,165	4,592	5,180	5,273	XXX	XXX
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,392	2,905	2,952	XXX	XXX
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,230	2,621	XXX	XXX
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,031	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999
1. Prior		1,569	1,549	132	87					
2. 1990	2,748		888	1,889	17					
3. 1991	XXX	4,629	1,248	1,141	1,761					
4. 1992	XXX	XXX	2,378	892	2,500					
5. 1993	XXX	XXX	XXX	4,018	2,369					
6. 1994	XXX	XXX	XXX	XXX	119,883	56,034	64,516	73,342	69,825	57,587
7. 1995	XXX	XXX	XXX	XXX	XXX					
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX				
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger

NONE

Schedule P - Part 1C - Comm'l Auto/Truck

NONE

Schedule P - Part 1D - Workers' Comp

NONE

Schedule P - Part 1E - Comm Multi Peril

NONE

Schedule P - Part 1F - Medical Mal Occur

NONE

Schedule P - Part 1F - Medical Mal Claim

NONE

Schedule P - Part 1G - Special Liability

NONE

Schedule P - Part 1H - Other Liab Occur

NONE

Schedule P - Part 1H - Other Liab Claims

NONE

Schedule P - Part 1I - Special Property

NONE

Schedule P - Part 1J - Auto Phys. Damage

NONE

Schedule P - Part 1K - Fidelity/Surety

NONE

Schedule P - Part 1L - Other

NONE

Schedule P - Part 1M - International

NONE

Schedule P - Part 1N - Reinsurance A

NONE

Schedule P - Part 1O - Reinsurance B

NONE

Schedule P - Part 1P - Reinsurance C

NONE

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

**SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY -
OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(6)			0			6	(6)	XXX
2. 1990	20,678	1,480	19,198	22,656	498	6,752	86	2,853		2,435	31,677	11,570
3. 1991	22,018	3,513	18,505	21,380	521	7,947	1,059	1,900		3,224	29,647	13,133
4. 1992	23,047	5,737	17,310	27,300	1,182	10,120	866	4,181		4,463	39,553	13,557
5. 1993	23,496	7,466	16,030	21,561	4,582	6,744	277	4,677		3,714	28,123	14,087
6. 1994	22,967	7,731	15,236	9,742	3,631	2,703	217	11,485		1,297	20,082	12,955
7. 1995	18,920	5,042	13,878	7,976	248	415	113	1,864		548	9,894	3,696
8. 1996	18,502	3,413	15,089	4,936	358	727	32	7,453		2,005	12,726	4,287
9. 1997	17,937	4,071	13,866	2,990	563	545	20	3,926		690	6,878	2,766
10. 1998	13,588	2,596	10,992	2,832	559	377	29	2,500		572	5,121	1,874
11. 1999	11,105	2,296	8,809	1,172	278	148	11	1,363		190	2,394	1,874
12. Totals	XXX	XXX	XXX	122,539	12,420	36,478	2,710	42,202		19,144	186,089	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	5											5	4
2.	8											8	20
3.	2,473	1,425										1,048	68
4.	341											341	28
5.	288	1			1							288	30
6.	637	323	73,621	27,033	14		17,381	6,382	21,462			79,377	83
7.	116	27										89	11
8.	124	5			11							130	30
9.	403	87			4							320	59
10.	674	187			12							499	203
11.	2,383	509			249							2,123	613
12.	7,452	2,564	73,621	27,033	291		17,381	6,382	21,462			84,228	1,149

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	5	
2.	32,269	584	31,685	156.1	39.5	165.0				8	
3.	33,700	3,005	30,695	153.1	85.5	165.9				1,048	
4.	41,942	2,048	39,894	182.0	35.7	230.5				341	
5.	33,271	4,860	28,411	141.6	65.1	177.2				287	1
6.	137,045	37,586	99,459	596.7	486.2	652.8				46,902	32,475
7.	10,371	388	9,983	54.8	7.7	71.9				89	
8.	13,251	395	12,856	71.6	11.6	85.2				119	11
9.	7,868	670	7,198	43.9	16.5	51.9				316	4
10.	6,395	775	5,620	47.1	29.9	51.1				487	12
11.	5,315	798	4,517	47.9	34.8	51.3				1,874	249
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	51,476	32,752

