

ANNUAL STATEMENT

OF THE

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

2003

OF

Richmond

IN THE STATE OF

Virginia/Vatican

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

FOR THE YEAR ENDED

DECEMBER 31, 2003

PROPERTY AND CASUALTY

2003

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**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership**

Statement of Actuarial Opinion



**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership**

Management's Discussion and Analysis



**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership**

Audited Financial Report



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003
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 Virginia, State of Domicile or Port of Entry Virginia
Country of Domicile United States of America
Incorporated 02/23/1981 Commenced Business 07/27/1981
Statutory Home Office 1300 E. Main Street (Street and Number), Richmond, VA 23219 (City or Town, State and Zip Code)
Main Administrative Office 7501C N. Capital of Texas Hwy., Ste. 200 (Street and Number), Austin, TX 78731 (City or Town, State and Zip Code)
512-404-6555 (Area Code) (Telephone Number)
Mail Address 7501C N. Capital of Texas Hwy., Ste 200 (Street and Number or P.O. Box), Austin, TX 78731 (City or Town, State and Zip Code)
512-404-6530 (Area Code) (Telephone Number) (Extension)
Primary Location of Books and Records 7501C N. Capital of Texas Hwy., Ste. 200 (Street and Number), Austin, TX 78731 (City or Town, State and Zip Code)
512-404-6555 (Area Code) (Telephone Number)
Internet Website Address www.howcorp.com
Statutory Statement Contact Mike R. Parker (Name), 512-404-6555 (Area Code) (Telephone Number) (Extension)
mparker@palomarfin.com (E-mail Address), 512-404-6530 (Fax Number)
Policyowner Relations Contact 7501C N. Capital of TX Hwy., Ste. 200 (Street and Number), Austin, TX 78731 (City or Town, State and Zip Code)
512-404-6555 (Area Code) (Telephone Number) (Extension)

OFFICERS

President _____ Secretary _____
Treasurer _____

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

State of _____ }
County of _____ } ss

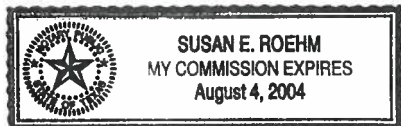
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual 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) President
Brenda J. Stewart (Authorized Representative) Secretary
Treasurer

Subscribed and sworn to before me this 23rd day of March, 2004

Susan E Roehm

- 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 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	118,911,421		118,911,421	118,473,747
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$845,313 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$1,706,312 , Schedule DA).....	2,551,625		2,551,625	2,655,636
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	121,463,046	0	121,463,046	121,129,383
11. Investment income due and accrued	1,181,866		1,181,866	1,471,996
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection			0	0
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....			0	0
12.3 Accrued retrospective premium.....			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	976,892		976,892	1,054,015
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	0
15.2 Net deferred tax asset.....			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software.....	14,081		14,081	22,733
18. Furniture and equipment, including health care delivery assets (\$)			0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates	4,669,221	4,669,221	0	0
21. Health care (\$) and other amounts receivable.....			0	0
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	37,331,322	36,732,636	598,686	594,976
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	165,636,427	41,401,857	124,234,570	124,273,103
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	165,636,427	41,401,857	124,234,570	124,273,103
DETAILS OF WRITE-INS				
0901.			0	0
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Loss reserve prepayments.....	598,686		598,686	594,976
2302. Miscellaneous receivables.....	3,550	3,550	0	0
2303. Estimated net recoverable from funds held under reinsurance treaties.....	36,729,086	36,729,086	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	37,331,322	36,732,636	598,686	594,976

**ANNUAL STATEMENT FOR THE YEAR 2003 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 2A, Line 34, Column 8)	49,729,000	45,326,068
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	12,339,196	13,600,000
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	51,325	51,511
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 33,000 and including warranty reserves of \$)	101,000	236,000
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	41,279,439	39,980,194
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	21,127	32,825
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Payable for securities	0	0
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital Notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	12,718,784	12,398,827
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	116,239,871	111,625,425
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	116,239,871	111,625,425
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	1,000,000	1,000,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	5,097,479	5,097,479
33. Unassigned funds (surplus)	1,897,220	6,550,196
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	7,994,699	12,647,675
36. TOTALS (Page 2, Line 26, Col. 3)	124,234,570	124,273,100
DETAILS OF WRITE-INS		
2301. Loss payments - deferred, see footnote no. 6.....	708,105	707,042
2302. Loss reserve prepayments, See footnote no. 7.....	1,142,031	1,138,321
2303. Deferred LAE.....	1,288,855	1,288,855
2398. Summary of remaining write-ins for Line 23 from overflow page	9,579,793	9,264,609
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	12,718,784	12,398,827
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2003 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 1, Line 34, Column 4)	135,000	2,556,000
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	7,050,445	(12,572,630)
3. Loss expenses incurred (Part 3, Line 25, Column 1)	871,914	(3,877,598)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	849	531
5. Aggregate write-ins for underwriting deductions	370,892	(156,020)
6. Total underwriting deductions (Lines 2 through 5)	8,294,100	(16,605,718)
7. Net income of protected cells		0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(8,159,100)	19,161,718
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,374,981	4,050,706
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses))	469,523	(678,258)
11. Net investment gain or (loss) (Lines 9 + 10)	2,844,505	3,372,448
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	36,903,204	722
15. Total other income (Lines 12 through 14)	36,903,204	722
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	31,588,609	22,534,888
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	31,588,609	22,534,888
19. Federal and foreign income taxes incurred		0
20. Net income (Line 18 minus Line 19) (to Line 22)	31,588,609	22,534,888
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	12,647,676	(9,303,864)
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	31,588,609	22,534,888
23. Change in net unrealized capital gains or (losses)	648,365	(606,772)
24. Change in net unrealized foreign exchange capital gain (loss)		0
25. Change in net deferred income tax		0
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	(36,901,649)	0
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	11,697	23,424
28. Change in surplus notes		0
29. Surplus (contributed to) withdrawn from protected cells		0
30. Cumulative effect of changes in accounting principles		0
31. Capital changes:		
31.1. Paid in		0
31.2. Transferred from surplus (Stock Dividend)		0
31.3. Transferred to surplus		0
32. Surplus adjustments:		
32.1. Paid in		0
32.2. Transferred to capital (Stock Dividend)		0
32.3. Transferred from capital		0
33. Net remittances from or (to) Home Office		0
34. Dividends to stockholders		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
36. Aggregate write-ins for gains and losses in surplus	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	(4,652,978)	21,951,540
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	7,994,698	12,647,676
DETAILS OF WRITE-INS		
0501. Interest expense on deferred loss payments	370,892	343,980
0502. Write-off of lease liability		(500,000)
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	370,892	(156,020)
1401. Miscellaneous income	1,555	722
1402. Cancellation of debt income	172,563	0
1403. Increase in estimated net recoverable from funds held under reinsurance treaties	36,729,086	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	36,903,204	722
3601.		
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	0	0
2. Net investment income	3,585,817	4,715,034
3. Miscellaneous income	36,903,204	1,821,991
4. Total (Lines 1 to 3)	40,489,021	6,537,025
5. Benefits and loss related payments	2,570,390	5,403,967
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,504,544	147,243
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ net tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	5,074,934	5,551,210
11. Net cash from operations (Line 4 minus Line 10)	35,414,087	985,815
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	68,273,001	54,782,793
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 Net gains or (losses) on cash and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	68,273,001	54,782,793
13. Cost of investments acquired (long-term only):		
13.1 Bonds	68,513,593	55,523,900
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	68,513,593	55,523,900
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(240,592)	(741,107)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds received.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(35,277,505)	(22,733)
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(35,277,505)	(22,733)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(104,010)	221,975
19. Cash and short-term investments:		
19.1 Beginning of year	2,655,633	2,433,658
19.2 End of period (Line 18 plus Line 19.1).....	2,551,624	2,655,633

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	0	0	0	0
11.1	Medical malpractice - occurrence	0	0	0	0
11.2	Medical malpractice - claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability - occurrence	0	0	0	0
17.2	Other liability - claims-made	0	0	0	0
18.1	Products liability - occurrence	0	236,000	101,000	135,000
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Reinsurance - Nonproportional Assumed Property	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Liability	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
33.	Aggregate write-ins for other lines of business	0	0	0	0
34.	TOTALS	0	236,000	101,000	135,000
DETAILS OF WRITE-INS					
3301.	.....			
3302.	.....			
3303.	.....			
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - 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.

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 Earned but Unbilled Premium	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 .....					.0
14. Credit accident and health (group and individual) .....					.0
15. Other accident and health .....					.0
16. Workers' compensation .....					.0
17.1 Other liability - occurrence .....					.0
17.2 Other liability - claims-made .....					.0
18.1 Products liability - occurrence		101,000			101,000
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
30. Reinsurance - Nonproportional Assumed Property .....					.0
31. Reinsurance - Nonproportional Assumed Liability .....					.0
32. Reinsurance - Nonproportional Assumed Financial Lines .....					.0
33. Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0
34. TOTALS	0	101,000	0	0	101,000
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through 36)					101,000
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page .....	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 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 .

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN**

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
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						
30. Reinsurance - Nonproportional Assumed Property	XXX					
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS						
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 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 \$

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	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	4,543,493		1,895,980	2,647,513	49,729,000	45,326,068	7,050,445	5,222.6
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
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	4,543,493	0	1,895,980	2,647,513	49,729,000	45,326,068	7,050,445	5,222.6
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 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	33,931,000		438,000	33,493,000	21,456,000		5,220,000	49,729,000	12,339,196
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	
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	33,931,000	0	438,000	33,493,000	21,456,000	0	5,220,000	49,729,000	12,339,196
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(5,615,546)			(5,615,546)
1.2 Reinsurance assumed .....				.0
1.3 Reinsurance ceded	(6,755,613)			(6,755,613)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,140,067	.0	.0	1,140,067
2. Commission and brokerage:				
2.1 Direct excluding contingent .....				.0
2.2 Reinsurance assumed, excluding contingent .....				.0
2.3 Reinsurance ceded, excluding contingent .....				.0
2.4 Contingent-direct .....				.0
2.5 Contingent-reinsurance assumed .....				.0
2.6 Contingent-reinsurance ceded .....				.0
2.7 Policy and membership fees .....				.0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	.0	.0	.0	.0
3. Allowances to manager 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:				
8.1 Salaries .....				.0
8.2 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. Cost or depreciation of EDP equipment and software .....				.0
16. Printing and stationery .....				.0
17. Postage, telephone and telegraph, exchange and express .....				.0
18. Legal and auditing		849		849
19. Totals (Lines 3 to 18) .....	.0	849	.0	849
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....				.0
20.2 Insurance department licenses and fees .....				.0
20.3 Gross guaranty association assessments .....				.0
20.4 All other (excluding federal and foreign income and real estate) .....				.0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	.0	.0	.0	.0
21. Real estate expenses .....				.0
22. Real estate taxes .....				.0
23. Reimbursements by uninsured accident and health plans .....				.0
24. Aggregate write-ins for miscellaneous expenses	(268,153)	0	3,462,444	3,194,292
25. Total expenses incurred	871,914	849	3,462,444	(a) 4,335,207
26. Less unpaid expenses - current year	12,339,196	.86	51,239	12,390,521
27. Add unpaid expenses - prior year	13,600,000	172	51,340	13,651,511
28. Amounts receivable relating to uninsured accident and health plans, prior year .....	.0	.0	.0	.0
29. Amounts receivable relating to uninsured accident and health plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,132,718	934	3,462,545	5,596,198
DETAILS OF WRITE-INS				
2401. Excess ULAE paid	(268,153)			(268,153)
2402. Investment interest expense			3,249,612	3,249,612
2403. Investment management expense			212,832	212,832
2498. Summary of remaining write-ins for Line 24 from overflow page .....	.0	.0	.0	.0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	(268,153)	0	3,462,444	3,194,292

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

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 920,852	921,632
1.1 Bonds exempt from U.S. tax	(a) 17,539	17,539
1.2 Other bonds (unaffiliated)	(a) 5,177,573	4,886,663
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 11,592	11,592
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	6,127,556	5,837,426
11. Investment expenses		(g) 3,462,444
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		3,462,444
17. Net Investment Income - (Line 10 minus Line 16)		2,374,981
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 150,350 accrual of discount less \$ 1,071,156 amortization of premium and less \$ 309,454 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	(1,228)				(1,228)
1.1 Bonds exempt from U.S. tax	587				587
1.2 Other bonds (unaffiliated)	470,164			648,365	1,118,529
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					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	469,523	0	0	648,365	1,117,888
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2003 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 12 through 20, Column 2	4,669,221	4,496,658	(172,563)
2. Other Nonadmitted Assets:			
2.1 Bills receivable		0	0
2.2 Leasehold improvements		0	0
2.3 Loans on personal security, endorsed or not		0	0
3. Total (Lines 2.1 to 2.3)	0	0	0
4. Aggregate write-ins for other than invested assets	36,732,636	3,550	(36,729,086)
5. Total (Line 1 plus Lines 3 and 4)	41,401,857	4,500,208	(36,901,649)
DETAILS OF WRITE-INS			
0401. Miscellaneous receivables.....	3,550	3,550	0
0402. Estimated net recoverable from funds held under reinsruance treaties.....	36,729,086	0	(36,729,086)
0403.		0	0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	36,732,636	3,550	(36,729,086)

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 since January 1, 1995 was exempt from federal income taxes.

3. Investments

Bonds are amortized using the scientific method.

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

NOTES TO FINANCIAL STATEMENTS

4. Reserves

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

5. Debt

The Company has no outstanding debt obligations to third parties.

6. Claims Payments

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

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

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

A fourth directive dated August 13, 1999, increased the direct claim payment rate to 70%. The Company began paying direct claims at the 70% rate in October of 1999. 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 \$5,578,209 as of December 31, 2003. 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, 2003, approximately 1,329 appeals and 212 Petitions for Review have been filed with the Deputy Receiver and Commission, respectively, since the inception of the receivership proceeding. The majority of these appeals involve claims by home owners for the following: (a) Major Structural Defect coverages for claims arising in the third through the tenth year after the home's construction; and (b) Builder's Limited Warranty/Builder Default coverage for defect claims arising during the first two years after the home's construction.

In regard to the appeal and petition information and statistics referenced by the preceding paragraph, there have been approximately 1,066 home owner appeals, 188 builder appeals, 37 vendor and local council

NOTES TO FINANCIAL STATEMENTS

appeals, 9 attorney fees appeals, 8 former employee appeals, 6 appeals relating to additional distributions authorized by the third directive of the Deputy Receiver, and 15 appeals of former members of the Company's Board of Directors and others submitted to the Deputy Receiver. In addition, there have been approximately 133 home owner petitions, 52 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 (CDs), or Letters of Credit (LOCs). 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) LOCs named the Company as the beneficiary. The Company held LOCs in the amount of \$2,294,333.87 and a collateralized security interest of \$112,841.63 at December 31, 2003. Cash prepayments and CDs were \$1,142,031.25 at December 31, 2003, 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

The Company is not a direct party to any lease obligations. 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 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. Included in the Company's financial statements at December 31, 2001 was a liability of \$500,000 for this matter. Subsequent to that date, the Deputy Receiver determined that the Company no longer had any exposure under the lease and the liability was written off, resulting in income of \$500,000.00 in 2002.

10. Regulatory Status

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

11. Litigation

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

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

In 1977, the New Jersey legislature passed the New Home Warranty and Builders Registration Act (the "Registration Act") which established a state funded and sponsored builder warranty program largely modeled upon the pre-existing HOW Program. For private warranty plans, the legislation established an approval process which required each such plan to submit an application for continued approval to operate

NOTES TO FINANCIAL STATEMENTS

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.

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

NOTES TO FINANCIAL STATEMENTS

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

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

In addition to the Pre-Hurricane Claims and Hurricane Related Claims, ARDC seeks the return of \$37,782.14 drawn under its letter of credit by the HOW Companies for failure to satisfy its obligations under the builder agreement. ARDC petitioned the Commission for immediate relief in this matter. However, the petition was dismissed without prejudice on the ground that the Commission appeal was premature because the Deputy Receiver had not entered an initial determination regarding the claim. The Pre-Hurricane Claims and Hurricane Related Claims remain pending as of this financial statement.

C. 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.

12. 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 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	13,165,302	10.839	13,165,302	10.839
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	13,075,400	10.765	13,075,400	10.765
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	172,651	0.142	172,651	0.142
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	9,843,908	8.104	9,843,908	8.104
1.512 Issued by FNMA and FHLMC	15,501,420	12.762	15,501,420	12.762
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	4,536,740	3.735	4,536,740	3.735
1.523 All other privately issued		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	62,616,000	51.551	62,616,000	51.551
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	2,551,625	2.101	2,551,625	2.101
9. Other invested assets		0.000		0.000
10. Total invested assets	121,463,046	100.000	121,463,046	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity 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 (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? Virginia.....
- 2.1 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 reporting entity? Yes [] No []
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1990
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1990
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. 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
- 3.4 By what department or departments? Virginia
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), 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:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity 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:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....

- 6.1 Has the reporting entity 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 []
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

GENERAL INTERROGATORIES

(continued)

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Calhoun & Co. LLP., 7010 Village Center Drive, Austin, TX 78731
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Mercer Oliver Wyman Actuarial Consulting, Inc., 1166 Avenue of the Americas, New York, NY 10036
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 11.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
 13. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
 14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 15.11 To directors or other officers \$0
 15.12 To stockholders not officers .. \$0
 15.13 Trustees, supreme or grand (Fraternal only) \$0
- 15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 15.21 To directors or other officers .. \$0
 15.22 To stockholders not officers ... \$0
 15.23 Trustees, supreme or grand (Fraternal only) \$0
- 16.1 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]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
 16.21 Rented from others \$
 16.22 Borrowed from others \$
 16.23 Leased from others \$
 16.24 Other \$
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 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]
- 17.2 If answer is yes,
 17.21 Amount paid as losses or risk adjustment \$
 17.22 Amount paid as expenses \$
 17.23 Other amounts paid \$

GENERAL INTERROGATORIES

(continued)
INVESTMENT

18. List the following capital stock information for the reporting entity:

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

19.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21	Loaned to others	\$
20.22	Subject to repurchase agreements	\$
20.23	Subject to reverse repurchase agreements	\$
20.24	Subject to dollar repurchase agreements	\$
20.25	Subject to reverse dollar repurchase agreements ...	\$
20.26	Pledged as collateral	\$
20.27	Placed under option agreements	\$
20.28	Letter stock or other securities restricted as to sale ..	\$
20.29	Other	\$

20.3 For each category above, if any of these assets are held by other, identify by whom held:

20.31	20.35
20.32	20.36
20.33	20.37
20.34	20.38
	20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA []
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

22.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

(continued)

INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No []

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Investors Bank & Trust Company.....	33 Maiden Lane, 4th Floor, New York, NY 10038.....
Deutsche Bank.....	P.O. Box 3343, Church Street Station, New York, NY 10008-3343.....

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	2 Complete Explanation(s)
.....
.....

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [] No []

23.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	2 Address
105496.....	T. Rowe Price Associates, Inc.....	100 East Pratt Street, Baltimore, MD 21202.....

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?.....

Yes [] No []

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding Of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

GENERAL INTERROGATORIES

(continued)

OTHER

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?.....\$0

25.2 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 and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

26.1 Amount of payments for legal expenses, if any?.....\$275,126

26.2 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.

1 Name	2 Amount Paid
See at tached.....
.....

27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?...\$0

27.2 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.

1 Name	2 Amount Paid
.....
.....
.....

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$

- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0

- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$135,000	\$	.....2,556,000
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$62,169,196	\$	.....58,926,068
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies..... \$
- 3.22 Non-participating policies..... \$

4. For Mutual Reporting Entities and Reciprocal Exchanges Only:

- 4.1 Does the reporting entity issue assessable policies?..... Yes [] No []
- 4.2 Does the reporting entity issue non-assessable policies?..... Yes [] No []
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %
- 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums?..... \$

5. For Reciprocal Exchanges Only:

- 5.1 Does the Exchange appoint local agents?..... Yes [] No []
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] NA []
- 5.22 As a direct expense of the Exchange..... Yes [] No [] NA []
- 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [] No []
- 5.5 If yes, give full information

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES (continued)**

- 6.1 What provision has this reporting entity 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.....
- 6.2 Describe the method used to estimate this reporting entity'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.
- 6.3 What provision has this reporting entity 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?.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection 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]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
.....
- 7.1 Has this reporting entity reinsured any risk with any other entity 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 []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions:1
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?..... Yes [] No [X]
- 8.2 If yes, give full information
.....
9. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [] No [X] NA []
- 10.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 10.2 If yes, give full information
.....
- 11.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 12.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
11.11 Unpaid losses..... \$
11.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$
- 11.2 Of the amount on Line 12.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$
- 11.3 If the reporting entity 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 [X]
- 11.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
11.41 From..... %
11.42 To..... %
- 11.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [X] No []
- 11.6 If yes, state the amount thereof at December 31 of the current year:
11.61 Letters of Credit..... \$2,294,334
11.62 Collateral and other funds..... \$1,254,873
- 12.1 What amount of installment notes is owned and now held by the reporting entity?..... \$0
- 12.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No []
- 12.3 If yes, what amount?..... \$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$4,104,000
- 13.2 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]
- 13.3 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.

