

ANNUAL STATEMENT

OF THE

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

2000

OF

Richmond

IN THE STATE OF

Virginia/Vatican

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

FOR THE YEAR ENDED

DECEMBER 31, 2000

PROPERTY AND CASUALTY

2000

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ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership

Statement of Actuarial Opinion



ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

Management's Discussion and Analysis



ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

Audited Financial Information



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2000
OF THE CONDITION AND AFFAIRS OF THE

HOW Insurance Company, A Risk Retention Group, In Receivership

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 41246 Employer's ID Number 52-1208234

Organized under the Laws of the State of Virginia, using _____ as the Port of Entry,

Incorporated 02/23/1981 Commenced Business 07/27/1981

Statutory Home Office 1300 E. Main Street, Richmond, VA 23219
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 7501 N. Capital of Texas Highway, Suite C-200
(Street and Number) Austin, TX 78731
(City or Town, State and Zip Code) _____ (Area Code) (Telephone Number)

Mail Address 7501 N. Capital of Texas Highway, Suite C-200, Austin, TX 78731
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 7501 N. Capital of Texas Highway, Suite C-200
(Street and Number) Austin, TX 78731
(City or Town, State and Zip Code) _____ (Area Code) (Telephone Number) _____ (Area Code) (Telephone Number)

Annual Statement Contact Mike R. Parker _____ (Name) _____ (Area Code) (Telephone Number) (Extension) _____ (Area Code) (Telephone Number) (Extension) _____ (FAX Number)
mparker@palomar-lc.com _____ (E-mail Address)

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 appointed 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 as Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia (the "Bureau") and as the Deputy Receiver of the Companies as of May 1, 1996.

AUTHORIZED REPRESENTATIVES

Mike R. Parker _____ (Name) _____ (Area Code) (Telephone Number) (Extension) _____ (FAX Number)
Authorized Representative

Valerie Kremer _____
Authorized Representative

State of TEXAS } ss
County of TRAVIS }

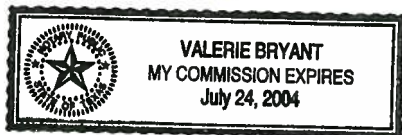
The authorized representatives of this company, being duly sworn, each depose and say that they are the described authorized representatives of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer, free 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.

Mike R. Parker _____
Authorized Representative

Valerie Kremer _____
Authorized Representative

Subscribed and sworn to before me this 25 day of April, 2001
Valerie Bryant

- 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 2000 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)	118,003,335		354,655	117,648,680	127,919,432
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 (\$ (151,621) Schedule E, Part 1) and short-term investments (\$ 12,051,065 Schedule DA, Part 1)	11,899,444			11,899,444	1,922,026
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)	129,902,779		354,655	129,548,124	129,841,458
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)	1,709,648			1,709,648	1,933,667
14. Federal income tax recoverable and interest thereon					
14A. Guaranty funds receivable or on deposit					
15. Electronic data processing equipment					
16. Interest, dividends and real estate income due and accrued		1,631,065		1,631,065	1,531,261
17. Receivable from parent, subsidiaries and affiliates	4,496,543		4,496,543	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)					
21. Aggregate write-ins for other than invested assets	664,236		3,550	660,686	647,444
22. TOTALS (Lines 9 through 21)	136,773,206	1,631,065	4,854,748	133,549,523	133,953,830
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	660,686			660,686	647,444
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)	664,236		3,550	660,686	647,444

**ANNUAL STATEMENT FOR THE YEAR 2000 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)	75,577,779	51,474,518
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)	27,251,634	32,752,199
3. Contingent commissions and other similar charges		
4. Other expenses (excluding taxes, licenses and fees)	56,441	50,659
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 \$ 3,292,000)	4,066,000	9,173,000
10. Dividends declared and unpaid:		
a. Stockholders		
b. Policyholders		
11. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 14)	36,207,265	34,269,746
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)	232,800	452,000
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	21,131,550	21,982,027
23. Total liabilities (Lines 1 through 22)	164,523,469	150,154,149
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)	(37,089,351)	(22,315,724)
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)	(30,973,946)	(16,200,319)
28. TOTALS (Page 2, Line 22, Col. 4)	133,549,523	133,953,830
DETAILS OF WRITE-INS		
2201. Loss payments - deferred, see footnote no. 6.....	9,388,391	11,271,110
2202. Loss reserve prepayments, See footnote no. 7.....	1,587,221	1,573,979
2203. Deferred LAE.....	1,288,855	1,288,855
2298. Summary of remaining write-ins for Line 22 from overflow page	8,867,083	7,848,083
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	21,131,550	21,982,027
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 2000 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)	5,107,000	8,809,000
DEDUCTIONS		
2. Losses incurred (Part 3, Line 32, Column 7)	27,264,758	(3,490,121)
3. Loss expenses incurred (Part 4, Line 22, Column 1)	(1,972,317)	4,800,753
4. Other underwriting expenses incurred (Part 4, Line 22, Column 2)	6,281	1,809,068
5. Aggregate write-ins for underwriting deductions	816,583	3,816,896
6. Total underwriting deductions (Lines 2 through 5)	26,115,305	6,936,596
7. Net underwriting gain or (loss) (Line 1 minus Line 6)	(21,008,305)	1,872,404
INVESTMENT INCOME		
8. Net investment income earned (Part 1, Line 14)	5,952,079	6,094,869
9. Net realized capital gains or (losses) (Part 1A, Line 10)	(299,674)	(303,358)
9A. Net investment gain or (loss) (Lines 8 + 9)	5,652,405	5,791,511
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	31	8,971,759
13. Total other income (Lines 10 through 12)	31	8,971,759
14. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 7 + 9A + 13)	(15,355,868)	16,635,674
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)	(15,355,868)	16,635,674
15. Federal and foreign income taxes incurred		
16. Net income (Line 14B minus Line 15) (to Line 18)	(15,355,868)	16,635,674
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards policyholders, December 31 prior year (Page 4, Line 32, Column 2)	(16,200,317)	(32,694,205)
GAINS AND (LOSSES) IN SURPLUS		
18. Net income (from Line 16)	(15,355,868)	16,635,674
19. Net unrealized capital gains or (losses) (Part 1A, Line 11)	196,274	(439,800)
20. Change in nonadmitted assets (Exhibit 1, Line 6, Col. 3)	166,765	(376,186)
21. Change in provision for reinsurance (Page 3, Line 14, Column 2 minus Column 1)	219,200	674,200
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)	(14,773,629)	16,493,888
32. Surplus as regards policyholders, December 31 current year (Lines 17 plus Line 31) (Page 3, Line 27)	(30,973,946)	(16,200,317)
DETAILS OF WRITE-INS		
0501. Interest Expense on Deferred Loss Payments	816,583	3,816,896
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)	816,583	3,816,896
1201. Miscellaneous income	31	241,571
1202. Litigation Settlements	0	8,700,000
1203. Litigation Payments	0	(217,500)
1298. Summary of remaining write-ins for Line 12 from overflow page	0	247,688
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above)	31	8,971,759
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 2000 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	0	0
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	6,465,726	9,015,210
3. Underwriting expenses paid	6,268	3,644,971
4. Other underwriting income (expenses)	(4,633,478)	(3,816,896)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(11,105,472)	(16,477,077)
6. Net investment income	5,971,904	6,498,030
7. Other income (expenses):		
7.1 Agents' balances charged off	0	0
7.2 Net funds held under reinsurance treaties	1,937,519	2,036,272
7.3 Net amount withheld or retained for account of others	0	0
7.4 Aggregate write-ins for miscellaneous items	31	8,971,759
7.5 Total other income (Lines 7.1 to 7.4)	1,937,550	11,008,031
8. Dividends to policyholders on direct business, less \$	0	0
dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	0	1,017,397
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	(3,196,018)	2,046,381
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	33,462,558	38,971,282
11.2 Stocks	0	0
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Net gains or (losses) on cash and short-term investments	0	0
11.7 Miscellaneous proceeds	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7)	33,462,558	38,971,282
12. Cost of investments acquired (long-term only):		
12.1 Bonds	23,409,064	49,047,157
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6)	23,409,064	49,047,157
13. Net Cash from investments (Line 11.8 minus Line 12.7)	10,053,494	(10,075,875)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	0
14.2 Capital notes \$	0	0
less amounts repaid \$	0	0
14.3 Net transfers from affiliates	0	0
14.4 Borrowed funds received	0	0
14.5 Other cash provided	4,854,178	4,113,766
14.6 Total (Lines 14.1 to 14.5)	4,854,178	4,113,766
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	0	0
15.3 Borrowed funds repaid	0	0
15.4 Other applications	1,734,234	5,098,785
15.5 Total (Lines 15.1 to 15.4)	1,734,234	5,098,785
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	3,119,944	(985,019)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	9,977,420	(9,014,513)
18. Cash and short-term investments:		
18.1 Beginning of year	1,922,025	10,936,538
18.2 End of year (Line 17 plus Line 18.1)	11,899,445	1,922,025
DETAILS OF WRITE-INS		
07.401 Miscellaneous Income	31	241,571
07.402 Litigation Settlements	0	8,700,000
07.403 Litigation Payments	0	(217,500)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	0	247,688
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	31	8,971,759

**ANNUAL STATEMENT FOR THE YEAR 2000 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)	1,753,757			254,109	198,806	1,809,060	
1.1 Bonds exempt from U.S. tax	D (a)	69,463			15,578	17,897	67,144	
1.2 Other bonds (unaffiliated)	D (a)	6,826,607			1,361,378	1,314,558	6,873,427	
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	86,522					86,522	
5.2 Short-term investments	DA (e)	144,651					144,651	
6. Other invested assets	BA							
7. Derivative instruments	DB/DC (f)							
8. Aggregate write-ins for investment income								
9. TOTALS		(g) 8,881,000			1,631,065	1,531,261	(g) 8,980,804	
							DEDUCTIONS	
10. Total investment expenses incurred (Part 4, Line 22, Col. 3)						3,028,725		
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)							3,028,725	
14. Net Investment Income Earned (Line 9 minus Line 13 - to Page 4, Line 8)							5,952,079	
DETAILS OF WRITE-INS								
0801.							0	
0802.							0	
0803.							0	
0898. Summary of remaining write-ins for Line 8 from overflow page							0	
0899. Totals (Lines 0801 thru 0803 plus 0898) (Part 1, Line 8)							0	
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 \$ 330,946	accrual of discount less \$	444,805	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		1,400	12,490			196,274	185,184
1.1 Bonds exempt from U.S. tax		0	0				0
1.2 Other bonds (unaffiliated)		106,680	395,264				(288,584)
1.3 Bonds of affiliates							0
2.1 Preferred stocks (unaffiliated)							0
2.11 Preferred stocks of affiliates							0
2.2 Common stocks (unaffiliated)							0
2.21 Common stocks of affiliates							0
3. Mortgage loans							0
4. Real estate				(a)			0
5.1 Cash on hand and on deposit							0
5.2 Short-term investments							0
6. Other invested assets							0
7. Derivative instruments							0
8. Aggregate write-ins for capital gains and (losses)		0	0	0	0	0	0
9. TOTALS		108,080	407,754	0	0	196,274	(103,400)
(Distribution of Line 9, Col. 7)							
10. Net realized capital gains or (losses) (Page 4, Line 9) (Col. 2-3, Line 9)							(299,674)
11. Net unrealized capital gains or (losses) (Page 4, Line 19) (Col. 4 - 5 + 6, Line 9)							196,274
DETAILS OF WRITE-INS							
0801.							0
0802.							0
0803.							0
0898. Summary of remaining write-ins for Line 8 from overflow page		0	0	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Part 1A, Line 8)		0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 4, Part 2B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 2A	4 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		9,173,000	4,066,000	5,107,000
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	4,066,000	5,107,000
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 .....					.0
2. Allied lines .....					.0
3. Farmowners multiple peril .....					.0
4. Homeowners multiple peril .....					.0
5. Commercial multiple peril .....					.0
6. Mortgage guaranty .....					.0
8. Ocean marine .....					.0
9. Inland marine .....					.0
10. Financial guaranty .....					.0
11.1 Medical malpractice - occurrence .....					.0
11.2 Medical malpractice - claims-made .....					.0
12. Earthquake .....					.0
13. Group accident and health				(c)	.0
14. Credit accident and health (group and individual) .....					.0
15. Other accident and health				(c)	.0
16. Workers' compensation .....					.0
17.1 Other liability - occurrence .....					.0
17.2 Other liability - claims-made .....					.0
18.1 Products liability - occurrence		4,066,000			4,066,000
18.2 Products liability - claims-made .....					.0
19.1,19.2 Private passenger auto liability .....					.0
19.3,19.4 Commercial auto liability .....					.0
21. Auto physical damage .....					.0
22. Aircraft (all perils) .....					.0
23. Fidelity .....					.0
24. Surety .....					.0
26. Burglary and theft .....					.0
27. Boiler and machinery .....					.0
28. Credit .....					.0
29. International .....					.0
30A. Reinsurance - Nonproportional Assumed Property .....					.0
30B. Reinsurance - Nonproportional Assumed Liability .....					.0
30C. Reinsurance - Nonproportional Assumed Financial Lines .....					.0
31. Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0
32. TOTALS	0	4,066,000	0	0	4,066,000
33. Accrued retrospective premiums based on experience					
34. Balance (Line 32 plus Line 33)					4,066,000
DETAILS OF WRITE-INS					
3101.					
3102.					
3103.					
3198. Summary of remaining write-ins for Line 31 from overflow page .....	.0	.0	.0	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0	0	0	0

(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				.0	.0	.0	.0	.0
2. Allied lines				.0	.0	.0	.0	.0
3. Farmowners multiple peril				.0	.0	.0	.0	.0
4. Homeowners multiple peril				.0	.0	.0	.0	.0
5. Commercial multiple peril				.0	.0	.0	.0	.0
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine				.0	.0	.0	.0	.0
10. Financial guaranty				.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence				.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made				.0	.0	.0	.0	.0
12. Earthquake				.0	.0	.0	.0	.0
13. Group accident and health				.0	.0	.0	.0	.0
14. Credit accident and health (group and individual)				.0	.0	.0	.0	.0
15. Other accident and health				.0	.0	.0	.0	.0
16. Workers' compensation				.0	.0	.0	.0	.0
17.1 Other liability - occurrence				.0	.0	.0	.0	.0
17.2 Other liability - claims-made				.0	.0	.0	.0	.0
18.1 Products liability - occurrence	3,692,294		530,797	3,161,497	75,577,779	51,474,518	27,264,758	533.9
18.2 Products liability - claims-made				.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability				.0	.0	.0	.0	.0
19.3,19.4 Commercial auto liability				.0	.0	.0	.0	.0
21. Auto physical damage				.0	.0	.0	.0	.0
22. Aircraft (all perils)				.0	.0	.0	.0	.0
23. Fidelity				.0	.0	.0	.0	.0
24. Surety				.0	.0	.0	.0	.0
26. Burglary and theft				.0	.0	.0	.0	.0
27. Boiler and machinery				.0	.0	.0	.0	.0
28. Credit				.0	.0	.0	.0	.0
29. International				.0	.0	.0	.0	.0
30A. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	.0
30B. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	.0
30C. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	.0
31. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0
32. TOTALS	3,692,294	0	530,797	3,161,497	75,577,779	51,474,518	27,264,758	533.9
DETAILS OF WRITE-INS								
3101.								
3102.								
3103.								
3198. Summary of remaining write-ins for Line 31 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2000 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				.0				.0		
2. Allied lines				.0				.0		
3. Farmowners multiple peril				.0				.0		
4. Homeowners multiple peril				.0				.0		
5. Commercial multiple peril				.0				.0		
6. Mortgage guaranty				.0				.0		
8. Ocean marine				.0				.0		
9. Inland marine				.0				.0		
10. Financial guaranty				.0				.0		
11.1 Medical malpractice - occurrence				.0				.0		
11.2 Medical malpractice - claims-made				.0				.0		
12. Earthquake				.0				.0		
13. Group accident and health				.0			(a)	.0		
14. Credit accident and health (group and individual)				.0			(a)	.0		
15. Other accident and health				.0				.0		
16. Workers' compensation				.0				.0		
17.1 Other liability - occurrence				.0				.0		
17.2 Other liability - claims-made				.0				.0		
18.1 Products liability - occurrence	41,437,733		4,104,954	37,332,779	68,302,000			30,057,000	75,577,779	27,251,634
18.2 Products liability - claims-made				.0				.0		
19.1,19.2 Private passenger auto liability				.0				.0		
19.3,19.4 Commercial auto liability				.0				.0		
21. Auto physical damage				.0				.0		
22. Aircraft (all perils)				.0				.0		
23. Fidelity				.0				.0		
24. Surety				.0				.0		
26. Burglary and theft				.0				.0		
27. Boiler and machinery				.0				.0		
28. Credit				.0				.0		
29. International				.0				.0		
30A. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0		
30B. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0		
30C. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0		
31. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
32. TOTALS	41,437,733	0	4,104,954	37,332,779	68,302,000	0		30,057,000	75,577,779	27,251,634
DETAILS OF WRITE-INS										
3101.										
3102.										
3103.										
3198. Summary of remaining write-ins for Line 31 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0	0	0	0	0	0	0	0	0

(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	(872,349)			(872,349)
b. Reinsurance assumed .....				.0
c. Reinsurance ceded	750,066			750,066
d. Net claim adjustment service (a + b - c)	(1,622,415)	.0	.0	(1,622,415)
2. Commission and brokerage:				
a. Direct excluding contingent .....				.0
b. Reinsurance assumed excluding contingent .....				.0
c. Reinsurance ceded excluding contingent .....				.0
d. Contingent-direct .....				.0
e. Contingent-reinsurance assumed .....				.0
f. Contingent-reinsurance ceded .....				.0
g. Policy and membership fees .....				.0
h. Net commission and brokerage (a + b - c + d + e - f + g) .....	.0	.0	.0	.0
3. Allowances to managers and agents .....				.0
4. Advertising .....				.0
5. Boards, bureaus and associations .....				.0
6. Surveys and underwriting reports .....				.0
7. Audit of assureds' records .....				.0
8. Salary and related items:				
a. Salaries .....				.0
b. Payroll taxes .....				.0
9. Employee relations and welfare .....				.0
10. Insurance .....				.0
11. Directors' fees .....				.0
12. Travel and travel items .....				.0
13. Rent and rent items .....				.0
14. Equipment .....				.0
15. Printing and stationery .....				.0
16. Postage, telephone and telegraph, exchange and express .....				.0
17. Legal and auditing		6,281		6,281
17A. Totals (Lines 3 to 17) .....	.0	6,281	.0	6,281
18. Taxes, licenses and fees:				
a. State and local insurance taxes deducting guaranty association credits of \$ .....				.0
b. Insurance department licenses and fees .....				.0
c. Gross guaranty association assessments .....				.0
d. All other (excluding federal and foreign income and real estate) .....				.0
e. Total taxes, licenses and fees (a + b + c + d) .....	.0	.0	.0	.0
19. Real estate expenses .....				.0
20. Real estate taxes .....				.0
20A. Reimbursements by uninsured accident and health plans .....				.0
21. Aggregate write-ins for miscellaneous expenses	(349,902)	0	3,028,725	2,678,823
22. Total expenses incurred	(1,972,317)	6,281	3,028,725	(a) 1,062,688
23. Less unpaid expenses - current year	27,251,634	13	56,428	27,308,075
24. Add unpaid expenses - prior year	32,752,199	0	50,659	32,802,858
25. Amounts receivable relating to uninsured accident and health plans, prior year .....	.0	.0	.0	.0
26. Amounts receivable relating to uninsured accident and health plans, current year .....				.0
27. TOTAL EXPENSES PAID (Lines 22 - 23 + 24 - 25 + 26)	3,528,248	6,268	3,022,956	6,557,471
DETAILS OF WRITE-INS				
2101. Decrease in ULAE Reserve	(349,902)			(349,902)
2102. Investment Interest Expense			2,814,658	2,814,658
2103. Investment Management Expense			214,067	214,067
2198. Summary of remaining write-ins for Line 21 from overflow page .....	.0	.0	.0	.0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	(349,902)	0	3,028,725	2,678,823

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

**ANNUAL STATEMENT FOR THE YEAR 2000 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	4,496,543	4,663,308	166,765
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)	4,500,093	4,666,858	166,765
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)			