Schedule P - Part 1R - Prod Liab Claims

NONE

Schedule P - Part 1S-Fin./Mtg. Guaranty

NONE

Schedule P - Part 2A

NONE

Schedule P - Part 2B

NONE

Schedule P - Part 2C

NONE

Schedule P - Part 2D

NONE

Schedule P - Part 2E

NONE

Schedule P - Part 2F - Medical Mal Occur

NONE

Schedule P - Part 2F - Medical Mal Claim

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Other Liab Occur

NONE

Schedule P - Part 2H - Other Liab Claim

NONE

Schedule P - Part 2I

NONE

Schedule P - Part 2J

NONE

Schedule P - Part 2K

NONE

Schedule P - Part 2L

NONE

Schedule P - Part 2M

NONE

Schedule P - Part 2N

NONE

Schedule P - Part 2O

NONE

Schedule P - Part 2P

NONE

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	11 One Year	12 Two Year
1. Prior	4,246	11,818	13,335	11,058	10,982	9,651	11,098	10,969	10,876	10,871	(5)	(98)
2. 1990	26,478	23,938	26,379	27,651	25,502	28,195	28,059	28,845	28,844	28,832	(12)	(13)
3. 1991	XXX	27,705	25,640	27,409	27,922	28,450	28,517	28,551	28,652	28,795	143	244
4. 1992	XXX	XXX	30,589	32,403	36,606	34,715	34,836	35,563	35,263	35,713	450	150
5. 1993	XXX	XXX	XXX	28,701	28,117	23,887	23,902	23,991	23,756	23,734	(22)	(257)
6. 1994	XXX	XXX	XXX	XXX	132,928	66,247	73,982	83,133	78,893	66,512	(12,381)	(16,621)
7. 1995	XXX	XXX	XXX	XXX	XXX	6,376	4,852	8,743	7,543	8,119	576	(624)
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	7,140	6,866	5,460	5,403	(57)	(1,463)
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,677	3,467	3,272	(195)	(405)
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,062	3,120	58	XXX
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,154	XXX	XXX
12. Totals											(11,445)	(19,087)

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior												
2. 1990												
3. 1991	XXX											
4. 1992	XXX	XXX										
5. 1993	XXX	XXX	XXX									
6. 1994	XXX	XXX	XXX	XXX								
7. 1995	XXX	XXX	XXX	XXX	XXX							
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX						
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals												

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Medical Mal Occur

NONE

Schedule P - Part 3F - Medical Mal Claim

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Other Liab Occur

NONE

Schedule P - Part 3H - Other Liab Claims

NONE

Schedule P - Part 3I

NONE

Schedule P - Part 3J

NONE

Schedule P - Part 3K

NONE

Schedule P - Part 3L

NONE

Schedule P - Part 3M

NONE

Schedule P - Part 3N

NONE

Schedule P - Part 3O

NONE

Schedule P - Part 3P

NONE

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999		
1. Prior	.000	4,944	8,892	10,653	10,762	9,635	11,096	10,964	10,872	10,866	5,027	9,075
2. 1990	10,326	22,125	24,860	24,948	25,356	28,057	28,021	28,823	28,824	28,824	3,282	8,268
3. 1991	XXX	13,921	22,471	25,319	25,941	27,692	27,605	27,633	27,733	27,747	2,855	10,210
4. 1992	XXX	XXX	15,925	27,308	31,165	32,452	32,991	34,078	34,794	35,372	3,108	10,421
5. 1993	XXX	XXX	XXX	11,809	21,544	22,438	22,960	23,322	23,448	23,446	2,994	11,063
6. 1994	XXX	XXX	XXX	XXX	(982)	6,235	7,795	7,871	8,197	8,597	1,833	11,039
7. 1995	XXX	XXX	XXX	XXX	XXX	1,034	3,381	4,332	7,204	8,030	756	2,929
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	2,165	4,592	5,180	5,273	1,025	3,222
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,392	2,905	2,952	464	2,243
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,230	2,621	388	1,416
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,031	191	1,070