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES (continued)**

14.1 Has this reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
 14.2 If yes, give full information

15.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 15.11 Name of real estate holding company
 15.12 Number of parcels involved
 15.13 Total book/adjusted carrying value \$

15.2 If yes, provide explanation:

16.1 Does the reporting entity write any warranty business? Yes [X] No []
 If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$ 7,050,445	\$ 49,729,000	\$	\$ 101,000	\$ 135,000
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

**ANNUAL STATEMENT FOR THE YEAR 2003 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 2003	2 2002	3 2001	4 2000	5 1999
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
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
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
5. Non-proportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	0	0	0	0	0
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. 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
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
11. Non-proportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (Loss) (Line 8)	(8,159,100)	19,161,718	15,835,858	(21,008,305)	1,872,404
14. Net investment gain (Loss) (Line 11)	2,844,505	3,372,448	5,362,411	5,652,405	5,791,511
15. Total other income (Line 15)	36,903,204	722	240	31	8,971,759
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	0	0	0	0	0
18. Net income (Line 20)	31,588,609	22,534,888	21,198,509	(15,355,868)	16,635,674
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	124,234,570	124,273,103	125,373,136	133,549,523	133,953,830
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 12.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 12.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 12.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	116,239,871	111,625,425	134,677,000	164,523,469	150,154,149
22. Losses (Page 3, Lines 1 and 2)	49,729,000	45,326,068	59,890,270	75,577,779	51,474,518
23. Loss adjustment expenses (Page 3, Line 3)	12,339,196	13,600,000	20,960,000	27,251,634	32,752,199
24. Unearned premiums (Page 3, Line 9)	101,000	236,000	2,792,000	4,066,000	9,173,000
25. Capital paid up (Page 3, Lines 28 & 29)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 35)	7,994,699	12,647,675	(9,303,864)	(30,973,946)	(16,200,319)
Risk-Based Capital Analysis					
27. Total adjusted capital	7,994,699	12,647,675	(9,303,864)	(30,973,946)	(16,200,319)
28. Authorized control level risk-based capital	4,030,757	5,401,050	9,053,488	12,870,068	10,450,516
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	97.9	97.8	98.0	90.8	98.5
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
31. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and short-term investments (Line 5)	2.1	2.2	2.0	9.2	1.5
34. Contract loans (Line 6)	0.0	XXX	XXX	XXX	XXX
35. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Receivable for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
38. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
41. Affiliated common stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	0	0	0
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
43. Affiliated mortgage loans on real estate	0	0	0	0	0
44. All other affiliated	0	0	0	0	0
45. Total of above Lines 39 to 44	0	0	0	0	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2003	2 2002	3 2001	4 2000	5 1999
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (Losses) (Line 23)	648,365	(606,772)	313,062	196,274	(439,800)
48. Dividends to stockholders (Line 34)	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 37)	(4,652,978)	21,951,540	21,670,081	(14,773,629)	16,493,888
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,543,493	3,072,936	3,366,773	3,692,294	4,294,539
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
55. Total (Line 34)	4,543,493	3,072,936	3,366,773	3,692,294	4,294,539
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,647,513	1,991,572	3,011,799	3,161,497	6,779,786
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
61. Total (Line 34)	2,647,513	1,991,572	3,011,799	3,161,497	6,779,786
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2)	5,222.6	(491.9)	(995.0)	533.9	(39.6)
64. Loss expenses incurred (Line 3)	645.9	(151.7)	(188.8)	(38.6)	54.5
65. Other underwriting expenses incurred (Line 4)	0.6	0.0	0.1	0.1	20.5
66. Net underwriting gain (loss) (Line 8)	(6,043.8)	749.7	1,243.0	(411.4)	21.3
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	0.0	0.0	0.0	0.0	0.0
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	5,868.4	(643.6)	(1,183.8)	495.3	14.9
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	7,078	(17,522)	(17,958)	22,870	(11,445)
71. Percent of development of loss and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100.0)	56.0	188.3	58.0	(141.2)	35.0
Two Year Loss Development (000 omitted)					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(10,577)	(35,707)	4,705	10,328	(19,087)
73. Percent of development of loss and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	113.7	115.3	(29.0)	(31.6)	33.4



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EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF

DURING THE YEAR 2003

NAIC Company Code 41246

Table with 13 columns: Line of Business, Gross Premiums, Direct Premiums Written, Direct Premiums Earned, Dividends Paid, Direct Unearned Premium Reserves, Direct Losses Paid, Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Rows include Fire, Allied lines, Multiple peril crop, Federal flood, Farmowners multiple peril, Homeowners multiple peril, Commercial multiple peril (non-liability portion), Commercial multiple peril (liability portion), Mortgage guaranty, Ocean marine, Inland marine, Financial guaranty, Medical malpractice, Earthquake, Group accident and health (b), Credit A & H (group and individual), Collectively renewable A & H (b), Non-cancelable A & H (b), Guaranteed renewable A & H (b), Non-renewable for stated reasons only (b), Other accident only, All other A & H (b), Federal employees health benefits program premium (b), Workers' compensation, Other liability, Products liability, Private passenger auto no-fault (personal injury protection), Other private passenger auto liability, Commercial auto no-fault (personal injury protection), Other commercial auto liability, Private passenger auto physical damage, Commercial auto physical damage, Aircraft (all perils), Fidelity, Surety, Burglary and theft, Boiler and machinery, Credit, Aggregate write-ins for other lines of business, TOTALS (a), DETAILS OF WRITE-INS, 3301, 3302, 3303, 3398, 3399.

(a) Finance and service charges not included in Lines 1 to 34

\$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products

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SCHEDULE A VERIFICATION BETWEEN YEARS

- 1. Book/adjusted carrying value, December 31, prior year (prior year statement).....
- 2. Increase (decrease) by adjustment:
 - 2.1 Totals, Part 1, Column 10.....
 - 2.2 Totals, Part 3, Column 7.....
- 3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7) and net additions and permanent improvements (Column 9).....
- 4. Cost of additions and permanent improvements:
 - 4.1 Totals, Part 1, Column 13.....
 - 4.2 Totals, Part 3, Column 9.....
- 5. Total profit (loss) on sales, Part 3, Column 14.....
- 6. Increase (decrease) by foreign exchange adjustment:
 - 6.1 Totals, Part 1, Column 11.....
 - 6.2 Totals, Part 3, Column 8.....
- 7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 12.....
- 8. Book/adjusted carrying value at end of current period.....
- 9. Total valuation allowance.....
- 10. Subtotal (Lines 8 plus 9).....
- 11. Total nonadmitted amounts.....
- 12. Statement value, current period (Page 2, real estate lines, current period).....

NONE

SCHEDULE B VERIFICATION BETWEEN YEARS

- 1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year.....
- 2. Amount loaned during year:
 - 2.1 Actual cost at time of acquisitions.....
 - 2.2 Additional investment made after acquisitions.....
- 3. Accrual of discount and mortgage interest points and commitment fees.....
- 4. Increase (decrease) by adjustment.....
- 5. Total profit (loss) on sale.....
- 6. Amounts paid on account or in full during the year.....
- 7. Amortization of premium.....
- 8. Increase (decrease) by foreign exchange adjustment.....
- 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....
- 10. Total valuation allowance.....
- 11. Subtotal (Lines 9 plus 10).....
- 12. Total nonadmitted amounts.....
- 13. Statement value of mortgages owned at end of current period.....

NONE

SCHEDULE BA VERIFICATION BETWEEN YEARS

- 1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....
- 2. Cost of acquisitions during year:
 - 2.1 Actual cost at time of acquisitions.....
 - 2.2 Additional investment made after acquisitions.....
- 3. Accrual of discount.....
- 4. Increase (decrease) by adjustment.....
- 5. Total profit (loss) on sale.....
- 6. Amounts paid on account or in full during the year.....
- 7. Amortization of premium.....
- 8. Increase (decrease) by foreign exchange adjustment.....
- 9. Book/adjusted carrying value of long-term invested assets at end of current period.....
- 10. Total valuation allowance.....
- 11. Subtotal (Lines 9 plus 10).....
- 12. Total nonadmitted amounts.....
- 13. Statement value of long-term invested assets at end of current period.....

NONE

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
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SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 23,009,209 2. Canada 0 3. Other Countries 0 4. Totals 23,009,209	23,677,139 0 0 23,677,139	23,166,872 0 0 23,166,872	22,548,478 0 0 22,548,478
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 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 33,286,211 14. Canada 0 15. Other Countries 0 16. Totals 33,286,211	33,661,668 0 0 33,661,668	33,364,846 0 0 33,364,846	32,976,363 0 0 32,976,363
Public Utilities (unaffiliated)	17. United States 9,120,392 18. Canada 0 19. Other Countries 0 20. Totals 9,120,392	9,637,170 0 0 9,637,170	9,096,541 0 0 9,096,541	9,095,000 0 0 9,095,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 53,495,608 22. Canada 0 23. Other Countries 0 24. Totals 53,495,608	55,339,312 0 0 55,339,312	53,947,243 0 0 53,947,243	52,653,948 0 0 52,653,948
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 118,911,421	0 122,315,289	0 119,575,502	0 117,273,789
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 0	0 0	0 0	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 0 55. Total Stocks 0	0 0 0	0 0 0	0 0 0
	56. Total Bonds and Stocks 118,911,421	122,315,289	119,575,502	

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

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 118,473,747	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 68,513,593	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (365,614)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 0	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 0	7. Book/adjusted carrying value at end of current period 118,911,421
3.4 Column 10, Part 4 93,172 (272,442)	8. Total valuation allowance 0
4. Total gain (loss), Col. 14, Part 4 469,523	9. Subtotal (Lines 7 plus 8) 118,911,421
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 68,273,001	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 118,911,421

ANNUAL STATEMENT FOR THE YEAR 2003 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 Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	8,549,917	10,396,274	2,013,701	1,520,148	529,169	23,009,209	19.1	15,549,769	12.9	23,009,209	.0
1.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	8,549,917	10,396,274	2,013,701	1,520,148	529,169	23,009,209	19.1	15,549,771	12.9	23,009,209	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Class 6	0	0	0	0	0	0	0.0	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	0.0	.0	0.0	.0	.0
3.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Class 6	0	0	0	0	0	0	0.0	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	0.0	.0	0.0	.0	.0
4.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Class 6	0	0	0	0	0	0	0.0	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	6,158,389	19,931,709	4,166,527	2,616,963	412,623	33,286,211	27.6	47,054,964	39.1	33,286,211	.0
5.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	6,158,389	19,931,709	4,166,527	2,616,963	412,623	33,286,211	27.6	47,054,964	39.1	33,286,211	0

ANNUAL STATEMENT FOR THE YEAR 2003 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 Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1	.0	4,004,089	.0	.0	.0	4,004,089	3.3	3,975,901	3.3	4,004,089	.0
6.2 Class 2	1,464,174	2,993,345	150,000	.0	.0	4,607,519	3.8	3,176,384	2.6	4,607,519	.0
6.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	767,108	0.6	.0	.0
6.4 Class 4	.0	.0	508,784	.0	.0	508,784	0.4	.0	0.0	508,784	.0
6.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	1,464,174	6,997,434	658,784	0	0	9,120,392	7.6	7,919,392	6.6	9,120,392	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	3,436,056	30,969,772	3,370,071	769,938	1,333,610	39,879,447	33.1	30,119,253	25.1	39,879,447	.0
7.2 Class 2	2,014,918	9,254,950	.0	.0	.0	11,269,868	9.3	13,314,315	11.1	11,269,868	.0
7.3 Class 3	.0	1,518,655	1,056,103	.0	.0	2,574,758	2.1	4,996,133	4.2	2,574,758	.0
7.4 Class 4	533,308	445,636	498,903	.0	.0	1,477,847	1.2	1,279,300	1.1	1,477,847	.0
7.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	5,984,282	42,189,013	4,925,077	769,938	1,333,610	55,201,920	45.8	49,709,001	41.3	55,201,920	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.6 Class 6	0	0	0	0	0	0	0.0	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	0.0	.0	0.0	.0	.0
9.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2003 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 Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	18,144,362	65,301,844	9,550,299	4,907,049	2,275,402	100,178,956	83.1	XXX	XXX	100,178,956	.0
10.2 Class 2	3,479,092	12,248,295	150,000	.0	.0	15,877,387	13.2	XXX	XXX	15,877,387	.0
10.3 Class 3	.0	1,518,655	1,056,103	.0	.0	2,574,758	2.1	XXX	XXX	2,574,758	.0
10.4 Class 4	533,308	445,636	1,007,687	.0	.0	1,986,631	1.6	XXX	XXX	1,986,631	.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	22,156,762	79,514,430	11,764,089	4,907,049	2,275,402	120,617,732	100.0	XXX	XXX	120,617,732	.0
10.8 Line 10.7 as a % of Col. 6	18.4	65.9	9.8	4.1	1.9	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	10,824,982	71,422,584	7,862,543	3,646,068	2,943,710	XXX	XXX	96,699,888	80.4	96,699,888	.0
11.2 Class 2	3,517,385	12,513,830	459,485	.0	.0	XXX	XXX	16,490,699	13.7	16,490,699	.0
11.3 Class 3	700,000	1,943,450	3,119,791	.0	.0	XXX	XXX	5,763,241	4.8	5,763,241	.0
11.4 Class 4	.0	796,800	482,500	.0	.0	XXX	XXX	1,279,300	1.1	1,279,300	.0
11.5 Class 5	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Class 6	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals	15,042,366	86,676,664	11,924,319	3,646,069	2,943,710	XXX	XXX	120,233,128	100.0	120,233,127	.0
11.8 Line 11.7 as a % of Col. 8	12.5	72.1	9.9	3.0	2.4	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	18,144,362	65,301,845	9,550,299	4,907,048	2,275,402	100,178,956	83.1	96,699,888	80.4	100,178,956	XXX
12.2 Class 2	3,479,092	12,248,295	150,000	.0	.0	15,877,387	13.2	16,490,699	13.7	15,877,387	XXX
12.3 Class 3	.0	1,518,655	1,056,103	.0	.0	2,574,758	2.1	5,763,241	4.8	2,574,758	XXX
12.4 Class 4	533,308	445,636	1,007,687	.0	.0	1,986,631	1.6	1,279,300	1.1	1,986,631	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	22,156,762	79,514,431	11,764,089	4,907,048	2,275,402	120,617,732	100.0	120,233,128	100.0	120,617,732	XXX
12.8 Line 12.7 as a % of Col. 6	18.4	65.9	9.8	4.1	1.9	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	18.4	65.9	9.8	4.1	1.9	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. 6	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. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$.0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$.0 current year, \$.0 prior year of bonds with Z designations and \$.0 current year, .0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$.0 current year, \$.0 prior year of bonds with 5* designations and .0 current year, .0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2003 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 Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	6,589,757	6,575,544	0	0	0	13,165,301	10.9	6,639,083	5.5	13,165,302	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	1,960,160	3,820,730	2,013,701	1,520,148	529,169	9,843,908	8.2	8,910,687	7.4	9,843,908	0
1.7 Totals	8,549,917	10,396,274	2,013,701	1,520,148	529,169	23,009,209	19.1	15,549,771	12.9	23,009,210	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	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	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	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	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	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	2,520,888	10,554,511	0	172,651	0	13,248,050	11.0	20,956,364	17.4	13,248,051	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,256,967	7,165,302	3,481,264	1,212,362	385,526	15,501,421	12.9	17,223,463	14.3	15,501,420	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Defined	380,534	2,211,896	685,263	1,231,950	27,097	4,536,740	3.8	8,875,138	7.4	4,536,740	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	6,158,389	19,931,709	4,166,527	2,616,963	412,623	33,286,211	27.6	47,054,964	39.1	33,286,211	0

ANNUAL STATEMENT FOR THE YEAR 2003 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 Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations	1,464,174	6,997,434	658,784	0	0	9,120,392	7.6	7,919,393	6.6	9,120,392	0
6.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	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	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	1,464,174	6,997,434	658,784	0	0	9,120,392	7.6	7,919,394	6.6	9,120,392	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	5,766,903	39,570,300	3,561,134	0	0	48,898,337	40.5	48,824,825	40.6	48,898,337	0
7.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	300,150	0	0	300,150	0.2	0	0.0	300,150	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
7.3 Defined	148,466	1,344,229	12,190	433,730	575,942	2,514,557	2.1	0	0.0	2,514,557	0
7.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
7.5 Defined	0	0	0	0	0	0	0.0	884,176	0.7	0	0
7.6 Other	68,913	1,274,485	1,051,603	336,207	757,668	3,488,876	2.9	0	0.0	3,488,876	0
7.7 Totals	5,984,282	42,189,014	4,925,077	769,937	1,333,610	55,201,920	45.8	49,709,001	41.3	55,201,920	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	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	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	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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SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	16,341,722	63,697,789	4,219,918	172,651	0	84,432,080	70.0	XXX	XXX	84,432,082	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	5,217,127	10,986,032	5,795,115	2,732,510	914,695	25,645,479	21.3	XXX	XXX	25,645,478	0
10.3 Defined	529,000	3,556,125	697,453	1,665,680	603,039	7,051,297	5.8	XXX	XXX	7,051,297	0
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	68,913	1,274,485	1,051,603	336,207	757,668	3,488,876	2.9	XXX	XXX	3,488,876	0
10.7 Totals	22,156,762	79,514,431	11,764,089	4,907,048	2,275,402	120,617,732	100.0	XXX	XXX	120,617,733	0
10.8 Line 10.7 as a % of Col. 6	18.4	65.9	9.8	4.1	1.9	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	8,473,859	70,612,105	5,022,496	231,205	0	XXX	XXX	84,339,665	70.1	84,339,665	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	4,928,680	10,521,358	6,414,451	3,328,719	940,941	XXX	XXX	26,134,149	21.7	26,134,149	0
11.3 Defined	1,102,692	5,196,162	487,372	86,144	2,002,769	XXX	XXX	8,875,139	7.4	8,875,138	0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Defined	537,137	347,039	0	0	0	XXX	XXX	884,176	0.7	884,176	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	15,042,368	86,676,664	11,924,319	3,646,068	2,943,710	XXX	XXX	120,233,129	100.0	120,233,128	0
11.8 Line 11.7 as a % of Col. 8	12.5	72.1	9.9	3.0	2.4	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	16,341,722	63,697,789	4,219,918	172,651	0	84,432,080	70.0	84,339,665	70.1	84,432,080	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	5,217,127	10,986,032	5,795,115	2,732,509	914,694	25,645,477	21.3	26,134,149	21.7	25,645,477	XXX
12.3 Defined	528,999	3,556,125	697,453	1,665,680	603,039	7,051,296	5.8	8,875,138	7.4	7,051,296	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Defined	0	0	0	0	0	0	0.0	884,176	0.7	0	XXX
12.6 Other	68,913	1,274,485	1,051,603	336,207	757,668	3,488,876	2.9	0	0.0	3,488,876	XXX
12.7 Totals	22,156,761	79,514,431	11,764,089	4,907,047	2,275,401	120,617,729	100.0	120,233,128	100.0	120,617,729	XXX
12.8 Line 12.7 as a % of Col. 6	18.4	65.9	9.8	4.1	1.9	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	18.4	65.9	9.8	4.1	1.9	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	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. 6	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. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	1,759,381	1,759,381	0	0	0
2. Cost of short-term investments acquired	73,933,822	73,933,822	0	0	0
3. Increase (decrease) by adjustment	0	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	73,986,891	73,986,891	0	0	0
7. Book/adjusted carrying value, current year	1,706,312	1,706,312	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	1,706,312	1,706,312	0	0	0
10. Total nonadmitted amounts	0	0	0	0	0
11. Statement value (Lines 9 minus 10)	1,706,312	1,706,312	0	0	0
12. Income collected during year	3,791	3,791	0	0	0
13. Income earned during year	3,791	3,791	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: +0

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Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F - Part 1

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2003 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)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commis-sions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
0499999 - Total - Authorized - Affiliates																			
13-4924125	10227	American Reinsurance Company	DE					438		5,220	1,154	33		6,845			6,845	41,279	
36-3347420	23876	Chatham Reinsurance Corporation	NJ											0		9	(9)		
13-3440360	29700	European Reinsurance Corp of America	NH		156	55								211		657	(446)		
AA-0040053	00000	New York Insurance Exchange	NY		2									2			2		
13-2930109	22047	North Star Reinsurance Corp/Signet	DE		4	4								8			(14)		
23-0580680	24457	Reliance Insurance Corporation	PA		30	5								35			31	4	
75-1444207	30058	SCOR Reinsurance Company	NY		361	100								461			1,393	(932)	
13-3029255	39322	Sorema North American Reinsurance Company	NY		42	13								55			175	(120)	
41-0406690	24767	St. Paul Marine & Fire Insurance Company	MN		76	16								92			228	(136)	
47-0698507	23680	TIG Reinsurance Company	CT		25	8								33			35	(2)	
13-6108722	12904	Tokio Marine & Fire Insurance Company	NY											0			7	(7)	
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																			
0599999 - Authorized - Other U.S. Unaffiliated Insurers																			
AA-1122000	00000	Lloyds Underwriters	EN		696	201	438		5,220	1,154	33		7,742		2,557	5,185	41,279		
AA-1122000	00000	Lloyds Underwriters	EN		55	1							56		6	50	0		
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																			
0899999 - Authorized - Other Non-U.S. Insurers																			
0999999 - Total - Authorized																			
1399999 - Total - Unauthorized - Affiliates																			
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																			
AA-1120440	00000	Copenhagen Reinsurance Company	EN		13	1								14		55	(41)		
AA-1120580	00000	Excess Insurance Company, Ltd	EN		9	1								10			10		
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akf	GW											0			27	(27)	
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																			
1799999 - Unauthorized - Other Non-U.S. Insurers																			
1899999 - Total - Unauthorized																			
1999999 - Total - Authorized and Unauthorized																			
2099999 - Total - Protected Cells																			
9999999 Totals						773	204	438		5,220	1,154	33		7,822		2,645	5,177	41,279	