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)	0	0
2. Interest, dividends and real estate income received (Part 1, Line 9, Col. 3)	8,881,000	9,021,512
3. From sale or maturity of ledger assets (Part 1A, Line 9, Col. 2)	108,080	56,059
4. Other income items or increases, viz:		
a. Agents' balances previously charged off		0
b. Remittances from home office to U.S. branch (gross)		0
c. Funds held under reinsurance treaties (net)	1,937,519	2,036,272
d. Borrowed money (gross)		0
e. Amounts withheld or retained for account of others (net)		0
f. Aggregate write-ins for increases in ledger assets	323,967	9,469,138
5. Adjustment in book value of ledger assets (Part 1A, Line 9, Col. 4)	0	0
6. Capital paid in (Page 4, Line 24a)		0
7. Surplus paid in (Page 4, Line 25a)		0
7A. Surplus notes (Page 4, Line 23A)		0
8. Total (Lines 1 to 7A)	11,250,567	20,582,981
DECREASE IN LEDGER ASSETS		
9. Net losses paid (Part 3, Line 32, Col. 4)	3,161,497	6,779,786
10. Expenses paid (Part 4, Line 27, Col. 4)	6,557,471	11,367,093
10A. Interest expense (Part 1, Line 10A)	0	0
11. From sale or maturity of ledger assets (Part 1A, Line 9, Col. 3)	407,754	359,417
11A. Surplus notes (Page 4, Line 23A)		0
12. Other disbursement items or decreases, viz:		
a. Agents' balances charged off		0
b. Remittances to home office from U.S. branch (gross)		0
c. Funds held under reinsurance treaties (net)		0
d. Borrowed money (gross)		0
e. Amounts withheld or retained for account of others (net)		0
f. Aggregate write-ins for decreases in ledger assets	1,990,994	4,910,631
13. Adjustment in book value of ledger assets (Part 1A, Line 9, Col. 5) and depreciation (Part 1, Line 11)	0	0
14. Federal and foreign income taxes paid		0
15. Dividends paid stockholders		0
16. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		0
17. Total (Lines 9 to 16)	12,117,716	23,416,927
RECONCILIATION BETWEEN YEARS		
18. Amount of ledger assets as per balance December 31 of previous year	137,640,355	140,474,301
19. Increase or (decrease) in ledger assets during the year (Line 8 minus Line 17)	(867,149)	(2,833,946)
20. Balance = ledger assets December 31 of current year	136,773,206	137,640,355
DETAILS OF WRITE-INS		
04f01. Miscellaneous Income	31	241,571
04f02. Increase in Loss Payments Deferred		0
04f03. Increase in Ledger Liabilities	13,242	172,539
04f98. Summary of remaining write-ins for Line 4f from overflow page	310,694	9,055,028
04f99. Totals (Lines 04f01 thru 04f03 plus 04f98) (Line 4f above)	323,967	9,469,138
12f01. Decrease in Loss Reserve Prepayments		6,164
12f02. Decrease in Ledger Liabilities	108,274	0
12f03. Litigation Payments		217,500
12f98. Summary of remaining write-ins for Line 12f from overflow page	1,882,719	4,686,967
12f99. Totals (Lines 12f01 thru 12f03 plus 12f98) (Line 12f above)	1,990,994	4,910,631



ANNUAL STATEMENT FOR THE YEAR 2000 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 2000

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	0	0	0	0	0	0	0	0	0	0	0	0
32. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
3101.												
3102.												
3103.												
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0	0	0	0	0	0	0	0	0	0	0

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

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**ANNUAL STATEMENT FOR THE YEAR 2000 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?0.0 %
 (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					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:0.0 %
 (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 2000 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?
 Virginia.....
-
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 2000 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:0.0 %
(ii) To:0.0 %
(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: \$3,025,829
(ii) Collateral and other funds: \$1,698,499
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
MMC Enterprise Risk Consulting, 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? \$.....511,802
 (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.	510,838

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 which recognized 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

NOTES TO FINANCIAL STATEMENTS

equities.

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. A fifth directive dated November 14, 2000, increased the direct claim payment rate to 100%. The Company began paying direct claims at the 100% rate in November of 2000.

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 \$4,633,478 as of December 31, 2000. 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, 2000, approximately 1195 appeals and 171 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.

NOTES TO FINANCIAL STATEMENTS

In regard to the appeal and petition information and statistics referenced by the preceding paragraph, there have been approximately 970 home owner appeals, 152 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 120 home owner petitions, 24 builder petitions, 10 vendor and local council petitions, 2 attorney fees petitions, 6 former 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 \$3,025,829 and a collateralized security interest of \$111,279 at December 31, 2000. Cash prepayments and CD's were \$1,587,221 at December 31, 2000, 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 terminated in May of 2000. The Company currently rents 6,149 cubic feet of warehouse space in Austin, Texas, at a base rate of \$1,229 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

NOTES TO FINANCIAL STATEMENTS

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.

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 trusses, 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.

NOTES TO FINANCIAL STATEMENTS

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. The HOW Companies are evaluating the FRT plywood litigation and related claims,

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. 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, after completing an investigation, issued a Notice of Claim Determination denying the claim on July 24, 2000.

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

NOTES TO FINANCIAL STATEMENTS

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 mentioned in these notes to financial statement, 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. The reserve for litigation or threatened litigation matters reflects only a portion of the potential claims liability, if any, which may arise from litigation or threatened litigation matters. The Deputy Receiver believes that there are meritorious defenses to the litigation or threatened litigation cases. Due to the inherent uncertainty of litigation, the Company's actual liability may vary from its reserved liability for such litigation or threatened 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. The Company has entered into an agreement with Compagnie Euro 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 2000 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 2000	2 1999	3 1998	4 1997	5 1996
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)	0	0	0	0	0
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4A. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 31)	0	0	0	0	0
4B. Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C)	0	0	0	0	0
5. Total (Line 32)	0	0	0	0	0
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)	0	0	0	0	0
7. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
8. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
9A. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 31)	0	0	0	0	0
9B. Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C)	0	0	0	0	0
10. Total (Line 32)	0	0	0	0	0
Statement of Income (Page 4)					
11. Net Underwriting Gain or (Loss) (Line 7)	(21,008,305)	1,872,404	8,776,680	(12,211,085)	(6,227,360)
12. Net Investment Gain or (Loss) (Line 9A)	5,652,405	5,791,511	6,326,882	6,620,211	7,042,755
13. Total Other Income (Line 13)	31	8,971,759	9,400,277	3,042	483,934
14. Dividends to Policyholders (Line 14A)	0	0	0	0	0
15. Federal and Foreign Income Taxes Incurred (Line 15)	0	0	0	0	50,000
16. Net Income (Line 16)	(15,355,868)	16,635,674	24,503,839	(5,587,832)	1,249,329
Balance Sheet Lines (Pages 2 and 3)					
17. Total Admitted Assets (Page 2, Line 22, Col. 4)	133,549,523	133,953,830	137,699,700	135,454,215	143,105,997
18. Agents' Balances or Uncollected Premiums (Page 2, Col. 4)					
18.1 In Course of Collection (Line 10.1)	0	0	0	0	0
18.2 Deferred and Not Yet Due (Line 10.2)	0	0	0	0	0
18.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
19. Total Liabilities (Page 3, Line 23)	164,523,469	150,154,149	170,393,905	192,629,451	196,111,155
20. Losses (Page 3, Lines 1 and 1A)	75,577,779	51,474,518	61,744,425	69,439,408	63,359,590
21. Loss Adjustment Expenses (Page 3, Line 2)	27,251,634	32,752,199	32,847,918	42,041,382	41,821,751
22. Unearned premiums (Page 3, Line 9)	4,066,000	9,173,000	17,982,000	28,974,000	42,840,000
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)	(30,973,946)	(16,200,319)	(32,694,204)	(57,175,235)	(53,005,158)
Risk-Based Capital Analysis					
25. Total Adjusted Capital	(30,973,946)	(16,200,319)	(32,694,204)	(57,175,235)	(53,005,158)
26. Authorized Control Level Risk-Based Capital	12,870,068	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)	90.8	98.5	91.6	95.4	92.9
28. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
29. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
30. Real Estate (Lines 4.1 & 4.2)	0.0	0.0	0.0	0.0	0.0
31. Cash and Short-Term Investments (Line 5)	9.2	1.5	8.4	4.6	6.8
32. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
32A. Receivable for Securities (Line 7)	0.0	0.0	0.0	0.0	0.0
33. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	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)	0	0	0	0	0
36. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 5)	0	0	0	0	0
37. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	0	0	0
38. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 1, Col. 13)	0	0	0	0	0
38A. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
38B. All Other Affiliated	0	0	0	0	0
39. Total of above Lines 35, 36, 37, 38, 38A & 38B	0	0	0	0	0
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)	0.0	0.0	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2000	2 1999	3 1998	4 1997	5 1996
Capital and Surplus Accounts (Page 4)					
41. Net Unrealized Capital Gains or (Losses) (Line 19)	196,274	(439,800)	(107,153)	67,886	(71,862)
42. Dividends to Stockholders (Cash) (Line 27)	0	0	0	0	0
43. Change in Surplus as Regards Policyholders for the Year (Line 31)	(14,773,629)	16,493,888	24,481,029	(4,170,079)	467,000
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)	3,692,294	4,294,539	7,476,917	6,336,246	6,152,181
45. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
46. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
47A. All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31)	0	0	0	0	0
47B. Non-Proportional Reinsurance Lines (Lines 30A, 30B & 30C)	0	0	0	0	0
48. Total (Line 32)	3,692,294	4,294,539	7,476,917	6,336,246	6,152,181
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)	3,161,497	6,779,786	6,499,537	5,762,909	7,612,723
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
52A. All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31)	0	0	0	0	0
52B. Non-Proportional Reinsurance Lines (Lines 30A, 30B & 30C)	0	0	0	0	0
53. Total (Line 32)	3,161,497	6,779,786	6,499,537	5,762,909	7,612,723
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)	533.9	(39.6)	(10.9)	85.4	81.4
56. Loss Expenses Incurred (Line 3)	(38.6)	54.5	(34.6)	63.0	42.2
57. Other Underwriting Expenses Incurred (Line 4)	0.1	20.5	65.6	39.4	17.7
58. Net Underwriting Gain or (Loss) (Line 7)	(411.4)	21.3	79.8	(88.1)	(41.3)
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)	0.0	0.0	0.0	0.0	0.0
60. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	495.3	14.9	(45.5)	148.4	123.6
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)	0.0	0.0	0.0	0.0	0.0
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)	22,870	(11,445)	(7,584)	14,275	7,725
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)	(141.2)	35.0	13.3	(26.9)	(14.4)
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)	10,328	(19,087)	6,901	22,274	(61,663)
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)	(31.6)	33.4	(13.0)	(41.7)	53.0

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 2000 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	26,834,448	26,805,646	26,896,775	25,920,418	26,834,448
	2. Canada	0	0	0	0	0
	3. Other Countries	0	0	0	0	0
	4. Totals	26,834,448	26,805,646	26,896,775	25,920,418	26,834,448
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0	0
	6. Canada	0	0	0	0	0
	7. Other Countries	0	0	0	0	0
	8. Totals	0	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0	0
	10. Canada	0	0	0	0	0
	11. Other Countries	0	0	0	0	0
	12. Totals	0	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	30,694,499	30,533,245	30,246,634	31,513,996	30,694,499
	14. Canada	2,002,942	2,024,570	2,056,070	2,000,000	2,002,942
	15. Other Countries	0	0	0	0	0
	16. Totals	32,697,441	32,557,815	32,302,704	33,513,996	32,697,441
Public Utilities (unaffiliated)	17. United States	6,169,549	6,269,214	6,259,071	6,155,000	6,169,549
	18. Canada	0	0	0	0	0
	19. Other Countries	0	0	0	0	0
	20. Totals	6,169,549	6,269,214	6,259,071	6,155,000	6,169,549
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	52,301,898	52,564,189	52,632,564	52,288,781	51,947,243
	22. Canada	0	0	0	0	0
	23. Other Countries	0	0	0	0	0
	24. Totals	52,301,898	52,564,189	52,632,564	52,288,781	51,947,243
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0	0
	26. Total Bonds	118,003,335	118,196,865	118,091,113	117,878,195	117,648,680
PREFERRED STOCKS						
Public Utilities (unaffiliated)	27. United States	0	0	0	x x x	0
	28. Canada	0	0	0	x x x	0
	29. Other Countries	0	0	0	x x x	0
	30. Totals	0	0	0	x x x	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	x x x	0
	32. Canada	0	0	0	x x x	0
	33. Other Countries	0	0	0	x x x	0
	34. Totals	0	0	0	x x x	0
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	x x x	0
	36. Canada	0	0	0	x x x	0
	37. Other Countries	0	0	0	x x x	0
	38. Totals	0	0	0	x x x	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	x x x	0
	40. Total Preferred Stocks	0	0	0	x x x	0
COMMON STOCKS						
Public Utilities (unaffiliated)	41. United States	0	0	0		
	42. Canada	0	0	0		
	43. Other Countries	0	0	0		
	44. Totals	0	0	0		
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0		
	46. Canada	0	0	0		
	47. Other Countries	0	0	0		
	48. Totals	0	0	0		
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0		
	50. Canada	0	0	0		
	51. Other Countries	0	0	0		
	52. Totals	0	0	0		
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0		
	54. Total Common Stocks	0	0	0		
	55. Total Stocks	0	0	0		
	56. Total Bonds and Stocks	118,003,335	118,196,865	118,091,113		

(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	128,470,361	6. Deduct consideration for bonds and stocks disposed of Col. 5, Part 4	33,462,558
2. Cost of bonds and stocks acquired, Col. 5, Part 3	23,409,064	7. Decrease by adjustment in book value:	
3. Increase by adjustment in book value:		7.1 Col. 11, Part 1	218,957
3.1 Col. 10, Part 1	230,562	7.2 Col. 10, Part 2, Sec. 1	0
3.2 Col. 9, Part 2, Sec. 1	0	7.3 Col. 9, Part 2, Sec. 2	0
3.3 Col. 8, Part 2, Sec. 2	0	7.4 Col. 10, Part 4	225,848
3.4 Col. 9, Part 4	100,384		444,805
4. Profit on disposal of bonds and stocks, Col. 11, Part 4	108,080	8. Loss on disposal of bonds and stocks, Col. 12, Part 4	407,754
5. Total	152,318,451	9. Book value of bonds and stocks, current year	118,003,334

ANNUAL STATEMENT FOR THE YEAR 2000 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	3,552,001	11,132,848	10,369,075	1,581,171	199,352	26,834,447	20.7	21,689,352	16.8	26,834,448	
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 TOTALS	3,552,001	11,132,848	10,369,075	1,581,171	199,352	26,834,447	20.7	21,689,352	16.8	26,834,448	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1						0	0.0	0	0.0		
2.2 Class 2						0	0.0	0	0.0		
2.3 Class 3						0	0.0	0	0.0		
2.4 Class 4						0	0.0	0	0.0		
2.5 Class 5						0	0.0	0	0.0		
2.6 Class 6						0	0.0	0	0.0		
2.7 TOTALS	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1						0	0.0	0	0.0		
3.2 Class 2						0	0.0	0	0.0		
3.3 Class 3						0	0.0	0	0.0		
3.4 Class 4						0	0.0	0	0.0		
3.5 Class 5						0	0.0	0	0.0		
3.6 Class 6						0	0.0	0	0.0		
3.7 TOTALS	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1						0	0.0	0	0.0		
4.2 Class 2						0	0.0	0	0.0		
4.3 Class 3						0	0.0	0	0.0		
4.4 Class 4						0	0.0	0	0.0		
4.5 Class 5						0	0.0	0	0.0		
4.6 Class 6						0	0.0	0	0.0		
4.7 TOTALS	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	9,181,598	11,424,364	6,370,626	4,629,340	1,091,513	32,697,441	25.2	38,044,787	29.4	32,697,441	
5.2 Class 2						0	0.0	0	0.0		
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 TOTALS	9,181,598	11,424,364	6,370,626	4,629,340	1,091,513	32,697,441	25.2	38,044,787	29.4	32,697,441	0

ANNUAL STATEMENT FOR THE YEAR 2000 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	1,000,000	999,642	953,496			2,953,138	2.3	3,946,397	3.1	2,953,138	
6.2 Class 2	1,020,184	1,270,425	775,802	150,000		3,216,411	2.5	2,952,603	2.3	3,216,411	
6.3 Class 3						0	0.0	302,428	0.2		
6.4 Class 4						0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 TOTALS	2,020,184	2,270,067	1,729,298	150,000	0	6,169,549	4.8	7,201,428	5.6	6,169,549	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	13,949,019	22,923,189	4,666,283	1,053,741		42,592,232	32.8	29,859,317	23.1	42,592,232	
7.2 Class 2	2,499,416	7,378,936	1,986,151			11,864,503	9.1	18,458,762	14.3	11,864,503	
7.3 Class 3	1,210,088	1,469,584	6,588,152			9,267,824	7.1	12,004,901	9.3	9,267,823	
7.4 Class 4		273,750				273,750	0.2	0	0.0	273,750	
7.5 Class 5						0	0.0	1,940,940	1.5		
7.6 Class 6						0	0.0	0	0.0		
7.7 TOTALS	17,658,523	32,045,459	13,240,586	1,053,741	0	63,998,309	49.3	62,263,920	48.2	63,998,308	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1						0	0.0	0	0.0		
8.2 Class 2						0	0.0	0	0.0		
8.3 Class 3						0	0.0	0	0.0		
8.4 Class 4						0	0.0	0	0.0		
8.5 Class 5						0	0.0	0	0.0		
8.6 Class 6						0	0.0	0	0.0		
8.7 TOTALS	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1						0	0.0	0	0.0		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5						0	0.0	0	0.0		
9.6 Class 6						0	0.0	0	0.0		
9.7 TOTALS	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2000 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	27,682,618	46,480,043	22,359,480	7,264,252	1,290,865	105,077,258	81.0	XXX	XXX	105,077,259	.0
10.2 Class 2	3,519,600	8,649,361	2,761,953	150,000	.0	15,080,914	11.6	XXX	XXX	15,080,914	.0
10.3 Class 3	1,210,088	1,469,584	6,588,152	.0	.0	9,267,824	7.1	XXX	XXX	9,267,823	.0
10.4 Class 4	.0	273,750	.0	.0	.0	273,750	0.2	XXX	XXX	273,750	.0
10.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 TOTALS	32,412,306	56,872,738	31,709,585	7,414,252	1,290,865	129,699,746	100.0	XXX	XXX	129,699,746	.0
10.8 Line 10.7 as a % of Col. 7	25.0	43.8	24.4	5.7	1.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	18,315,385	41,002,255	24,919,097	8,000,235	1,302,881	XXX	XXX	93,539,853	72.4	93,539,853	.0
11.2 Class 2	4,001,422	11,663,654	5,746,289	.0	.0	XXX	XXX	21,411,365	16.6	21,411,365	.0
11.3 Class 3	.0	2,572,868	8,670,711	1,063,750	.0	XXX	XXX	12,307,329	9.5	12,307,328	.0
11.4 Class 4	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.5 Class 5	.0	.0	1,940,940	.0	.0	XXX	XXX	1,940,940	1.5	1,940,940	.0
11.6 Class 6	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 TOTALS	22,316,807	55,238,777	41,277,037	9,063,985	1,302,881	XXX	XXX	129,199,487	100.0	129,199,486	.0
11.8 Line 11.7 as a % of Col. 9	17.3	42.8	31.9	7.0	1.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	27,682,618	46,480,043	22,359,480	7,264,252	1,290,865	105,077,258	81.0	93,539,852	72.4	105,077,258	XXX
12.2 Class 2	3,519,600	8,649,360	2,761,954	150,000	.0	15,080,914	11.6	21,411,365	16.6	15,080,914	XXX
12.3 Class 3	1,210,088	1,469,584	6,588,152	.0	.0	9,267,824	7.1	12,307,329	9.5	9,267,824	XXX
12.4 Class 4	.0	273,750	.0	.0	.0	273,750	0.2	.0	0.0	273,750	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	1,940,940	1.5	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 TOTALS	32,412,306	56,872,737	31,709,586	7,414,252	1,290,865	129,699,746	100.0	129,199,486	100.0	129,699,746	XXX
12.8 Line 12.7 as a % of Col. 7	25.0	43.8	24.4	5.7	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	25.0	43.8	24.4	5.7	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	0.0	.0	0.0	XXX	.0
13.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 TOTALS	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 7	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ _____ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ _____ current year, \$ _____ prior year of bonds with Z designations and \$ _____ current year, _____ 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 \$ _____ current year, \$ _____ prior year of bonds with 5* designations and \$ _____ current year, _____ 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 2000 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		4,026,161	7,255,315			11,281,476	.8.7	6,573,638	.5.1	11,281,475	
1.2 Single Class Mortgage-Backed/Asset-Backed Bonds	3,552,001	7,106,687	3,113,761	1,581,171	199,352	15,552,972	12.0	15,115,714	11.7	15,552,972	
1.7 Totals	3,552,001	11,132,848	10,369,076	1,581,171	199,352	26,834,448	20.7	21,689,352	16.8	26,834,447	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations						.0	.0.0	.0	.0.0		
2.2 Single Class Mortgage-Backed/Asset-Backed Bonds						.0	.0.0	.0	.0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						.0	.0.0	.0	.0.0		
2.4 Other						.0	.0.0	.0	.0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
2.5 Defined						.0	.0.0	.0	.0.0		
2.6 Other						.0	.0.0	.0	.0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations						.0	.0.0	.0	.0.0		
3.2 Single Class Mortgage-Backed/Asset-Backed Bonds						.0	.0.0	.0	.0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						.0	.0.0	.0	.0.0		
3.4 Other						.0	.0.0	.0	.0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
3.5 Defined						.0	.0.0	.0	.0.0		
3.6 Other						.0	.0.0	.0	.0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations						.0	.0.0	.0	.0.0		
4.2 Single Class Mortgage-Backed/Asset-Backed Bonds						.0	.0.0	.0	.0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						.0	.0.0	.0	.0.0		
4.4 Other						.0	.0.0	.0	.0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
4.5 Defined						.0	.0.0	.0	.0.0		
4.6 Other						.0	.0.0	.0	.0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	1,003,173			669,990		1,673,163	.1.3	1,779,272	.1.4	1,673,163	
5.2 Single Class Mortgage-Backed/Asset-Backed Bonds	3,878,205	10,778,308	6,105,798	3,959,350	1,091,513	25,813,174	19.9	29,334,942	22.7	25,813,174	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined	4,300,220	646,056	264,828			5,211,104	.4.0	6,930,574	.5.4	5,211,105	
5.4 Other						.0	.0.0	.0	.0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
5.5 Defined						.0	.0.0	.0	.0.0		
5.6 Other						.0	.0.0	.0	.0.0		
5.7 Totals	9,181,598	11,424,364	6,370,626	4,629,340	1,091,513	32,697,441	25.2	38,044,788	29.4	32,697,442	0