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	.000											
2. 1990												
3. 1991	XXX											
4. 1992	XXX	XXX										
5. 1993	XXX	XXX	XXX									
6. 1994	XXX	XXX	XXX	XXX								
7. 1995	XXX	XXX	XXX	XXX	XXX							
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX						
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000			XXX	XXX
2. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
3. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

NONE

Schedule P - Part 4A

NONE

Schedule P - Part 4B

NONE

Schedule P - Part 4C

NONE

Schedule P - Part 4D

NONE

Schedule P - Part 4E

NONE

Schedule P - Part 4F - Medical Mal Occur

NONE

Schedule P - Part 4F - Medical Mal Claim

NONE

Schedule P - Part 4G

NONE

Schedule P - Part 4H - Other Liab Occur

NONE

Schedule P - Part 4H - Other Liab Claims

NONE

Schedule P - Part 4I

NONE

Schedule P - Part 4J

NONE

Schedule P - Part 4K

NONE

Schedule P - Part 4L

NONE

Schedule P - Part 4M

NONE

Schedule P - Part 4N

NONE

Schedule P - Part 4O

NONE

Schedule P - Part 4P

NONE

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999
1. Prior		1,569	1,549	132	87					
2. 1990	2,748		888	1,889	17					
3. 1991	XXX	4,629	1,248	1,141	1,761					
4. 1992	XXX	XXX	2,378	892	2,500					
5. 1993	XXX	XXX	XXX	4,018	2,369					
6. 1994	XXX	XXX	XXX	XXX	119,883	56,034	64,516	73,342	69,825	57,587
7. 1995	XXX	XXX	XXX	XXX	XXX					
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX				
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior										
2. 1990										
3. 1991	XXX									
4. 1992	XXX	XXX								
5. 1993	XXX	XXX	XXX							
6. 1994	XXX	XXX	XXX	XXX						
7. 1995	XXX	XXX	XXX	XXX	XXX					
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX				
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Prior	1,335	98	77	21	4	(12)	1			
2. 1990	1,505	2,896	3,218	3,234	3,302	3,282	3,279	3,280	3,280	3,282
3. 1991	XXX	1,968	2,787	2,853	2,874	2,857	2,850	2,850	2,853	2,855
4. 1992	XXX	XXX	2,240	3,109	3,161	3,079	3,066	3,081	3,087	3,108
5. 1993	XXX	XXX	XXX	2,125	3,020	2,974	2,973	2,987	2,992	2,994
6. 1994	XXX	XXX	XXX	XXX	1,181	1,541	1,638	1,650	1,701	1,833
7. 1995	XXX	XXX	XXX	XXX	XXX	331	639	688	747	756
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	383	721	984	1,025
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	219	427	464
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	216	388
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	191

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Prior	394	202	39	7	4	9	2	4	4	4
2. 1990	2,016	589	223	76	5	10	11	23	49	20
3. 1991	XXX	1,619	333	52	31	36	32	66	76	68
4. 1992	XXX	XXX	1,688	167	104	104	87	49	49	28
5. 1993	XXX	XXX	XXX	1,748	284	156	102	108	35	30
6. 1994	XXX	XXX	XXX	XXX	1,663	314	147	199	219	83
7. 1995	XXX	XXX	XXX	XXX	XXX	1,358	251	101	24	11
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	1,763	336	81	30
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	709	128	59
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	592	203
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	613