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 2003 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)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage more Than 120 Days Overdue Col. 9 / Col. 11		
				5 Current	Overdue					11 Total Due Cols. 5 + 10				
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9					
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		
13-3440360	29700	European Reinsurance Corp of America	NH					211	211	211	100.0	100.0		
AA-0040053	00000	New York Insurance Exchange	NY					2	2	2	100.0	100.0		
13-2930109	22047	North Star Reinsurance Corp/Signet	DE					8	8	8	100.0	100.0		
23-0580680	24457	Reliance Insurance Corporation	PA					35	35	35	100.0	100.0		
75-1444207	30058	SCOR Reinsurance Company	NY					461	461	461	100.0	100.0		
13-3029255	39322	Sorema North American Reinsurance Company	NY					55	55	55	100.0	100.0		
41-0406690	24767	St. Paul Marine & Fire Insurance Company	MN					92	92	92	100.0	100.0		
47-0698507	23680	TIG Reinsurance Company	CT					33	33	33	100.0	100.0		
0599999 - Authorized - Other U.S. Unaffiliated Insurers											897	897	100.0	100.0
0699999 - Authorized - Pools - Mandatory Pools													0.0	0.0
0799999 - Authorized - Pools - Voluntary Pools													0.0	0.0
AA-1122000	00000	Lloyds Underwriters	EN					56	56	56	100.0	100.0		
0899999 - Authorized - Other Non-U.S. Insurers											56	56	100.0	100.0
0999999 - Total - Authorized											953	953	100.0	100.0
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
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers											0	0	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	EN					14	14	14	100.0	100.0		
AA-1120580	00000	Excess Insurance Company, Ltd.	EN					10	10	10	100.0	100.0		
1799999 - Unauthorized - Other Non-U.S. Insurers											24	24	100.0	100.0
1899999 - Total - Unauthorized											24	24	100.0	100.0
1999999 - Total - Authorized and Unauthorized											977	977	100.0	100.0
2099999 - Total - Protected Cells											0	0	0.0	0.0
9999999 Totals											977	977	100.0	100.0

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ANNUAL STATEMENT FOR THE YEAR 2003 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)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 6 thru 10 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col.5 or Cols. 12 +15 + 16
AA-1120440	00000	Copenhagen Reinsurance Company, Excess Insurance Company, Ltd.	EN	14				55		14	0		0	0	0	0
AA-1120580	00000		EN	10						0	10		0	0	0	10
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akf.	GW					27		0	0		0	0	0	0
0899999 - Other Non-U.S. Insurers				24				82		14	10					10
0999999 - Total - Affiliates and Others				24				82		14	10					10
1099999 - Total - Protected Cells										0	0		0	0	0	0
9999999 Totals				24				82		14	10					10

1. Amounts in dispute totaling \$are included in Column 5.
2. Amounts in dispute totaling \$are excluded from Column 13.
3. Column 5 excludes \$recoverables on ceded IBNR on contracts in force prior to July 1, 1984 and not subsequently renewed.

ANNUAL STATEMENT FOR THE YEAR 2003 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

1	2	3	4	5	6	7	8	9	10	11
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable on Paid Losses and LAE More Than 90 Days Overdue (a)	Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	Amounts Received Prior 90 Days	Col. 4 divided by (Cols. 5 + 6)	Amounts in Col. 4 for Companies Reporting less than 20% in Col. 7	Amounts in Dispute Excluded from Col. 4 for Companies Reporting less than 20% in Col. 7	20% of Amount in Col. 9	Amount Reported in Col. 8 x 20% + Col. 10
36-3347420	23876	Chatham Reinsurance Corporation	308	308		100.000	0	0	0	0
13-3440360	29700	European Reinsurance Corp of America	211,152	211,152		100.000	0	0	0	0
AA-1122000	00000	Lloyds Underwriters	56,839	56,839		100.000	0	0	0	0
AA-0040053	00000	New York Insurance Exchange	1,638	1,638		100.000	0	0	0	0
13-2930109	22047	North Star Reinsurance Corp/Signet	7,971	7,971		100.000	0	0	0	0
23-0580680	24457	Reliance Insurance Corporation	34,664	34,664		100.000	0	0	0	0
75-1444207	30058	SCOR Reinsurance Company	460,439	460,439		100.000	0	0	0	0
13-3029255	39322	Sorema North American Reinsurance Company	54,409	54,409		100.000	0	0	0	0
41-0406690	24767	St. Paul Marine & Fire Insurance Company	92,356	92,356		100.000	0	0	0	0
47-0698507	23680	TIG Reinsurance Company	32,917	32,917		100.000	0	0	0	0
13-6108722	12904	Tokia Marine & Fire Insurance Company	154	154		100.000	0	0	0	0
9999999 Totals			952,847	952,847		100.000	0	0	0	0

(a) From Schedule F - Part 4 Columns 8 + 9, total authorized, less \$ in dispute.
 (b) From Schedule F - Part 3 Columns 7 + 8, total authorized, less \$ in dispute.

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ANNUAL STATEMENT FOR THE YEAR 2003 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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Cols. 5 thru 9 but not in excess of Col. 4	11 Col. 4 minus Col. 10	12 Greater of Col. 11 or Schedule F - Part 4 Cols. 8 + 9
AA-1122000	00000	Lloyds Underwriters	56,839				6,212		6,212	50,627	50,627
AA-0040053	00000	New York Insurance Exchange	1,638						0	1,638	1,638
23-0580680	24457	Reliance Insurance Corporation	34,664				31,293		31,293	3,371	3,371
9999999 Totals			93,141				37,505		37,505	55,636	55,636

1. Total	55,636
2. Line 1 x .2	11,127
3. Schedule F - Part 6 Col. 11	0
4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3)	11,127
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 17 x 1000)	10,000
6. Provision for Reinsurance (sum Lines 4 + 5) [Enter this amount on Page 3, Line 16]	21,127

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**ANNUAL STATEMENT FOR THE YEAR 2003 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. 3)			
1. Cash and invested assets (Line 10)	121,463,046		121,463,046
2. Premiums and considerations (Line 12)	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 13.1).....	976,892	(976,892)	(1)
4. Funds held by or deposited with reinsured companies (Line 13.2).....	0		0
5. Other assets	1,794,632		1,794,632
6. Net amount recoverable from reinsurers		(33,512,641)	(33,512,641)
7. Totals (Line 26)	124,234,569	(34,489,533)	89,745,036
<u>LIABILITIES</u> (Page 3)			
8. Losses and loss adjustment expenses (Lines 1 through 3)	62,068,196	6,811,000	68,879,196
9. Taxes, expenses, and other obligations (Lines 4 through 8)	51,325		51,325
10. Unearned premiums (Line 9)	101,000	33	101,033
11. Advance Premiums (Line 10)	0		0
12. Dividends declared and unpaid (Line 11.1 and 11.2)	0		0
13. Ceded reinsurance premiums payable (net of ceded commissions) (Line 12)	0		0
14. Funds held by company under reinsurance treaties (Line 13)	41,279,439	(41,279,439)	0
15. Amounts withheld or retained by company for account of others (Line 14)	0		0
16. Provision for reinsurance (Line 16)	21,127	(21,127)	0
17. Other liabilities (Lines 15 and 17 through 23)	12,718,784		12,718,784
18. Total liabilities excluding protected cell business (Line 26 minus Line 25)	116,239,871	(34,489,533)	81,750,338
19. Surplus as regards policyholders (Line 35)	7,994,699	X X X	7,994,699
20. Totals (Line 36)	124,234,570	(34,489,533)	89,745,037

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	(2)	0	10	0	16	0	2	24	XXX
2. 1994	22,967	7,731	15,236	10,155	3,626	2,793	222	12,390	0	1,466	21,490	XXX
3. 1995	18,920	5,042	13,878	7,981	259	401	114	1,930	0	688	9,939	XXX
4. 1996	18,502	3,413	15,089	5,062	402	749	33	7,608	0	2,140	12,984	XXX
5. 1997	17,937	4,071	13,866	3,634	642	596	32	4,117	0	793	7,673	XXX
6. 1998	13,588	2,596	10,992	3,144	635	412	38	2,911	0	825	5,794	XXX
7. 1999	11,105	2,296	8,809	3,701	1,016	406	41	3,388	0	583	6,438	XXX
8. 2000	7,234	2,127	5,107	3,277	1,053	378	51	3,349	0	593	5,900	XXX
9. 2001	1,157	(117)	1,274	3,051	1,284	361	61	4,086	0	450	6,153	XXX
10. 2002	5,204	2,648	2,556	2,688	1,096	220	47	2,052	0	100	3,817	XXX
11. 2003	863	728	135	1,204	525	70	16	412	0	0	1,145	XXX
12. Totals	XXX	XXX	XXX	43,895	10,538	6,396	655	42,259	0	7,640	81,357	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.	29,153	0	0	0	3	0	0	0	0	0	0	29,156	XXX
2.	2,121	10	21,456	5,220	0	0	4,742	1,154	8,657	0	0	30,592	XXX
3.	306	0	0	0	0	0	0	0	0	0	0	306	XXX
4.	9	0	0	0	0	0	0	0	0	0	0	9	XXX
5.	83	2	0	0	0	0	0	0	0	0	0	81	XXX
6.	134	49	0	0	1	0	0	0	0	0	0	86	XXX
7.	929	40	0	0	7	0	0	0	0	0	0	896	XXX
8.	201	42	0	0	11	0	0	0	0	0	0	170	XXX
9.	276	36	0	0	20	0	0	0	0	0	0	260	XXX
10.	154	38	0	0	17	0	0	0	0	0	0	133	XXX
11.	566	222	0	0	35	0	0	0	0	0	0	379	XXX
12. Totals	33,932	439	21,456	5,220	94	0	4,742	1,154	8,657	0	0	62,068	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	0	0	XXX	29,153	3										
2.	62,314	10,232	52,082	271.3	132.4	341.8	0	0		18,347	12,245										
3.	10,618	373	10,245	56.1	7.4	73.8	0	0		306	0										
4.	13,428	435	12,993	72.6	12.7	86.1	0	0		9	0										
5.	8,430	676	7,754	47.0	16.6	55.9	0	0		81	0										
6.	6,602	722	5,880	48.6	27.8	53.5	0	0		85	1										
7.	8,431	1,097	7,334	75.9	47.8	83.3	0	0		889	7										
8.	7,216	1,146	6,070	99.8	53.9	118.9	0	0		159	11										
9.	7,794	1,381	6,413	673.6	(1,180.3)	503.4	0	0		240	20										
10.	5,131	1,181	3,950	98.6	44.6	154.5	0	0		116	17										
11.	2,287	763	1,524	265.0	104.8	1,128.9	0	0		344	35										
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	49,729	12,339										

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 2003 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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	One Year	Two Year
1. Prior	14,361	10,130	11,644	13,151	12,623	13,177	42,066	41,222	41,225	41,233	8	11
2. 1994	132,928	66,247	73,982	83,133	78,893	66,512	58,920	42,059	24,076	31,035	6,959	(11,024)
3. 1995	XXX	6,376	4,852	8,743	7,543	8,119	8,360	8,325	8,310	8,315	5	(10)
4. 1996	XXX	XXX	7,140	6,866	5,460	5,403	5,401	5,412	5,405	5,385	(20)	(27)
5. 1997	XXX	XXX	XXX	3,677	3,467	3,272	3,628	3,642	3,671	3,637	(34)	(5)
6. 1998	XXX	XXX	XXX	XXX	3,062	3,120	3,001	3,061	3,062	2,969	(93)	(92)
7. 1999	XXX	XXX	XXX	XXX	XXX	3,154	4,251	3,741	3,758	3,946	188	205
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	2,460	2,667	2,873	2,721	(152)	54
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,016	2,243	2,327	84	311
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,765	1,898	133	XXX
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,112	XXX	XXX
12. Totals											7,078	(10,577)

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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1. Prior	000	5,506	7,905	10,052	10,903	11,487	11,739	11,749	12,069	12,077	XXX	XXX
2. 1994	(982)	6,235	7,795	7,871	8,197	8,597	8,564	9,118	9,093	9,100	XXX	XXX
3. 1995	XXX	1,034	3,381	4,332	7,204	8,030	8,049	8,019	8,002	8,009	XXX	XXX
4. 1996	XXX	XXX	2,165	4,592	5,180	5,273	5,271	5,387	5,386	5,376	XXX	XXX
5. 1997	XXX	XXX	XXX	1,392	2,905	2,952	3,457	3,496	3,549	3,556	XXX	XXX
6. 1998	XXX	XXX	XXX	XXX	1,230	2,621	2,794	2,876	2,893	2,883	XXX	XXX
7. 1999	XXX	XXX	XXX	XXX	XXX	1,031	2,263	2,650	2,776	3,050	XXX	XXX
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	1,094	2,136	2,394	2,551	XXX	XXX
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	672	1,698	2,067	XXX	XXX
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	486	1,765	XXX	XXX
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	733	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	2	3	4	5	6	7	8	9	10
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. Prior	6,734	0	0	0	0	0	0	0	0	0
2. 1994	119,883	56,034	64,516	73,342	69,825	57,587	47,275	30,839	12,883	19,824
3. 1995	XXX	0	0	0	0	0	0	0	0	0
4. 1996	XXX	XXX	0	0	0	0	0	0	0	0
5. 1997	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 1998	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 1999	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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 Physical

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 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
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**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(2)	0	10	0	16	0	2	24	XXX
2. 1994	22,967	7,731	15,236	10,155	3,626	2,793	222	12,390	0	1,466	21,490	12,955
3. 1995	18,920	5,042	13,878	7,981	259	401	114	1,930	0	688	9,939	3,696
4. 1996	18,502	3,413	15,089	5,062	402	749	33	7,608	0	2,140	12,984	4,287
5. 1997	17,937	4,071	13,866	3,634	642	596	32	4,117	0	793	7,673	2,767
6. 1998	13,588	2,596	10,992	3,144	635	412	38	2,911	0	825	5,794	2,007
7. 1999	11,105	2,296	8,809	3,701	1,016	406	41	3,388	0	583	6,438	1,895
8. 2000	7,234	2,127	5,107	3,277	1,053	378	51	3,349	0	593	5,900	1,113
9. 2001	1,157	(117)	1,274	3,051	1,284	361	61	4,086	0	450	6,153	1,113
10. 2002	5,204	2,648	2,556	2,688	1,096	220	47	2,052	0	100	3,817	646
11. 2003	863	728	135	1,204	525	70	16	412	0	0	1,145	225
12. Totals	XXX	XXX	XXX	43,895	10,538	6,396	655	42,259	0	7,640	81,357	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.	29,153	0	0	0	3	0	0	0	0	0	0	29,156	1,050
2.	2,121	10	21,456	5,220	0	0	4,742	1,154	8,657	0	0	30,592	10
3.	306	0	0	0	0	0	0	0	0	0	0	306	3
4.	9	0	0	0	0	0	0	0	0	0	0	9	7
5.	83	2	0	0	0	0	0	0	0	0	0	81	15
6.	134	49	0	0	1	0	0	0	0	0	0	86	81
7.	929	40	0	0	7	0	0	0	0	0	0	896	62
8.	201	42	0	0	11	0	0	0	0	0	0	170	82
9.	276	36	0	0	20	0	0	0	0	0	0	260	53
10.	154	38	0	0	17	0	0	0	0	0	0	133	42
11.	566	222	0	0	35	0	0	0	0	0	0	379	84
12.	33,932	439	21,456	5,220	94	0	4,742	1,154	8,657	0	0	62,068	1,489

	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	0	0	XXX	29,153	3
2.	62,314	10,232	52,082	271.3	132.4	341.8	0	0	0.0	18,347	12,245
3.	10,618	373	10,245	56.1	7.4	73.8	0	0	0.0	306	0
4.	13,428	435	12,993	72.6	12.7	86.1	0	0	0.0	9	0
5.	8,430	676	7,754	47.0	16.6	55.9	0	0	0.0	81	0
6.	6,602	722	5,880	48.6	27.8	53.5	0	0	0.0	85	1
7.	8,431	1,097	7,334	75.9	47.8	83.3	0	0	0.0	889	7
8.	7,216	1,146	6,070	99.8	53.9	118.9	0	0	0.0	159	11
9.	7,794	1,381	6,413	673.6	(1,180.3)	503.4	0	0	0.0	240	20
10.	5,131	1,181	3,950	98.6	44.6	154.5	0	0	0.0	116	17
11.	2,287	763	1,524	265.0	104.8	1,128.9	0	0	0.0	344	35
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	49,729	12,339

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 2003 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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003	11 One Year	12 Two Year
1. Prior	14,361	10,130	11,644	13,151	12,623	13,177	42,066	41,222	41,225	41,233	8	11
2. 1994	132,928	66,247	73,982	83,133	78,893	66,512	58,920	42,059	24,076	31,035	6,959	(11,024)
3. 1995	XXX	6,376	4,852	8,743	7,543	8,119	8,360	8,325	8,310	8,315	5	(10)
4. 1996	XXX	XXX	7,140	6,866	5,460	5,403	5,401	5,412	5,405	5,385	(20)	(27)
5. 1997	XXX	XXX	XXX	3,677	3,467	3,272	3,628	3,642	3,671	3,637	(34)	(5)
6. 1998	XXX	XXX	XXX	XXX	3,062	3,120	3,001	3,061	3,062	2,969	(93)	(92)
7. 1999	XXX	XXX	XXX	XXX	XXX	3,154	4,251	3,741	3,758	3,946	188	205
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	2,460	2,667	2,873	2,721	(152)	54
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,016	2,243	2,327	84	311
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,765	1,898	133	XXX
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,112	XXX	XXX
12. Totals											7,078	(10,577)

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

1. Prior												
2. 1994												
3. 1995	XXX											
4. 1996	XXX	XXX										
5. 1997	XXX	XXX	XXX									
6. 1998	XXX	XXX	XXX	XXX								
7. 1999	XXX	XXX	XXX	XXX	XXX							
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2003	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. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2003	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 2003 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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1. Prior	.000	5,506	7,905	10,052	10,903	11,487	11,739	11,749	12,069	12,077	17,288	49,082
2. 1994	(982)	6,235	7,795	7,871	8,197	8,597	8,564	9,118	9,093	9,100	1,903	11,042
3. 1995	XXX	1,034	3,381	4,332	7,204	8,030	8,049	8,019	8,002	8,009	762	2,931
4. 1996	XXX	XXX	2,165	4,592	5,180	5,273	5,271	5,387	5,386	5,376	1,040	3,240
5. 1997	XXX	XXX	XXX	1,392	2,905	2,952	3,457	3,496	3,549	3,556	484	2,268
6. 1998	XXX	XXX	XXX	XXX	1,230	2,621	2,794	2,876	2,893	2,883	429	1,497
7. 1999	XXX	XXX	XXX	XXX	XXX	1,031	2,263	2,650	2,776	3,050	415	1,418
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	1,094	2,136	2,394	2,551	335	696
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	672	1,698	2,067	343	717
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	486	1,765	175	429
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	733	26	115

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

1. Prior	.000											
2. 1994												
3. 1995	XXX											
4. 1996	XXX	XXX										
5. 1997	XXX	XXX	XXX									
6. 1998	XXX	XXX	XXX	XXX								
7. 1999	XXX	XXX	XXX	XXX	XXX							
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2003	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. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
3. 2003	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 - Special Property

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 2003 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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003
1. Prior	6,734	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1994	119,883	56,034	64,516	73,342	69,825	57,587	47,275	30,839	12,883	19,824
3. 1995	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1996	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 1997	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 1998	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 1999	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

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

1. Prior										
2. 1994										
3. 1995	XXX									
4. 1996	XXX	XXX								
5. 1997	XXX	XXX	XXX							
6. 1998	XXX	XXX	XXX	XXX						
7. 1999	XXX	XXX	XXX	XXX	XXX					
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

**ANNUAL STATEMENT FOR THE YEAR 2003 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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. Prior	1,040	(177)	(23)	30	14	27	10	2	0	0
2. 1994	1,181	1,541	1,638	1,650	1,701	1,833	1,839	1,903	1,903	1,903
3. 1995	XXX	331	639	688	747	756	759	761	761	762
4. 1996	XXX	XXX	383	721	984	1,025	1,032	1,035	1,038	1,040
5. 1997	XXX	XXX	XXX	219	427	464	477	480	482	484
6. 1998	XXX	XXX	XXX	XXX	216	388	409	424	429	429
7. 1999	XXX	XXX	XXX	XXX	XXX	191	357	406	412	415
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	186	308	330	335
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154	322	343
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	110	175
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26