ANNUAL STATEMENT FOR THE YEAR 2000 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	2,020,184	2,270,067	1,729,298	150,000		6,169,549	4.8	7,201,428	5.6	6,169,549	
6.2 Single Class Mortgage-Backed/Asset-Based Bonds	0	0	0	0		0	0.0	0	0.0	0	
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	2,020,184	2,270,067	1,729,298	150,000	0	6,169,549	4.8	7,201,428	5.6	6,169,549	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	17,267,215	30,551,737	13,022,221	993,783		61,834,956	47.7	55,480,359	42.9	61,834,956	
7.2 Single Class Mortgage-Backed/Asset-Based Bonds						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
7.3 Defined	391,308	493,851	218,365	59,958		1,163,482	0.9	2,784,890	2.2	1,163,482	
7.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined		999,871				999,871	0.8	3,998,670	3.1	999,871	
7.6 Other						0	0.0	0	0.0		
7.7 Totals	17,658,523	32,045,459	13,240,586	1,053,741	0	63,998,309	49.3	62,263,919	48.2	63,998,309	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations						0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Bonds						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES:											
9.3 Defined						0	0.0	0	0.0		
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0	0	0.0		
9.6 Other						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2000 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	20,290,572	36,847,965	22,006,834	1,813,773	0	80,959,144	62.4	XXX	XXX	80,959,143	0
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds	7,430,206	17,884,995	9,219,559	5,540,521	1,290,865	41,366,146	31.9	XXX	XXX	41,366,146	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	4,691,528	1,139,907	483,193	59,958	0	6,374,586	4.9	XXX	XXX	6,374,587	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	0	999,871	0	0	0	999,871	0.8	XXX	XXX	999,871	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	32,412,306	56,872,738	31,709,586	7,414,252	1,290,865	129,699,747	100.0	XXX	XXX	129,699,747	0
10.8 Line 10.7 as a % of Col. 7	25.0	43.8	24.4	5.7	1.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	6,281,476	31,138,953	30,791,287	2,822,981	0	XXX	XXX	71,034,697	55.0	71,034,699	0
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds	8,118,360	19,158,769	9,713,347	6,157,299	1,302,881	XXX	XXX	44,450,656	34.4	44,450,654	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	7,916,972	942,385	772,402	83,705	0	XXX	XXX	9,715,464	7.5	9,715,464	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	0	3,998,670	0	0	0	XXX	XXX	3,998,670	3.1	3,998,670	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	22,316,808	55,238,777	41,277,036	9,063,985	1,302,881	XXX	XXX	129,199,487	100.0	129,199,487	0
11.8 Line 11.7 as a % of Col. 9	17.3	42.8	31.9	7.0	1.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	20,290,571	36,847,964	22,006,834	1,813,773		80,959,142	62.4	71,034,698	55.0	80,959,142	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds	7,430,206	17,884,995	9,219,559	5,540,521	1,290,865	41,366,146	31.9	44,450,653	34.4	41,366,146	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	4,691,528	1,139,907	483,193	59,958		6,374,586	4.9	9,715,464	7.5	6,374,586	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined		999,871				999,871	0.8	3,998,670	3.1	999,871	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	32,412,305	56,872,737	31,709,586	7,414,252	1,290,865	129,699,745	100.0	129,199,485	100.0	129,699,745	XXX
12.8 Line 12.7 as a % of Col. 7	25.0	43.8	24.4	5.7	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	25.0	43.8	24.4	5.7	1.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 7	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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ANNUAL STATEMENT FOR THE YEAR 2000 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														
US GOVERNMENT OBLIGATIONS																					
ISSUER OBLIGATIONS																					
912827-2M-3	TREASURY INFL INDX	3.375	JJ	2007	01			2,148,468	2,000,000	.98,067	1,961,340	2,149,493	31,182	.0	.0	1,025	0		2000	2.072	2,148,468
912827-3G-5	BT - U.S. TREASURY NOTES	6.250	FA	2002	08			1,002,691	1,000,000	101,520	1,015,150	1,004,297	21,236	62,500	.0	1,490	0		1999	6.170	1,002,691
912827-6D-9	US TREASURY NT/BD	6.750	MN	2005	05			514,084	500,000	106,490	532,470	515,176	4,312	16,875	.0	1,092	0		2000	6.099	514,084
912827-V8-2	BT - U.S. TREASURY NOTES	5.875	MN	2005	11			2,509,386	2,500,000	103,430	2,585,675	2,511,719	19,069	146,875	.0	1,623	0		1999	5.869	2,509,386
912827-Z6-2	BT - U.S. TREASURY NOTES	6.500	AO	2006	10			5,106,847	5,000,000	106,660	5,333,150	5,120,039	69,643	227,500	.0	10,116	0		2000	6.149	5,106,847
COUNTRY TOTAL - U.S.								11,281,475	11,000,000	XXX	11,427,785	11,300,724	145,443	453,750	0	15,347	0	XXX	XXX	XXX	11,281,475
0199999 - Total Bonds - U.S. Government - Issuer Obligations								11,281,475	11,000,000	XXX	11,427,785	11,300,724	145,443	453,750	0	15,347	0	XXX	XXX	XXX	11,281,475
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
36202C-BS-1	GNMA POOL #1849	8.500	MTLY	2024	08			12,251	11,759	102.730	12,081	12,262	.83	1,000	.0	.2	0		1998	6.804	12,251
36202C-G5-6	GNMA POOL #2020	8.500	MTLY	2025	06			1,871,734	1,796,490	102.730	1,845,606	1,873,402	12,725	152,702	.0	248	0		1998	6.520	1,871,734
36202C-RF-2	GNMA POOL #2286	8.500	MTLY	2026	09			98,731	94,757	102.520	97,142	98,814	.671	8,054	.0	12	0		1998	6.586	98,731
36202C-SP-9	GNMA POOL #2326	8.500	MTLY	2026	11			1,052,498	1,010,113	102.520	1,035,527	1,053,358	7,155	85,860	.0	170	0		1998	7.042	1,052,498
36202C-TA-1	GNMA POOL #2345	8.500	MTLY	2026	12			437,576	419,954	102.520	430,520	437,934	2,975	35,696	.0	56	0		1998	6.739	437,576
36202C-UX-9	GNMA POOL #2398	8.500	MTLY	2027	03			106,778	102,484	102.520	105,062	106,871	.726	8,711	.0	24	0		1998	7.443	106,778
36202C-VH-3	GNMA POOL #2416	8.500	MTLY	2027	04			21,623	20,752	102.520	21,274	21,640	.147	1,764	.0	.3	0		1998	6.714	21,623
36202C-WF-6	GNMA POOL #2446	8.500	MTLY	2027	06			297,948	285,945	102.520	293,140	298,187	2,025	24,305	.0	35	0		1998	6.715	297,948
36202C-ZC-0	GNMA POOL #2539	8.500	MTLY	2028	01			276,614	265,465	102.520	272,144	276,831	1,880	22,565	.0	31	0		1998	6.717	276,614
36203A-P2-6	GNMA POOL #343441	8.500	MTLY	2024	07			22,692	21,987	103.390	22,732	22,726	156	1,869	.0	.5	0		1996	7.618	22,692
362059-Y8-4	GNMA POOL #030435	9.000	MTLY	2009	04			2,307	2,162	103.150	2,230	2,333	.16	195	.0	.11	0		1998	6.585	2,307
36205J-AX-3	GNMA POOL #391622	8.500	MTLY	2024	12			377,506	365,735	103.230	377,563	378,078	2,591	31,087	.0	100	0		1996	7.838	377,506
36205J-HZ-1	GNMA POOL #391848	8.500	MTLY	2025	03	2021	100.000	4,061	3,936	103.230	4,063	4,068	.28	335	.0	.1	0		1996	6.884	4,061
36205L-JF-8	GNMA POOL #393662	8.500	MTLY	2024	12			6,221	6,023	103.390	6,227	6,225	.43	512	.0	.1	0		1996	7.635	6,221
362064-L8-8	GNMA POOL #034551	9.000	MTLY	2009	05			86,158	80,492	103.150	83,029	86,881	.604	7,244	.0	285	0		1998	5.643	86,158
36210A-ZE-6	GNMA POOL #486873	6.500	MTLY	2029	01			884,711	945,111	98.932	935,017	884,048	5,119	46,074	663	.0	0		2000	7.634	884,711
36210X-QA-8	GNMA POOL #505449	8.000	MTLY	2030	03			982,096	974,640	102.490	998,908	982,178	6,498	58,478	.0	.82	0		2000	7.937	982,096
362135-4V-4	GNMA POOL #097136	10.500	MTLY	2013	04			65,435	60,281	106.570	64,240	66,309	.527	6,329	.0	215	0		1996	8.315	65,435
362135-T3-9	GNMA POOL #096870	10.500	MTLY	2013	04			68,377	63,384	106.570	67,548	69,722	.555	6,655	.0	336	0		1996	9.274	68,377
36214G-3M-0	GNMA POOL #106204	9.000	MTLY	2013	11			226,971	212,502	103.450	219,831	229,369	1,594	19,125	.0	939	0		1998	7.962	226,971
36214H-GD-4	GNMA POOL #106496	9.000	MTLY	2013	12			51,122	47,868	103.450	49,519	51,667	.359	4,308	.0	213	0		1998	7.992	51,122
362151-AU-6	GNMA POOL #150419	10.000	MTLY	2016	02			40,616	37,544	105.170	39,486	40,970	.313	3,754	.0	.61	0		1995	7.482	40,616
362153-ED-6	GNMA POOL #152332	10.000	MTLY	2016	03			201,535	186,928	105.170	196,596	203,985	1,558	18,693	.0	563	0		1995	8.670	201,535
362157-W5-4	GNMA POOL #156468	10.000	MTLY	2016	11			64,904	59,963	105.170	63,064	65,435	.500	5,996	.0	.91	0		1995	7.570	64,904
362159-P2-5	GNMA POOL #158041	10.000	MTLY	2016	04			37,379	34,515	105.170	36,300	37,664	.288	3,451	.0	.36	0		1995	6.460	37,379
36215D-WA-0	GNMA POOL #132141	10.000	MTLY	2016	01			46,363	42,809	105.170	45,023	46,716	.357	4,281	.0	.39	0		1995	5.970	46,363
36215N-3T-9	GNMA POOL #140410	10.000	MTLY	2016	03			72,459	66,914	105.170	70,375	73,020	.558	6,691	.0	.73	0		1995	6.562	72,459
36215N-3U-6	GNMA POOL #140411	10.000	MTLY	2016	04			59,922	55,315	105.170	58,175	60,362	.461	5,531	.0	.99	0		1995	7.644	59,922
36215N-TV-6	GNMA POOL #140164	10.000	MTLY	2016	03			63,649	58,643	105.170	61,676	63,994	.489	5,864	.0	.69	0		1995	6.561	63,649
36215Q-YK-7	GNMA POOL #142114	10.000	MTLY	2016	03			46,297	42,754	105.170	44,965	46,656	.356	4,275	.0	.51	0		1995	6.781	46,297
36215U-VT-2	GNMA POOL #145626	10.000	MTLY	2016	02			142,001	131,270	105.170	138,059	143,248	1,094	13,127	.0	220	0		1995	7.541	142,001
36215U-ZH-4	GNMA POOL #145744	10.000	MTLY	2016	02	2012	100.000	6,862	6,353	105.170	6,681	6,932	.53	635	.0	.4	0		1995	6.990	6,862
36215W-BR-4	GNMA POOL #146848	10.000	MTLY	2016	02			31,244	28,852	105.170	30,344	31,485	.240	2,885	.0	.30	0		1995	6.422	31,244
36215W-OD-9	GNMA POOL #147252	10.000	MTLY	2016	02			47,377	43,756	105.170	46,019	47,748	.365	4,376	.0	.51	0		1995	6.672	47,377
362162-SW-0	GNMA POOL #181533	9.000	MTLY	2019	10			18,108	16,829	104.890	17,652	18,165	.126	1,515	.0	.21	0		1998	7.223	18,108
362164-X6-7	GNMA POOL #183501	10.000	MTLY	2016	10			85,875	79,094	105.170	83,185	86,311	.659	7,909	.0	.92	0		1995	6.775	85,875
36216H-YB-6	GNMA POOL #165506	8.500	MTLY	2016	08			118,734	118,352	103.200	122,142	118,907	.838	10,060	.0	.12	0		1986	8.588	118,734
36216S-J7-8	GNMA POOL #173186	8.500	MTLY	2016	08			91,914	91,628	103.200	94,563	92,058	.649	7,788	.0	.14	0		1986	8.649	91,914
36216W-WW-9	GNMA POOL #177161	10.000	MTLY	2016	09			178,310	164,609	105.170	173,123	179,630	1,372	16,461	.0	174	0		1995	6.681	178,310
36217B-5D-6	GNMA POOL #189044	10.000	MTLY	2018	05	2014	100.000	6,578	6,780	105.170	7,130	6,536	.56	678	.1	.0	0		1989	13.816	6,578
36217C-SU-1	GNMA POOL #189631	10.000	MTLY	2017	08			181,275	167,535	104.970	175,860	182,822	1,396	16,753	.0	300	0		1995	8.084	181,275
36218F-KA-5	GNMA POOL #220889	9.000	MTLY	2018	05			13,240	12,330	105.330	12,987	13,308	.92	1,110	.0	.27	0		1998	7.745	13,240
36218V-S9-5	GNMA POOL #233744	10.000	MTLY	2017	09			23,709	24,249	104.970	25,453	23,612	.202	2,425	.3	.0	0		1989	11.501	23,709
36218W-MD-																					

ANNUAL STATEMENT FOR THE YEAR 2000 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 Description		2 Interest a Rate of b How Paid		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)		
				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	
36219E-BK-5	GNMA POOL #246742	9.000	MTLY	2018	04		85,367	79,547	105,330	83,785	85,861	597	7,159	0	194	0	1998	7.897	85,367			
36219G-FG-5	GNMA POOL #248667	10.000	MTLY	2018	04		53,020	48,898	105,170	51,427	53,360	407	4,890	0	33	0	1995	6.058	53,020			
36219M-5Q-1	GNMA POOL #253855	9.000	MTLY	2018	06		92,045	85,564	105,330	90,123	92,356	642	7,701	0	115	0	1998	7.047	92,045			
36219N-HR-4	GNMA POOL #254140	10.000	MTLY	2018	07		46,274	47,648	105,170	50,113	45,936	397	4,766	42	0	0	1989	10.910	46,274			
36219N-TB-6	GNMA POOL #254446	9.000	MTLY	2018	05		57,822	53,721	105,330	56,584	57,986	403	4,835	0	56	0	1998	6.582	57,822			
36219S-Z5-1	GNMA POOL #258264	10.000	MTLY	2018	12		116,000	107,297	105,170	112,847	117,088	894	10,730	0	237	0	1995	8.699	116,000			
36219T-N6-0	GNMA POOL #258813	10.000	MTLY	2018	09		27,029	27,874	105,170	29,316	26,872	232	2,787	12	0	0	1989	11.237	27,029			
36219U-4W-1	GNMA POOL #260137	10.000	MTLY	2018	08		27,805	28,680	105,170	30,163	27,649	239	2,868	11	0	0	1989	11.355	27,805			
36220H-QY-9	GNMA POOL #278671	9.000	MTLY	2019	08		223,708	208,633	104,890	218,838	225,194	1,565	18,777	0	586	0	1998	8.243	223,708			
36220L-2N-0	GNMA POOL #281681	9.000	MTLY	2019	11		95,389	88,598	104,890	92,932	95,631	664	7,974	0	83	0	1998	6.760	95,389			
36220M-AP-4	GNMA POOL #281814	9.000	MTLY	2019	12		474,213	440,195	104,890	461,725	475,135	3,301	39,618	0	225	0	1998	5.467	474,213			
36220N-DH-7	GNMA POOL #282804	9.000	MTLY	2019	10		9,273	8,608	104,890	9,029	9,291	65	775	0	4	0	1998	5.060	9,273			
36221G-SV-4	GNMA POOL #905932	10.250	MTLY	2016	02		123,654	114,752	106,210	121,877	125,438	980	11,762	0	451	0	1996	9.278	123,654			
36221H-5W-5	GNMA POOL #907161	10.250	MTLY	2016	02		40,564	37,644	106,210	39,981	41,149	322	3,858	0	148	0	1996	9.278	40,564			
36221H-JU-4	GNMA POOL #906575	10.250	MTLY	2016	02		58,510	53,933	106,210	53,933	58,956	461	5,528	0	59	0	1996	6.665	58,510			
36221J-JS-5	GNMA POOL #907473	10.250	MTLY	2016	04		30,086	27,731	106,210	29,453	30,313	237	2,842	0	28	0	1996	6.543	30,086			
36221J-UV-5	GNMA POOL #907796	10.250	MTLY	2016	03		12,891	11,961	106,210	12,704	13,075	102	1,226	0	47	0	1996	9.282	12,891			
36221M-YS-1	GNMA POOL #910621	10.250	MTLY	2018	02		60,667	56,179	106,210	59,667	61,410	480	5,758	0	188	0	1996	9.360	60,667			
36221N-PB-6	GNMA POOL #911218	10.250	MTLY	2019	04	2018	54,972	50,703	106,240	53,867	55,424	433	5,197	0	21	0	1996	4.791	54,972			
36225A-DX-5	GNMA POOL #780118	9.500	MTLY	2021	08		447,770	418,019	104,670	437,549	448,848	3,309	39,718	0	243	0	1995	7.244	447,770			
36225A-FR-6	GNMA POOL #780176	10.000	MTLY	2021	03		3,093,476	2,865,533	105,200	3,014,626	3,104,626	23,879	286,552	0	2,215	0	1995	7.724	3,093,476			
36225A-L7-3	GNMA POOL #780350	6.500	MTLY	2009	05		1,464,232	1,488,695	101,000	1,503,582	1,463,574	8,064	32,255	659	0	0	2000	7.222	1,464,232			
COUNTRY TOTAL - U.S.							15,552,972	14,920,418	XXX	15,377,861	15,596,051	108,666	1,204,638	1,391	9,917	0	XXX	XXX	XXX	15,552,972		
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities							15,552,972	14,920,418	XXX	15,377,861	15,596,051	108,666	1,204,638	1,391	9,917	0	9,917	0	XXX	XXX	XXX	15,552,972
0399999 - Total - U.S. Government Bonds							26,834,448	25,920,418	XXX	26,805,646	26,896,775	254,109	1,658,388	1,391	25,264	0	25,264	0	XXX	XXX	XXX	26,834,448
SPECIAL REVENUE AND ASSESSMENTS																						
ISSUER OBLIGATIONS																						
NEW YORK																						
649885-HV-5	BTNEW YORK ST MTG AGY REC H/O SER	10.750	AO	2012	10		268,029	250,000	100,800	251,992	272,500	6,719	26,875	0	797	0	1993	9.944	268,029			
STATE TOTAL							268,029	250,000	XXX	251,992	272,500	6,719	26,875	0	797	0	XXX	XXX	XXX	268,029		
TEXAS																						
539761-AC-0	BTLOCKHART CORRECTIONAL FAC MBIA	8.750	AO	2012	04		401,961	405,000	100,550	407,236	400,950	8,859	35,438	153	0	0	1991	9.053	401,961			
STATE TOTAL							401,961	405,000	XXX	407,236	400,950	8,859	35,438	153	0	0	XXX	XXX	XXX	401,961		
COUNTRY TOTAL - U.S.							669,990	655,000	XXX	659,228	673,450	15,578	62,312	153	797	0	XXX	XXX	XXX	669,990		
QUEBEC																						
74815H-AS-1	QUEBEC PROVIDENCE CANADA MTN	9.000	MN	2001	04		1,003,173	1,000,000	300,570	1,005,700	1,057,320	11,500	90,000	0	10,352	0	1994	8.033	1,003,173			
STATE TOTAL							1,003,173	1,000,000	XXX	1,005,700	1,057,320	11,500	90,000	0	10,352	0	XXX	XXX	XXX	1,003,173		
COUNTRY TOTAL - CANADA							1,003,173	1,000,000	XXX	1,005,700	1,057,320	11,500	90,000	0	10,352	0	XXX	XXX	XXX	1,003,173		
2599999 - Total Bonds - Special Revenue - Issuer Obligations							1,673,163	1,655,000	XXX	1,664,928	1,730,770	27,078	152,312	153	11,148	0	11,148	0	XXX	XXX	XXX	1,673,163
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
GEORGIA																						
047852-DF-2	BTATLANTA GA URBAN RESIDENTIAL FIN	0.000	MATR	2016	10		319,655	1,175,000	28,231	331,714	190,272	0	0	25,354	0	0	1994	8.615	319,655			
STATE TOTAL							319,655	1,175,000	XXX	331,714	190,272	0	0	25,354	0	0	0	XXX	XXX	XXX	319,655	
U.S. GOVERNMENT																						
312950-S3-3	FHLMC PC GOLD 15Y POOL #B00538	9.500	MTLY	2005	11		352,525	341,311	101,560	346,622	359,123	2,702	32,425	0	1,678	0	1995	7.713	352,525			
313610-VQ-7	FNMA POOL #46523	8.000	MTLY	2002	05		14,651	14,869	100,550	14,951	13,698	99	1,189	0	0	0	1987	9.712	14,651			
313611-A2-1	FNMA POOL #46825	2.996	MTLY	2002	06		2,996	3,047	100,780	3,071	2,807	20	244	0	0	0	1987	10.051	2,996			
313613-QF-1	FNMA POOL #49054	8.000	MTLY	2002	06		1,728	1,762	100,780	1,776	1,623	12	141	11	0	0	1987	10.750	1,728			
31361X-7J-8	FNMA POOL #44997	8.000	MTLY	2002	06		21,726	22,055	100,780	22,228	20,318	147	1,764	130	0	0	1987	9.678	21,726			
31361Y-GK-3	FNMA POOL #45202	8.000	MTLY	2002	04		2,116	2,149	100,640	2,163	1,980	14	172	13	0	0	1987	10.040	2,116			
31365E-BN-2	FNMA POOL #125245	7.000	MTLY	2023	10		1,190,198	1,165,712	100,590	1,172,636	1,193,033	6,800	81,600	0	525	0	1993	6.763	1,190,198			
31376D-W7-3	FNMA 15 YR #352670	6.500	MTLY	2013	02		823,868	815,638	99,969	824,654	815,385	4,418	53,016	0	443	0	1999	6.239	823,868			
31378D-NP-1	FNMA 15 YR #395598	6.500	MTLY	2012	10		306,626	303,648	99,969	303,554	307,005	1,645	19,737	0	169	0	1999	6.242	306,626			