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Prior	133	1	8	1	(1)	(80)				
2. 1990	11,259	11,628	11,639	11,643	11,643	11,541	11,541	11,542	11,570	11,570
3. 1991	XXX	13,174	13,226	13,226	13,226	13,111	13,111	13,120	13,133	13,133
4. 1992	XXX	XXX	13,858	13,897	13,899	13,554	13,554	13,556	13,557	13,557
5. 1993	XXX	XXX	XXX	14,355	14,473	14,036	14,036	14,081	14,086	14,087
6. 1994	XXX	XXX	XXX	XXX	13,146	12,784	12,785	12,891	12,955	12,955
7. 1995	XXX	XXX	XXX	XXX	XXX	3,693	3,695	3,696	3,696	3,696
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	4,328	4,246	4,287	4,287
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,765	2,766	2,766
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,003	2,007
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,874

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

NONE

Schedule P - Part 6C - SN1

NONE

Schedule P - Part 6C - SN2

NONE

Schedule P - Part 6D - SN1

NONE

Schedule P - Part 6D - SN2

NONE

Schedule P - Part 6E - SN1

NONE

Schedule P - Part 6E - SN2

NONE

Schedule P - Part 6H - SN1A

NONE

Schedule P - Part 6H - SN2A

NONE

Schedule P - Part 6H - SN1B

NONE

Schedule P - Part 6H - SN2B

NONE

Schedule P - Part 6M - SN1

NONE

Schedule P - Part 6M - SN2

NONE

Schedule P - Part 6N - SN1

NONE

Schedule P - Part 6N - SN2

NONE

Schedule P - Part 6O - SN1

NONE

Schedule P - Part 6O - SN2

NONE

ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	
1. Prior											
2. 1990											
3. 1991	XXX										
4. 1992	XXX	XXX									
5. 1993	XXX	XXX	XXX	23,484	23,602	23,496	23,496	23,496	23,496	23,496	.0
6. 1994	XXX	XXX	XXX	XXX	23,703	22,967	22,967	22,967	22,967	22,967	.0
7. 1995	XXX	XXX	XXX	XXX	XXX	18,920	18,920	18,920	18,920	18,920	.0
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	18,502	18,502	18,502	18,502	.0
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,937	17,937	17,937	.0
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,588	13,588	.0
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,946	10,946
12. Total											10,946
13. Earned Premiums (Sch P, Part 1)	20,678	22,018	23,047	23,496	22,967	18,920	18,502	17,937	13,588	11,105	XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	
1. Prior											
2. 1990											
3. 1991	XXX										
4. 1992	XXX	XXX									
5. 1993	XXX	XXX	XXX	5,269	5,269	7,466	7,466	7,466	7,466	7,466	.0
6. 1994	XXX	XXX	XXX	XXX	6,047	7,731	7,731	7,731	7,731	7,731	.0
7. 1995	XXX	XXX	XXX	XXX	XXX	5,042	5,042	5,042	5,042	5,042	.0
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX	3,413	3,413	3,413	3,413	.0
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,071	4,071	4,071	.0
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,596	2,596	.0
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,137	2,137
12. Total											2,137
13. Earned Premiums (Sch P, Part 1)	1,480	3,513	5,737	7,466	7,731	5,042	3,413	4,071	2,596	2,296	XXX

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	
1. Prior											
2. 1990											
3. 1991	XXX										
4. 1992	XXX	XXX									
5. 1993	XXX	XXX	XXX								
6. 1994	XXX	XXX	XXX	XXX							
7. 1995	XXX	XXX	XXX	XXX	XXX						
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX					
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total											
13. Earned Premiums (Sch P, Part 1)											XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1990	2 1991	3 1992	4 1993	5 1994	6 1995	7 1996	8 1997	9 1998	10 1999	
1. Prior											
2. 1990											
3. 1991	XXX										
4. 1992	XXX	XXX									
5. 1993	XXX	XXX	XXX								
6. 1994	XXX	XXX	XXX	XXX							
7. 1995	XXX	XXX	XXX	XXX	XXX						
8. 1996	XXX	XXX	XXX	XXX	XXX	XXX					
9. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total											
13. Earned Premiums (Sch P, Part 1)											XXX