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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. Prior	428	315	234	250	213	150	137	381	1,051	1,050
2. 1994	1,663	314	147	199	219	83	76	10	9	10
3. 1995	XXX	1,358	251	101	24	11	6	3	4	3
4. 1996	XXX	XXX	1,763	336	81	30	9	7	5	7
5. 1997	XXX	XXX	XXX	709	128	59	31	27	25	15
6. 1998	XXX	XXX	XXX	XXX	592	203	142	121	115	81
7. 1999	XXX	XXX	XXX	XXX	XXX	613	224	100	91	62
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	400	143	116	82
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	370	110	53
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	273	42
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84

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
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. Prior	119	(1,079)	0	57	47	1	0	291	(14,087)	0
2. 1994	13,146	12,784	12,785	12,891	12,955	12,955	12,955	12,955	12,955	12,955
3. 1995	XXX	3,693	3,695	3,696	3,696	3,696	3,696	3,696	3,696	3,696
4. 1996	XXX	XXX	4,328	4,246	4,287	4,287	4,287	4,287	4,287	4,287
5. 1997	XXX	XXX	XXX	2,765	2,766	2,766	2,766	2,766	2,767	2,767
6. 1998	XXX	XXX	XXX	XXX	2,003	2,007	2,007	2,007	2,007	2,007
7. 1999	XXX	XXX	XXX	XXX	XXX	1,874	1,895	1,895	1,895	1,895
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	1,110	1,113	1,113	1,113
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,110	1,113	1,113
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	645	646
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	225

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 2003 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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003		
1. Prior	.118	(106)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1994	23,703	22,967	22,967	22,967	22,967	22,967	22,967	22,967	22,967	22,967	22,967	.0
3. 1995	XXX	18,920	18,920	18,920	18,920	18,920	18,920	18,920	18,920	18,920	18,920	.0
4. 1996	XXX	XXX	18,502	18,502	18,502	18,502	18,502	18,502	18,502	18,502	18,502	.0
5. 1997	XXX	XXX	XXX	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	.0
6. 1998	XXX	XXX	XXX	XXX	13,588	13,588	13,588	13,588	13,588	13,588	13,588	.0
7. 1999	XXX	XXX	XXX	XXX	XXX	10,946	10,946	10,946	10,946	10,946	10,946	.0
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	7,234	7,234	7,234	7,234	7,234	.0
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,157	1,157	1,157	1,157	.0
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,204	5,204	5,204	.0
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	863	863	863
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	863
13. Earned Premiums (Sch P, Part 1)	22,967	18,920	18,502	17,937	13,588	11,105	7,234	1,157	5,204	863	XXX	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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003		
1. Prior	.0	2,197	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1994	6,047	7,731	7,731	7,731	7,731	7,731	7,731	7,731	7,731	7,731	7,731	.0
3. 1995	XXX	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	.0
4. 1996	XXX	XXX	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	.0
5. 1997	XXX	XXX	XXX	4,071	4,071	4,071	4,071	4,071	4,071	4,071	4,071	.0
6. 1998	XXX	XXX	XXX	XXX	2,596	2,596	2,596	2,596	2,596	2,596	2,596	.0
7. 1999	XXX	XXX	XXX	XXX	XXX	2,137	2,137	2,137	2,137	2,137	2,137	.0
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	2,127	2,127	2,127	2,127	2,127	.0
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(117)	(117)	(117)	(117)	.0
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,648	2,648	2,648	.0
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	728	728	728
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	728
13. Earned Premiums (Sch P, Part 1)	7,731	5,042	3,413	4,071	2,596	2,296	2,127	(117)	2,648	728	XXX	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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003		
1. Prior												
2. 1994												
3. 1995	XXX											
4. 1996	XXX	XXX										
5. 1997	XXX	XXX	XXX									
6. 1998	XXX	XXX	XXX	XXX								
7. 1999	XXX	XXX	XXX	XXX	XXX							
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
12. Total	XXX	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 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003		
1. Prior												
2. 1994												
3. 1995	XXX											
4. 1996	XXX	XXX										
5. 1997	XXX	XXX	XXX									
6. 1998	XXX	XXX	XXX	XXX								
7. 1999	XXX	XXX	XXX	XXX	XXX							
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
12. Total	XXX	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 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P INTERROGATORIES

1. 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
1.01	Prior			
1.02	1994			
1.03	1995			
1.04	1996			
1.05	1997			
1.06	1998			
1.07	1999			
1.08	2000			
1.09	2001			
1.10	2002			
1.11	2003			
1.12	Totals	0	0	0

2. 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? Yes [X] No []

3. 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 7, below. Are they so reported in this Statement? Answer: Yes [X] No []

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? 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 32 and 33.

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.

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

5.1 Fidelity

5.2 Surety

6. Claim count information is reported Per Claim

7.1 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? Yes [X] No []

7.2 An extended statement may be attached.
ULAE and IBNR Reserves are allocated to 1994 (See Notes to Financial Statement).....

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

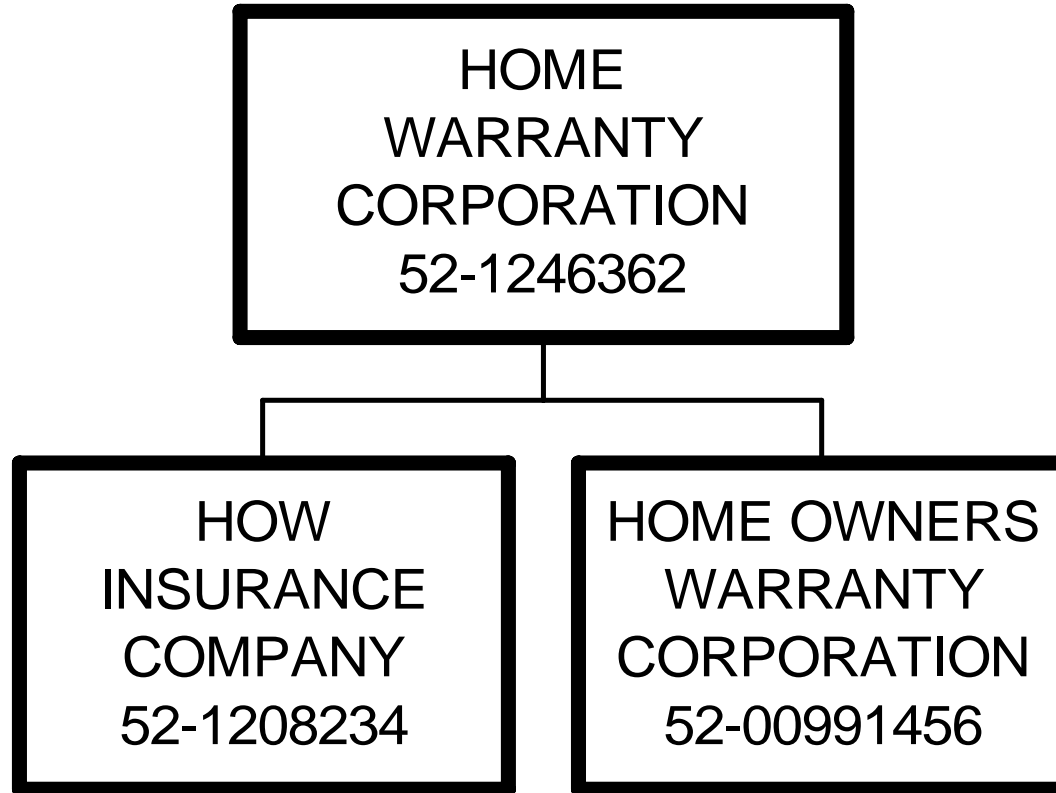
States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses 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	.0	(6,653)	.0	.0	.0
2. Alaska	AK	No	.0	.0	.0	(38,811)	.0	.0	.0
3. Arizona	AZ	No	.0	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	No	.0	.0	.0	12,725	.0	.0	.0
5. California	CA	No	.0	.0	.0	14,917	(117,262)	149,033	.0
6. Colorado	CO	No	.0	.0	.0	1,715,561	221,106	1,681,548	.0
7. Connecticut	CT	No	.0	.0	.0	.0	.0	.0	.0
8. Delaware	DE	No	.0	.0	.0	18,048	18,048	.0	.0
9. District of Columbia	DC	No	.0	.0	.0	.0	.0	.0	.0
10. Florida	FL	No	.0	.0	.0	78,375	(10,708,616)	29,428,672	.0
11. Georgia	GA	No	.0	.0	.0	196,001	(65,752)	23,228	.0
12. Hawaii	HI	No	.0	.0	.0	5,550	5,550	.0	.0
13. Idaho	ID	No	.0	.0	.0	.0	(7,762)	.0	.0
14. Illinois	IL	No	.0	.0	.0	373,025	369,020	32,810	.0
15. Indiana	IN	No	.0	.0	.0	63,588	(85,910)	11,426	.0
16. Iowa	IA	No	.0	.0	.0	.0	(7,762)	.0	.0
17. Kansas	KS	No	.0	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	No	.0	.0	.0	55,669	23,742	14,649	.0
19. Louisiana	LA	No	.0	.0	.0	.0	(7,762)	.0	.0
20. Maine	ME	No	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	No	.0	.0	.0	132,293	(81,411)	15,834	.0
22. Massachusetts	MA	No	.0	.0	.0	.0	(9,811)	5,713	.0
23. Michigan	MI	No	.0	.0	.0	.0	(15,524)	.0	.0
24. Minnesota	MN	No	.0	.0	.0	8,087	(53,126)	11,426	.0
25. Mississippi	MS	No	.0	.0	.0	54,950	50,988	10,121	.0
26. Missouri	MO	No	.0	.0	.0	47,326	10,131	17,140	.0
27. Montana	MT	No	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	No	.0	.0	.0	.0	(7,762)	.0	.0
29. Nevada	NV	No	.0	.0	.0	54,918	48,291	55,471	.0
30. New Hampshire	NH	No	.0	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	No	.0	.0	.0	39,730	(8,024,446)	22,315,743	.0
32. New Mexico	NM	No	.0	.0	.0	.0	(85,384)	.0	.0
33. New York	NY	No	.0	.0	.0	.0	.0	.0	.0
34. North Carolina	NC	No	.0	.0	.0	1,100	(226,505)	13,467	.0
35. North Dakota	ND	No	.0	.0	.0	.0	(7,762)	.0	.0
36. Ohio	OH	No	.0	.0	.0	93,287	(56,411)	.0	.0
37. Oklahoma	OK	No	.0	.0	.0	43,936	23,864	26,501	.0
38. Oregon	OR	No	.0	.0	.0	2,600	(12,924)	.0	.0
39. Pennsylvania	PA	No	.0	.0	.0	4,550	(5,261)	5,713	.0
40. Rhode Island	RI	No	.0	.0	.0	.0	.0	.0	.0
41. South Carolina	SC	No	.0	.0	.0	63,675	43,546	125,137	.0
42. South Dakota	SD	No	.0	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	No	.0	.0	.0	150,778	47,990	11,426	.0
44. Texas	TX	No	.0	.0	.0	895,466	(1,072,597)	1,230,018	.0
45. Utah	UT	No	.0	.0	.0	9,032	(22,032)	7,835	.0
46. Vermont	VT	No	.0	.0	.0	.0	.0	.0	.0
47. Virginia	VA	Yes	.0	.0	.0	367,648	(176,943)	188,377	.0
48. Washington	WA	No	.0	.0	.0	.0	(17,573)	5,713	.0
49. West Virginia	WV	No	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	No	.0	.0	.0	40,659	(23,656)	.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	4,543,493	(20,070,418)	55,387,000	0	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798.	Summary of remaining write-ins for Line 57 from overflow page		.0	.0	.0	.0	.0	.0	.0
5799.	Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)		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.

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

PART 1 - ORGANIZATIONAL CHART



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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
NONE												
9999999 Control Totals												XXX

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your 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 of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING	RESPONSES
1. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?	.....No.....
2. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....No.....
3. Will the Financial Guaranty Insurance Exhibit be filed March 1?	.....No.....
4. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....No.....
5. Will an actuarial opinion be filed by March 1?	.....See Explanat ion.....
6. Will the SVO Compliance Certification be filed by March 1?	.....See Explanat ion.....
7. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	.....No.....
8. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....See Explanat ion.....
9. Will the Risk-based Capital Report be filed with the NAIC by March 1?	.....See Explanat ion.....
10. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	.....See Explanat ion.....
11. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	.....No.....
APRIL FILING	
12. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	.....See Explanat ion.....
13. Will Management's Discussion and Analysis be filed by April 1?	.....Yes.....
14. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	.....No.....
15. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	.....No.....
16. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	.....No.....
17. Will the Investment Risk Interrogatories be filed by April 1?	.....Yes.....
MAY FILING	
18. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?	.....No.....
JUNE FILING	
19. Will an audited financial report be filed by June 1?	.....Yes.....

Explanations:

- 1.
- 2.
- 3.
- 4.
5. An extension to file was obtained from the state of domicile.
6. An extension to file was obtained from the state of domicile.
- 7.
8. Not required.
9. An extension to file was obtained from the state of domicile.
10. An extension to file was obtained from the state of domicile.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

11.

12. The Company is in receivership and is not required to file the Insurance Expense Exhibit.

14.

15.

16.

18.

Bar Codes:

1. 
4 1 2 4 6 2 0 0 3 4 5 0 0 0 0 0 0

2. 
4 1 2 4 6 2 0 0 3 4 2 0 0 0 0 0 0

3. 
4 1 2 4 6 2 0 0 3 2 4 0 0 0 0 0 0

4. 
4 1 2 4 6 2 0 0 3 3 6 0 5 8 0 0 0

7. 
4 1 2 4 6 2 0 0 3 4 9 0 0 0 0 0 0

11. 
4 1 2 4 6 2 0 0 3 3 8 5 0 0 0 0 0

14. 
4 1 2 4 6 2 0 0 3 2 3 0 5 8 0 0 0

15. 
4 1 2 4 6 2 0 0 3 3 3 0 5 8 0 0 0

16. 
4 1 2 4 6 2 0 0 3 2 1 0 0 0 0 0 0

18. 
4 1 2 4 6 2 0 0 3 2 0 1 0 0 0 0 0

OVERFLOW PAGE FOR WRITE-INS

P003 Additional Aggregate Lines for Page 3 Line 23.

*LIAB

2304. Reinsurance liability adjustment.....	1,122,000	1,140,636
2305. Unclaimed property drafts.....	10,026	7,088
2306. Notices of claim determination.....	1,345,909	1,345,909
2307. Ceded reinsurance - Amounts due reinsurers.....	1,523,649	1,562,267
2308. Accrued interest on deferred loss payments.....	5,578,209	5,207,317
2309. Suspense.....	0	1,392
2397. Summary of remaining write-ins for Line 23 from page 3	9,579,793	9,264,609

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2003 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	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21	
			4	5									14	15							
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest	
US GOVERNMENT OBLIGATIONS																					
ISSUER OBLIGATIONS																					
912827-5S-7	US TREASURY NOTE		5.875	MN	11/15/2004			1,014,405	1,000,000	104.0470	1,040,470	1,050,938	7,586	58,750	(15,885)	0	0	1	08/21/2001	4.219	
912827-6N-7	US TREASURY NT/BD		5.750	MN	11/15/2005			1,038,941	1,000,000	107.3910	1,073,910	1,068,516	7,424	57,500	(19,755)	0	0	1	06/28/2002	3.613	
912827-V8-2	US TREASURY NOTES		5.875	MN	11/15/2005			1,502,349	1,500,000	107.6250	1,614,375	1,507,031	11,379	88,125	(1,155)	0	0	1	07/13/1999	5.869	
912827-Z6-2	US TREASURY NOTES		6.500	AO	10/15/2006			3,035,305	3,000,000	111.4220	3,342,660	3,078,242	41,557	195,000	(11,288)	0	0	1	08/03/2000	6.126	
912828-AR-1	US TREASURY NT/BD		1.750	JD	12/31/2004			5,575,352	5,550,000	100.5160	5,578,638	5,588,012	270	52,635	(12,660)	0	0	1	08/27/2003	1.292	
912828-AT-7	US TREASURY		3.000	FA	02/15/2008			497,467	500,000	100.5000	502,500	497,422	5,667	0	45	0	0	1	12/03/2003	3.156	
912828-AX-8	US TREASURY NT		1.398	AO	04/30/2005			501,482	500,000	100.3120	501,560	501,816	1,184	4,063	(334)	0	0	1	09/12/2003	1.176	
COUNTRY TOTAL - U.S.								13,165,302	13,050,000	XXX	13,654,113	13,291,977	75,067	456,072	(61,031)	0	0	XXX	XXX	XXX	
0199999 - Total Bonds - U.S. Government - Issuer Obligations								13,165,302	13,050,000	XXX	13,654,113	13,291,977	75,067	456,072	(61,031)	0	0	0	XXX	XXX	XXX
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
36200A-6U-8	GNMA POOL #595883		4.500	MTLY	05/15/2018			298,749	290,256	100.5250	291,780	299,191	1,088	6,531	(442)	0	0	1	05/22/2003	4.020	
36200A-6Z-7	GNMA POOL #595888		4.500	MTLY	06/15/2018	01/31/2019	100.000	196,651	190,877	100.5250	191,879	196,752	716	4,295	(101)	0	0	1	05/22/2003	4.004	
362000-KM-4	GNMA POOL #598000		6.000	MTLY	12/15/2032			205,385	196,726	104.1620	204,914	205,394	984	3,935	(9)	0	0	1	08/01/2003	4.115	
36200K-ZE-0	GNMA POOL #603841		5.500	MTLY	12/15/2032			447,768	441,498	101.9940	450,301	447,913	2,024	24,328	(141)	0	0	1	12/06/2002	5.460	
36200M-GB-3	GNMA POOL #604194		4.500	MTLY	04/15/2018			163,602	158,951	100.5250	159,786	163,844	596	3,576	(242)	0	0	1	05/22/2003	3.962	
36201C-RG-1	GNMA POOL #579287		6.000	MTLY	02/15/2032			344,681	329,824	104.1620	343,551	344,357	1,649	6,596	325	0	0	1	05/22/2003	4.042	
36201N-AD-2	GNMA POOL #587804		4.500	MTLY	06/15/2018			34,997	33,953	100.5250	34,131	34,998	127	764	(1)	0	0	1	05/22/2003	3.993	
36201N-LV-0	GNMA POOL #588140		5.500	MTLY	12/15/2032			392,117	386,653	101.9940	394,363	392,272	1,727	21,284	(147)	0	0	1	12/06/2002	5.485	
36201S-LU-1	GNMA POOL #591739		5.500	MTLY	12/15/2032			338,091	333,378	101.9940	340,225	338,222	1,528	18,338	(124)	0	0	1	12/06/2002	5.482	
36201S-WF-2	GNMA POOL #592046		4.500	MTLY	05/15/2018			988,042	959,185	100.5250	964,221	988,710	3,597	21,482	(667)	0	0	1	05/22/2003	3.988	
36201S-XJ-3	GNMA POOL #592081		4.500	MTLY	06/15/2018			805,319	781,654	100.5250	785,758	805,714	2,931	17,587	(396)	0	0	1	05/22/2003	4.002	
36201S-YW-3	GNMA POOL #592125		6.000	MTLY	11/15/2032			320,264	306,458	104.1620	319,213	319,961	1,532	6,129	303	0	0	1	05/22/2003	4.046	
36201U-YX-6	GNMA POOL #593926		6.000	MTLY	04/15/2033			354,710	339,419	104.0690	353,230	354,374	1,697	6,788	336	0	0	1	05/22/2003	4.048	
36202C-BS-1	GNMA POOL #1849		8.500	MTLY	08/20/2024			1,884	1,809	109.2629	1,976	1,886	13	156	0	0	0	1	02/04/1998	5.522	
36202C-G5-6	GNMA POOL #2020		8.500	MTLY	06/20/2025			415,886	399,318	109.1060	435,680	416,413	2,829	34,067	(49)	0	0	1	02/04/1998	5.803	
36202C-RF-2	GNMA POOL #2286		8.500	MTLY	09/20/2026			19,890	19,096	108.9500	20,806	19,914	135	1,632	(2)	0	0	1	02/04/1998	5.974	
36202C-SP-9	GNMA POOL #2326		8.500	MTLY	11/20/2026			199,115	191,167	108.9500	208,276	199,351	1,354	16,339	(19)	0	0	1	02/04/1998	5.689	
36202C-TA-1	GNMA POOL #2345		8.500	MTLY	12/20/2026			111,365	106,920	108.9500	116,490	111,498	757	9,126	(13)	0	0	1	02/04/1998	6.199	
36202C-UX-9	GNMA POOL #2398		8.500	MTLY	03/20/2027	03/31/2026	100.000	19,219	18,457	108.3560	19,999	19,247	131	1,569	(4)	0	0	1	02/04/1998	5.952	
36202C-VH-3	GNMA POOL #2416		8.500	MTLY	04/20/2027	04/30/2025	100.000	4,573	4,391	108.3561	4,758	4,579	31	373	(1)	0	0	1	02/04/1998	6.621	
36202C-WF-6	GNMA POOL #2446		8.500	MTLY	06/20/2027			62,253	59,762	108.3560	64,756	62,321	423	5,080	(5)	0	0	1	02/04/1998	5.203	
36202C-ZC-0	GNMA POOL #2539		8.500	MTLY	01/20/2028			28,558	27,465	108.3560	29,760	28,641	195	2,335	(30)	0	0	1	02/04/1998	8.278	
36203A-P2-6	GNMA POOL #343441		8.500	MTLY	07/15/2024			10,997	10,677	109.9190	11,736	11,035	76	908	(10)	0	0	1	09/26/1996	8.338	
362059-Y8-4	GNMA POOL #030435		9.000	MTLY	04/15/2009			866	829	108.7939	901	894	6	75	(7)	0	0	1	05/18/1998	7.251	
36205J-AX-3	GNMA POOL #391622		8.500	MTLY	12/15/2024			92,269	89,589	109.6060	98,195	92,613	635	7,615	(92)	0	0	1	09/26/1996	8.374	
36205J-HZ-1	GNMA POOL #391848		8.500	MTLY	03/15/2025			3,892	3,780	109.6060	4,143	3,907	27	321	(4)	0	0	1	09/26/1996	8.385	
36205L-JF-8	GNMA POOL #393662		8.500	MTLY	12/15/2024			896	867	109.9192	953	896	6	75	0	0	0	1	09/26/1996	4.861	
362064-L8-8	GNMA POOL #034551		9.000	MTLY	05/15/2009			9,035	8,593	108.7940	9,348	9,275	64	773	(67)	0	0	1	05/18/1998	6.770	
36210A-2E-6	GNMA POOL #486873		6.500	MTLY	01/15/2029	03/31/2028	100.000	193,053	205,906	105.9310	218,118	192,602	1,115	13,384	60	0	0	1	03/09/2000	8.979	
362135-4V-4	GNMA POOL #097136		10.500	MTLY	04/15/2013			50,322	47,049	112.2630	52,819	51,754	412	4,940	(293)	0	0	1	09/19/1996	8.947	
36214G-3M-0	GNMA POOL #106204		9.000	MTLY	11/15/2013			50,007	47,434	110.6060	52,465	51,200	356	4,432	(224)	0	0	1	05/18/1998	7.919	
36214H-GD-4	GNMA POOL #106496		9.000	MTLY	12/15/2013			43,500	41,280	110.6060	45,658	44,557	310	3,717	(201)	0	0	1	05/18/1998	7.997	
362151-AU-6	GNMA POOL #150419		10.000	MTLY	02/15/2016			14,224	13,195	112.4190	14,834	14,399	110	1,320	(13)	0	0	1	06/23/1995	5.252	
362153-ED-6	GNMA POOL #152332		10.000	MTLY	03/15/2016			110,259	103,400	112.4190	116,241	112,835	862	10,344	(456)	0	0	1	06/23/1995	8.967	
362157-W5-4	GNMA POOL #156468		10.000	MTLY	11/15/2016			9,495	8,857	112.6380	9,976	9,665	74	996	(40)	0	0	1	06/23/1995	8.925	
362159-P2-5	GNMA POOL #158041		10.000	MTLY	04/15/2016			22,171	20,673	112.6380	23,286	22,560	172	2,068	(101)	0	0	1	06/23/1995	8.886	
36215N-3T-9	GNMA POOL #140410		10.000	MTLY	03/15/2016			19,227	17,895	112.4190	20,117	19,528	149	1,790	(68)	0	0	1	06/23/1995	8.429	
36215N-3U-6	GNMA POOL #140411		10.000	MTLY	04/15/2016			22,176	20,570	112.4190	23,066	22,447	171	2,058	(34)	0	0	1	06/23/1995	6.740	
36215N-TV-6	GNMA POOL #140164		10.000	MTLY	03/15/2016			16,455	15,221	112.1380	17,069	16,610	121	1,554	(24)	0	0	1	06/23/1995	6.326	
36215Q-YK-7	GNMA POOL #142114		10.000	MTLY	03/15/2016			6,430	5,998	112.6380	6,756	6,545	50	600	(30)	0	0	1	06/23/1995	8.885	
36215U-VT-2	GNMA POOL #145626		10.000	MTLY	02/15/2016			68,348	63,558	112.4190	71,451	69,357	530	6,356	(152)	0	0	1	06/23/1995	7.581	
36215U-ZH-4	GNMA POOL #145744		10.000	MTLY	02/15/2016			5,928	5,538	112.1381	6,210										