ANNUAL STATEMENT FOR THE YEAR 2000 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 Description		2 Interest a Rate of b How Paid		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)	
				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
31378F-2D-6	FNMA 15 YR #397772	6.500	MTLY	2012	09		221,911	99.969	219,643	222,140	1,190	14,281	0	126	0	1999	6.234	221,911			
31378M-GL-8	FNMA 15 YR #402603	6.500	MTLY	2012	11		207,350	99.969	205,233	207,566	1,112	13,344	0	115	0	1999	6.237	207,350			
31378N-GZ-5	FNMA 15 YR #403516	6.500	MTLY	2013	01		480,289	99.969	475,500	480,756	2,576	30,907	0	261	0	1999	6.238	480,289			
31378T-K4-6	FNMA 15 YR #408115	6.500	MTLY	2012	12		269,226	99.969	266,559	269,506	1,444	17,326	0	147	0	1999	6.239	269,226			
31379B-HC-0	FNMA 15 YR #414327	6.500	MTLY	2013	02		298,171	99.969	295,194	298,457	1,599	19,188	0	160	0	1999	6.239	298,171			
31379K-H2-2	FNMA 15 YR #421549	6.500	MTLY	2013	06		629,890	99.969	623,555	630,448	3,378	40,531	0	325	0	1999	6.243	629,890			
31379K-H3-0	FNMA 15 YR #421550	6.500	MTLY	2013	06		457,364	99.969	452,786	457,791	2,453	29,431	0	235	0	1999	6.244	457,364			
31379X-JT-3	FNMA 15 YR #432374	6.500	MTLY	2013	06		259,037	99.969	256,437	259,272	1,389	16,668	0	133	0	1999	6.243	259,037			
31379Y-FR-9	FNMA 15 YR #433176	6.500	MTLY	2013	07		1,548,452	99.969	1,533,997	1,549,816	8,309	99,710	0	749	0	1999	6.267	1,548,452			
31380L-TC-2	FNMA 15 YR #443447	6.500	MTLY	2028	09		620,662	99.938	614,068	620,856	3,326	39,914	0	88	0	1999	6.322	620,662			
31380Q-GA-9	FNMA 15 YR #446693	6.500	MTLY	2013	10		505,768	99.969	500,688	506,222	2,712	32,545	0	249	0	1999	6.249	505,768			
31380Q-H3-4	FNMA 15 YR #446750	6.500	MTLY	2013	10		624,606	99.969	618,332	625,168	3,349	40,192	0	307	0	1999	6.249	624,606			
31382D-YS-7	FNMA 30 YR #479621	6.000	MTLY	2029	02		3,417,446	96.719	3,463,152	3,416,615	17,316	207,789	405	0	0	1999	6.312	3,417,446			
31382G-NY-9	FNMA 15 YR #482007	6.500	MTLY	2014	04		261,270	99.938	258,632	261,491	1,401	16,811	0	121	0	1999	6.255	261,270			
31382J-T7-6	FNMA 15 YR #483974	6.500	MTLY	2014	02		2,407,614	99.969	2,384,998	2,409,595	12,919	155,025	0	1,080	0	1999	6.274	2,407,614			
31382L-BY-1	FNMA 15 YR #485255	6.500	MTLY	2014	02		3,231,489	99.938	3,201,136	3,234,148	17,339	208,074	0	1,449	0	1999	6.274	3,231,489			
31382L-X2-7	FNMA 15 YR #485897	6.500	MTLY	2014	03		360,603	99.938	356,966	360,912	1,934	23,203	0	168	0	1999	6.254	360,603			
31382M-CY-8	FNMA 15 YR #486187	6.500	MTLY	2014	03		506,134	99.938	501,028	506,567	2,714	32,567	0	236	0	1999	6.254	506,134			
31382N-SQ-6	FNMA 30 YR #487527	6.000	MTLY	2029	02		3,637,216	96.812	3,685,861	3,636,332	18,429	221,152	431	0	0	1999	6.312	3,637,216			
31382Q-UQ-6	FNMA 15 YR #489391	6.500	MTLY	2014	03		318,594	99.938	315,380	318,867	1,708	20,500	0	149	0	1999	6.254	318,594			
31382T-HK-8	FNMA 15 YR #491734	6.500	MTLY	2014	03		224,219	99.938	221,957	224,411	1,202	14,427	0	105	0	1999	6.254	224,219			
31383C-VN-2	FNMA 30 YR #499321	7.000	MTLY	2029	08		246,781	100.060	252,162	246,724	1,471	17,651	16	0	0	1999	7.774	246,781			
31383S-CV-0	FNMA 30 YR #511384	7.000	MTLY	2029	09		369,600	100.060	377,658	369,515	2,203	26,436	24	0	0	1999	7.774	369,600			
31383T-SN-9	FNMA 30 YR #512725	7.000	MTLY	2029	09		444,460	100.060	454,150	444,357	2,649	31,790	28	0	0	1999	7.774	444,460			
31383V-LM-3	FNMA 30 YR #514332	7.000	MTLY	2029	09		229,163	100.060	234,305	229,111	1,366	16,391	15	0	0	1999	7.774	229,163			
STATE TOTAL							24,493,750	24,439,551	XXX	24,215,612	24,510,886	131,345	1,576,143	1,181	9,019	0	XXX	XXX	XXX	24,493,750	
COUNTRY TOTAL - U.S.							24,813,404	25,614,551	XXX	24,547,327	24,701,159	131,345	1,576,143	26,535	9,019	0	XXX	XXX	XXX	24,813,404	
MANITOBA																					
563469-DA-0	MANITOBA PROVINCE CANADA DEB.	7.750	FA	2002	02		999,769	1,000,000	101,890	1,018,870	998,750	32,292	77,500	196	0	0	1994	7.924	999,769		
STATE TOTAL							999,769	1,000,000	XXX	1,018,870	998,750	32,292	77,500	196	0	0	XXX	XXX	XXX	999,769	
COUNTRY TOTAL - CANADA							999,769	1,000,000	XXX	1,018,870	998,750	32,292	77,500	196	0	0	XXX	XXX	XXX	999,769	
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities							25,813,174	26,614,551	XXX	25,566,197	25,699,909	163,637	1,653,643	26,731	9,019	0	XXX	XXX	XXX	25,813,174	
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
U.S. GOVERNMENT																					
312911-26-0	FHLMC 1360Z	7.500	MTLY	2021	10	2006	100,000	910,884	926,517	105,310	975,715	673,627	11,546	61,091	0	0	1995	8.156	910,884		
31358T-KP-3	BTFNMA PAC 1993G03 CLJ	7.000	MTLY	2022	03	2001	100,000	1,991,056	2,000,000	102,410	2,048,140	1,915,625	11,667	140,000	0	0	1993	6.926	1,991,056		
31359E-OJ-8	BTFNMA PAC 93188 CL PK	5.750	MTLY	2010	09	2001	100,000	7,506	7,533	99,547	7,499	7,638	36	433	1	0	1993	5.659	7,506		
31359F-SU-3	BTFNMA CMO SER 93223 CL PG	5.800	MTLY	2021	12	2001	100,000	1,962,835	1,970,136	99,302	1,956,384	1,945,509	9,522	114,268	0	0	1993	5.709	1,962,835		
31359H-TL-8	BTFNMA PAC 9475E	6.600	MTLY	2018	09	2001	100,000	338,823	340,258	99,616	338,952	329,625	1,871	22,457	0	0	1994	6.519	338,823		
STATE TOTAL							5,211,105	5,244,445	XXX	5,326,691	4,872,025	34,642	277,158	61,092	0	0	XXX	XXX	XXX	5,211,105	
COUNTRY TOTAL - U.S.							5,211,105	5,244,445	XXX	5,326,691	4,872,025	34,642	277,158	61,092	0	0	XXX	XXX	XXX	5,211,105	
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities							5,211,105	5,244,445	XXX	5,326,691	4,872,025	34,642	277,158	61,092	0	0	XXX	XXX	XXX	5,211,105	
3199996 - Bonds - Special Revenue - United States									XXX				(9,508)					XXX	XXX	XXX	
3199999 - Total - Special Revenue Bonds							32,697,441	33,513,996	XXX	32,557,815	32,302,704	225,357	2,083,113	87,975	20,167	0	XXX	XXX	XXX	32,697,441	
PUBLIC UTILITIES																					
ISSUER OBLIGATIONS																					
283677-AT-9	EL PASO ELECTRIC CO 1ST MTG SER-D	8.900	FA	2006	02		152,109	150,000	107,780	161,667	153,450	5,562	13,350	0	320	0	1996	8.737	152,109		
283677-AU-6	EL PASO ELECTRIC CO 1ST MTG-SER-E	9.400	MN	2011	05		150,000	150,000	108,390	162,590	150,000	2,350	14,100	0	0	0	1996	9.621	150,000		
637432-BA-2	BTNATNL RURAL UTIL COOP	6.500	MS	2002	09		999,642	1,000,000	100,630	1,006,300	998,750	19,139	32,500	192	0	0	1995	6.629	999,642		
653522-BV-3	NIAGARA MOHAWK PWR CORP	9.250	AO	2001	10		1,020,184	1,000,000	101,490	1,014,890	1,087,930	23,125	92,500	0	25,361	0	1998	6.564	1,020,184		
653522-DJ-8	NIAGARA MOHAWK POWER	7.750	AO	2008	10		623,694	625,000	104,160	650,975	623,412	12,109	48,438	119	0	0	1998	7.938	623,694		
677347-BJ-4	OHIO EDISON CO	8.625	MS	2003	09		1,270,425	1,230,000	105,180	1,293,652	1,317,109	31,237	106,088	0	13,058	0	1997	7.398	1,270,425		
74325X-AA-8	BTPROGRESS CAPITAL MTN	6.880	FA	2001	08		1,000,000	1,000,000	99,742	997,420	1,000,000	28,667	68,800	0	0	0	1996	6.998	1,000,000		

ANNUAL STATEMENT FOR THE YEAR 2000 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														
744567-DT-2	BT PUBLIC SERV ELECT & GAS	6.250	JJ	2007	01		953,496	1,000,000	98.172	981,720	928,420	31,250	62,500	6,000	0	0	1996	1996	7.349	953,496	
	COUNTRY TOTAL - U.S.						6,169,549	6,155,000	XXX	6,269,214	6,259,071	153,439	438,275	6,310	38,739	0	XXX	XXX	XXX	6,169,549	
	3299999 - Total Bonds - Public Utilities - Issuer Obligations						6,169,549	6,155,000	XXX	6,269,214	6,259,071	153,439	438,275	6,310	38,739	0	XXX	XXX	XXX	6,169,549	
	3899999 - Total - Public Utilities Bonds						6,169,549	6,155,000	XXX	6,269,214	6,259,071	153,439	438,275	6,310	38,739	0	XXX	XXX	XXX	6,169,549	
	INDUSTRIAL & MISCELLANEOUS ISSUER OBLIGATIONS																				
008916-AA-6	AGRIUM INC	7.000	FA	2004	02		998,388	1,000,000	94.759	947,590	996,780	29,167	70,000	452	0	0	2	1997	1997	7.184	998,388
013817-AA-9	ALCOA INC	7.250	FA	2005	08		1,245,974	1,250,000	104.420	1,305,300	1,245,650	83,073	0	324	0	0	1	2000	2000	7.468	1,245,974
023586-AA-8	AMERCO NOTE	7.850	MN	2003	05		999,880	1,000,000	96.277	962,770	999,700	10,031	78,500	44	0	0	3	1996	1996	8.010	962,770
029717-AM-7	AMER STANDARD SR NT	7.625	FA	2010	02		1,005,660	1,000,000	96.250	962,500	1,005,660	28,806	76,250	0	0	0	3	1998	1998	7.693	962,500
031652-AD-2	AMKOR TECHNOLOGIES INC	9.250	MN	2006	05		995,670	1,000,000	95.500	955,000	995,000	15,417	92,500	602	0	0	3	1999	1999	9.574	955,000
06423A-AF-0	BT - BANK ONE CORP SR NTS	7.625	FA	2005	08		1,010,265	1,000,000	103.850	1,038,460	1,010,510	10,167	0	245	0	0	1	2000	2000	7.493	1,010,265
066050-CB-9	BTBANKAMERICA CORP SUB NOTE	7.200	AO	2006	04		933,045	1,000,000	102.420	1,024,240	885,530	15,200	72,000	9,567	0	0	1	1994	1994	9.004	933,045
097014-AB-0	BOEING CAP CORP	7.104	MS	2005	09		1,003,714	1,000,000	103.940	1,039,410	1,003,871	17,948	0	4	161	0	1	2000	2000	7.134	1,003,714
111021-AC-5	BT - BRITISH TELECOM PLC	7.625	JD	2005	12		1,248,010	1,250,000	101.180	1,264,738	1,247,988	51,892	0	23	0	0	1	2000	2000	7.811	1,248,010
126304-AD-6	CSC HOLDINGS INC SER B DEBENTURES	8.125	FA	2009	08		996,982	1,000,000	102.240	1,022,380	996,270	30,694	81,250	233	0	0	3	1997	1997	8.341	996,982
149123-AP-6	BT CATERPILLAR INC	6.000	MN	2007	05		961,848	1,000,000	95.923	959,230	934,410	10,000	60,000	4,686	0	0	1	1993	1993	6.864	961,848
200336-AN-5	COMDISCO INC	5.750	FA	2001	02		1,499,834	1,500,000	98.616	1,479,240	1,494,195	32,583	86,250	1,284	0	0	2	1996	1996	5.925	1,499,834
20043J-AG-0	COMINCO LTD MTNS	8.030	MS	2003	05		1,291,527	1,275,000	104.640	1,334,147	1,313,148	30,146	102,382	0	6,061	0	2	1997	1997	7.570	1,291,527
201615-CW-9	BT COMMERCIAL CR GROUP INC NOTE	7.875	JJ	2004	07		1,004,695	1,000,000	104.380	1,043,810	1,010,590	36,312	78,750	0	1,113	0	1	1994	1994	7.870	1,004,695
233835-AB-3	BT - DAIMLERCHRYSLER SNR NTS	6.900	MS	2004	09		1,448,350	1,450,000	99.441	1,441,894	1,447,840	33,350	101,995	383	0	0	1	1999	1999	7.056	1,448,350
25156P-AA-1	BT - DEUTSCHE TELEKOM FINANCE GRP	7.750	JD	2005	06		1,248,003	1,250,000	101.920	1,274,050	1,247,825	9,957	42,786	178	0	0	1	2000	2000	7.945	1,248,003
260543-AY-9	BT DOW CHEM NT 99	8.550	AO	2009	10		1,089,030	1,075,000	113.100	1,215,782	1,094,187	19,404	91,912	0	1,048	0	1	1995	1995	8.511	1,089,030
277461-AS-8	BTEASTMAN KODAK CO NOTE	9.750	AO	2004	10		1,102,159	1,000,000	114.060	1,140,620	1,244,870	24,375	97,500	0	23,259	0	1	1993	1993	6.740	1,102,159
309601-AB-8	BT FARMERS INS EXCHANGE 144A	8.500	FA	2004	08		1,050,939	1,000,000	103.210	1,032,140	1,087,090	35,417	85,000	0	12,138	0	1	1997	1997	6.991	1,050,939
31410H-AF-8	FEDERATED DEPARTMENT STORES	8.125	AO	2002	10		1,002,551	1,000,000	101.320	1,013,160	1,006,405	17,153	81,250	391	1,673	0	2	1997	1997	8.129	1,002,551
345397-NK-5	BT FORD MOTOR CREDIT CO NTS	6.125	JJ	2006	01		964,363	1,000,000	96.156	961,560	940,380	29,264	61,250	5,741	0	0	1	1996	1996	7.100	964,363
369629-UU-6	GENERAL ELECTRIC CAPITAL CORP MTN	7.500	MN	2005	05		1,195,040	1,200,000	105.580	1,266,936	1,194,454	11,500	45,000	585	0	0	1	2000	2000	7.758	1,195,040
404230-AF-4	HMH PROPERTIES MTN	7.875	JD	2008	08		909,919	1,000,000	95.000	950,000	901,250	3,500	78,750	7,787	0	0	3	1999	1999	9.801	909,919
423328-BQ-5	BT - HELLER FINANCIAL INC	7.500	FA	2002	08		999,483	1,000,000	101.070	1,010,660	999,380	26,667	0	103	0	0	1	2000	2000	7.676	999,483
438506-AN-7	BTHONEYWELL INC NOTES	6.600	AO	2001	04		499,874	500,000	99.992	499,960	498,145	6,967	33,000	415	0	0	1	1996	1996	6.801	499,874
441065-AH-2	COLUMBIA HEALTH HOSPITAL CORP AMER	0.000	MATR	2001	06		1,210,762	1,250,000	96.807	1,210,088	1,012,000	0	0	88,650	0	0	3	1998	1998	7.900	1,210,088
552078-AM-9	LYONDELL CHEMICAL CO	9.875	MN	2007	05		1,036,680	1,000,000	97.000	970,000	1,042,500	16,458	98,750	0	4,123	0	3	1999	1999	9.308	970,000
55262L-AA-8	MBNA CORPORATION	6.875	JD	2005	06		988,847	1,000,000	96.697	966,970	982,500	5,729	68,750	2,077	0	0	2	1997	1997	7.303	988,847
638585-AD-1	BT NATIONSBANK CORP	6.875	FA	2005	02		998,023	1,000,000	101.070	1,010,690	995,500	25,972	68,750	401	0	0	1	1993	1993	7.051	998,023
638585-AF-6	BT NATIONSBANK SUB NOTE	6.500	FA	2003	08		1,000,000	1,000,000	100.060	1,000,650	1,000,000	24,556	65,000	0	0	0	1	1993	1993	6.606	1,000,000
652228-AE-7	NEWPORT NEWS	8.625	JD	2006	12		518,331	500,000	100.500	502,500	525,000	3,594	43,125	0	2,354	0	3	1997	1997	7.993	502,500
655422-AK-9	NORANDA INC DEB	8.625	JJ	2002	07		1,029,727	1,000,000	101.920	1,019,250	1,109,220	39,771	86,250	0	17,758	0	2	1995	1995	6.674	1,029,727
676255-AJ-1	OFFSHORE LOGISTICS INC 144A	7.875	JJ	2008	01		648,593	650,000	92.500	601,250	648,200	23,603	51,188	145	0	0	3	1998	1998	8.072	601,250
679833-AB-9	OLD KENT FINANCIAL CORP	6.625	MN	2005	11		1,009,174	1,000,000	98.528	985,280	1,016,150	8,465	66,250	0	1,558	0	1	1995	1995	6.505	1,009,174
695629-AR-6	PAINE WEBBER SNR	8.875	MS	2005	03		1,074,102	1,000,000	107.180	1,071,790	1,139,600	26,132	88,750	0	14,741	0	2	1995	1995	6.936	1,074,102
74157K-AC-5	PRIMEDIA INC	7.625	AO	2008	04		746,596	750,000	92.000	690,000	745,688	14,297	57,188	339	0	0	3	1998	1998	7.856	690,000
749121-AL-3	QWEST COMMUNICATIONS INTL	7.500	MN	2008	11		993,149	1,000,000	101.090	1,010,920	992,245	12,500	75,000	620	0	0	2	1999	1999	7.763	993,149
79549B-CF-2	BTSALOMON SMITH BARNEY HLDGS NOTE	6.875	JD	2005	06		1,015,680	1,000,000	101.290	1,012,910	1,028,860	3,056	68,750	0	2,947	0	1	1995	1995	6.569	1,015,680
81238X-KR-1	BT SEARS ROEBUCK & CO MED TERM NT	8.520	AO	2002	05		1,543,381	1,500,000	102.030	1,530,480	1,721,580	31,950	127,800	0	29,435	0	1	1993	1993	6.382	1,543,381
879385-AB-8	BT - TELEFONICA EUROP	7.350	MS	2005	09		1,001,451	1,000,000	101.150	1,011,510	1,001,505	18,166	0	9	63	0	1	2000	2000	7.447	1,001,451
880336-AC-4	TENET HEALTHCARE SNR NOTE	8.625	JD	2003	12		506,814	500,000	102.250	511,250	515,625	3,594	43,125	0	1,994	0	3	1995	1995	8.255	506,814
902118-AL-2	TYCO INTERNATIONAL GRP	5.875	MN	2004	11		1,308,778	1,350,000	97.816	1,320,516	1,308,177	13,219	0	601	0	0	1	2000	2000	6.908	1,308,778
903290-AC-8	BTUSF&G CORP	8.375	JD	2001	06		1,006,772	1,000,000	100.690	1,006,920	1,057,352	3,722	83,750	0	14,069	0	1	1997	1997	6.966	1,006,772
908068-AD-1	UNION PLANTERS CORP SUB	6.250	MN																		