Schedule P - Part 7A - Section 1

NONE

Schedule P - Part 7A - Section 2

NONE

Schedule P - Part 7A - Section 3

NONE

Schedule P - Part 7A - Section 4

NONE

Schedule P - Part 7A - Section 5

NONE

Schedule P - Part 7B - Section 1

NONE

Schedule P - Part 7B - Section 2

NONE

Schedule P - Part 7B - Section 3

NONE

Schedule P - Part 7B - Section 4

NONE

Schedule P - Part 7B - Section 5

NONE

Schedule P - Part 7B - Section 6

NONE

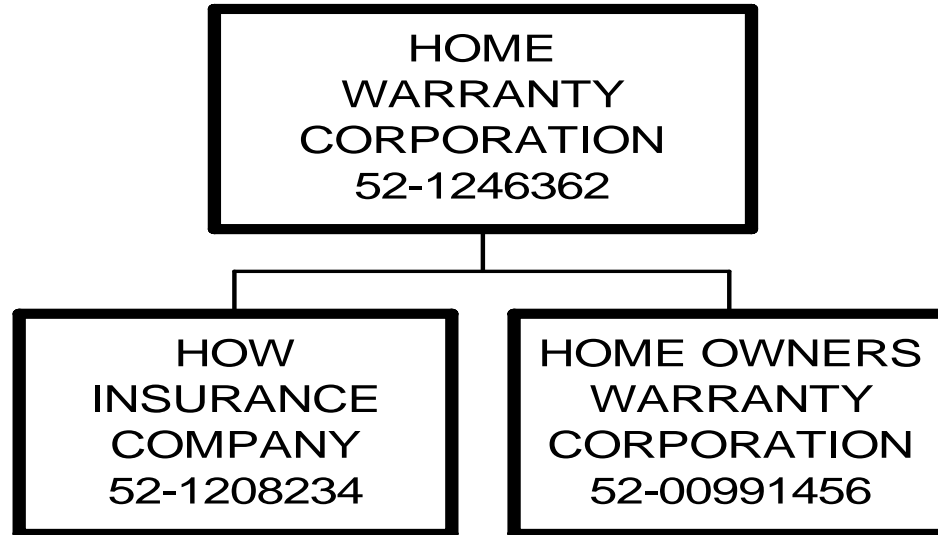
Schedule P - Part 7B - Section 7

NONE

OF THE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



130

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OF THE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