ANNUAL STATEMENT FOR THE YEAR 2003 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	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21			
			4	5									14	15									
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest			
36215W-BR-4	GNMA POOL #146848		10.000	MTLY	02/15/2016			15,701	14,642	111.9500	16,392	15,978	122	1,464	(72)	0	0	0	0	0.06/23/1995	8.849		
36215W-OD-9	GNMA POOL #147252		10.000	MTLY	02/15/2016			12,083	11,271	112.4190	12,671	12,300	94	1,127	(56)	0	0	0	0	0.06/23/1995	8.879		
36216Z-SW-0	GNMA POOL #181533		9.000	MTLY	10/15/2019			7,115	6,662	112.0750	7,466	7,190	50	600	(23)	0	0	0	0	0.05/18/1998	8.185		
362164-X6-7	GNMA POOL #183501		10.000	MTLY	10/15/2016			77,011	71,626	112.6380	80,678	78,161	597	7,163	(346)	0	0	0	0	0.06/23/1995	8.881		
36216H-YB-6	GNMA POOL #165506		8.500	MTLY	08/15/2016			23,609	23,538	110.5440	26,020	23,649	167	2,001	(1)	0	0	0	0	0.11/28/1986	8.375		
36216S-J7-8	GNMA POOL #173186		8.500	MTLY	08/15/2016			18,614	18,564	110.5440	20,521	18,651	131	1,578	(4)	0	0	0	0	0.11/28/1986	8.688		
36216W-WW-9	GNMA POOL #177161		10.000	MTLY	09/15/2016			68,733	63,909	112.6380	71,986	69,740	533	6,391	(235)	0	0	0	0	0.06/23/1995	8.275		
36217C-SU-1	GNMA POOL #189631		10.000	MTLY	08/15/2017			99,691	92,951	112.0750	104,174	101,432	775	9,295	(364)	0	0	0	0	0.06/23/1995	8.898		
36218F-KA-5	GNMA POOL #220889		9.000	MTLY	05/15/2018			4,800	4,483	111.7631	5,010	4,839	34	403	(1)	0	0	0	0	0.05/18/1998	1.664		
36218V-S9-5	GNMA POOL #233744		10.000	MTLY	09/15/2017			21,910	22,369	112.0750	25,070	21,781	186	2,237	19	0	0	0	0	0.04/21/1989	10.815		
36218W-MD-0	GNMA POOL #234456		10.000	MTLY	11/15/2018			98,474	91,143	112.8250	102,832	99,459	760	9,114	(280)	0	0	0	0	0.06/23/1995	8.516		
362199-7D-7	GNMA POOL #271892		9.000	MTLY	08/15/2019			5,320	4,967	112.0751	5,567	5,362	37	447	(9)	0	0	0	0	0.05/18/1998	7.296		
36219E-BK-5	GNMA POOL #246742		9.000	MTLY	04/15/2018			18,832	17,636	111.7630	19,711	19,036	132	1,587	(25)	0	0	0	0	0.05/18/1998	6.767		
36219G-FG-5	GNMA POOL #248667		10.000	MTLY	04/15/2018			15,645	14,544	112.8250	16,410	15,872	121	1,454	(60)	0	0	0	0	0.06/23/1995	8.984		
36219M-SQ-1	GNMA POOL #253855		9.000	MTLY	06/15/2018			26,961	25,268	111.7630	28,240	27,274	190	2,274	(95)	0	0	0	0	0.05/18/1998	8.123		
36219N-HR-4	GNMA POOL #254140		10.000	MTLY	07/15/2018			19,477	20,033	112.8250	22,602	19,313	167	2,003	1	0	0	0	0	0.03/30/1989	15.108		
36219N-TB-6	GNMA POOL #254446		9.000	MTLY	05/15/2018			52,877	49,518	111.7630	55,343	53,449	371	4,457	(190)	0	0	0	0	0.05/18/1998	8.099		
36219S-Z5-1	GNMA POOL #258264		10.000	MTLY	12/15/2018			37,811	35,284	112.8250	39,809	38,504	294	3,528	(130)	0	0	0	0	0.06/23/1995	9.107		
36219T-N6-0	GNMA POOL #258813		10.000	MTLY	09/15/2018			9,646	9,921	112.8250	11,193	9,564	83	992	11	0	0	0	0	0.03/30/1989	10.943		
36219U-4W-1	GNMA POOL #260137		10.000	MTLY	08/15/2018			5,443	5,609	112.8251	6,329	5,408	47	561	1	0	0	0	0	0.03/30/1989	12.008		
36220H-QY-9	GNMA POOL #278671		9.000	MTLY	08/15/2019			61,130	57,208	112.0750	64,116	61,749	429	5,149	(17)	0	0	0	0	0.05/18/1998	3.052		
36220L-ZN-0	GNMA POOL #281681		9.000	MTLY	11/15/2019			44,969	42,064	112.0750	47,143	45,403	315	3,786	(144)	0	0	0	0	0.05/18/1998	8.174		
36220M-AP-4	GNMA POOL #281814		9.000	MTLY	12/15/2019			145,531	135,284	112.0750	151,620	146,022	1,015	12,176	(68)	0	0	0	0	0.05/18/1998	4.419		
36221G-SY-4	GNMA POOL #905932		10.250	MTLY	02/15/2016			108,862	102,225	112.7780	115,287	111,745	873	10,478	(446)	0	0	0	0	0.10/07/1996	9.241		
36221H-SW-5	GNMA POOL #907161		10.250	MTLY	02/15/2016			35,731	33,555	112.7780	37,842	36,679	287	3,439	(148)	0	0	0	0	0.10/07/1996	9.253		
36221J-JS-5	GNMA POOL #907473		10.250	MTLY	04/15/2016			27,046	25,179	112.7780	28,396	27,523	215	2,581	(127)	0	0	0	0	0.10/07/1996	9.102		
36221J-UV-5	GNMA POOL #907796		10.250	MTLY	03/15/2016			5,967	5,603	112.7780	6,319	6,125	48	574	(25)	0	0	0	0	0.10/07/1996	9.279		
36221M-YS-1	GNMA POOL #910621		10.250	MTLY	02/15/2016			55,740	52,149	113.2310	59,049	57,005	445	5,345	(201)	0	0	0	0	0.10/07/1996	9.358		
36225A-DX-5	GNMA POOL #780118		9.500	MTLY	08/15/2021			137,312	128,368	111.6690	143,348	137,835	1,016	12,195	(56)	0	0	0	0	0.10/12/1995	5.913		
36225A-FR-6	GNMA POOL #780176		10.000	MTLY	03/15/2021			1,147,511	1,064,897	112.0750	1,193,483	1,153,749	8,874	106,490	(602)	0	0	0	0	0.05/26/1995	6.282		
36225A-L7-3	GNMA POOL #780350		6.500	MTLY	05/15/2009			445,696	451,652	107.2190	484,257	444,031	2,446	29,357	513	0	0	0	0	0.08/07/2000	7.312		
38374B-BC-6	GNR 2003-49-A		2.212	MTLY	10/16/2017			485,988	488,232	97.3200	475,148	485,791	900	5,400	197	0	0	0	0	0.05/30/2003	2.342		
COUNTRY TOTAL - U.S.								9,843,908	9,498,478	XXX	10,023,026	9,874,896	53,160	531,836	(6,193)	0	0	0	XXX	XXX	XXX		
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								9,843,908	9,498,478	XXX	10,023,026	9,874,896	53,160	531,836	(6,193)	0	0	0	XXX	XXX	XXX		
0399999 - Total - U.S. Government Bonds								23,009,209	22,548,478	XXX	23,677,139	23,166,872	128,228	987,908	(67,224)	0	0	0	0	XXX	XXX	XXX	
SPECIAL REVENUE AND ASSESSMENTS																							
ISSUER OBLIGATIONS																							
GEORGIA																							
047852-DF-2	ATLANTA GA URBN RESIDENTAL FIN.		0.000	MATR	10/01/2016			172,651	495,000	35.6160	176,299	80,157	0	0	13,697	0	0	0	0	0.09/20/1994	8.617		
STATE TOTAL								172,651	495,000	XXX	176,299	80,157	0	0	13,697	0	0	0	0	0	XXX	XXX	XXX
U.S. GOVERNMENT																							
3134A3-40-6	FHLMC		7.000	JJ	07/15/2005			1,584,406	1,471,000	107.9650	1,588,165	1,592,490	47,481	625	(8,084)	0	0	0	0	0.11/21/2003	1.903		
31359M-ES-8	FNMA		5.625	MN	05/14/2004			2,520,888	2,540,925		2,540,925	2,627,225	18,359	140,625	(55,156)	0	0	0	0	0.01/16/2002	3.363		
31359M-LH-4	FNMA		4.375	AO	10/15/2006			992,979	1,000,000	104.9530	1,049,530	989,336	9,236	43,750	2,305	0	0	0	0	0.05/24/2002	4.700		
31359M-NF-6	FANNIE MAE		4.750	AD	06/18/2007			2,542,429	2,500,000	101.4360	2,535,900	2,557,500	4,288	118,750	(11,149)	0	0	0	0	0.08/21/2002	4.263		
31359M-PT-4	FANNIE MAE		2.875	AO	10/15/2005			4,019,893	4,000,000	101.7330	4,069,320	4,031,875	24,278	110,847	(10,723)	0	0	0	0	0.11/18/2002	2.606		
31359M-SQ-7	FANNIE MAE		3.250	FA	08/15/2008			1,414,805	1,434,000	99.0830	1,420,850	1,414,000	17,606	804	0	0	0	0	0	0.10/15/2003	3.598		
STATE TOTAL								13,075,400	12,905,000	XXX	13,204,690	13,212,426	121,248	413,972	(82,003)	0	0	0	XXX	XXX	XXX		
COUNTRY TOTAL - U.S.								13,248,051	13,400,000	XXX	13,380,990	13,292,584	121,248	413,972	(68,306)	0	0	0	0	XXX	XXX	XXX	
2599999 - Total Bonds - Special Revenue - Issuer Obligations								13,248,051	13,400,000	XXX	13,380,990	13,292,584	121,248	413,972	(68,306)	0	0	0	0	XXX	XXX	XXX	
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																							
U.S. GOVERNMENT																							
3128GX-VA-1	FHLM 15 YR GOLD #E93309		5.500	MTLY	12/01/2017			969,095	937,233	104.0440	975,134	969,450	4,296	43,427	(355)	0	0	0	0	0.01/30/2003	4.577		

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ANNUAL STATEMENT FOR THE YEAR 2003 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	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
312950-S3-3	FHLMC PC GOLD 15Y POOL #B00538		.9	MTLY	11/01/2005	09/30/2004	100.000	17,962	17,805	102.7970	18,303	18,734	141	1,789	(193)	0	0	1	09/29/1995	6.321
31365E-BN-2	FNMA POOL #125245		.7	MTLY	10/01/2023			67,091	65,760	106.7440	70,195	67,301	384	4,714	(8)	0	0	1	09/14/1993	5.977
31371K-2T-7	FNMA 15 YR #254686		.5	MTLY	04/01/2018			1,224,938	1,177,106	104.0130	1,224,344	1,227,133	5,395	43,161	(2,195)	0	0	1	04/24/2003	3.703
31376D-W7-3	FNMA 15 YR #352670		.6	MTLY	02/01/2013			193,940	192,402	106.8440	205,570	194,529	1,042	12,571	(151)	0	0	1	03/18/1999	6.275
31378D-NP-1	FNMA 15 YR #395598		.6	MTLY	10/01/2012			36,470	36,213	106.8750	38,703	36,614	196	2,362	(39)	0	0	1	03/18/1999	6.391
31378F-2D-6	FNMA 15 YR #397772		.6	MTLY	09/01/2012			33,530	33,272	106.8440	35,549	33,640	180	2,222	(28)	0	0	1	03/18/1999	6.281
31378M-GL-8	FNMA 15 YR #402603		.6	MTLY	11/01/2012			33,774	33,532	106.8440	35,827	33,902	182	2,304	(37)	0	0	1	03/18/1999	6.395
31378N-GZ-5	FNMA 15 YR #403516		.6	MTLY	01/01/2013			66,686	66,109	106.8440	70,633	66,840	358	4,297	(25)	0	0	1	03/18/1999	5.947
31378T-K4-6	FNMA 15 YR #408115		.6	MTLY	12/01/2012			21,134	20,948	106.8440	22,382	21,180	113	1,386	(5)	0	0	1	03/18/1999	5.713
31379B-HC-0	FNMA 15 YR #414327		.6	MTLY	02/01/2013			46,639	46,239	106.8440	49,404	46,751	250	3,114	(20)	0	0	1	03/18/1999	6.023
31379K-H2-2	FNMA 15 YR #421549		.6	MTLY	06/01/2013	09/30/2012	100.000	263,575	261,628	106.8440	279,534	264,520	1,417	17,006	(290)	0	0	1	03/18/1999	6.372
31379K-H3-0	FNMA 15 YR #421550		.6	MTLY	06/01/2013	10/31/2012	100.000	140,671	139,502	106.8440	149,050	141,044	756	9,261	(86)	0	0	1	03/18/1999	6.142
31379X-JT-3	FNMA 15 YR #432374		.6	MTLY	06/01/2013	09/30/2012	100.000	92,000	91,241	106.8440	97,485	92,249	494	6,055	(60)	0	0	1	03/18/1999	6.161
31379Y-FR-9	FNMA 15 YR #433176		.6	MTLY	07/01/2013	09/30/2012	100.000	330,327	327,938	106.7190	349,972	331,320	1,776	21,776	(275)	0	0	1	04/05/1999	6.305
31380L-TC-2	FNMA 15 YR #443447		.6	MTLY	09/01/2028	10/31/2013	100.000	152,053	150,732	106.7190	160,860	152,399	816	10,451	(141)	0	0	1	03/18/1999	6.320
31380Q-GA-9	FNMA 15 YR #446693		.6	MTLY	10/01/2013			36,456	36,139	106.7190	38,567	36,538	196	2,349	(15)	0	0	1	03/18/1999	6.065
31380Q-H3-4	FNMA 15 YR #446750		.6	MTLY	10/01/2013			162,063	160,627	106.8440	171,620	162,402	870	10,441	(55)	0	0	1	03/18/1999	5.883
31382G-NY-9	FNMA 15 YR #482007		.6	MTLY	04/01/2014			112,783	111,769	106.7190	119,278	113,004	605	7,269	(35)	0	0	1	03/18/1999	5.971
31382J-T7-6	FNMA 15 YR #483974		.6	MTLY	02/01/2014	09/30/2013	100.000	769,588	763,652	106.7190	814,962	771,528	4,136	50,172	(487)	0	0	1	04/05/1999	6.270
31382L-BY-1	FNMA 15 YR #485255		.6	MTLY	02/01/2014	09/30/2013	100.000	407,091	404,243	106.7190	431,404	408,411	2,190	26,289	(404)	0	0	1	04/05/1999	6.423
31382L-X2-7	FNMA 15 YR #485897		.6	MTLY	03/01/2014	09/30/2013	100.000	91,583	90,774	106.7190	96,873	91,778	492	5,955	(36)	0	0	1	03/18/1999	6.026
31382W-CY-8	FNMA 15 YR #486187		.6	MTLY	03/01/2014	10/31/2013	100.000	123,118	122,004	106.7190	130,201	123,353	661	7,930	(34)	0	0	1	03/18/1999	5.843
31382N-SQ-6	FNMA 30 YR #487527		.6	MTLY	02/01/2029	02/29/2028	100.000	1,018,929	1,032,242	104.1380	1,074,956	1,018,371	5,161	61,943	93	0	0	1	01/14/1999	6.378
31382Q-UQ-6	FNMA 15 YR #489391		.6	MTLY	03/01/2014	02/28/2013	100.000	87,396	86,591	106.6250	92,327	87,548	469	5,631	(16)	0	0	1	03/18/1999	5.440
31382T-HK-8	FNMA 15 YR #491734		.6	MTLY	03/01/2014			68,597	68,007	106.7190	72,577	68,759	368	4,446	(36)	0	0	1	03/18/1999	6.190
31383S-CV-0	FNMA 30 YR #511384		.7	MTLY	09/01/2029			71,763	73,317	106.0560	77,757	71,736	428	5,167	3	0	0	1	09/08/1999	8.139
31383T-SN-9	FNMA 30 YR #512725		.7	MTLY	09/01/2029			31,169	31,843	105.9940	33,752	31,156	186	2,252	1	0	0	1	09/08/1999	8.020
31385X-D7-9	FNMA 15 YR #555526		.5	MTLY	05/01/2018			1,488,987	1,445,214	104.0130	1,503,210	1,488,457	6,624	13,248	530	0	0	1	10/14/2003	4.103
31390K-WT-1	FNMA POOL #648758		.5	MTLY	08/01/2017			191,887	189,499	104.0130	197,104	192,016	869	10,422	(124)	0	0	1	07/25/2002	5.293
31400B-5W-2	FNMA 30 YR #683161		.6	MTLY	02/01/2033			1,453,298	1,395,374	103.5130	1,444,393	1,452,170	6,977	62,792	1,128	0	0	1	02/28/2003	4.631
31400K-CU-8	FNMA 15 YR #689583		.5	MTLY	02/01/2018			929,514	907,180	102.4500	929,405	930,426	3,780	34,036	(912)	0	0	1	02/25/2003	4.524
31401C-4K-6	FNMA 15 YR #704726		.4	MTLY	06/01/2018			485,900	476,642	100.2500	477,834	486,026	1,787	8,937	(126)	0	0	1	07/03/2003	3.925
31401J-C2-2	FNMA 15 YR #709389		.5	MTLY	07/01/2018			1,291,812	1,238,342	103.7630	1,284,941	1,292,133	5,676	28,379	(321)	0	0	1	07/03/2003	4.430
31402B-C3-6	FNMA 15 YR #723790		.4	MTLY	06/01/2018			1,987,403	1,949,536	100.2500	1,954,410	1,987,917	7,311	36,554	(514)	0	0	1	07/03/2003	3.925
31404A-3G-7	FNMA #763199		.3	MTLY	10/01/2033			1,002,194	1,000,000	101.3830	1,013,830	1,002,188	3,187	0	7	0	0	1	12/19/2003	3.857
STATE TOTAL								15,501,420	15,180,654	XXX	15,742,346	15,513,524	69,769	570,108	(5,262)	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								15,501,420	15,180,654	XXX	15,742,346	15,513,524	69,769	570,108	(5,262)	0	0	XXX	XXX	XXX
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								15,501,420	15,180,654	XXX	15,742,346	15,513,524	69,769	570,108	(5,262)	0	0	XXX	XXX	XXX
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																				
U.S. GOVERNMENT																				
31391A-3V-9	FNMA ARM #661512		.4	MTLY	09/01/2032			1,451,772	1,395,710	101.6710	1,419,032	1,441,942	5,638	45,237	9,830	0	0	1	04/01/2003	3.969
31393B-K7-9	FNR 2003-35 MB		.4	MTLY	06/25/2013			1,022,071	1,000,000	102.5390	1,025,390	1,023,125	3,716	15,000	(1,054)	0	0	1	08/22/2003	3.857
31394J-6L-6	FHR 2681 PC		.5	MTLY	01/15/2019			1,026,757	1,000,000	102.5250	1,025,250	1,027,031	4,167	8,333	(275)	0	0	1	10/14/2003	4.836
74155Q-AJ-9	PCCMT 2000-1 A		.6	MTLY	10/15/2009	11/15/2005	100.000	1,036,140	1,000,000	106.8660	1,068,660	1,066,641	5,583	67,000	(19,384)	0	0	1	03/01/2002	4.633
STATE TOTAL								4,536,740	4,395,710	XXX	4,538,332	4,558,739	19,103	135,571	(10,883)	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								4,536,740	4,395,710	XXX	4,538,332	4,558,739	19,103	135,571	(10,883)	0	0	XXX	XXX	XXX
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								4,536,740	4,395,710	XXX	4,538,332	4,558,739	19,103	135,571	(10,883)	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								33,286,211	32,976,363	XXX	33,661,668	33,364,846	210,121	1,119,651	(84,451)	0	0	XXX	XXX	XXX
PUBLIC UTILITIES																				
ISSUER OBLIGATIONS																				
010392-EJ-3	ALABAMA POWER CO.		.2	JD	12/01/2006			799,375	800,000	100.1870	801,496	799,352	2,551	0	.23	0	0	1	11/14/2003	2.848
025537-AA-9	AMERICAN ELECTRIC POWER COMPANY		.6	MN	05/15/2006			330,846	330,000	107.3390	354,219	331,498	2,583	20,213	(322)	0	0	2	11/29/2001	6.098
03073K-AC-5	AMERIGAS PARTNER 144A		.8	MN	05/20/2011			508,784	500,000	110.0000	550,000	510,625	5,054	44,375	(824)	0	0	4	08/21/2001	8.732