ANNUAL STATEMENT FOR THE YEAR 2000 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	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								
				Year	Month	Year															Call Price
949746-CC-3	BT - WELLS FARGO & CO SR NT	7.250	FA	2005	08		996,348	1,000,000	103.740	1,037,410	996,120	25,576	0	228	0	0	1	2000	7.479	996,348	
961238-AG-7	WESTPOINT STEVENS SR	7.875	JD	2005	06		320,341	375,000	73.000	273,750	315,000	1,312	29,531	5,341	0	0	4	2000	12.584	273,750	
COUNTRY TOTAL - U.S.							50,138,545	50,125,000	XXX	50,364,391	50,420,554	987,039	2,946,998	134,821	134,740	0	XXX	XXX	XXX	49,783,890	
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations							50,138,545	50,125,000	XXX	50,364,391	50,420,554	987,039	2,946,998	134,821	134,740	0	XXX	XXX	XXX	49,783,890	
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
393505-BH-4	GREENTREE FINL CORP HSG CL 93-3A5	5.750	MTLY	2018	10	2001	225,562	226,031	99.863	225,722	226,561	1,083	12,997	0	0	0	1	1993	5.493	225,562	
783760-QK-0	RYLAND ACCEPT CORP IV REMIC 81	9.000	MTLY	2017	02	2016	937,920	937,750	102.380	960,087	985,663	7,033	84,397	0	46	0	1	1992	9.374	937,920	
COUNTRY TOTAL - U.S.							1,163,482	1,163,781	XXX	1,185,809	1,212,224	8,116	97,394	0	46	0	XXX	XXX	XXX	1,163,482	
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities							1,163,482	1,163,781	XXX	1,185,809	1,212,224	8,116	97,394	0	46	0	XXX	XXX	XXX	1,163,482	
DEFINED MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED																					
68338S-BA-5	ONYX ACCEPTANCE AUTO TRUST	6.760	MTLY	2004	05	2003	999,871	1,000,000	101.400	1,013,990	999,786	3,004	64,783	64	0	0	1	1999	6.981	999,871	
COUNTRY TOTAL - U.S.							999,871	1,000,000	XXX	1,013,990	999,786	3,004	64,783	64	0	0	XXX	XXX	XXX	999,871	
4399999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities							999,871	1,000,000	XXX	1,013,990	999,786	3,004	64,783	64	0	0	XXX	XXX	XXX	999,871	
4599999 - Total - Industrial and Miscellaneous Bonds							52,301,898	52,288,781	XXX	52,564,189	52,632,564	998,159	3,109,176	134,885	134,787	0	XXX	XXX	XXX	51,947,243	
5499999 - Total - Issuer Obligations							69,262,732	68,935,000	XXX	69,726,318	69,711,118	1,312,999	3,991,336	141,284	199,975	0	XXX	XXX	XXX	68,908,077	
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities							41,366,146	41,534,970	XXX	40,944,058	41,295,960	272,303	2,858,281	28,122	18,936	0	XXX	XXX	XXX	41,366,146	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities							6,374,587	6,408,226	XXX	6,512,499	6,084,249	42,758	374,552	61,092	46	0	XXX	XXX	XXX	6,374,587	
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities							999,871	1,000,000	XXX	1,013,990	999,786	3,004	64,783	64	0	0	XXX	XXX	XXX	999,871	
6099999 Totals							118,003,335	117,878,195	XXX	118,196,865	118,091,113	1,631,065	7,288,952	230,562	218,957	0	XXX	XXX	XXX	117,648,680	

37.4

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2000 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.							
36210A-2E-6	GNMA Pool #486873	03/22/2000	LEHMAN BROTHERS		935,297	999,900	3,791
36210X-0A-8	GNMA Pool #505449	03/22/2000	LEHMAN BROTHERS		1,007,634	999,900	4,666
36225A-L7-3	GNMA Pool #780350	08/21/2000	MERRILL LYNCH		1,574,117	1,601,136	5,782
912827-2M-3	TREASURY INFL INDX	12/14/2000	Barclay Investments		2,149,493	2,000,000	31,401
912827-6D-9	US TREASURY NT/BD	08/09/2000	LEHMAN BROTHERS		515,176	500,000	7,887
912827-Z6-2	BT - U.S. TREASURY NOTES	08/04/2000	LEHMAN BROTHERS		3,062,695	3,000,000	59,139
COUNTRY TOTAL					9,244,412	9,100,936	112,667
0399999 - Total - Bonds - U.S. Government					9,244,412	9,100,936	112,667
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
U.S. GOVERNMENT							
312911-Z6-0	FHLMC 1360Z	Various	PAR ACCRETION		0	66,746	0
STATE TOTAL					0	66,746	0
COUNTRY TOTAL					0	66,746	0
3199999 - Total - Bonds - Special Revenue					0	66,746	0
INDUSTRIAL & MISCELLANEOUS - U.S.							
013817-AA-9	ALCOA INC	07/20/2000	SALOMON BROTHERS INC		1,245,650	1,250,000	0
06423A-AF-0	BT - BANK ONE CORP SR NTS	11/13/2000	BEAR STEARNS CO		1,010,510	1,000,000	21,392
097014-AB-0	BOEING CAP CORP	Various	VARIOUS		1,003,871	1,000,000	601
111021-AC-5	BT - BRITISH TELECOM PLC	12/05/2000	MORGAN STANLEY		1,247,988	1,250,000	0
25156P-AA-1	BT - DEUTSCHE TELEKOM FINANCE GRP	07/06/2000	DEUTSCHE BANK		1,247,825	1,250,000	0
369626-UU-6	GENERAL ELECTRIC CAPITAL CORP MTN	05/15/2000	LEHMAN BROTHERS		1,194,454	1,200,000	0
423328-BQ-5	BT - HELLER FINANCIAL INC	08/23/2000	DEUTSCHE BANK		999,380	1,000,000	0
879385-AB-8	BT - TELEFONICA EUROP	Various	VARIOUS		1,001,505	1,000,000	2,251
902118-AL-2	TYCO INTERNATIONAL GRP	12/07/2000	Barclay Investments		1,308,177	1,350,000	9,033
949746-CC-3	BT - WELLS FARGO & CO SR NT	08/24/2000	SALOMON BROTHERS INC		996,120	1,000,000	0
961238-AG-7	WESTPOINT STEVENS SR	05/26/2000	FIRST UNION CAPITAL MARKE		315,000	375,000	13,207
COUNTRY TOTAL					11,570,480	11,675,000	46,484
4599999 - Total - Bonds - Industrial, Misc.					11,570,480	11,675,000	46,484
6099997 - Total - Bonds - Part 3					20,814,892	20,842,682	159,150
6099998 - Total - Bonds - Part 5					2,594,172	2,600,000	1,417
6099999 - Total - Bonds					23,409,064	23,442,682	160,567
7199999 - Total - Preferred and Common Stocks					0	XXX	0
7299999 Totals					23,409,064	XXX	160,567

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ANNUAL STATEMENT FOR THE YEAR 2000 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		4,130	4,130	4,307	4,130	0	174	0	0	157	
36202C-G5-6	GNMA POOL #2020	Various	PRINCIPAL RECEIPT		459,623	459,623	479,301	459,623	0	19,314	0	0	17,023	
36202C-RF-2	GNMA POOL #2286	Various	PRINCIPAL RECEIPT		28,452	28,452	29,670	28,452	0	1,197	0	0	1,145	
36202C-SP-9	GNMA POOL #2326	Various	PRINCIPAL RECEIPT		217,257	217,257	226,558	217,257	0	9,153	0	0	8,858	
36202C-TA-1	GNMA POOL #2345	Various	PRINCIPAL RECEIPT		89,870	89,870	93,717	89,870	0	3,783	0	0	3,900	
36202C-UX-9	GNMA POOL #2398	Various	PRINCIPAL RECEIPT		36,845	36,845	38,423	36,845	0	1,553	0	0	1,590	
36202C-VH-3	GNMA POOL #2416	Various	PRINCIPAL RECEIPT		4,925	4,925	5,136	4,925	0	207	0	0	211	
36202C-WF-6	GNMA POOL #2446	Various	PRINCIPAL RECEIPT		93,055	93,055	97,039	93,055	0	3,918	0	0	3,688	
36202C-ZC-0	GNMA POOL #2539	Various	PRINCIPAL RECEIPT		263,568	263,568	274,852	263,568	0	11,100	0	0	10,114	
36203A-P2-6	GNMA POOL #343441	Various	PRINCIPAL RECEIPT		6,273	6,273	6,484	6,273	0	202	0	0	309	
362059-Y8-4	GNMA POOL #030435	Various	PRINCIPAL RECEIPT		1,091	1,091	1,177	1,091	0	79	0	0	29	
36205J-AX-3	GNMA POOL #391622	Various	PRINCIPAL RECEIPT		135,871	135,871	140,457	135,871	0	4,410	0	0	4,747	
36205J-HZ-1	GNMA POOL #391848	Various	PRINCIPAL RECEIPT		43	43	45	43	0	1	0	0	2	
36205L-JF-8	GNMA POOL #393662	Various	PRINCIPAL RECEIPT		2,555	2,555	2,641	2,555	0	85	0	0	111	
362064-L8-8	GNMA POOL #034551	Various	PRINCIPAL RECEIPT		32,188	32,188	34,743	32,188	0	2,380	0	0	677	
36210A-2E-6	GNMA POOL #486873	Various	PRINCIPAL RECEIPT		54,789	54,789	51,249	54,789	3,540	0	0	0	1,550	
36210X-QA-8	GNMA POOL #505449	Various	PRINCIPAL RECEIPT		25,260	25,260	25,456	25,260	0	195	0	0	1,069	
362135-4V-4	GNMA POOL #097136	Various	PRINCIPAL RECEIPT		4,941	4,941	5,435	4,941	0	440	0	0	301	
362135-T3-9	GNMA POOL #096870	Various	PRINCIPAL RECEIPT		2,417	2,417	2,658	2,417	0	203	0	0	140	
362146-3M-0	GNMA POOL #106204	Various	PRINCIPAL RECEIPT		23,098	23,098	24,932	23,098	0	1,675	0	0	988	
36214H-GD-4	GNMA POOL #106496	Various	PRINCIPAL RECEIPT		1,812	1,812	1,956	1,812	0	131	0	0	90	
362151-AU-6	GNMA POOL #150419	Various	PRINCIPAL RECEIPT		5,569	5,569	6,077	5,569	0	465	0	0	463	
362153-ED-6	GNMA POOL #152332	Various	PRINCIPAL RECEIPT		6,089	6,089	6,645	6,089	0	494	0	0	316	
362157-W5-4	GNMA POOL #156468	Various	PRINCIPAL RECEIPT		16,747	16,747	18,275	16,747	0	1,405	0	0	587	
362159-P2-5	GNMA POOL #158041	Various	PRINCIPAL RECEIPT		889	889	971	889	0	75	0	0	49	
36215D-WA-0	GNMA POOL #132141	Various	PRINCIPAL RECEIPT		1,119	1,119	1,221	1,119	0	94	0	0	62	
36215N-3T-9	GNMA POOL #140410	Various	PRINCIPAL RECEIPT		10,692	10,692	11,668	10,692	0	898	0	0	379	
36215N-3U-6	GNMA POOL #140411	Various	PRINCIPAL RECEIPT		13,985	13,985	15,261	13,985	0	1,190	0	0	531	
36215N-TV-6	GNMA POOL #140164	Various	PRINCIPAL RECEIPT		14,456	14,456	15,775	14,456	0	1,251	0	0	873	
36215Q-YK-7	GNMA POOL #142114	Various	PRINCIPAL RECEIPT		1,082	1,082	1,180	1,082	0	91	0	0	60	
36215U-VT-2	GNMA POOL #145626	Various	PRINCIPAL RECEIPT		18,562	18,562	20,255	18,562	0	1,548	0	0	889	
36215U-ZH-4	GNMA POOL #145744	Various	PRINCIPAL RECEIPT		174	174	190	174	0	14	0	0	10	
36215W-BR-4	GNMA POOL #146848	Various	PRINCIPAL RECEIPT		923	923	1,007	923	0	77	0	0	51	
36215W-QD-9	GNMA POOL #147252	Various	PRINCIPAL RECEIPT		1,474	1,474	1,608	1,474	0	124	0	0	81	
362162-SW-0	GNMA POOL #181533	Various	PRINCIPAL RECEIPT		6,041	6,041	6,520	6,041	0	467	0	0	103	
362164-X6-7	GNMA POOL #183501	Various	PRINCIPAL RECEIPT		10,647	10,647	11,619	10,647	0	925	0	0	178	
36216H-YB-6	GNMA POOL #165506	Various	PRINCIPAL RECEIPT		20,839	20,839	20,937	20,839	0	69	0	0	1,560	
36216S-J7-8	GNMA POOL #173186	Various	PRINCIPAL RECEIPT		3,313	3,313	3,328	3,313	0	11	0	0	159	
36216W-WW-9	GNMA POOL #177161	Various	PRINCIPAL RECEIPT		17,553	17,553	19,155	17,553	0	1,480	0	0	1,088	
36217B-5D-6	GNMA POOL #189044	Various	PRINCIPAL RECEIPT		2,975	2,975	2,868	2,975	89	0	0	0	162	
36217C-SU-1	GNMA POOL #189631	Various	PRINCIPAL RECEIPT		25,952	25,952	28,320	25,952	0	2,175	0	0	1,352	
36218F-KA-5	GNMA POOL #220889	Various	PRINCIPAL RECEIPT		4,945	4,945	5,337	4,945	0	376	0	0	236	
36218V-S9-5	GNMA POOL #233744	Various	PRINCIPAL RECEIPT		78,552	78,552	76,490	78,552	1,757	0	0	0	7,761	
36218W-MD-0	GNMA POOL #234456	Various	PRINCIPAL RECEIPT		61,011	61,011	66,578	61,011	0	5,193	0	0	3,361	
362199-7D-7	GNMA POOL #271892	Various	PRINCIPAL RECEIPT		342	342	369	342	0	26	0	0	17	
36219E-BK-5	GNMA POOL #246742	Various	PRINCIPAL RECEIPT		5,623	5,623	6,070	5,623	0	425	0	0	390	
36219G-FG-5	GNMA POOL #248667	Various	PRINCIPAL RECEIPT		2,244	2,244	2,449	2,244	0	191	0	0	122	
36219M-50-1	GNMA POOL #253855	Various	PRINCIPAL RECEIPT		31,676	31,676	34,190	31,676	0	2,442	0	0	2,215	
36219N-HR-4	GNMA POOL #254140	Various	PRINCIPAL RECEIPT		1,404	1,404	1,353	1,404	42	0	0	0	76	
36219N-TB-6	GNMA POOL #254466	Various	PRINCIPAL RECEIPT		1,156	1,156	1,248	1,156	0	89	0	0	57	
36219S-Z5-1	GNMA POOL #258264	Various	PRINCIPAL RECEIPT		34,634	34,634	37,795	34,634	0	2,885	0	0	1,416	
36219T-N6-0	GNMA POOL #258813	Various	PRINCIPAL RECEIPT		4,245	4,245	4,093	4,245	131	0	0	0	154	
36219U-4W-1	GNMA POOL #260137	Various	PRINCIPAL RECEIPT		6,413	6,413	6,183	6,413	198	0	0	0	175	
36220H-QY-9	GNMA POOL #278671	Various	PRINCIPAL RECEIPT		4,822	4,822	5,204	4,822	0	362	0	0	241	
36220L-2N-0	GNMA POOL #281681	Various	PRINCIPAL RECEIPT		1,692	1,692	1,826	1,692	0	131	0	0	85	
36220M-AP-4	GNMA POOL #281814	Various	PRINCIPAL RECEIPT		16,613	16,613	17,932	16,613	0	1,292	0	0	811	
36220N-DH-7	GNMA POOL #282804	Various	PRINCIPAL RECEIPT		4,709	4,709	5,083	4,709	0	366	0	0	222	
36221G-SV-4	GNMA POOL #905932	Various	PRINCIPAL RECEIPT		3,358	3,358	3,671	3,358	0	274	0	0	190	
36221H-5W-5	GNMA POOL #907161	Various	PRINCIPAL RECEIPT		1,109	1,109	1,213	1,109	0	90	0	0	63	