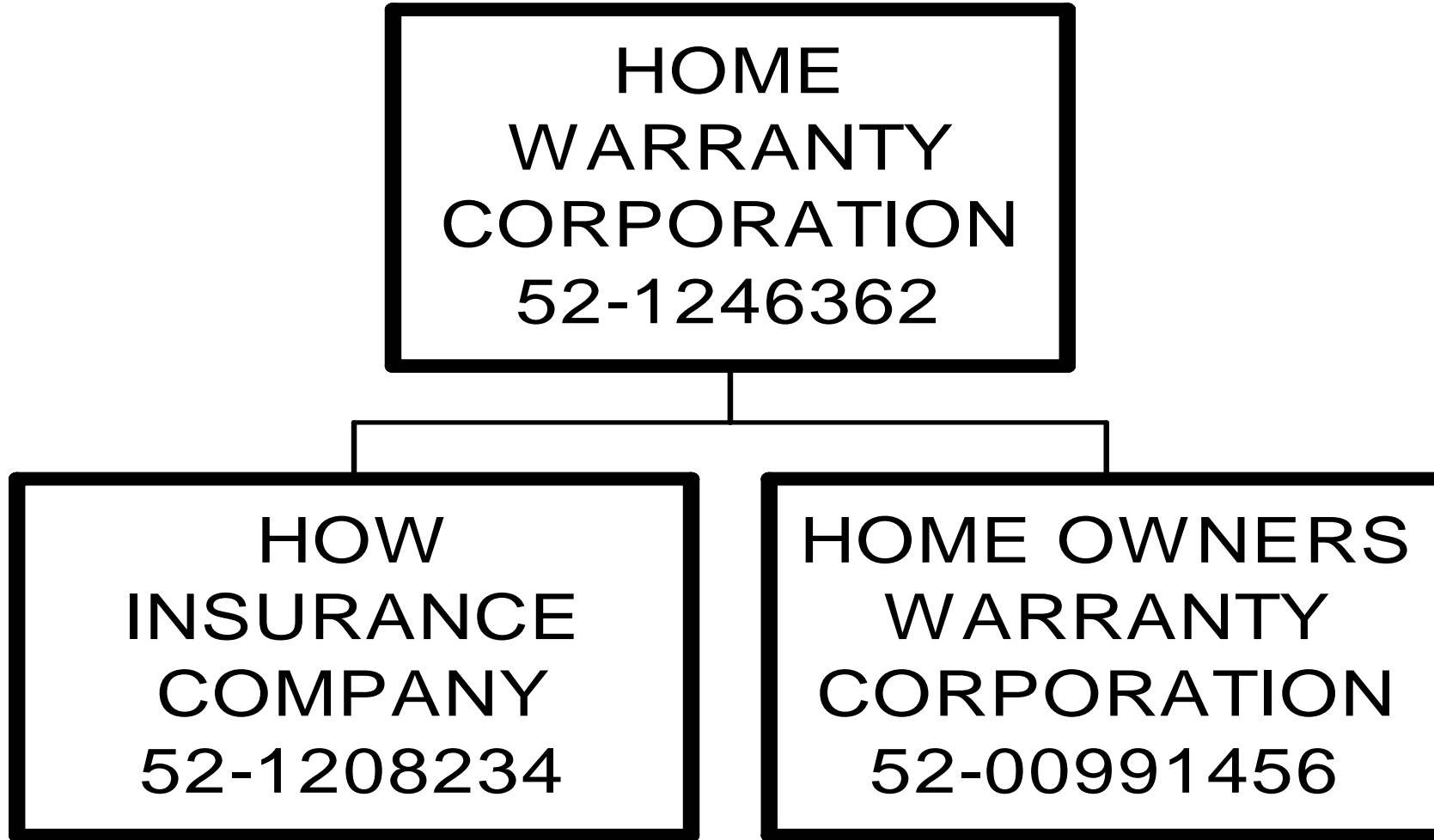
130.1

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OF THE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



130.2

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OF THE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

130.3

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SCHEDULE Y (continued)
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
NONE											
9999999 Control Totals											

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**ANNUAL STATEMENT FOR THE YEAR 1999 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