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ANNUAL STATEMENT FOR THE YEAR 2003 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	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21		
			4	5									14	15								
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest		
172474-AG-3	CINERGY CORP.		.6.250	MS.	09/01/2004			504,504	500,000	102.6270	513,135	511,350	10,417	31,250	(6,477)	0	0	2	12/10/2002	4.922		
283677-AT-9	EL PASO ELECTRIC CO 1ST MTG SER-D		8.900	FA.	02/01/2006			150,973	150,000	111.3860	167,079	153,450	5,562	13,350	(410)	0	0	2PE	02/06/1996	8.737		
283677-AU-6	EL PASO ELECTRIC CO 1ST MTG-SER-E		9.400	MN.	05/01/2011			150,000	150,000	116.9000	175,359	150,000	2,350	14,100	0	0	0	2PE	02/06/1996	9.621		
293641-AE-2	ENTERGY GULF STATES		5.200	JD.	12/03/2007			499,805	500,000	101.5330	507,665	499,755	2,167	27,733	44	0	0	1	11/01/2002	5.279		
337932-AA-5	FIRSTENERGY CORP		5.500	MN.	11/15/2006			289,803	290,000	103.5930	300,420	289,675	2,038	15,950	62	0	0	2	11/08/2001	5.602		
637432-CQ-6	NATIONAL RURAL UTIL		6.000	MN.	05/15/2006			812,194	750,000	107.1030	803,273	823,253	5,750	22,500	(11,059)	0	0	1	07/24/2003	2.399		
653522-DJ-8	NIAGARA MOHAWK POWER		7.750	AO.	10/01/2008			309,559	310,000	115.5420	358,180	309,213	6,006	24,025	74	0	0	2	06/17/1998	7.938		
653522-DW-1	NIAGARA MOHAWK POWER		5.375	AO.	10/01/2004			189,976	190,000	102.1830	194,148	189,911	2,553	10,213	30	0	0	2	09/25/2001	5.465		
69362B-AC-6	PSEG POWER		6.875	AO.	04/15/2006			376,678	415,000	109.1430	452,943	360,500	6,023	28,531	13,853	0	0	2	10/28/2002	11.914		
713291-AE-2	PEPCO HOLDINGS INC.		3.750	FA.	02/15/2006			499,616	500,000	101.5150	507,575	499,455	7,083	10,625	161	0	0	2	01/15/2003	3.824		
723484-AB-7	PINNACLE WEST CAPITAL CORP		6.400	AO.	04/01/2006			492,559	500,000	107.0440	535,220	489,300	8,000	32,000	2,946	0	0	2	11/21/2002	7.254		
744567-DT-2	PUBLIC SERV ELECT & GAS		6.250	JJ.	01/01/2007			974,297	1,000,000	109.3610	1,093,610	928,420	31,250	62,500	7,422	0	0	1PE	03/29/1996	7.348		
816851-AD-1	SEMPRA ENERGY		6.925	JJ.	07/01/2004			769,694	750,000	102.4440	768,330	789,338	25,969	0	(19,643)	0	0	2	06/30/2003	7.637		
879403-AK-9	TELEFONOS DE MEXICO SA 144A		4.500	MN.	11/19/2008			269,426	270,000	100.5020	271,355	269,414	0	0	12	0	0	1	11/12/2003	4.601		
90210V-AC-2	TXU ENERGY CO 144A		6.125	MS.	03/15/2008			400,000	400,000	106.9510	427,804	400,000	7,214	12,522	0	0	0	2	03/06/2003	6.219		
92344G-AR-7	VERIZON GLOBAL FDG CORP		6.125	JD.	06/15/2007			648,991	650,000	109.3440	710,736	648,609	1,769	39,813	254	0	0	1	06/18/2002	6.271		
92931D-AB-8	WPD HOLDINGS UK 144A		6.875	JD.	12/15/2007			143,311	140,000	103.3090	144,633	143,424	428	4,813	(113)	0	0	2	11/06/2003	6.288		
COUNTRY TOTAL - U.S.								9,120,392	9,095,000	XXX	9,637,170	9,096,541	136,185	414,512	(13,968)	0	0	XXX	XXX	XXX		
3299999 - Total Bonds - Public Utilities - Issuer Obligations								9,120,392	9,095,000	XXX	9,637,170	9,096,541	136,185	414,512	(13,968)	0	0	0	0	XXX	XXX	XXX
3899999 - Total - Public Utilities Bonds								9,120,392	9,095,000	XXX	9,637,170	9,096,541	136,185	414,512	(13,968)	0	0	0	0	XXX	XXX	XXX
INDUSTRIAL & MISCELLANEOUS ISSUER OBLIGATIONS																						
00184A-AD-7	AOL TIME WARNER INC		5.625	MN.	05/01/2005			495,407	500,000	104.6750	523,375	490,200	4,688	28,125	3,197	0	0	2	05/02/2002	6.454		
002824-AM-2	ABBOTT LABORATORIES		5.625	JJ.	07/01/2006			499,118	500,000	107.6080	538,040	498,355	14,063	28,125	319	0	0	1	06/28/2001	5.783		
008916-AA-6	AGRIUM INC.		7.000	FA.	02/01/2004			499,976	500,000	100.2300	501,150	498,390	14,583	35,000	279	0	0	2PE	01/28/1997	7.184		
013817-AA-9	ALCOA, INC		7.250	FA.	08/01/2005			399,506	400,000	108.1110	432,444	398,608	12,083	29,000	284	0	0	1PE	07/17/2000	7.468		
020039-AG-8	ALLTEL CORP		6.750	MS.	09/15/2005			484,968	450,000	107.4860	483,687	491,090	8,944	0	(6,121)	0	0	1PE	09/11/2003	2.101		
029717-AM-7	AMER STANDARD SR NT		7.625	FA.	02/15/2010			501,797	500,000	113.0000	565,000	502,830	14,403	38,125	(223)	0	0	3	07/30/1998	7.693		
030730-AB-4	AMERISOURCE BERGEN CORP 144A		8.125	MS.	09/01/2008			510,792	500,000	113.0000	565,000	515,000	13,542	40,625	(1,864)	0	0	3	08/16/2001	7.711		
05565U-AA-7	BP CANADA FINANCE BV		3.375	AO.	10/31/2007			898,954	900,000	100.4660	904,194	898,722	5,147	33,159	205	0	0	1	09/18/2002	3.437		
055959-AY-6	BMWOT 2003-A A3		1.940	MTLY.	02/25/2007			949,972	950,000	100.3000	952,850	949,868	1,536	12,082	104	0	0	1	04/22/2003	1.915		
058498-AB-2	BALL CORP		7.750	FA.	08/01/2006			506,057	500,000	108.0000	540,000	511,250	16,146	38,750	(2,061)	0	0	3	04/30/2001	7.358		
06406H-AT-6	BANK OF NEW YORK		2.200	MN.	05/12/2006			499,841	500,000	99.6990	498,495	499,800	1,497	5,500	41	0	0	1	05/07/2003	2.226		
06423A-AM-5	BANK ONE CORP		6.500	FA.	02/01/2006			535,456	500,000	108.4350	542,175	551,400	13,542	32,500	(15,944)	0	0	1	01/08/2003	2.988		
066050-CB-9	BANKAMERICA CORP SUB NOTE		7.200	AO.	04/15/2006			967,236	1,000,000	110.0880	1,100,880	885,530	15,200	72,000	12,390	0	0	1	11/15/1994	9.004		
073902-CB-2	BEAR STEARNS COS INC.		3.000	MS.	03/30/2006			768,586	750,000	101.2040	759,030	772,905	5,688	13,813	(4,319)	0	0	1	06/18/2003	1.878		
111021-AC-5	BRITISH TELECOM PLC		7.875	JD.	12/15/2005			499,649	500,000	110.0740	550,370	499,195	1,750	39,755	160	0	0	1	12/05/2000	8.071		
125577-AD-8	CIT GROUP HOLDINGS		7.125	AO.	10/15/2004			503,200	500,000	104.3060	521,530	507,650	7,521	35,625	(3,829)	0	0	1	10/30/2002	6.381		
125581-AD-0	CIT GROUP		5.500	MN.	11/30/2007			249,480	250,000	106.9450	267,363	249,355	1,184	13,674	116	0	0	1	11/21/2002	5.637		
126304-AD-6	CSC HOLDINGS INC SER B DEBENTURES		8.125	FA.	08/15/2009			498,903	500,000	107.2500	536,250	498,135	15,347	40,625	16,403	0	0	4	08/21/1997	8.341		
14912L-X6-3	CATERPILLAR FINANCIAL SERVICES		2.590	JJ.	07/15/2006			994,528	1,000,000	99.9950	999,950	994,360	11,943	0	168	0	0	1	12/02/2003	2.835		
172967-BF-7	CITIGROUP INC		5.750	MN.	05/10/2006			1,014,788	1,000,000	107.3480	1,073,480	1,024,420	8,146	57,500	(5,758)	0	0	1	04/18/2002	5.142		
184502-AM-4	CLEAR CHANNEL COMM		6.000	MN.	11/01/2006			538,157	500,000	108.1830	540,915	540,145	5,000	0	(1,988)	0	0	2	11/05/2003	3.189		
20029P-AF-6	COMCAST CABLE		8.375	MN.	05/01/2007			495,182	450,000	115.8810	521,465	507,096	6,281	37,688	(11,915)	0	0	2	01/08/2003	5.129		
207678-AC-7	CTRRB 2001-1 A3		5.730	MJSD.	03/30/2009			1,046,639	970,000	107.5990	1,043,710	1,050,480	154	27,791	(3,841)	0	0	1	09/15/2003	4.113		
20825C-AD-6	CONOCOPHILLIPS		3.625	AO.	10/15/2007			999,620	1,000,000	101.6560	1,016,560	999,508	7,653	36,854	92	0	0	1	10/03/2002	3.669		
210518-BN-5	CONSUMERS ENERGY CO		6.000	MS.	03/15/2005			189,981	190,000	104.4880	198,527	189,956	3,357	11,400	14	0	0	2	03/18/2002	6.099		
22237L-LQ-3	COUNTRYWIDE HOME LOANS		5.500	FA.	08/01/2006			790,288	750,000	106.8990	801,743	795,034	17,188	13,750	(4,016)	0	0	1	12/01/2003	3.348		
224044-AF-4	COX COMMUNICATION		6.875	JD.	06/15/2005			504,080	500,000	106.7650	533,825	508,180	1,528	34,375	(2,597)	0	0	2	05/22/2002	6.378		
233835-AB-3	DAIMLERCHRYSLER SNR NTS		6.900	MS.	09/01/2004			999,771	1,000,000	103.1920	1,031,920	998,510	23,000	69,000	324	0	0	2	08/17/1999	7.056		
239753-CY-0	DAYTON HUDSON		7.500	JJ.	07/15/2006			528,769	500,000	112.0250	560,125	547,285	17,292	37,500	(10,365)	0	0	1	03/05/2002	5.121		
244217-BJ-3	JOHN DEERE CAP CORP		3.900	JJ.	01/15/2008			500,664	500,000	101.7020	508,510	500,810	8,992	10,021	(146)	0	0	1	01/08/2003	3.901		
25156P-AA-1	DEUTSCHE TELEKOM FINANCE GRP		8.250	JD.	06/15/2005			374,780	375,000	108.5750	407,156	374,348	1,375	30,938	135	0	0	2	06/28/2000			

ANNUAL STATEMENT FOR THE YEAR 2003 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	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21	
			4	5									14	15							
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest	
260543-AY-9	DOW CHEM NT 99		.8.550	AO	10/15/2009			959,489	950,000		1,137,046	967,646	17,148	81,225	(1,231)	0	0	1PE	01/10/1995	8.503	
26882P-AB-8	ERAC USA FIN 144A		.6.625	FA	02/15/2005			512,968	500,000		524,220	527,025	12,514	33,125	(11,043)	0	0	2	09/20/2002	4.281	
309601-AB-8	FARMERS INS EXCHANGE 144A		.8.500	FA	08/01/2004			1,009,165	1,000,000		1,017,600	1,087,090	35,417	85,000	(14,864)	0	0	1	10/14/1997	6.992	
337358-DQ-5	FIRST UNION CORP		.7.550	FA	08/18/2005			1,016,871	1,000,000		1,089,600	1,043,150	27,893	75,500	(9,507)	0	0	1PE	01/24/2001	6.548	
36962G-VM-3	GENERAL ELECTRIC CAPITAL CORP		.6.800	MN	11/01/2005			1,059,585	1,000,000		1,083,720	1,101,550	11,333	68,000	(30,956)	0	0	1	08/20/2002	3.450	
370334-AW-4	GENERAL MILLS		.3.875	MN	11/30/2007			506,375	500,000		510,335	507,640	1,668	19,913	(1,265)	0	0	2	02/27/2003	3.555	
370425-RS-1	GENERAL MOTORS ACCEPTANCE CORP		.7.500	JJ	07/15/2005			514,861	500,000		536,440	526,970	17,292	37,500	(9,014)	0	0	2	08/23/2002	5.535	
375766-AK-8	GILLETTE COMPANY		.3.500	AO	10/15/2007			998,686	1,000,000		1,010,370	998,290	7,389	36,361	319	0	0	1	09/24/2002	3.569	
38141G-CS-1	GOLDMAN SACHS GROUP INC		.4.125	JJ	01/15/2008			508,348	500,000		511,380	509,795	9,510	10,427	(1,447)	0	0	1	03/26/2003	3.710	
4041A0-AP-3	HBOS TREASURY SERVICES 144A		.3.125	JJ	01/12/2007			999,774	1,000,000		1,008,090	999,770	1,910	4	4	0	0	1	12/02/2003	3.157	
404230-AF-4	HMH PROPERTIES MTN		.7.875	JD	08/01/2008			445,636	475,000		493,406	428,094	1,663	37,406	4,895	0	0	4	11/12/1999	9.801	
459056-QG-5	INTL BANK RECON & DEV		.5.000	MS	03/28/2006			1,019,418	1,000,000		1,062,050	1,031,758	12,917	50,000	(8,106)	0	0	1	06/17/2002	4.127	
459745-FJ-9	INTL LEASE FINANCE CORP		.3.750	FA	08/01/2007			998,176	1,000,000		1,014,470	997,980	15,625	196	196	0	0	1	07/29/2003	3.841	
487836-AY-4	KELLOGG CO		.2.875	JD	06/01/2008			499,857	500,000		484,295	499,840	1,198	7,028	17	0	0	2	05/29/2003	2.903	
493267-AA-6	KEYCORP		.6.750	MS	03/15/2006			526,062	500,000		538,000	541,380	9,938	33,750	(11,036)	0	0	2	08/07/2002	4.296	
50075N-AA-2	KRAFT FOODS		.4.625	MN	11/01/2006			986,087	1,000,000		1,044,080	978,650	7,708	46,250	4,448	0	0	2	04/18/2002	5.225	
521865-AE-5	LEAR CORP		.8.110	MN	05/15/2009			226,653	225,000		264,656	227,250	2,332	18,248	(238)	0	0	3	04/30/2001	8.097	
526055-AA-6	LENVEST SENIOR NOTE		.8.375	MN	11/01/2005			522,623	500,000		552,145	534,880	6,979	41,875	(11,375)	0	0	2	12/02/2002	5.824	
5525V0-AE-6	M & I MARSHALL & ILSLEY BANK		.4.125	MS	09/04/2006			364,159	365,000		378,056	363,879	4,893	207	207	0	0	1	08/19/2002	4.237	
5528ED-AH-6	MBNA AMERICA BANK NA		.7.750	MS	09/15/2005			535,345	500,000		543,675	552,455	11,410	38,750	(17,110)	0	0	2	02/20/2003	3.479	
571748-AH-5	MARSH & MCLENNAN COS INC		.3.625	FA	02/15/2008			559,657	560,000		561,333	559,591	7,669	9,924	.66	0	0	1	02/11/2003	3.674	
57978X-AA-3	MCCORMICK & CO		.6.400	FA	02/01/2006			749,321	750,000		807,890	809,093	748,508	20,000	48,000	295	0	1	01/26/2001	6.551	
592907-AA-7	FRED MEYER		.7.375	MS	03/01/2005			525,764	500,000		530,860	543,860	12,292	18,438	(18,096)	0	0	2	02/27/2003	2.876	
617446-GL-7	MORGAN STANLEY DEAN WITTER		.6.100	AO	04/15/2006			534,999	500,000		508,020	540,100	6,439	30,500	(11,646)	0	0	1	03/14/2003	2.939	
63936W-AC-0	NAVOT 2003-A A3		.1.730	MTLY	02/15/2007			750,194	750,000		747,953	749,931	1,081	6,848	263	0	0	1	05/20/2003	1.713	
651229-AD-8	NEWELL RUBBERMAID INC		.2.000	MN	05/01/2005			149,947	150,000		149,493	149,922	500	1,458	.25	0	0	2	05/01/2003	2.037	
679833-AB-9	OLD KENT FINANCIAL CORP		.6.625	MN	11/15/2005			1,003,863	1,000,000		1,079,260	1,016,150	8,465	66,250	(1,882)	0	0	1PE	12/05/1995	6.505	
695629-AR-6	PAINE WEBBER		.8.875	MS	03/15/2005			1,023,440	1,000,000		1,071,570	1,139,600	26,132	88,750	(18,024)	0	0	1PE	12/05/1995	6.936	
700690-AB-6	PARK PLACE ENTM		.7.875	JD	12/15/2006			501,807	500,000		507,250	503,125	1,750	39,375	(525)	0	0	3	04/30/2001	7.886	
74005P-AB-0	PRAXAIR INC		.6.850	JD	06/15/2005			757,952	750,000		802,350	770,985	2,283	51,375	(5,073)	0	0	1	04/19/2001	6.171	
751025-AA-5	RALCORP		.8.750	MS	09/15/2004			515,172	500,000		524,905	553,350	12,882	43,750	(20,691)	0	0	2	02/14/2002	4.392	
75913L-AC-5	REGIONS BANK		.2.884	JD	12/15/2006			660,181	660,000		662,310	660,198	5,763	0	(18)	0	0	1	09/05/2003	2.895	
775310-AB-4	ROGERS WIRELESS		.9.625	MN	05/01/2011			327,653	325,000		318,750	385,938	5,214	31,281	23,778	0	0	3	04/30/2001	9.692	
792860-AF-5	ST PAUL COMPANIES INC		.5.750	MS	03/15/2007			463,923	465,000		467,639	500,521	7,873	26,738	297	0	0	2	03/07/2002	5.915	
879385-AB-8	TELEFONICA EUROP		.7.350	MS	09/15/2005			500,309	500,000		543,800	500,798	10,821	36,750	(164)	0	0	1	10/06/2000	7.444	
89420G-AF-6	TRAVELERS PROPERTY CASUALTY 144A		.3.750	MS	03/15/2008			354,220	355,000		355,760	354,084	3,920	6,804	136	0	0	1	03/06/2003	3.843	
903278-AY-5	USAOT 2003-1 A3		.1.580	MTLY	06/15/2007			1,000,233	1,000,000		997,300	999,906	1,317	6,188	326	0	0	1	07/14/2003	1.566	
904764-AF-4	UNILEVER CAPITAL CORP		.6.875	MN	11/01/2005			1,086,970	1,000,000		1,084,310	1,101,020	11,458	34,375	(14,050)	0	0	1	09/12/2003	2.031	
908584-DJ-1	UNION TANK CAR		.7.125	FA	02/01/2007			499,794	500,000		549,685	499,465	14,844	35,625	.58	0	0	1PE	01/22/1997	7.268	
912920-AU-9	US WEST COMMUNICATIONS INC		.7.200	MN	11/01/2004			533,308	530,000		544,575	543,271	6,360	38,160	24,508	0	0	4	03/06/2001	6.523	
91490G-AC-6	UNIVISION COMM INC		.2.880	AO	10/15/2006			389,949	390,000		389,509	389,945	2,371	4	4	0	0	2	10/07/2003	2.906	
962166-AX-2	WEYERHAEUSER CO		.6.000	FA	08/01/2006			523,602	525,000		562,018	522,480	13,125	31,500	485	0	0	2	08/03/2001	6.206	
COUNTRY TOTAL - U.S.								47,192,025	46,460,000	XXX	49,075,748	47,642,645	688,611	2,290,923	(198,957)	0	0	XXX	XXX	XXX	
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								47,192,025	46,460,000	XXX	49,075,748	47,642,645	688,611	2,290,923	(198,957)	0	0	0	XXX	XXX	XXX
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
449182-AW-4	HART 2003-A B		.2.990	MTLY	10/15/2010			200,093	200,000		199,960	199,968	498	631	125	0	0	1	10/29/2003	3.004	
449182-AX-2	HART 2003-A C		.3.190	MTLY	10/15/2010			100,057	100,000		100,040	99,991	266	337	67	0	0	1	10/29/2003	3.206	
COUNTRY TOTAL - U.S.								300,150	300,000	XXX	299,934	299,959	764	968	191	0	0	XXX	XXX	XXX	
4099999 - Total Bonds - Industrial, Misc. - Single Class Mortgage-Backed/Asset-Backed Securities								300,150	300,000	XXX	299,934	299,959	764	968	191	0	0	0	XXX	XXX	XXX
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
00103R-9A-6	AESOP 2003-5 A1		.2.780	MTLY	12/20/2007			500,148	500,000		498,750	499,931	1,158	2,741	217	0	0	1	10/02/2003	2.767	
05948X-R2-9	BOAMS 2003-L 2A2		.4.368	MTLY	01/25/2034			1,004,758	1,000,000		997,810	1,004,992	2,912	0	(234)	0	0	1	12/09/2003	4.039	
12669F-JE-4	CWHL 2003-60 3A1		.5.222	MTLY	02/15/2034			1,009,652	1,000,000		1,011,880	1,009,688	4,352	0	(36)	0	0	1	12/01/2003	5.252	