ANNUAL STATEMENT FOR THE YEAR 2000 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
36221H-JU-4...	GNMA POOL #906575	Various	PRINCIPAL RECEIPT		1,366	1,366	1,493	1,366	0	117	0	0	77	
36221J-JS-5...	GNMA POOL #907473	Various	PRINCIPAL RECEIPT		684	684	748	684	0	59	0	0	39	
36221J-JV-5...	GNMA POOL #907796	Various	PRINCIPAL RECEIPT		4,030	4,030	4,405	4,030	0	329	0	0	270	
36221M-YS-1...	GNMA POOL #910621	Various	PRINCIPAL RECEIPT		1,080	1,080	1,181	1,080	0	90	0	0	61	
36221N-2N-5...	GNMA POOL #911581	Various	VARIOUS		143,525	143,525	156,891	156,015	73	118	0	12,490	9,762	
36221N-PB-6...	GNMA POOL #911218	Various	PRINCIPAL RECEIPT		1,681	1,681	1,838	1,681	0	142	0	0	94	
36225A-DX-5...	GNMA POOL #780118	Various	PRINCIPAL RECEIPT		95,821	95,821	102,888	95,821	0	6,875	0	0	4,726	
36225A-FR-6...	GNMA POOL #780176	Various	PRINCIPAL RECEIPT		628,753	628,753	681,215	628,753	0	50,501	0	0	32,685	
36225A-L7-3...	GNMA POOL #780350	Various	PRINCIPAL RECEIPT		112,440	112,440	110,543	112,440	1,897	0	0	0	1,460	
912827-3G-5...	BT - U.S. TREASURY NOTES	11/15/2000	DEUTSCHE BANK		1,004,258	1,000,000	1,004,297	1,002,882	0	1,299	1,376	0	75,622	
COUNTRY TOTAL					3,925,329	3,921,071	4,081,693	3,936,443	7,727	146,727	1,376	12,490	208,036	XXX
0399999 - Bonds - U.S. Governments					3,925,329	3,921,071	4,081,693	3,936,443	7,727	146,727	1,376	12,490	208,036	XXX
SPECIAL REVENUE AND ASSESSMENTS - U.S. GEORGIA														
047852-DF-2...	BT ATLANTA GA URBN RESIDENTAL FIN	Various	VARIOUS		125,006	475,000	76,919	123,847	4,875	0	1,159	0	0	XXX
STATE TOTAL					125,006	475,000	76,919	123,847	4,875	0	1,159	0	0	XXX
NEW YORK														
649885-HV-5...	BT NEW YORK ST MTG AGY REC H/O SER	Various	VARIOUS		70,000	70,000	76,300	75,160	0	111	0	5,160	5,644	XXX
STATE TOTAL					70,000	70,000	76,300	75,160	0	111	0	5,160	5,644	XXX
TEXAS														
539761-AC-0...	BT LOCKHART CORRECTIONAL FAC MBIA	08/11/2000	STEPHENS INC		20,000	20,000	19,800	19,847	5	0	153	0	1,507	XXX
STATE TOTAL					20,000	20,000	19,800	19,847	5	0	153	0	1,507	XXX
U.S. GOVERNMENT														
312950-S3-3...	FHLMC PC GOLD 15Y POOL #B00538	Various	PRINCIPAL RECEIPT		325,172	325,172	342,142	325,172	0	12,282	0	0	15,609	
31358M-Y0-1...	FNMA 92-61Z	Various	VARIOUS		33,726	33,726	34,369	33,702	107	3	24	0	205	
31359E-QU-8...	BTFNMA PAC 93188 CL PK	Various	PRINCIPAL RECEIPT		798,045	798,045	809,143	798,045	2,990	0	0	0	26,226	
31359F-SU-3...	BTFNMA CMO SER 93223 CL PG	12/25/2000	PRINCIPAL RECEIPT		29,864	29,864	29,491	29,864	111	0	0	0	1,732	
31359H-TL-8...	BTFNMA PAC 9475E	Various	PRINCIPAL RECEIPT		926,060	926,060	897,120	926,060	3,905	0	0	0	32,923	
313610-V0-7...	FNMA POOL #46523	Various	PRINCIPAL RECEIPT		15,587	15,587	14,360	15,587	322	0	0	0	684	
313611-A2-1...	FNMA POOL #46825	Various	PRINCIPAL RECEIPT		2,162	2,162	1,992	2,162	49	0	0	0	94	
313613-QF-1...	FNMA POOL #49054	Various	PRINCIPAL RECEIPT		1,290	1,290	1,188	1,290	33	0	0	0	52	
31361X-7J-8...	FNMA POOL #44997	Various	PRINCIPAL RECEIPT		27,676	27,676	25,496	27,676	576	0	0	0	1,335	
31361Y-GK-3...	FNMA POOL #45202	Various	PRINCIPAL RECEIPT		2,211	2,211	2,037	2,211	48	0	0	0	102	
31365E-BN-2...	FNMA POOL #125245	Various	PRINCIPAL RECEIPT		149,875	149,875	153,387	149,875	0	3,216	0	0	5,609	
31376D-W7-3...	FNMA 15 YR #352670	Various	PRINCIPAL RECEIPT		89,328	89,328	90,316	89,328	0	950	0	0	2,967	
31378D-NP-1...	FNMA 15 YR #395598	Various	PRINCIPAL RECEIPT		18,733	18,733	18,940	18,733	0	194	0	0	674	
31378F-2D-6...	FNMA 15 YR #397772	Various	PRINCIPAL RECEIPT		57,994	57,994	58,635	57,994	0	614	0	0	2,145	
31378M-GL-8...	FNMA 15 YR #402603	Various	PRINCIPAL RECEIPT		80,331	80,331	81,219	80,331	0	849	0	0	1,597	
31378N-GZ-5...	FNMA 15 YR #403516	Various	PRINCIPAL RECEIPT		89,902	89,902	90,896	89,902	0	955	0	0	3,590	
31378T-K4-6...	FNMA 15 YR #408115	Various	PRINCIPAL RECEIPT		15,853	15,853	16,028	15,853	0	167	0	0	564	
31379B-HC-0...	FNMA 15 YR #414327	Various	PRINCIPAL RECEIPT		40,102	40,102	40,546	40,102	0	426	0	0	1,381	
31379K-H2-2...	FNMA 15 YR #421549	Various	PRINCIPAL RECEIPT		60,118	60,118	60,783	60,118	0	642	0	0	1,607	
31379K-H3-0...	FNMA 15 YR #421550	Various	PRINCIPAL RECEIPT		80,620	80,620	81,512	80,620	0	857	0	0	2,791	
31379X-JT-3...	FNMA 15 YR #432374	Various	PRINCIPAL RECEIPT		39,981	39,981	40,423	39,981	0	426	0	0	1,594	
31379Y-FR-9...	FNMA 15 YR #433176	Various	PRINCIPAL RECEIPT		291,227	291,227	294,231	291,227	0	2,886	0	0	11,183	
31380L-TC-2...	FNMA 15 YR #443447	Various	PRINCIPAL RECEIPT		56,623	56,623	57,249	56,623	0	616	0	0	1,836	
31380Q-GA-9...	FNMA 15 YR #446693	Various	PRINCIPAL RECEIPT		52,985	52,985	53,571	52,985	0	564	0	0	1,923	
31380Q-H3-4...	FNMA 15 YR #446750	Various	PRINCIPAL RECEIPT		59,972	59,972	60,635	59,972	0	638	0	0	2,358	
31382D-YS-7...	FNMA 30 YR #479621	Various	PRINCIPAL RECEIPT		384,085	384,085	378,924	384,085	5,114	0	0	0	15,512	
31382G-NY-9...	FNMA 15 YR #482007	Various	PRINCIPAL RECEIPT		44,155	44,155	44,643	44,155	0	471	0	0	1,598	
31382J-T7-6...	FNMA 15 YR #483974	Various	PRINCIPAL RECEIPT		219,507	219,507	221,771	219,507	0	2,181	0	0	9,366	
31382L-BY-1...	FNMA 15 YR #485255	Various	PRINCIPAL RECEIPT		663,062	663,062	669,900	663,062	0	6,587	0	0	23,987	
31382L-X2-7...	FNMA 15 YR #485897	Various	PRINCIPAL RECEIPT		38,530	38,530	38,956	38,530	0	411	0	0	1,500	
31382M-CY-8...	FNMA 15 YR #486187	Various	PRINCIPAL RECEIPT		96,299	96,299	97,364	96,299	0	1,027	0	0	4,968	
31382N-SQ-6...	FNMA 30 YR #487527	Various	PRINCIPAL RECEIPT		271,353	271,353	267,706	271,353	3,613	0	0	0	4,921	
31382Q-UQ-6...	FNMA 15 YR #489391	Various	PRINCIPAL RECEIPT		29,306	29,306	29,630	29,306	0	312	0	0	999	
31382T-HK-8...	FNMA 15 YR #491734	Various	PRINCIPAL RECEIPT		21,523	21,523	21,761	21,523	0	229	0	0	729	
31383C-VN-2...	FNMA 30 YR #499321	Various	PRINCIPAL RECEIPT		14,140	14,140	13,835	14,140	303	0	0	0	556	

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ANNUAL STATEMENT FOR THE YEAR 2000 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	
31383S-CV-0...	FNMA 30 YR #511384	Various	PRINCIPAL RECEIPT		19,120	19,120	18,708	19,120	409	0	0	0	828		
31383T-SN-9...	FNMA 30 YR #512725	Various	PRINCIPAL RECEIPT		21,881	21,881	21,409	21,881	468	0	0	0	894		
31383V-LM-3...	FNMA 30 YR #514332	Various	PRINCIPAL RECEIPT		13,527	13,527	13,236	13,527	289	0	0	0	583		
STATE TOTAL					5,181,925	5,181,925	5,193,549	5,181,901	18,338	37,505	24	0	187,262	XXX	
COUNTRY TOTAL					5,396,931	5,746,925	5,366,567	5,400,755	23,217	37,616	1,336	5,160	194,413	XXX	
3199999 - Bonds - Special Revenues					5,396,931	5,746,925	5,366,567	5,400,755	23,217	37,616	1,336	5,160	194,413	XXX	
PUBLIC UTILITIES - U.S.															
637432-BA-2...	BTNATNL RURAL UTIL COOP	11/10/2000	GRUNTA		996,850	1,000,000	998,750	999,615	164	0	0	2,765	108,333	XXX	
COUNTRY TOTAL					996,850	1,000,000	998,750	999,615	164	0	0	2,765	108,333	XXX	
3899999 - Bonds - Public Utilities					996,850	1,000,000	998,750	999,615	164	0	0	2,765	108,333	XXX	
INDUSTRIAL & MISCELLANEOUS - U.S.															
029062-AA-4...	AMERICAN PORTA TELE 144A	05/08/2000	CS First Boston		2,145,133	3,590,000	1,586,780	2,115,301	60,506	0	29,832	0	0		
149123-AP-6...	BTCATERPILLAR INC.	11/10/2000	CS First Boston		915,000	1,000,000	934,410	961,178	4,017	0	46,178	0	62,333		
224044-AH-0...	COX COMMUNICATION NEW NOTE	06/15/2000	MATURITY		3,000,000	3,000,000	3,014,550	3,000,000	0	1,646	0	0	95,625		
260543-AY-9...	BTDOW CHEM NT 99	11/10/2000	ADVEST		532,600	500,000	509,555	507,060	0	447	25,540	0	46,312		
26882X-D2-8...	ERAC USA FINAN CO MTN	06/15/2000	MATURITY		1,000,000	1,000,000	998,260	1,000,000	223	0	0	0	35,000		
277461-AS-8...	BTEASTMAN KODAK CO NOTE	11/10/2000	SALOMON BROTHERS INC.		1,068,820	1,000,000	1,244,870	1,105,481	0	19,937	0	36,661	109,417		
393505-BA-9...	GREEN TREE FINL CORP 93-2 CLA3	Various	VARIOUS		716,852	716,852	715,396	716,857	56	0	0	5	17,566		
393505-BH-4...	GREENTREE FINL CORP HSG CL 93-3A5	Various	PRINCIPAL RECEIPT		672,946	672,946	674,523	672,946	1,397	0	0	0	19,849		
526055-AA-6...	LENFEST SENIOR NOTE	08/04/2000	Undefined		519,850	500,000	498,125	498,826	104	0	21,024	0	33,962		
592173-AG-3...	BTMETLIFE INSUR CO 144A	11/15/2000	CS First Boston		1,974,320	2,000,000	2,069,240	2,049,721	0	7,267	0	75,401	145,444		
68338S-BA-5...	ONYX ACCEPTANCE AUTO TRUST	11/14/2000	SALOMON BROTHERS INC.		1,000,312	1,000,000	999,786	999,866	59	0	447	0	64,596		
783760-QK-0...	RYLAND ACCEPT CORP IV REMIC 81	Various	PRINCIPAL RECEIPT		232,958	232,958	244,861	232,958	0	54	0	0	10,302		
79549B-BH-9...	BTSALOMON INC NOTES	03/01/2000	MATURITY		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	32,500		
832248-AC-2...	SMITHFIELD FOODS	05/05/2000	CHASE MANHATTAN		437,500	500,000	498,265	498,548	47	0	0	61,048	27,535		
878154-AE-3...	TEAM FLEET FINANCE	11/15/2000	First Boston Corp.		1,995,000	2,000,000	1,998,632	1,999,398	342	0	0	4,398	134,750		
903290-AC-8...	BTUSF&G CORP	11/10/2000	SPEAR LEED & KELLO		1,009,320	1,000,000	1,057,352	1,008,783	0	12,058	537	0	76,771		
912912-AU-6...	US WEST CAPITAL FUNDING INC	11/15/2000	ADVEST		1,497,945	1,500,000	1,498,110	1,499,251	827	0	0	1,306	126,042		
961238-AF-9...	WESTPOINT STEVENS	Various	VARIOUS		823,750	1,000,000	964,375	964,650	1,276	97	0	140,900	20,781		
COUNTRY TOTAL					20,542,306	22,212,756	20,507,090	20,830,824	68,853	41,505	77,379	365,897	1,058,785	XXX	
4599999 - Bonds - Industrial and Miscellaneous					20,542,306	22,212,756	20,507,090	20,830,824	68,853	41,505	77,379	365,897	1,058,785	XXX	
6099997 - Bonds - Part 4					30,861,415	32,880,751	30,954,100	31,167,637	99,962	225,848	80,091	386,312	1,569,567	XXX	
6099998 - Bonds - Part 5					2,601,143	2,600,000	2,594,172	2,594,595	423	0	27,990	21,442	65,734	XXX	
6099999 - Total - Bonds					33,462,558	35,480,751	33,548,273	33,762,232	100,384	225,848	108,080	407,754	1,635,300	XXX	
6599998 - Preferred Stocks - Part 5					0	0	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					0	0	0	0	0	0	0	0	0	XXX	0
7099998 - Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
7099999 - Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	XXX	0
7299999 Totals					33,462,558	XXX	33,548,273	33,762,232	100,384	225,848	108,080	407,754	1,635,300	0	

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ANNUAL STATEMENT FOR THE YEAR 2000 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
INDUSTRIAL & MISCELLANEOUS - U.S.															
428236-AD-5	HEWLETT-PACKARD COMPANY NTS	06/09/2000	SALOMON BROTHERS INC	12/12/2000	CS First Boston	1,350,000	1,345,491	1,373,868	1,345,878	387	0	27,990	0	49,067	0
780641-AA-4	BT - KONINKLIJKE KPN NV 144A	Various	VARIOUS	12/08/2000	MORGAN STANLEY	1,250,000	1,248,682	1,227,275	1,248,717	35	0	0	21,442	16,667	1,417
COUNTRY TOTAL						2,600,000	2,594,172	2,601,143	2,594,595	423	0	27,990	21,442	65,734	1,417
4599999 - Bonds - Industrial and Miscellaneous						2,600,000	2,594,172	2,601,143	2,594,595	423	0	27,990	21,442	65,734	1,417
6099998 - Total - Bonds						2,600,000	2,594,172	2,601,143	2,594,595	423	0	27,990	21,442	65,734	1,417
7199999 - Total - Preferred and Common Stocks							0	0	0	0	0	0	0	0	0
7299999 Totals							2,594,172	2,601,143	2,594,595	423	0	27,990	21,442	65,734	1,417

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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
NONE								
1799999 Totals							XXX	XXX

Amount of insurer's capital and surplus from the prior year's annual statement: \$

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 2000 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	Various	Undefined	0.000	MATR	2001	01	12,051,065	0	12,051,065		12,051,065	12,051,065	0	12,510	0	1	0.000	
COUNTRY TOTAL - U.S.								12,051,065	0	12,051,065	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX	
3999999 - Industrial and Miscellaneous - Issuer Obligations								12,051,065	0	12,051,065	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX	
4599999 - Total - Industrial and Miscellaneous Bonds								12,051,065	0	12,051,065	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX	
5499999 - Total - Issuer Obligations								12,051,065	0	12,051,065	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX	
6099999 - Total - Bonds								12,051,065	0	12,051,065	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX	
8099999 Totals								12,051,065	(a)	0	XXX	XXX	12,051,065	12,051,065	0	12,510	0	XXX	XXX

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

ANNUAL STATEMENT FOR THE YEAR 2000 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	1,280,053	1,280,053	0	0	0
2. Cost of short-term investments acquired	40,427,004	40,427,004			
3. Increase by adjustment in book value	0				
4. Profit on disposal of short-term investments	0				
5. Subtotals (Total of Lines 2 to 4)	40,427,004	40,427,004	0	0	0
6. Consideration received on disposal of short-term investments	29,655,992	29,655,992			
7. Decrease by adjustment in book value	0				
8. Loss on disposal of short-term investments	0				
9. Subtotals (Total of Lines 6 to 8)	29,655,992	29,655,992	0	0	0
10. Book value, current year	12,051,064	12,051,064	0	0	0
11. Income collected during year	144,651	144,651			
12. Income earned during year	144,651	144,651			

(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 2000 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	129,699,745	130,247,929	548,184
2. Preferred Stocks	0		0
3. Totals	129,699,745	130,247,929	548,184

(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 2000 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% Due 3/25/2022	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	2,000,000	1,991,056	2,048,140
00002	B	FNMA 5.75% Due 9/25/2010	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	7,506	7,506	7,499
00003	B	FNMA 5.8% Due 12/25/2021	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,970,136	1,962,835	1,966,384
00004	B	FNMA 6.6% Due 9/25/2018	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	340,258	338,823	338,952
00005	B	Atlanta GA Urban Residential Fin 8.375% Due 10/1/2016	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,175,000	319,655	331,714
00006	B	Bank One Corp 7.625% Due 8/1/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,010,265	1,038,460
00007	B	BankAmerica Corp 7.2% Due 8/1/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	933,045	1,024,240
00008	B	British Telecommunications PLC 7.875% Due 12/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	998,408	1,011,800
00009	B	Caterpillar Inc 6% Due 5/1/2007	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	961,848	959,230
00010	B	Commercial CR Group Inc 7.875% Due 7/15/2004	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,004,695	1,043,810
		Daimler Chrysler North Amer 6.9% Due 9/1/2004				
00011	B		Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	999,362	994,410
00012	B	Deutsche Telekom Int Fin II 7.75% Due 6/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	998,402	1,019,200
00013	B	Dow Chem Co 8.55% Due 10/15/2009	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	575,000	577,186	650,325
00014	B	Eastman Kodak Co. 9.75% Due 10/1/2004	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,102,159	1,140,620
00015	B	Farmers Ins Exchange 8.5% Due 8/1/2004	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,050,939	1,032,140
00016	B	Ford Mtr Cr Co. 6.125% Due 1/9/2006	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	964,363	961,560
00017	B	Heller Finl Inc. 7.5% Due 8/23/2002	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	999,483	1,010,660
00018	B	Honeywell Inc. 6.6% Due 4/15/2001	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	140,000	139,965	139,989
00019	B	Lockhart Tex Correctional Facs 8.75% Due 4/1/2012	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	405,000	401,961	407,236
00020	B	National Rural Utils Coop Fin Corp 6.5% Due 9/15/2002	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	999,642	1,006,300
00021	B	Nationsbank Corp 6.875% Due 2/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	998,023	1,010,690
00022	B	Nationsbank Corp 6.5% Due 8/15/2003	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,000,000	1,000,650
00023	B	New York St Mtg Agy Rev 10.75% Due 10/1/2012	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	250,000	268,029	251,992
00024	B	Progress Cap Hldgs Inc Medium Term 6.88% Due 8/1/2001	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,000,000	997,420
00025	B	Public Svc Elec & Gas Co. 6.25% Due 1/1/2007	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	953,496	981,720
00026	B	Salomon Smith Barney Holdings 6.875% Due 6/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,015,680	1,012,910
00027	B	Sears Roebuck & Co. Medium Termnts 8.52% Due 5/13/2002	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,500,000	1,543,381	1,530,480
00028	B	Telefonica Europe B V 7.35% Due 9/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,001,451	1,011,510
00029	B	USF&G Corp 8.375% Due 6/15/2001	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,006,772	1,006,920
00030	B	Union Tank Car Co 7.125% Due 2/1/2007	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	500,000	499,632	495,930
00031	B	Wal-Mart Stores Inc. 7.25% Due 6/1/2013	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	993,783	1,082,520
00032	B	Wells Fargo & C. New 7.25% Due 8/24/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	996,348	1,037,410
00033	B	USTNTS 5.875% Due 11/15/2005	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	2,500,000	2,509,386	2,585,675
00034	B	USTNTS 6.5% Due 10/15/2006	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	2,000,000	2,042,739	2,133,200
00035	B	USTNTS 6.25% Due 8/31/2002	Bankers Trust Co. Reinsurance Trust Agreement w/ AmericanRe	1,000,000	1,002,691	1,015,150
XX99999		- Total - Not All Policyholders		35,362,900	34,593,009	35,276,846
9999999		Totals		35,362,900	34,593,009	35,276,846