1 States, etc.	1a Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No			(3,053)	35,029	38,083		
2. Alaska	AK	No			0	0	0		
3. Arizona	AZ	No			(8,644)	(9,593)	2,015,252		
4. Arkansas	AR	No			26,753	3,384	54,404		
5. California	CA	No			48,241	720,508	27,102,803		
6. Colorado	CO	No			698,537	1,466,812	3,988,657		
7. Connecticut	CT	No			0	(9,820)	465,151		
8. Delaware	DE	No			(5,595)	(6,399)	38,083		
9. District of Columbia	DC	No			0	0	0		
10. Florida	FL	No			74,349	1,112,920	2,161,837		
11. Georgia	GA	No			255,743	36,687	1,087,387		
12. Hawaii	HI	No			22,546	(16,341)	0		
13. Idaho	ID	No			0	0	0		
14. Illinois	IL	No			102,805	1,453,952	1,843,173		
15. Indiana	IN	No			(15,138)	225,884	687,118		
16. Iowa	IA	No			0	92,486	92,486		
17. Kansas	KS	No			250	250	0		
18. Kentucky	KY	No			98,023	(74,262)	266,578		
19. Louisiana	LA	No			67,915	(113,069)	152,341		
20. Maine	ME	No			0	0	0		
21. Maryland	MD	No			8,693	655,566	1,093,513		
22. Massachusetts	MA	No			0	(804)	38,083		
23. Michigan	MI	No			5,403	43,485	38,083		
24. Minnesota	MN	No			129,765	(1,220,279)	244,816		
25. Mississippi	MS	No			6,350	5,695	31,010		
26. Missouri	MO	No			128,354	232,565	865,018		
27. Montana	MT	No			0	(11,486)	544,036		
28. Nebraska	NE	No			(29,143)	(456,895)	0		
29. Nevada	NV	No			2,180	1,723,559	1,876,925		
30. New Hampshire	NH	No			(40,000)	(1,917)	38,082		
31. New Jersey	NJ	No			122,456	2,006,454	8,351,663		
32. New Mexico	NM	No			59,251	329,303	386,712		
33. New York	NY	No			(10,000)	446,991	456,990		
34. North Carolina	NC	No			621,928	(6,225,926)	7,811,655		
35. North Dakota	ND	No			0	38,083	38,083		
36. Ohio	OH	No			50,025	(745,980)	76,165		
37. Oklahoma	OK	No			106,438	(278,859)	464,652		
38. Oregon	OR	No			94,161	15,584	38,082		
39. Pennsylvania	PA	No			11,120	(220,549)	184,975		
40. Rhode Island	RI	No			0	0	0		
41. South Carolina	SC	No			42,298	2,304	565,537		
42. South Dakota	SD	No			0	0	0		
43. Tennessee	TN	No			40,877	55,756	190,424		
44. Texas	TX	No			1,275,566	(4,356,523)	16,027,788		
45. Utah	UT	No			7,542	169,949	201,293		
46. Vermont	VT	No			0	0	0		
47. Virginia	VA	Yes			287,708	(240,186)	1,183,170		
48. Washington	WA	No			13,010	(67,186)	114,248		
49. West Virginia	WV	No			0	0	0		
50. Wisconsin	WI	No			(2,175)	(45,655)	217,614		
51. Wyoming	WY	No			0	0	0		
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U.S. Virgin Islands	VI	No							
56. Canada	CN	No							
57. Aggregate Other Aliens	OT	XXX							
58. Totals	(a)	1			4,294,539	(3,228,523)	81,071,970		
DETAILS OF WRITE-INS									
5701.		XXX							
5702.		XXX							
5703.		XXX							
5798.	Summary of remaining write-ins for Line 57 from overflow page.								
5799.	Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response to the specific interrogatory will be accepted in lieu of filing a "NONE" report.

- 1. a. Does your company write Medical Malpractice Insurance?
b. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?
If first response is yes and second response is no, please explain:

Yes [] No [X]
Yes [] No [X]

If second response is no and the form is "None", affix bar code (Document Identifier 450) here:



- 2. a. Does your company have 100 or more stockholders?
b. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile and the NAIC by March 1?
If first response is yes and second response is no, please explain:

Yes [] No [X]
Yes [] No [X]

If second response is no and the form is "None", affix bar code (Document Identifier 420) here:



- 3. a. Does your company write financial guaranty insurance?
b. Will the Financial Guaranty Insurance Exhibit be filed March 1?
If first response is yes and second response is no, please explain:

Yes [] No [X]
Yes [] No [X]

If second response is no and the form is "None", affix bar code (Document Identifier 240) here:



- 4. a. Does your company write Medicare Supplement Insurance?
b. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
If first response is yes and second response is no, please explain:

Yes [] No [X]
Yes [] No [X]

If second response is no and the form is "None", affix bar code (Document Identifier 360) here:



- 5. An actuarial opinion is a required filing for all companies.
Will the actuarial opinion be filed with this statement by March 1?
If no, please explain:
Actuarial opinion will be filed by May 1, 2000

Yes [] No [X]

If response is no and the form is "None", affix bar code (Document Identifier 440) here:



- 6. The officers and directors information is a required filing for all companies.
Will the officers and directors information be filed with the NAIC by March 1?
If response is no, please explain:
The Company is in receivership and has no officers or directors.....