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ANNUAL STATEMENT FOR THE YEAR 2003 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		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Design- nation	20 Date Acquired	21 Effective Rate of In- terest	
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year							
COUNTRY TOTAL - U.S.									2,514,557	2,500,000	XXX	2,508,440	2,514,610	8,422	2,741	(53)	0	0	XXX	XXX	XXX
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities									2,514,557	2,500,000	XXX	2,508,440	2,514,610	8,422	2,741	(53)	0	0	XXX	XXX	XXX
OTHER MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES																					
06424E-AC-8	BOAST 03-1		.1 820	MTLY	09/20/2007			999,903	1,000,000	99.3810	993,810	999,960	1,517	3,337	(57)	0	0	1	10/01/2003	1.811	
06606W-AM-6	BBHE 1998-2 A6		.6 640	MTLY	12/25/2028			530,508	500,000	106.1460	530,730	530,176	2,767	8,300	333	0	0	1	09/24/2003	6.303	
161581-CU-5	CMAOT 2003-A A4		.2 060	MTLY	12/15/2009			951,026	950,000	98.1610	932,530	951,188	1,631	10,709	(162)	0	0	1	06/03/2003	2.045	
41283A-BC-2	HDMOT 2003-3 B		.2 280	MTLY	05/15/2011			444,072	443,948	100.1020	444,401	443,881	844	3,430	191	0	0	1	08/06/2003	2.266	
617059-FB-1	JPMC 1999-C7 A2		.6 507	MTLY	10/15/2035			563,367	500,000	110.7440	553,720	564,824	2,711	21,690	(1,457)	0	0	1	04/10/2003	5.533	
866165-AF-0	SUMT 2002-1 A1		.6 340	MTLY	06/28/2016	11/28/2005	100.000	0	0	0.0000	0	0	67	0	0	0	0	1	05/28/2002	0.000	
COUNTRY TOTAL - U.S.									3,488,876	3,393,948	XXX	3,455,190	3,490,028	9,536	47,466	(1,152)	0	0	XXX	XXX	XXX
4499999 - Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities									3,488,876	3,393,948	XXX	3,455,190	3,490,028	9,536	47,466	(1,152)	0	0	XXX	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds									53,495,608	52,653,948	XXX	55,339,312	53,947,243	707,333	2,342,099	(199,971)	0	0	XXX	XXX	XXX
5499999 - Total - Issuer Obligations									82,725,770	82,005,000	XXX	85,748,021	83,323,747	1,021,111	3,575,480	(342,262)	0	0	XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities									25,645,478	24,979,132	XXX	26,065,306	25,688,378	123,693	1,102,912	(11,264)	0	0	XXX	XXX	XXX
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities									7,051,297	6,895,710	XXX	7,046,772	7,073,350	27,525	138,312	(10,935)	0	0	XXX	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities									3,488,876	3,393,948	XXX	3,455,190	3,490,028	9,536	47,466	(1,152)	0	0	XXX	XXX	XXX
6099999 Totals									118,911,421	117,273,789	XXX	122,315,289	119,575,502	1,181,866	4,864,170	(365,614)	0	0	XXX	XXX	XXX

E08.5

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2003 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 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
US GOVERNMENT OBLIGATIONS - U.S.							
36200A-6U-8	GNMA POOL #595883	05/22/2003	Undefined		307,102	297,931	596
36200A-6Z-7	GNMA POOL #595888	05/22/2003	Undefined		201,495	195,478	391
36200D-KM-4	GNMA POOL #598000	08/01/2003	Undefined		302,678	289,904	918
36200M-GB-3	GNMA POOL #604194	05/22/2003	Undefined		168,218	163,195	326
36201C-RG-1	GNMA POOL #579287	05/22/2003	Undefined		359,631	344,454	1,091
36201N-AD-2	GNMA POOL #587804	05/22/2003	Undefined		36,454	35,365	71
36201S-WF-2	GNMA POOL #592046	05/22/2003	Undefined		1,037,575	1,006,590	2,013
36201S-XJ-3	GNMA POOL #592081	05/22/2003	Undefined		826,109	801,440	1,603
36201S-YW-3	GNMA POOL #592125	05/22/2003	Undefined		365,421	349,999	1,108
36201U-YX-6	GNMA POOL #593926	05/22/2003	Undefined		381,754	365,643	1,158
38374B-BC-6	GNR 2003-49-A	05/30/2003	Undefined		497,500	500,000	891
912828-AR-1	US TREASURY NT/BD	08/27/2003	Undefined		5,688,254	5,650,000	3,719
912828-AT-7	US TREASURY	12/03/2003	Undefined		497,422	500,000	4,524
912828-AX-8	US TREASURY NT	09/12/2003	Undefined		1,003,633	1,000,000	6,094
COUNTRY TOTAL - U.S.					11,673,244	11,499,998	24,503
0399999 - Total - Bonds - U.S. Government							
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
U.S. GOVERNMENT							
31286X-VA-1	FHLM 15 YR GOLD #E93309	01/30/2003	Undefined		2,059,689	1,991,241	5,476
3134A3-4Q-6	FHLMC	11/21/2003	Undefined		1,592,490	1,471,000	36,898
31359M-SQ-7	FANNIE MAE	10/15/2003	Undefined		2,893,080	2,934,000	16,157
31371K-2T-7	FNMA 15 YR #254686	04/24/2003	Undefined		1,485,563	1,425,000	6,096
31385X-D7-9	FNMA 15 YR #555526	10/14/2003	Undefined		1,555,182	1,510,000	4,383
31391A-3V-9	FNMA ARM #661512	04/01/2003	Undefined		1,986,801	1,923,099	5,955
31393B-K7-9	FNR 2003-35 MB	08/22/2003	Undefined		1,023,125	1,000,000	3,250
31394J-6L-6	FHR 2681 PC	10/14/2003	Undefined		1,027,031	1,000,000	2,222
31400B-5W-2	FNMA 30 YR #683161	02/28/2003	Undefined		2,195,231	2,109,373	4,219
31400K-CU-8	FNMA 15 YR #689583	02/25/2003	Undefined		1,021,743	996,215	2,352
31401C-4K-6	FNMA 15 YR #704726	07/03/2003	Undefined		507,448	497,650	995
31401J-C2-2	FNMA 15 YR #709389	07/03/2003	Undefined		2,573,772	2,466,628	6,030
31402B-C3-6	FNMA 15 YR #723790	07/03/2003	Undefined		2,030,424	1,991,222	3,982
31404A-3G-7	FNMA #763199	12/19/2003	Undefined		1,002,188	1,000,000	2,337
STATE TOTAL					22,953,769	22,315,429	100,352
COUNTRY TOTAL - U.S.					22,953,769	22,315,429	100,352
3199999 - Total - Bonds - Special Revenue							
PUBLIC UTILITIES - U.S.							
010392-EJ-3	ALABAMA POWER CO	11/14/2003	Undefined		799,352	800,000	.0
637432-CQ-6	NATIONAL RURAL UTIL	07/24/2003	Undefined		823,253	750,000	9,250
713291-AE-2	PEPCO HOLDINGS INC	01/15/2003	Undefined		499,455	500,000	.0
816851-AD-1	SEMPRA ENERGY	06/30/2003	Undefined		789,338	750,000	289
879403-AK-9	TELEFONOS DE MEXICO SA 144A	11/12/2003	Undefined		269,414	270,000	.0
90210V-AC-2	TXU ENERGY CO 144A	03/06/2003	Undefined		400,000	400,000	.0
92931D-AB-8	WPD HOLDINGS UK 144A	11/06/2003	Undefined		143,424	140,000	3,930
COUNTRY TOTAL - U.S.					3,724,236	3,610,000	13,469
3899999 - Total - Bonds - Public Utilities							
INDUSTRIAL & MISCELLANEOUS - U.S.							
00103R-9A-6	AESOP 2003-5 A1	10/02/2003	Undefined		499,931	500,000	.0
020039-AG-8	ALLTEL CORP	09/11/2003	Undefined		491,090	450,000	84
055959-AY-6	BMWOT 2003-A A3	04/22/2003	Undefined		949,868	950,000	.0
05948X-R2-9	BOAMS 2003-L 2A2	12/09/2003	Undefined		1,004,992	1,000,000	2,669
06406H-AT-6	BANK OF NEW YORK	05/07/2003	Undefined		499,800	500,000	.0
06423A-AM-5	BANK ONE CORP	01/08/2003	Undefined		1,102,800	1,000,000	29,250
06424E-AC-8	BOAST 03-1	10/01/2003	Undefined		999,960	1,000,000	.0
06606W-AM-6	BBHE 1998-2 A6	09/24/2003	Undefined		530,176	500,000	2,582
073902-CB-2	BEAR STEARNS COS INC	06/18/2003	Undefined		772,905	750,000	7,750
12669F-JE-4	CWHL 2003-60 3A1	12/01/2003	Undefined		1,009,688	1,000,000	2,031
14912L-X6-3	CATERPILLAR FINANCIAL SERVICES	12/02/2003	Undefined		994,360	1,000,000	10,072
161581-CU-5	CMAOT 2003-A A4	06/03/2003	Undefined		951,188	950,000	435
184502-AM-4	CLEAR CHANNEL COMM	11/05/2003	Undefined		540,145	500,000	750
20029P-AF-6	COMCAST CABLE	01/08/2003	Undefined		507,096	450,000	7,538

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ANNUAL STATEMENT FOR THE YEAR 2003 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 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
207678-AC-7	CTRRB 2001-1 A3	09/15/2003	Undefined		1,050,480	970,000	12,043
22237L-LQ-3	COUNTRYWIDE HOME LOANS	12/01/2003	Undefined		533,453	500,000	9,151
244217-BJ-3	JOHN DEERE CAP CORP	01/08/2003	Undefined		500,810	500,000	163
25746U-AB-5	DOMINION RESOURCES INC.	12/03/2003	Undefined		324,654	300,000	9,086
370334-AW-4	GENERAL MILLS	02/27/2003	Undefined		507,640	500,000	5,597
381416-CS-1	GOLDMAN SACHS GROUP INC.	03/26/2003	Undefined		509,795	500,000	4,469
4041A0-AP-3	HBOS TREASURY SERVICES 144A	12/02/2003	Undefined		999,770	1,000,000	0
41283A-BC-2	HDMOT 2003-3 B	08/06/2003	Undefined		499,925	500,000	0
449182-AW-4	HART 2003-A B	10/29/2003	Undefined		199,968	200,000	0
449182-AX-2	HART 2003-A C	10/29/2003	Undefined		99,991	100,000	0
459745-FJ-9	INTL LEASE FINANCE CORP	07/29/2003	Undefined		997,980	1,000,000	0
487836-AY-4	KELLOGG CO	05/29/2003	Undefined		499,840	500,000	0
5526E0-AH-6	MBNA AMERICA BANK NA	02/20/2003	Undefined		552,455	500,000	17,222
571748-AH-5	MARSH & MCLENNAN COS INC.	02/11/2003	Undefined		559,591	560,000	0
592907-AA-7	FRED MEYER	02/27/2003	Undefined		543,860	500,000	307
617059-FB-1	JPMC 1999-C7 A2	04/10/2003	Undefined		564,824	500,000	1,265
617446-GL-7	MORGAN STANLEY DEAN WITTER	03/14/2003	Undefined		546,645	500,000	13,047
63936W-AC-0	NAVOT 2003-A A3	05/20/2003	Undefined		749,931	750,000	0
651229-AD-8	NEWELL RUBBERMAID INC	05/01/2003	Undefined		149,922	150,000	0
75913L-AC-5	REGIONS BANK	09/05/2003	Undefined		660,198	660,000	0
89420G-AF-6	TRAVELERS PROPERTY CASUALTY 144A	03/06/2003	Undefined		354,084	355,000	0
903278-AY-5	USAOT 2003-1 A3	07/14/2003	Undefined		999,906	1,000,000	0
904764-AF-4	UNILEVER CAPITAL CORP	09/12/2003	Undefined		1,101,020	1,000,000	25,972
914906-AC-6	UNIVISION COMM INC.	10/07/2003	Undefined		389,945	390,000	0
COUNTRY TOTAL - U.S.					24,750,684	23,985,000	161,484
4599999 - Total - Bonds - Industrial, Misc.					24,750,684	23,985,000	161,484
6099997 - Total - Bonds - Part 3					63,101,932	61,410,427	299,808
6099998 - Total - Bonds - Part 5					5,411,661	5,374,900	9,646
6099999 - Total - Bonds					68,513,593	66,785,327	309,454
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0
7099998 - Total - Common Stocks - Part 5					0	XXX	0
7099999 - Total - Common Stocks					0	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	0
7299999 Totals					68,513,593	XXX	309,454