Schedule F - Part 1

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2000 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 Commissions	10 Cols. 2 thru 9 Totals	11 Ceded Balances Payable	12 Other Amounts Due to Reinsurers			
0499999 - Total - Authorized - Affiliates					0	0	0								0		0		
13-4924125	10227	American Reinsurance Company	Dover, DE				1,254			30,057	7,096	3,292		41,699		0	41,699	36,207	
36-3347420	23876	Chatham Reinsurance Corporation	Chatham, NJ											0		8	(8)		
13-3440360	29700	European Reins. Corp of America	Manchester, NH		119	222	513							854		657	197		
00-0000000	00000	New York Insurance Exchange	New York, NY		22	1	225							23			23		
13-2930109	22047	North Star Reinsurance Corp/Signet	Wilmington, DE		4	139	225							368		22	346		
06-1008792	37818	Orion Insurance Company	Farmington, CT		0	2	75							77			77		
23-2153760	39675	PMA Reinsurance Corporation	Philadelphia, PA		0	6	225							231		19	212		
23-0580680	24457	Reliance Insurance Corporation	Philadelphia, PA		29	73	113							215		31	184		
94-6078058	21911	San Francisco Reinsurance Company	Novato, CA		0	0								0		0	0		
75-1444207	30058	SCOR Reinsurance Company	New York, NY		286	405	975							1,666		1,393	273		
13-3029255	39322	Sorema North American Reinsurance Co	New York, NY		4	82	350							436		175	261		
41-0406690	24767	St Paul Marine & Fire Insurance Company	St. Paul, MN		64	105	225							394		229	165		
47-0698507	23680	TIG Reinsurance Company	Stamford, CT		0	4	150							154		35	119		
13-6108722	12904	Tokio Marine & Fire Insurance Company	New York, NY		0	0	0							0		7	(7)		
0599999 - Authorized - Other U.S. Unaffiliated Insurers					0	528	1,039	4,105	0	30,057	7,096	3,292	0	46,117	0	2,576	43,541	36,207	
AA-1122000	00000	Lloyds Underwriters	London, UK			98	8							106		6	100	0	
0899999 - Authorized - Other Non-U.S. Insurers					0	98	8	0	0	0	0	0	0	106	0	6	100	0	
0999999 - Total - Authorized					0	626	1,047	4,105	0	30,057	7,096	3,292	0	46,223	0	2,582	43,641	36,207	
1399999 - Total - Unauthorized - Affiliates					0	0	0							0			0		
AA-1120440	00000	Copenhagen Reinsurance Company (UK) Ltd.	London, UK			13	1							14		55	(41)		
AA-1120580	00000	Excess Insurance Co., Ltd.	London, UK			16	1							17			17		
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt.	Germany			0	0							0		27	(27)		
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France			4	0							4			4		
AA-1121295	00000	Scan Re Insurance Co., Ltd.	London, UK			2	0							2			2		
1799999 - Unauthorized - Other Non-U.S. Insurers					0	35	2	0	0	0	0	0	0	37	0	82	(45)	0	
1899999 - Total - Unauthorized					0	35	2	0	0	0	0	0	0	37	0	82	(45)	0	
9999999 Totals					0	661	1,049	4,105	0	30,057	7,096	3,292	0	46,260	0	2,664	43,596	36,207	

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 2000 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
0299999 - Authorized - Affiliates - U.S. Non-Pool											0.0	0.0
0399999 - Authorized - Affiliates - Other (Non-U.S.)											0.0	0.0
0499999 - Total - Authorized - Affiliates				0	0	0			0	0	0.0	0.0
36-3347420	23876	Chatham Reinsurance Corporation	Chatham, NJ	.0				.0	.0	.0	0.0	0.0
13-3440360	29700	European Reinsurance Corp. of America	Manchester, NH	.179				.162	.162	.341	47.5	47.5
00-0000000	00000	New York Insurance Exchange	New York, NY	.0				.23	.23	.23	100.0	100.0
13-2930109	22047	North Star Reinsurance Corp/Signet	Wilmington, DE	.136				.8	.8	.144	5.6	5.6
06-1008792	37818	Orion Insurance Company	Farmington, CT	.2				.0	.0	.2	0.0	0.0
23-2153760	39675	PMA Reinsurance Corporation	Philidelphia, PA	.6				.0	.0	.6	0.0	0.0
23-0580680	24457	Reliance Insurance Company	Philidelphia, PA	.68				.34	.34	.102	33.3	33.3
94-6078058	21911	San Francisco Reinsurance Company	Novato, CA	.0				.0	.0	.0	0.0	0.0
75-1444207	30058	SCOR Reinsurance Company	New York, NY	.329				.362	.362	.691	52.4	52.4
13-3029255	39322	Sorema North American Reinsurance Co.	New York, NY	.81				.5	.5	.86	5.8	5.8
41-0406690	24767	St. Paul Marine & Fire Insurance Company	St. Paul, MN	.92				.76	.76	.168	45.2	45.2
47-0698507	23680	TIG Reinsurance Company	Stamford, CT	.4				.0	.0	.4	0.0	0.0
13-6108722	12904	Tokio Marine & Fire Insurance Company	New York, NY	.0				.0	.0	.0	0.0	0.0
0599999 - Authorized - Other U.S. Unaffiliated Insurers				897	0	0	0	670	670	1,567	42.8	42.8
0699999 - Authorized - Pools - Mandatory Pools											0.0	0.0
0799999 - Authorized - Pools - Voluntary Pools											0.0	0.0
AA-1122000	00000	Lloyds Underwriters	London, UK	.0				.105	.105	.105	100.0	100.0
0899999 - Authorized - Other Non-U.S. Insurers				0	0	0	0	105	105	105	100.0	100.0
0999999 - Total - Authorized				897	0	0	0	775	775	1,672	46.4	46.4
1099999 - Unauthorized - Affiliates - U.S. Intercompany Pooling											0.0	0.0
1199999 - Unauthorized - Affiliates - U.S. Non-Pool											0.0	0.0
1299999 - Unauthorized - Affiliates - Other (Non-U.S.)											0.0	0.0
1399999 - Total - Unauthorized - Affiliates				0	0	0			0	0	0.0	0.0
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers											0.0	0.0
1599999 - Unauthorized - Pools - Mandatory Pools											0.0	0.0
1699999 - Unauthorized - Pools - Voluntary Pools											0.0	0.0
AA-1120440	00000	Copenhagen Reinsurance Company (UK)	London, UK	.0				.14	.14	.14	100.0	100.0
AA-1120580	00000	Excess Insurance Co., Ltd	London, UK	.0				.17	.17	.17	100.0	100.0
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt	Germany	.0				.0	.0	.0	0.0	0.0
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France	.0				.4	.4	.4	100.0	100.0
AA-1121295	00000	Scan Re Insurance Co., Ltd	London, UK	.0				.2	.2	.2	100.0	100.0
1799999 - Unauthorized - Other Non-U.S. Insurers				0	0	0	0	37	37	37	100.0	100.0
1899999 - Total - Unauthorized				0	0	0	0	37	37	37	100.0	100.0
9999999 Totals				897	0	0	0	812	812	1,709	47.5	47.5

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ANNUAL STATEMENT FOR THE YEAR 2000 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. 8 + 11 + 12
0499999 - Total - Affiliates				0	0	0				0	0		0	0	0	0
AA-1120440	00000	Copenhagen Reinsurance Company (UK)	London, UK	.14				.55		.14	.0	.0	.0	.0	.0	.0
AA-1120580	00000	Excess Insurance Co., Ltd	London, UK	.17				.0		.0	.17	.17	.3	.0	.0	.17
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt.	Germany	.0				.27		.0	.0	.0	.0	.0	.0	.0
AA-1561035	00000	Mutuelle Generale Francaise Accidents	France	.4				.0		.0	.4	.4	.1	.0	.0	.4
AA-1121295	00000	Scan Re Insurance Co., Ltd	London, UK	.2				.0		.0	.2	.2	.0	.0	.0	.2
0899999 - Other Non-U.S. Insurers				37	0	0	0	82	0	14	23	23	5	0	0	23
9999999 Totals				37	0	0	0	82	0	14	23	23	5	0	0	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 2000 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	.0	.0		.0	.0	.0	0	.0
13-3440360	29700	European Reins. Corp. of America	162,000	341,000		47.5	.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 Corp/Signet	8,000	144,000		5.6	8,000	.0	0	1,600
06-1008792	37818	Orion Insurance Company	.0	2,000		.0	.0	.0	0	.0
23-2153760	39675	PMA Reinsurance Corporation	.0	6,000		.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	.0	0		.0	.0	.0	0	.0
75-1444207	30058	SCOR Reinsurance Company	362,000	691,000		52.4	.0	.0	0	.0
13-3029255	39322	Sorema North American Reinsurance Co	5,000	86,000		5.8	5,000	.0	0	1,000
41-0406690	24767	St. Paul Marine & Fire Insurance Company	76,000	168,000		45.2	.0	.0	0	.0
47-0698507	23680	TIG Reinsurance Company	.0	4,000		.0	.0	.0	0	.0
13-6108722	12904	Tokio Marine & Fire Insurance Company	.0	0		0.0	.0	.0	0	.0
9999999 Totals			775,000	1,672,000	0	46.4	13,000	0	0	2,600

(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 2000 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
13-3440360	29700	European Reins. Corp. of America	854,000				657,000		657,000	197,000	197,000
AA-1122000	00000	Lloyds Underwriters	106,000				6,000		6,000	100,000	105,000
00-0000000	00000	New York Insurance Exchange	23,000				0		0	23,000	23,000
23-0580680	24457	Reliance Insurance Company	215,000				31,000		31,000	184,000	184,000
75-1444207	30058	SCOR Reinsurance Company	1,666,000				1,393,000		1,393,000	273,000	362,000
41-0406690	24767	St. Paul Marine & Fire Insurance Company	394,000				229,000		229,000	165,000	165,000
9999999 Totals			3,258,000	0	0	0	2,316,000	0	2,316,000	942,000	1,036,000

1. Total	1,036,000
2. Line 1 x .2	207,200
3. Schedule F - Part 6 Col. 8	2,600
4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3)	209,800
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 13 x 1000)	23,000
6. Provision for Reinsurance (sum Lines 4 + 5)[Enter this amount on Page 3, Line 14]	232,800

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**ANNUAL STATEMENT FOR THE YEAR 2000 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)	129,548,124		129,548,124
2. Agents' balances or uncollected premiums (Line 10)	0		0
3. Funds held by or deposited with reinsured companies (Line 11)	0		0
4. Reinsurance recoverable on loss and loss adjustment expense payments (Line 13)	1,709,648	(1,709,648)	0
5. Other assets (Lines 12 and 14 through 21)	2,291,751		2,291,751
6. Net amount recoverable from reinsurers		7,102,383	7,102,383
7. Totals (Line 22)	133,549,523	5,392,735	138,942,258
<u>LIABILITIES</u> (Page 3)			
8. Losses and loss adjustment expenses (Lines 1 through 2)	102,829,413	41,258,000	144,087,413
9. Taxes, expenses, and other obligations (Lines 3 through 8)	56,441		56,441
10. Unearned premiums (Line 9)	4,066,000	3,292,000	7,358,000
11. Dividends declared and unpaid (Line 10)	0		0
12. Funds held by company under reinsurance treaties (Line 11)	36,207,265	(36,207,265)	0
13. Amounts withheld or retained by company for account of others (Line 12)	0		0
14. Provision for reinsurance (Line 14)	232,800	(286,000)	(53,200)
15. Other liabilities (Lines 13 and 15 through 22)	21,131,550	(2,664,000)	18,467,550
16. Total liabilities (Line 23)	164,523,469	5,392,735	169,916,204
17. Surplus as regards policyholders (Line 27)	(30,973,946)	X X X	(30,973,946)
18. Totals (Line 28)	133,549,523	5,392,735	138,942,258

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								XXX	
2. 1991	22,018	3,513	18,505	21,381	521	7,947	1,059	1,915		3,223	29,663	XXX
3. 1992	23,047	5,737	17,310	27,298	1,180	10,160	856	4,181		4,465	39,603	XXX
4. 1993	23,496	7,466	16,030	21,762	4,580	6,744	279	4,738		3,746	28,385	XXX
5. 1994	22,967	7,731	15,236	9,666	3,607	2,726	221	11,530		1,381	20,094	XXX
6. 1995	18,920	5,042	13,878	7,999	254	417	113	1,887		640	9,936	XXX
7. 1996	18,502	3,413	15,089	4,895	340	749	33	7,506		2,086	12,777	XXX
8. 1997	17,937	4,071	13,866	3,530	598	547	22	4,025		756	7,482	XXX
9. 1998	13,588	2,596	10,992	3,056	624	394	32	2,659		735	5,453	XXX
10. 1999	11,105	2,296	8,809	2,652	671	310	28	2,621		460	4,884	XXX
11. 2000	7,234	2,127	5,107	1,343	389	157	17	1,410		351	2,504	XXX
12. Totals	XXX	XXX	XXX	103,582	12,764	30,151	2,660	42,472		17,843	160,781	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.	3,003										3,003	XXX	
2.	21,025	1,425									19,600	XXX	
3.	4,087				2						4,089	XXX	
4.	3,636	1									3,635	XXX	
5.	4,613	1,546	68,302	30,057	14		16,126	7,096	17,974		68,330	XXX	
6.	311										311	XXX	
7.	128	1			3						130	XXX	
8.	182	11									171	XXX	
9.	234	34			7						207	XXX	
10.	2,370	460			78						1,988	XXX	
11.	1,849	627			144						1,366	XXX	
12. Totals	41,438	4,105	68,302	30,057	248		16,126	7,096	17,974		102,830	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	3,003
2.	52,268	3,005	49,263	237.4	85.5	266.2				19,600	
3.	45,728	2,036	43,692	198.4	35.5	252.4				4,087	2
4.	36,880	4,860	32,020	157.0	65.1	199.8				3,635	
5.	130,951	42,527	88,424	570.2	550.1	580.4				41,312	27,018
6.	10,614	367	10,247	56.1	7.3	73.8				311	
7.	13,281	374	12,907	71.8	11.0	85.5				127	3
8.	8,284	631	7,653	46.2	15.5	55.2				171	
9.	6,350	690	5,660	46.7	26.6	51.5				200	7
10.	8,031	1,159	6,872	72.3	50.5	78.0				1,910	78
11.	4,903	1,033	3,870	67.8	48.6	75.8				1,222	144
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	75,578	27,252

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 2000 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	2	3	4	5	6	7	8	9	10	11	12
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	One Year	Two Year
1. Prior	8,687	12,645	11,640	9,415	10,777	12,088	12,745	12,651	12,634	15,624	2,990	2,973
2. 1991	27,705	25,640	27,409	27,922	28,450	28,517	28,551	28,652	28,795	47,348	18,553	18,696
3. 1992	XXX	30,589	32,403	36,606	34,715	34,836	35,563	35,263	35,713	39,511	3,798	4,248
4. 1993	XXX	XXX	28,701	28,117	23,887	23,902	23,991	23,756	23,734	27,282	3,548	3,526
5. 1994	XXX	XXX	XXX	132,928	66,247	73,982	83,133	78,893	66,512	58,920	(7,592)	(19,973)
6. 1995	XXX	XXX	XXX	XXX	6,376	4,852	8,743	7,543	8,119	8,360	241	817
7. 1996	XXX	XXX	XXX	XXX	XXX	7,140	6,866	5,460	5,403	5,401	(2)	(59)
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	3,677	3,467	3,272	3,628	356	161
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,062	3,120	3,001	(119)	(61)
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,154	4,251	1,097	XXX
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,460	XXX	XXX
12. Totals											22,870	10,328

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000		
1. Prior	000	6,683	8,532	9,049	10,623	12,048	12,718	12,627	12,621	12,621	XXX	XXX
2. 1991	13,921	22,471	25,319	25,941	27,692	27,605	27,633	27,733	27,747	27,748	XXX	XXX
3. 1992	XXX	15,925	27,308	31,165	32,452	32,991	34,078	34,794	35,372	35,422	XXX	XXX
4. 1993	XXX	XXX	11,809	21,544	22,438	22,960	23,322	23,448	23,446	23,647	XXX	XXX
5. 1994	XXX	XXX	XXX	(982)	6,235	7,795	7,871	8,197	8,597	8,564	XXX	XXX
6. 1995	XXX	XXX	XXX	XXX	1,034	3,381	4,332	7,204	8,030	8,049	XXX	XXX
7. 1996	XXX	XXX	XXX	XXX	XXX	2,165	4,592	5,180	5,273	5,271	XXX	XXX
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	1,392	2,905	2,952	3,457	XXX	XXX
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,230	2,621	2,794	XXX	XXX
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,031	2,263	XXX	XXX
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,094	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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000
1. Prior	1,569	2,437	2,021	104						
2. 1991	4,629	1,248	1,141	1,761						
3. 1992	XXX	2,378	892	2,500						
4. 1993	XXX	XXX	4,018	2,369						
5. 1994	XXX	XXX	XXX	119,883	56,034	64,516	73,342	69,825	57,587	47,275
6. 1995	XXX	XXX	XXX	XXX	XXX					
7. 1996	XXX	XXX	XXX	XXX	XXX	XXX				
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2000	XXX	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 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 2000 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								XXX	
2. 1991	22,018	3,513	18,505	21,381	521	7,947	1,059	1,915		3,223	29,663	13,133
3. 1992	23,047	5,737	17,310	27,298	1,180	10,160	856	4,181		4,465	39,603	13,557
4. 1993	23,496	7,466	16,030	21,762	4,580	6,744	279	4,738		3,746	28,385	14,087
5. 1994	22,967	7,731	15,236	9,666	3,607	2,726	221	11,530		1,381	20,094	12,955
6. 1995	18,920	5,042	13,878	7,999	254	417	113	1,887		640	9,936	3,696
7. 1996	18,502	3,413	15,089	4,895	340	749	33	7,506		2,086	12,777	4,287
8. 1997	17,937	4,071	13,866	3,530	598	547	22	4,025		756	7,482	2,766
9. 1998	13,588	2,596	10,992	3,056	624	394	32	2,659		735	5,453	2,007
10. 1999	11,105	2,296	8,809	2,652	671	310	28	2,621		460	4,884	1,895
11. 2000	7,234	2,127	5,107	1,343	389	157	17	1,410		351	2,504	1,110
12. Totals	XXX	XXX	XXX	103,582	12,764	30,151	2,660	42,472		17,843	160,781	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.	3,003											3,003	23
2.	21,025	1,425										19,600	66
3.	4,087				2							4,089	28
4.	3,636	1										3,635	20
5.	4,613	1,546	68,302	30,057	14		16,126	7,096	17,974			68,330	76
6.	311	0	0	0								311	6
7.	128	1			3							130	9
8.	182	11										171	31
9.	234	34			7							207	142
10.	2,370	460			78							1,988	224
11.	1,849	627			144							1,366	400
12.	41,438	4,105	68,302	30,057	248		16,126	7,096	17,974			102,830	1,025