Yes [] No [X]

If response is no and the form is "None", affix bar code (Document Identifier 380) here:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

7. The SVO Compliance Certification is a required filing for all companies. Will the SVO Compliance Certification be filed by March 1? Yes [] No [X]
If no, please explain:
The SVO Compliance Certificate will be filed by May 1, 2000.....

If response is no and the form is "None", affix bar code (Document Identifier 470) here:



8. a. Is your company a U.S. Branch of an alien insurer? Yes [] No [X]
b. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? Yes [] No [X]
If first response is yes and second response is no, please explain:

If second response is no and the form is "None", affix bar code (Document Identifier 490) here:



9. The Supplemental Compensation Exhibit is a required filing, with the state of domicile, for all companies. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? Yes [] No [X]
If no, please explain:
Not applicable.....

If response is no and the form is "None", affix bar code (Document Identifier 460) here:



10. a. Will the Risk-based Capital Report be filed with the NAIC by March 1? Yes [] No [X]
If no, please explain:
The Risk-based Capital Report will be filed by May 1, 2000.....

If response is no and the form is "None", affix bar code (Document Identifier 390) here:



b. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1? Yes [] No [X]
If no, please explain:
The Risk-based Capital Report will be filed by May 1, 2000.....

If response is no and the form is "None", affix bar code (Document Identifier 390) here:



11. a. Does your company have investments in insurance futures reportable on Schedule DC? Yes [] No [X]
b. Will Schedule DC be filed with the state of domicile and the NAIC by March 1? Yes [] No [X]
If first response is yes and second response is no, please explain:

If second response is no and the form is "None", affix bar code (Document Identifier 400) here:



12. The Insurance Expense Exhibit is a required filing for all companies. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? Yes [] No [X]
If no, please explain:
The Company is in Receivership and is not required to file the Insurance Expense Exhibit.....

If response is no and the form is "None", affix bar code (Document Identifier 270) here:



13. Management's Discussion and Analysis is a required filing for all companies. Will Management's Discussion and Analysis be filed by April 1? Yes [] No [X]
If no, please explain:
Management's Discussion and Analysis will be filed by May 1, 2000.....

If response is no and the form is "None", affix bar code (Document Identifier 350) here:



OVERFLOW PAGE FOR WRITE-INS

P003 Additional Aggregate Lines for Page 3 Line 22.

*LIAB

2204. Reinsurance liability adjustment.....	829,942	722,602
2205. Unclaimed property drafts.....	24,564	41,150
2206. Lease liability.....	500,000	500,000
2207. Notices of claim determination.....	1,063,038	1,063,038
2208. Ceded reinsurance - Amounts due reinsurers.....	1,613,643	1,424,113
2209. Accrued interest on deferred loss payments.....	3,816,896	0
2210. Suspense.....		404
2297. Summary of remaining write-ins for Line 22 from page 3	7,848,083	3,751,307

P004 Additional Aggregate Lines for Page 4 Line 12.

*UNINEX

1204. Cancellation of Debt Income.....	247,688	0
1297. Summary of remaining write-ins for Line 12 from page 4	247,688	

P005 Additional Aggregate Lines for Page 5 Line 07.4.

*CASH

07.40		
4 Cancellation of Debt Income.....	247,688	0
07.49		
7 Summary of remaining write-ins for Line 7.4 from overflow page 5	247,688	

P014 Additional Aggregate Lines for Page 14 Line 04F.

*EX2

04F04		
. Litigation Settlements.....	8,700,000	9,500,000
04F05		
. Cancellation of Debt Income.....	247,688	0
04F06		
. Increase in Reinsurance Premium Payable.....	107,340	0
04F97		
. Summary of remaining write-ins for Line 4F from page 14	9,055,028	9,500,000

P014 Additional Aggregate Lines for Page 14 Line 12F.

*EX2

12F04		
. Decrease in Reinsurance Premium Payable.....		21,086
12F05		
. Decrease in Loss Payments Deferred.....	4,686,967	0
12F97		
. Summary of remaining write-ins for Line 12F from page 14	4,686,967	21,086