	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	3,003	
2.	52,268	3,005	49,263	237.4	85.5	266.2				19,600	
3.	45,728	2,036	43,692	198.4	35.5	252.4				4,087	2
4.	36,880	4,860	32,020	157.0	65.1	199.8				3,635	
5.	130,951	42,527	88,424	570.2	550.1	580.4				41,312	27,018
6.	10,614	367	10,247	56.1	7.3	73.8				311	
7.	13,281	374	12,907	71.8	11.0	85.5				127	3
8.	8,284	631	7,653	46.2	15.5	55.2				171	
9.	6,350	690	5,660	46.7	26.6	51.5				200	7
10.	8,031	1,159	6,872	72.3	50.5	78.0				1,910	78
11.	4,903	1,033	3,870	67.8	48.6	75.8				1,222	144
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	75,578	27,252

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 2000 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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000	11 One Year	12 Two Year
1. Prior	8,687	12,645	11,640	9,415	10,777	12,088	12,745	12,651	12,634	15,624	2,990	2,973
2. 1991	27,705	25,640	27,409	27,922	28,450	28,517	28,551	28,652	28,795	47,348	18,553	18,696
3. 1992	XXX	30,589	32,403	36,606	34,715	34,836	35,563	35,263	35,713	39,511	3,798	4,248
4. 1993	XXX	XXX	28,701	28,117	23,887	23,902	23,991	23,756	23,734	27,282	3,548	3,526
5. 1994	XXX	XXX	XXX	132,928	66,247	73,982	83,133	78,893	66,512	58,920	(7,592)	(19,973)
6. 1995	XXX	XXX	XXX	XXX	6,376	4,852	8,743	7,543	8,119	8,360	241	817
7. 1996	XXX	XXX	XXX	XXX	XXX	7,140	6,866	5,460	5,403	5,401	(2)	(59)
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	3,677	3,467	3,272	3,628	356	161
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,062	3,120	3,001	(119)	(61)
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,154	4,251	1,097	XXX
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,460	XXX	XXX
12. Totals											22,870	10,328

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

1. Prior												
2. 1991												
3. 1992	XXX											
4. 1993	XXX	XXX										
5. 1994	XXX	XXX	XXX									
6. 1995	XXX	XXX	XXX	XXX								
7. 1996	XXX	XXX	XXX	XXX	XXX							
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX						
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2000	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. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2000	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 2000 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	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000		
1. Prior	.000	6,683	8,532	9,049	10,623	12,048	12,718	12,627	12,621	12,621	8,310	17,343
2. 1991	13,921	22,471	25,319	25,941	27,692	27,605	27,633	27,733	27,747	27,748	2,857	10,210
3. 1992	XXX	15,925	27,308	31,165	32,452	32,991	34,078	34,794	35,372	35,422	3,108	10,421
4. 1993	XXX	XXX	11,809	21,544	22,438	22,960	23,322	23,448	23,446	23,647	3,002	11,065
5. 1994	XXX	XXX	XXX	(982)	6,235	7,795	7,871	8,197	8,597	8,564	1,839	11,040
6. 1995	XXX	XXX	XXX	XXX	1,034	3,381	4,332	7,204	8,030	8,049	759	2,931
7. 1996	XXX	XXX	XXX	XXX	XXX	2,165	4,592	5,180	5,273	5,271	1,032	3,246
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	1,392	2,905	2,952	3,457	477	2,258
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,230	2,621	2,794	409	1,456
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,031	2,263	357	1,314
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,094	186	524

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

1. Prior	.000											
2. 1991												
3. 1992	XXX											
4. 1993	XXX	XXX										
5. 1994	XXX	XXX	XXX									
6. 1995	XXX	XXX	XXX	XXX								
7. 1996	XXX	XXX	XXX	XXX	XXX							
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX						
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2000	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. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
3. 2000	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 2000 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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000
1. Prior	1,569	2,437	2,021	104						
2. 1991	4,629	1,248	1,141	1,761						
3. 1992	XXX	2,378	892	2,500						
4. 1993	XXX	XXX	4,018	2,369						
5. 1994	XXX	XXX	XXX	119,883	56,034	64,516	73,342	69,825	57,587	47,275
6. 1995	XXX	XXX	XXX	XXX						
7. 1996	XXX	XXX	XXX	XXX	XXX					
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX				
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior										
2. 1991										
3. 1992	XXX									
4. 1993	XXX	XXX								
5. 1994	XXX	XXX	XXX							
6. 1995	XXX	XXX	XXX	XXX						
7. 1996	XXX	XXX	XXX	XXX	XXX					
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX				
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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 2000 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
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Prior	1,489	399	37	72	(32)	(2)	1		2	
2. 1991	1,968	2,787	2,853	2,874	2,857	2,850	2,850	2,853	2,855	2,857
3. 1992	XXX	2,240	3,109	3,161	3,079	3,066	3,081	3,087	3,108	3,108
4. 1993	XXX	XXX	2,125	3,020	2,974	2,973	2,987	2,992	2,994	3,002
5. 1994	XXX	XXX	XXX	1,181	1,541	1,638	1,650	1,701	1,833	1,839
6. 1995	XXX	XXX	XXX	XXX	331	639	688	747	756	759
7. 1996	XXX	XXX	XXX	XXX	XXX	383	721	984	1,025	1,032
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	219	427	464	477
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	216	388	409
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	191	357
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	186

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
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Prior	791	262	83	9	19	13	27	53	24	23
2. 1991	1,619	333	52	31	36	32	66	76	68	66
3. 1992	XXX	1,688	167	104	104	87	49	49	28	28
4. 1993	XXX	XXX	1,748	284	156	102	108	35	30	20
5. 1994	XXX	XXX	XXX	1,663	314	147	199	219	83	76
6. 1995	XXX	XXX	XXX	XXX	1,358	251	101	24	11	6
7. 1996	XXX	XXX	XXX	XXX	XXX	1,763	336	81	30	9
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	709	128	59	31
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	592	203	142
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	613	224
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	400

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
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Prior	370	19	5	(1)	(182)		1	28		
2. 1991	13,174	13,226	13,226	13,226	13,111	13,111	13,120	13,133	13,133	13,133
3. 1992	XXX	13,858	13,897	13,899	13,554	13,554	13,556	13,557	13,557	13,557
4. 1993	XXX	XXX	14,355	14,473	14,036	14,036	14,081	14,086	14,087	14,087
5. 1994	XXX	XXX	XXX	13,146	12,784	12,785	12,891	12,955	12,955	12,955
6. 1995	XXX	XXX	XXX	XXX	3,693	3,695	3,696	3,696	3,696	3,696
7. 1996	XXX	XXX	XXX	XXX	XXX	4,328	4,246	4,287	4,287	4,287
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	2,765	2,766	2,766	2,766
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,003	2,007	2,007
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,874	1,895
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,110

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 2000 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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000	
1. Prior											
2. 1991											
3. 1992	XXX										
4. 1993	XXX	XXX	23,484	23,602	23,496	23,496	23,496	23,496	23,496	23,496	.0
5. 1994	XXX	XXX	XXX	23,703	22,967	22,967	22,967	22,967	22,967	22,967	.0
6. 1995	XXX	XXX	XXX	XXX	18,920	18,920	18,920	18,920	18,920	18,920	.0
7. 1996	XXX	XXX	XXX	XXX	XXX	18,502	18,502	18,502	18,502	18,502	.0
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	17,937	17,937	17,937	17,937	.0
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,588	13,588	13,588	.0
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,946	10,946	.0
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,234
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,234
13. Earned Premiums (Sch P, Part 1)	22,018	23,047	23,496	22,967	18,920	18,502	17,937	13,588	11,105	7,234	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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000	
1. Prior											
2. 1991											
3. 1992	XXX										
4. 1993	XXX	XXX	5,269	5,269	7,466	7,466	7,466	7,466	7,466	7,466	.0
5. 1994	XXX	XXX	XXX	6,047	7,731	7,731	7,731	7,731	7,731	7,731	.0
6. 1995	XXX	XXX	XXX	XXX	5,042	5,042	5,042	5,042	5,042	5,042	.0
7. 1996	XXX	XXX	XXX	XXX	XXX	3,413	3,413	3,413	3,413	3,413	.0
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX	4,071	4,071	4,071	4,071	.0
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,596	2,596	2,596	.0
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,137	2,137	.0
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,127
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,127
13. Earned Premiums (Sch P, Part 1)	3,513	5,737	7,466	7,731	5,042	3,413	4,071	2,596	2,296	2,127	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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000	
1. Prior											
2. 1991											
3. 1992	XXX										
4. 1993	XXX	XXX									
5. 1994	XXX	XXX	XXX								
6. 1995	XXX	XXX	XXX	XXX							
7. 1996	XXX	XXX	XXX	XXX	XXX						
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX					
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
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 1991	2 1992	3 1993	4 1994	5 1995	6 1996	7 1997	8 1998	9 1999	10 2000	
1. Prior											
2. 1991											
3. 1992	XXX										
4. 1993	XXX	XXX									
5. 1994	XXX	XXX	XXX								
6. 1995	XXX	XXX	XXX	XXX							
7. 1996	XXX	XXX	XXX	XXX	XXX						
8. 1997	XXX	XXX	XXX	XXX	XXX	XXX					
9. 1998	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
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

**ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P INTERROGATORIES

1. Computation of excess statutory reserves over statement reserves.

a. Auto Liability (private passenger and commercial)

2000.....(.....60.0 %) 1999.....(.....60.0 %) 1998(.....60.0 %) Total \$.....

b. Other Liability and Products Liability

2000.....0 (.....60.0 %) 1999.....0 (.....60.0 %) 19980 (.....60.0 %) Total \$.....0

c. Medical Malpractice

2000.....(.....60.0 %) 1999.....(.....60.0 %) 1998(.....60.0 %) Total \$.....

d. Workers' Compensation

2000.....(.....65.0 %) 1999.....(.....65.0 %) 1998(.....65.0 %) Total \$.....

e. Credit

Total \$.....

f. All Lines Total (Report here and Page 3)

Total \$.....0

2. What is the extended loss and expense reserve - direct and assumed - for the following classes? An example of an extended loss and expense reserve is the actuarial reserve for the free-tail coverage arising upon death, disability or retirement in most medical malpractice policies. Such a liability is to be reported here even if it was not reported elsewhere in Schedule P, but otherwise reported as a liability item on Page 3. Show the full reserve amount, not just the change during the current year.

Years in which premiums were earned and losses were incurred	1 Medical Malpractice	2 Other Liability	3 Products Liability
a. Prior			
b. 1991.....			
c. 1992.....			
d. 1993.....			
e. 1994.....			
f. 1995.....			
g. 1996.....			
h. 1997.....			
i. 1998.....			
j. 1999.....			
k. 2000.....			
l. Totals.....			

3. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Answer: Yes [X] No []

4. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 8, below. Are they so reported in this Statement? Answer: Yes [X] No []

5. Do any lines in Schedule P include reserves which are reported gross of any discount to present value of future payments, but are reported net of such discounts on Page 11? Yes [] No [X]

If Yes, proper reporting must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 33 and 34.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

6. What were the net premiums in force at the end of the year for:
(in thousands of dollars)

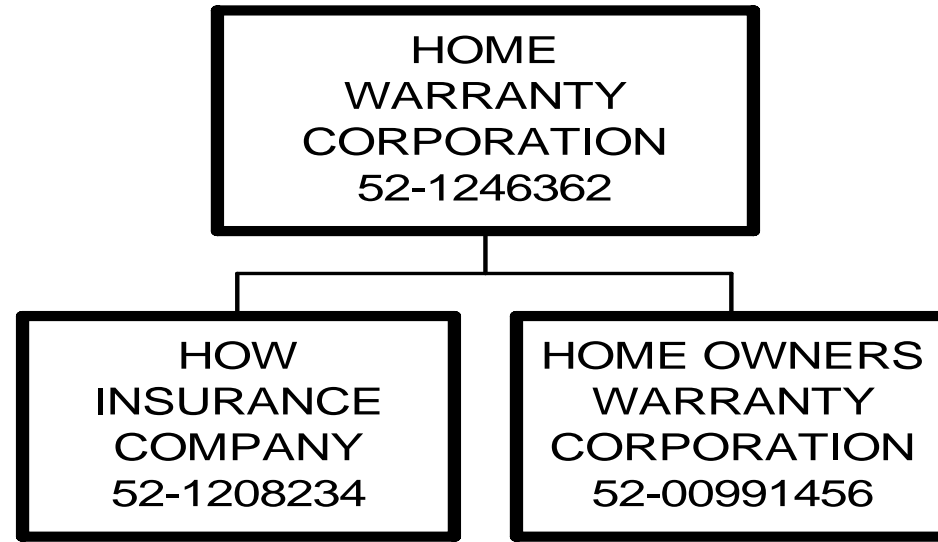
a. Fidelity0

b. Surety0

7. Claim count information is reported Per Claim
If not the same in all years, explain in Interrogatory 8.

8. The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes which have occurred which must be considered when making such analyses? (An extended statement may be attached.)
ULAE and IBNR reserves are allocated to 1994 (see Notes to Financial Statement).....

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



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

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

**ANNUAL STATEMENT FOR THE YEAR 2000 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
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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	0	0	1,926	(36,157)	0	0	0
2. Alaska	AK	No	0	0	0	0	0	0	0
3. Arizona	AZ	No	0	0	46,175	(1,827,393)	141,684	0	0
4. Arkansas	AR	No	0	0	16,600	15,162	52,966	0	0
5. California	CA	No	0	0	(5,519)	(20,511,915)	6,596,407	0	0
6. Colorado	CO	No	0	0	673,615	1,433,369	4,748,410	0	0
7. Connecticut	CT	No	0	0	48,998	(416,153)	0	0	0
8. Delaware	DE	No	0	0	(394)	(6,776)	31,700	0	0
9. District of Columbia	DC	No	0	0	0	0	0	0	0
10. Florida	FL	No	0	0	213,498	45,907,846	47,856,185	0	0
11. Georgia	GA	No	0	0	186,955	(701,979)	198,453	0	0
12. Hawaii	HI	No	0	0	0	0	0	0	0
13. Idaho	ID	No	0	0	0	0	0	0	0
14. Illinois	IL	No	0	0	344,431	(1,460,736)	38,006	0	0
15. Indiana	IN	No	0	0	48,200	(421,360)	217,558	0	0
16. Iowa	IA	No	0	0	6,975	(19,304)	66,208	0	0
17. Kansas	KS	No	0	0	0	0	0	0	0
18. Kentucky	KY	No	0	0	6,162	(200,034)	60,381	0	0
19. Louisiana	LA	No	0	0	10,263	(95,732)	46,345	0	0
20. Maine	ME	No	0	0	0	0	0	0	0
21. Maryland	MD	No	0	0	54,260	(928,024)	111,229	0	0
22. Massachusetts	MA	No	0	0	0	(28,813)	9,269	0	0
23. Michigan	MI	No	0	0	0	(38,083)	0	0	0
24. Minnesota	MN	No	0	0	20,111	(191,599)	33,106	0	0
25. Mississippi	MS	No	0	0	0	(4,924)	26,086	0	0
26. Missouri	MO	No	0	0	201,741	(537,482)	125,794	0	0
27. Montana	MT	No	0	0	69,331	(474,705)	0	0	0
28. Nebraska	NE	No	0	0	8,114	17,383	9,269	0	0
29. Nevada	NV	No	0	0	21,125	(1,772,379)	83,422	0	0
30. New Hampshire	NH	No	0	0	0	(28,813)	9,269	0	0
31. New Jersey	NJ	No	0	0	243,347	28,771,392	36,879,708	0	0
32. New Mexico	NM	No	0	0	92,111	(294,601)	0	0	0
33. New York	NY	No	0	0	1,755	(455,236)	0	0	0
34. North Carolina	NC	No	0	0	50,796	(920,447)	6,840,412	0	0
35. North Dakota	ND	No	0	0	3,150	(34,006)	927	0	0
36. Ohio	OH	No	0	0	62,127	41,576	55,614	0	0
37. Oklahoma	OK	No	0	0	62,183	(255,477)	146,992	0	0
38. Oregon	OR	No	0	0	0	(19,544)	18,538	0	0
39. Pennsylvania	PA	No	0	0	41,100	93,149	237,024	0	0
40. Rhode Island	RI	No	0	0	0	0	0	0	0
41. South Carolina	SC	No	0	0	37,192	(444,920)	83,434	0	0
42. South Dakota	SD	No	0	0	0	0	0	0	0
43. Tennessee	TN	No	0	0	54,357	(61,914)	74,153	0	0
44. Texas	TX	No	0	0	891,100	(11,053,546)	4,083,142	0	0
45. Utah	UT	No	0	0	94	(173,392)	27,807	0	0
46. Vermont	VT	No	0	0	0	0	0	0	0
47. Virginia	VA	Yes	0	0	140,444	(400,512)	642,204	0	0
48. Washington	WA	No	0	0	21,310	(65,130)	27,807	0	0
49. West Virginia	WV	No	0	0	0	0	0	0	0
50. Wisconsin	WI	No	0	0	18,658	(38,735)	160,222	0	0
51. Wyoming	WY	No	0	0	0	0	0	0	0
52. American Samoa	AS	No	0	0	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0	0
56. Canada	CN	No	0	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
58. Totals	(a) 1	0	0	0	3,692,294	32,360,057	109,739,733	0	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page.	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX	0	0	0	0	0	0	0	0

(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? Yes [] No [X]
 b. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed 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 450) here:



2. a. Does your company have 100 or more stockholders? Yes [] No [X]
 b. Will Schedule SIS (Stockholder Information Supplement) 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 420) here:



3. a. Does your company write financial guaranty insurance? Yes [] No [X]
 b. Will the Financial Guaranty Insurance Exhibit be filed 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 240) here:



4. a. Does your company write Medicare Supplement Insurance? Yes [] No [X]
 b. Will the Medicare Supplement Insurance Experience Exhibit 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 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? Yes [] No [X]
 If no, please explain:
 Actuarial opinion will be filed by May 1, 2000

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? Yes [] No [X]
 If response is no, please explain:
 The Company is in receivership and has no officers or directors.....

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:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

14. a. Does your company write credit insurance? Yes [] No [X]
b. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 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 230) here:



15. a. Does your company write long-term care insurance? Yes [] No [X]
b. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 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 330) here:



16. a. Does your company write accident and health insurance (other than credit)? Yes [] No [X]
b. Will the Accident and Health Policy Experience Exhibit be filed by May 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 210) here:



17. a. Will this company be included in a combined annual statement which is filed with the NAIC by May 1? (A company should be included in only one group filing a combined annual statement. If a company will be included in a combined annual statement on other than a consolidated basis, e.g., equity basis, answer Item C "no.") Yes [] No [X]
b. If yes, indicate NAIC group code. Yes [] No []
c. If the company is included in a combined annual statement, will the basis of inclusion be consolidation?
If the answer to 17a is no and the form is "None", affix bar code (Document Identifier 201) here:



18. An audited financial report is a required filing for all companies. Will an audited financial report be filed by June 1? Yes [X] No []
If no, please explain:
.....
If response is no and the form is "None", affix bar code (Document Identifier 220) here:

OVERFLOW PAGE FOR WRITE-INS

P003 Additional Aggregate Lines for Page 3 Line 22.

*LIAB

2204. Reinsurance liability adjustment.....	1,140,636	829,942
2205. Unclaimed property drafts.....	24,209	24,564
2206. Lease liability.....	500,000	500,000
2207. Notices of claim determination.....	1,045,111	1,063,038
2208. Ceded reinsurance - Amounts due reinsurers.....	1,523,649	1,613,643
2209. Accrued interest on deferred loss payments.....	4,633,478	3,816,896
2210. Suspense.....		0
2297. Summary of remaining write-ins for Line 22 from page 3	8,867,083	7,848,083

P004 Additional Aggregate Lines for Page 4 Line 12.

*UNINEX

1204. Cancellation of Debt Income.....	0	247,688
1205. Change in Reinsurance Liability Adjustment.....		0
1297. Summary of remaining write-ins for Line 12 from page 4	0	247,688

P005 Additional Aggregate Lines for Page 5 Line 07.4.

*CASH

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

P014 Additional Aggregate Lines for Page 14 Line 04F.

*EX2

04F04. Litigation Settlements.....		8,700,000
04F05. Cancellation of Debt Income.....		247,688
04F06. Increase in Reinsurance Premium Payable.....	310,694	107,340
04F97. Summary of remaining write-ins for Line 4F from page 14	310,694	9,055,028

P014 Additional Aggregate Lines for Page 14 Line 12F.

*EX2

12F04. Decrease in Reinsurance Premium Payable.....		0
12F05. Decrease in Loss Payments Deferred.....	1,882,719	4,686,967
12F97. Summary of remaining write-ins for Line 12F from page 14	1,882,719	4,686,967