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ANNUAL STATEMENT FOR THE YEAR 2003 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	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
US GOVERNMENT OBLIGATIONS - U.S.															
36200A-6U-8	GNMA POOL #595883	12/15/2003	PRINCIPAL RECEIPT		7,675	7,675	7,911	7,675	(236)	0	0	0	0	101	
36200A-6Z-7	GNMA POOL #595888	12/15/2003	PRINCIPAL RECEIPT		4,601	4,601	4,743	4,601	(142)	0	0	0	0	61	
36200D-KM-4	GNMA POOL #598000	12/15/2003	PRINCIPAL RECEIPT		93,178	93,178	97,283	93,178	(4,106)	0	0	0	0	824	
36200K-ZE-0	GNMA POOL #603841	12/15/2003	PRINCIPAL RECEIPT		58,502	58,502	59,352	58,502	(849)	0	0	0	0	1,967	
36200M-GB-3	GNMA POOL #604194	12/15/2003	PRINCIPAL RECEIPT		4,243	4,243	4,374	4,243	(131)	0	0	0	0	56	
36201C-RG-1	GNMA POOL #579287	12/15/2003	PRINCIPAL RECEIPT		14,630	14,630	15,274	14,630	(645)	0	0	0	0	280	
36201N-AD-2	GNMA POOL #587804	12/15/2003	PRINCIPAL RECEIPT		1,412	1,412	1,456	1,412	(43)	0	0	0	0	19	
36201N-LV-0	GNMA POOL #588140	12/15/2003	PRINCIPAL RECEIPT		113,397	113,397	115,044	113,397	(1,646)	0	0	0	0	3,957	
36201S-LU-1	GNMA POOL #591739	12/15/2003	PRINCIPAL RECEIPT		166,572	166,572	168,993	166,572	(2,417)	0	0	0	0	5,853	
36201S-WF-2	GNMA POOL #592046	12/15/2003	PRINCIPAL RECEIPT		47,406	47,406	48,865	47,406	(1,459)	0	0	0	0	419	
36201S-XJ-3	GNMA POOL #592081	12/15/2003	PRINCIPAL RECEIPT		19,786	19,786	20,395	19,786	(609)	0	0	0	0	260	
36201S-YW-3	GNMA POOL #592125	12/15/2003	PRINCIPAL RECEIPT		43,541	43,541	45,460	43,541	(1,919)	0	0	0	0	593	
36201U-YX-6	GNMA POOL #593926	12/15/2003	PRINCIPAL RECEIPT		26,224	26,224	27,379	26,224	(1,155)	0	0	0	0	390	
36202C-BS-1	GNMA POOL #1849	12/20/2003	PRINCIPAL RECEIPT		1,683	1,683	1,755	1,683	(70)	0	0	0	0	66	
36202C-G5-6	GNMA POOL #2020	12/20/2003	PRINCIPAL RECEIPT		374,681	374,681	390,722	374,681	(15,592)	0	0	0	0	16,272	
36202C-RF-2	GNMA POOL #2286	12/20/2003	PRINCIPAL RECEIPT		17,230	17,230	17,968	17,230	(718)	0	0	0	0	685	
36202C-SP-9	GNMA POOL #2326	12/20/2003	PRINCIPAL RECEIPT		213,343	213,343	222,477	213,343	(8,891)	0	0	0	0	8,354	
36202C-TA-1	GNMA POOL #2345	12/20/2003	PRINCIPAL RECEIPT		68,351	68,351	71,277	68,351	(2,850)	0	0	0	0	2,878	
36202C-UX-9	GNMA POOL #2398	12/20/2003	PRINCIPAL RECEIPT		14,390	14,390	15,006	14,390	(597)	0	0	0	0	526	
36202C-VH-3	GNMA POOL #2416	12/20/2003	PRINCIPAL RECEIPT		2,790	2,790	2,910	2,790	(116)	0	0	0	0	91	
36202C-WF-6	GNMA POOL #2446	12/20/2003	PRINCIPAL RECEIPT		47,022	47,022	49,035	47,022	(1,964)	0	0	0	0	1,819	
36202C-ZC-0	GNMA POOL #2539	12/20/2003	PRINCIPAL RECEIPT		43,080	43,080	44,924	43,080	(1,762)	0	0	0	0	1,824	
36203A-P2-6	GNMA POOL #343441	12/15/2003	PRINCIPAL RECEIPT		10,103	10,103	10,443	10,103	(313)	0	0	0	0	446	
362059-Y8-4	GNMA POOL #030435	12/15/2003	PRINCIPAL RECEIPT		903	903	975	903	(49)	0	0	0	0	57	
36205J-AX-3	GNMA POOL #391622	12/15/2003	PRINCIPAL RECEIPT		57,701	57,701	59,648	57,701	(1,786)	0	0	0	0	1,657	
36205J-HZ-1	GNMA POOL #391848	12/15/2003	PRINCIPAL RECEIPT		57	57	59	57	(2)	0	0	0	0	3	
36205L-JF-8	GNMA POOL #393662	12/15/2003	PRINCIPAL RECEIPT		653	653	675	653	(21)	0	0	0	0	29	
362064-L8-8	GNMA POOL #034551	12/15/2003	PRINCIPAL RECEIPT		16,699	16,699	18,025	16,699	(989)	0	0	0	0	987	
36210A-2E-6	GNMA POOL #486873	12/15/2003	PRINCIPAL RECEIPT		313,960	313,960	293,675	313,960	19,689	0	0	0	0	9,553	
362135-4V-4	GNMA POOL #097136	12/15/2003	PRINCIPAL RECEIPT		4,330	4,330	4,763	4,330	(328)	0	0	0	0	250	
362135-T3-9	GNMA POOL #096870	01/15/2003	PRINCIPAL RECEIPT		57,680	57,680	63,448	57,680	(3,897)	0	0	0	0	505	
362146-3M-0	GNMA POOL #106204	12/15/2003	PRINCIPAL RECEIPT		92,390	92,390	99,723	92,390	(5,446)	0	0	0	0	4,645	
36214H-GD-4	GNMA POOL #106496	12/15/2003	PRINCIPAL RECEIPT		2,407	2,407	2,598	2,407	(141)	0	0	0	0	118	
362151-AU-6	GNMA POOL #150419	12/15/2003	PRINCIPAL RECEIPT		14,038	14,038	15,319	14,038	(1,109)	0	0	0	0	814	
362153-ED-6	GNMA POOL #152332	12/15/2003	PRINCIPAL RECEIPT		20,654	20,654	22,539	20,654	(1,461)	0	0	0	0	1,667	
362157-W5-4	GNMA POOL #156468	12/15/2003	PRINCIPAL RECEIPT		14,008	14,008	15,286	14,008	(1,072)	0	0	0	0	474	
362159-P2-5	GNMA POOL #158041	12/15/2003	PRINCIPAL RECEIPT		11,706	11,706	12,775	11,706	(906)	0	0	0	0	940	
36215N-3T-9	GNMA POOL #140410	12/15/2003	PRINCIPAL RECEIPT		8,512	8,512	9,289	8,512	(666)	0	0	0	0	312	
36215N-3U-6	GNMA POOL #140411	12/15/2003	PRINCIPAL RECEIPT		4,278	4,278	4,669	4,278	(341)	0	0	0	0	329	
36215N-TV-6	GNMA POOL #140164	12/15/2003	PRINCIPAL RECEIPT		11,949	11,949	13,039	11,949	(988)	0	0	0	0	698	
36215Q-YK-7	GNMA POOL #142114	12/15/2003	PRINCIPAL RECEIPT		230	230	251	230	(18)	0	0	0	0	13	
36215U-VT-2	GNMA POOL #145626	12/15/2003	PRINCIPAL RECEIPT		16,916	16,916	18,460	16,916	(1,315)	0	0	0	0	501	
36215U-ZH-4	GNMA POOL #145744	12/15/2003	PRINCIPAL RECEIPT		271	271	296	271	(20)	0	0	0	0	15	
36215W-BR-4	GNMA POOL #146848	12/15/2003	PRINCIPAL RECEIPT		865	865	943	865	(67)	0	0	0	0	48	
36215W-QD-9	GNMA POOL #147252	12/15/2003	PRINCIPAL RECEIPT		11,857	11,857	12,939	11,857	(912)	0	0	0	0	397	
362162-SW-0	GNMA POOL #181533	12/15/2003	PRINCIPAL RECEIPT		175	175	189	175	(13)	0	0	0	0	9	
362164-X6-7	GNMA POOL #183501	12/15/2003	PRINCIPAL RECEIPT		2,957	2,957	3,226	2,957	(237)	0	0	0	0	166	
36216H-YB-6	GNMA POOL #165506	12/15/2003	PRINCIPAL RECEIPT		37,385	37,385	37,561	37,385	(114)	0	0	0	0	2,045	
36216S-J7-8	GNMA POOL #173186	12/15/2003	PRINCIPAL RECEIPT		5,462	5,462	5,488	5,462	(16)	0	0	0	0	356	
36216W-WW-9	GNMA POOL #177161	12/15/2003	PRINCIPAL RECEIPT		65,984	65,984	72,004	65,984	(5,223)	0	0	0	0	4,993	
36217B-5D-6	GNMA POOL #189044	12/15/2003	PRINCIPAL RECEIPT		2,435	2,435	2,348	2,435	71	0	0	0	0	144	
36217C-SU-1	GNMA POOL #189631	12/15/2003	PRINCIPAL RECEIPT		19,448	19,448	21,222	19,448	(1,486)	0	0	0	0	882	
36218F-KA-5	GNMA POOL #220889	12/15/2003	PRINCIPAL RECEIPT		142	142	153	142	(10)	0	0	0	0	7	
36218V-S9-5	GNMA POOL #233744	12/15/2003	PRINCIPAL RECEIPT		693	693	675	693	15	0	0	0	0	38	
36218W-MD-0	GNMA POOL #234456	12/15/2003	PRINCIPAL RECEIPT		2,552	2,552	2,785	2,552	(213)	0	0	0	0	142	
362199-7D-7	GNMA POOL #271892	12/15/2003	PRINCIPAL RECEIPT		133	133	144	133	(10)	0	0	0	0	7	
36219E-BK-5	GNMA POOL #246742	12/15/2003	PRINCIPAL RECEIPT		32,649	32,649	35,241	32,649	(2,259)	0	0	0	0	1,462	

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ANNUAL STATEMENT FOR THE YEAR 2003 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	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
36219G-FG-5	GNMA POOL #248667	12/15/2003	PRINCIPAL RECEIPT		29,548	29,548	32,245	29,548	(2,359)	0	0	0	0	1,926	
36219M-5Q-1	GNMA POOL #253855	12/15/2003	PRINCIPAL RECEIPT		864	864	933	864	(61)	0	0	0	0	43	
36219N-HR-4	GNMA POOL #254140	12/15/2003	PRINCIPAL RECEIPT		1,060	1,060	1,022	1,060	29	0	0	0	0	61	
36219N-TB-6	GNMA POOL #254446	12/15/2003	PRINCIPAL RECEIPT		1,536	1,536	1,658	1,536	(110)	0	0	0	0	76	
36219S-Z5-1	GNMA POOL #258264	12/15/2003	PRINCIPAL RECEIPT		17,782	17,782	19,405	17,782	(1,339)	0	0	0	0	760	
36219T-NG-0	GNMA POOL #258813	12/15/2003	PRINCIPAL RECEIPT		5,012	5,012	4,832	5,012	144	0	0	0	0	251	
36219U-4W-1	GNMA POOL #260137	12/15/2003	PRINCIPAL RECEIPT		8,316	8,316	8,017	8,316	248	0	0	0	0	377	
36220H-QY-9	GNMA POOL #278671	12/15/2003	PRINCIPAL RECEIPT		3,778	3,778	4,077	3,778	(260)	0	0	0	0	159	
36220L-2N-0	GNMA POOL #281681	12/15/2003	PRINCIPAL RECEIPT		18,196	18,196	19,640	18,196	(1,319)	0	0	0	0	566	
36220M-AP-4	GNMA POOL #281814	12/15/2003	PRINCIPAL RECEIPT		94,514	94,514	102,016	94,514	(7,206)	0	0	0	0	3,580	
36221G-SV-4	GNMA POOL #905932	12/15/2003	PRINCIPAL RECEIPT		4,630	4,630	5,061	4,630	(321)	0	0	0	0	261	
36221H-5W-5	GNMA POOL #907161	12/15/2003	PRINCIPAL RECEIPT		1,471	1,471	1,607	1,471	(102)	0	0	0	0	83	
36221J-JS-5	GNMA POOL #907473	12/15/2003	PRINCIPAL RECEIPT		943	943	1,031	943	(75)	0	0	0	0	53	
36221J-JV-5	GNMA POOL #907796	12/15/2003	PRINCIPAL RECEIPT		215	215	235	215	(15)	0	0	0	0	12	
36221M-YS-1	GNMA POOL #910621	12/15/2003	PRINCIPAL RECEIPT		1,489	1,489	1,628	1,489	(108)	0	0	0	0	84	
36225A-DX-5	GNMA POOL #780118	12/15/2003	PRINCIPAL RECEIPT		75,068	75,068	80,604	75,068	(5,263)	0	0	0	0	3,740	
36225A-FR-6	GNMA POOL #780176	12/15/2003	PRINCIPAL RECEIPT		600,236	600,236	650,319	600,236	(46,905)	0	0	0	0	33,801	
36225A-L7-3	GNMA POOL #780350	12/15/2003	PRINCIPAL RECEIPT		322,261	322,261	316,823	322,261	4,616	0	0	0	0	10,716	
38374B-BC-6	GNR 2003-49-A	12/01/2003	PRINCIPAL RECEIPT		11,768	11,768	11,709	11,768	59	0	0	0	0	1,776	
912828-AR-1	US TREASURY NT/BD	05/30/2003	Undefined		100,852	100,000	100,242	100,198	(44)	0	0	653	653	1,432	
912828-AX-8	US TREASURY NT	12/03/2003	Undefined		499,688	500,000	501,816	501,568	(248)	0	0	(1,881)	(1,881)	4,821	
COUNTRY TOTAL - U.S.					4,025,143	4,024,604	4,158,393	4,026,370	(120,210)	0	0	(1,228)	(1,228)	144,881	XXX
0399999 - Bonds - U.S. Governments					4,025,143	4,024,604	4,158,393	4,026,370	(120,210)	0	0	(1,228)	(1,228)	144,881	XXX
SPECIAL REVENUE AND ASSESSMENTS - U.S. GEORGIA															
047852-DF-2	ATLANTA GA URBAN RESIDENTIAL FIN	10/01/2003	MORGAN KEEGAN & CO		76,680	225,000	36,435	76,094	3,842	0	0	587	587	0	XXX
STATE TOTAL					76,680	225,000	36,435	76,094	3,842	0	0	587	587	0	XXX
U.S. GOVERNMENT															
3128GX-VA-1	FHLM 15 YR GOLD #E93309	12/15/2003	PRINCIPAL RECEIPT		1,054,008	1,054,008	1,090,239	1,054,008	(36,232)	0	0	0	0	24,692	
312911-Z6-0	FHLMC 13602	05/15/2003	VARIOUS		617,654	619,625	394,513	619,613	5,844	0	0	(1,960)	(1,960)	10,269	
312950-S3-3	FHLMC PC GOLD 15Y POOL #B00538	12/15/2003	PRINCIPAL RECEIPT		49,669	49,669	52,261	49,669	(977)	0	0	0	0	1,950	
313399-PE-1	FHR 2347 PB	08/15/2003	PRINCIPAL RECEIPT		1,100,000	1,100,000	1,143,656	1,100,000	(31,952)	0	0	0	0	29,538	
3133TK-2M-1	FHR 2131 BD	05/29/2003	SALOMON BROTHERS INC		1,519,570	1,500,000	1,521,328	1,513,443	(1,895)	0	0	6,127	6,127	45,500	
3134A4-LX-0	FEDERAL HOME LOAN MORTGAGE	07/14/2003	Undefined		1,026,510	1,000,000	1,018,906	1,012,940	(5,081)	0	0	13,570	13,570	21,667	
3134A4-RA-4	FHLMC	07/14/2003	Undefined		2,569,113	2,500,000	2,506,153	2,504,637	(1,103)	0	0	64,476	64,476	65,087	
31358T-KP-3	FNMA PAC 1993-G03 CL-J	08/25/2003	PRINCIPAL RECEIPT		995,904	995,904	953,889	995,904	4,464	0	0	0	0	23,856	
31359F-SU-3	FNMA CMO SER 93-223 CL PG	03/25/2003	PRINCIPAL RECEIPT		114,851	114,851	113,416	114,851	437	0	0	0	0	854	
31359M-DW-0	FNMA	11/21/2003	BEAR STERNS		1,591,641	1,500,000	1,574,355	1,535,645	(19,212)	0	0	55,995	55,995	81,698	
31359M-FV-0	BTFNMA	06/10/2003	MERRILL LYNCH		4,804,605	4,300,000	4,591,389	4,456,992	(30,982)	0	0	347,613	347,613	272,572	
31359M-PT-4	FANNIE MAE	01/10/2003	Undefined		1,013,828	1,000,000	1,007,969	1,007,588	(66)	0	0	6,240	6,240	5,990	
31359M-SQ-7	FANNIE MAE	12/24/2003	Undefined		1,486,154	1,500,000	1,479,080	1,479,825	745	0	0	6,329	6,329	17,378	
31359S-ES-5	FNR 2001-3 PG	09/25/2003	PRINCIPAL RECEIPT		2,000,000	2,000,000	2,003,125	2,000,000	(2,769)	0	0	0	0	61,357	
31365E-BN-2	FNMA POOL #125245	12/25/2003	PRINCIPAL RECEIPT		88,102	88,102	90,166	88,102	(1,795)	0	0	0	0	2,786	
31371K-2T-7	FNMA 15 YR #254686	12/25/2003	PRINCIPAL RECEIPT		247,894	247,894	258,430	247,894	(10,536)	0	0	0	0	5,009	
31376D-W7-3	FNMA 15 YR #352670	12/25/2003	PRINCIPAL RECEIPT		186,789	186,789	188,854	186,789	(1,640)	0	0	0	0	5,811	
31378D-NP-1	FNMA 15 YR #395598	12/25/2003	PRINCIPAL RECEIPT		64,657	64,657	65,372	64,657	(528)	0	0	0	0	2,667	
31378F-2D-6	FNMA 15 YR #397772	12/25/2003	PRINCIPAL RECEIPT		68,845	68,845	69,606	68,845	(592)	0	0	0	0	2,349	
31378M-GL-8	FNMA 15 YR #402603	12/25/2003	PRINCIPAL RECEIPT		65,241	65,241	65,962	65,241	(544)	0	0	0	0	1,943	
31378N-GZ-5	FNMA 15 YR #403516	12/25/2003	PRINCIPAL RECEIPT		99,857	99,857	100,960	99,857	(910)	0	0	0	0	2,651	
31378T-K4-6	FNMA 15 YR #408115	12/25/2003	PRINCIPAL RECEIPT		78,600	78,600	79,469	78,600	(719)	0	0	0	0	2,943	
31379B-HC-0	FNMA 15 YR #414327	12/25/2003	PRINCIPAL RECEIPT		88,194	88,194	89,169	88,194	(802)	0	0	0	0	2,303	
31379K-H2-2	FNMA 15 YR #421549	12/25/2003	PRINCIPAL RECEIPT		184,265	184,265	186,302	184,265	(1,576)	0	0	0	0	6,003	
31379K-H3-0	FNMA 15 YR #421550	12/25/2003	PRINCIPAL RECEIPT		160,344	160,344	162,116	160,344	(1,442)	0	0	0	0	5,111	
31379X-JT-3	FNMA 15 YR #432374	12/25/2003	PRINCIPAL RECEIPT		52,093	52,093	52,668	52,093	(468)	0	0	0	0	1,026	
31379Y-FR-9	FNMA 15 YR #433176	12/25/2003	PRINCIPAL RECEIPT		464,136	464,136	468,923	464,136	(3,771)	0	0	0	0	15,651	
31380L-TC-2	FNMA 15 YR #443447	12/25/2003	PRINCIPAL RECEIPT		235,951	235,951	238,559	235,951	(2,243)	0	0	0	0	3,779	
31380Q-GA-9	FNMA 15 YR #446693	12/25/2003	PRINCIPAL RECEIPT		141,425	141,425	142,988	141,425	(1,303)	0	0	0	0	3,544	

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ANNUAL STATEMENT FOR THE YEAR 2003 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	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
31380Q-H3-4	FNMA 15 YR #446750	12/25/2003	PRINCIPAL RECEIPT		233,905	233,905	236,491	233,905	(2,172)	0	0	0	0	5,274	
31382D-YS-7	FNMA 30 YR #479621	03/25/2003	VARIOUS		2,513,803	2,429,547	2,396,900	2,402,531	4,492	0	0	111,273	111,273	38,744	
31382G-NY-9	FNMA 15 YR #482007	12/25/2003	PRINCIPAL RECEIPT		39,008	39,008	39,439	39,008	(366)	0	0	0	0	1,385	
31382J-T7-6	FNMA 15 YR #483974	12/25/2003	PRINCIPAL RECEIPT		564,273	564,273	570,093	564,273	(4,745)	0	0	0	0	12,179	
31382L-BY-1	FNMA 15 YR #485255	12/25/2003	PRINCIPAL RECEIPT		940,036	940,036	949,730	940,036	(7,563)	0	0	0	0	29,813	
31382L-X2-7	FNMA 15 YR #485897	12/25/2003	PRINCIPAL RECEIPT		94,687	94,687	95,734	94,687	(881)	0	0	0	0	2,607	
31382M-CY-8	FNMA 15 YR #486187	12/25/2003	PRINCIPAL RECEIPT		170,085	170,085	171,966	170,085	(1,601)	0	0	0	0	4,207	
31382N-SQ-6	FNMA 30 YR #487527	12/25/2003	PRINCIPAL RECEIPT		1,236,954	1,236,954	1,220,333	1,236,954	16,064	0	0	0	0	41,656	
31382Q-UQ-6	FNMA 15 YR #489391	12/25/2003	PRINCIPAL RECEIPT		37,785	37,785	38,203	37,785	(358)	0	0	0	0	1,638	
31382T-HK-8	FNMA 15 YR #491734	12/25/2003	PRINCIPAL RECEIPT		62,916	62,916	63,612	62,916	(579)	0	0	0	0	1,902	
31383S-CV-0	FNMA 30 YR #511384	12/25/2003	PRINCIPAL RECEIPT		70,392	70,392	68,874	70,392	1,494	0	0	0	0	1,657	
31383T-SN-9	FNMA 30 YR #512725	12/25/2003	PRINCIPAL RECEIPT		87,319	87,319	85,436	87,319	1,853	0	0	0	0	2,408	
31385X-D7-9	FNMA 15 YR #555526	12/25/2003	PRINCIPAL RECEIPT		64,787	64,787	66,725	64,787	(1,939)	0	0	0	0	441	
31385Y-YS-1	FNMA 15 YR #556925	05/25/2003	VARIOUS		36,968	36,012	36,980	36,613	(308)	0	0	355	355	934	
31386L-U6-7	FNMA 15 YR #566805	05/25/2003	VARIOUS		16,063	15,541	15,410	15,431	19	0	0	632	632	436	
31386V-VK-3	FNMA 15 YR #574918	05/25/2003	VARIOUS		20,208	19,485	19,321	19,336	9	0	0	873	873	567	
31386X-J6-4	FNMA 15 YR #576385	05/25/2003	VARIOUS		667,778	651,408	645,912	647,989	1,932	0	0	19,789	19,789	16,160	
31388E-AF-3	FNMA 15 YR #602206	05/25/2003	VARIOUS		702,004	683,559	701,929	695,118	(5,657)	0	0	6,886	6,886	18,146	
31388W-BW-5	FNMA 15 YR #616653	05/25/2003	VARIOUS		56,981	55,181	56,664	56,317	(262)	0	0	664	664	1,537	
31389B-BV-2	FNMA 15 YR #620252	05/25/2003	VARIOUS		446,752	433,251	443,338	440,561	(2,111)	0	0	6,192	6,192	11,645	
31389P-LB-4	FNMA POOL #631322	10/25/2003	VARIOUS		1,995,000	1,967,713	2,011,987	1,979,975	(30,808)	0	0	15,025	15,025	73,017	
31390K-WT-1	FNMA POOL #648758	12/25/2003	PRINCIPAL RECEIPT		634,020	634,020	642,441	634,020	(8,405)	0	0	0	0	15,827	
31391A-3V-9	FNMA ARM #661512	12/25/2003	PRINCIPAL RECEIPT		527,389	527,389	544,859	527,389	(17,470)	0	0	0	0	9,463	
31392K-2U-9	FHR 2435 CD	05/29/2003	Undefined		1,017,031	1,000,000	1,047,500	1,034,796	(5,952)	0	0	(17,764)	(17,764)	32,861	
31400B-5W-2	FNMA 30 YR #683161	12/25/2003	PRINCIPAL RECEIPT		713,999	713,999	743,061	713,999	(29,062)	0	0	0	0	16,920	
31400K-CU-8	FNMA 15 YR #689583	12/25/2003	PRINCIPAL RECEIPT		89,035	89,035	91,317	89,035	(2,282)	0	0	0	0	1,175	
31401C-4K-6	FNMA 15 YR #704726	12/25/2003	PRINCIPAL RECEIPT		21,008	21,008	21,422	21,008	(414)	0	0	0	0	226	
31401J-C2-2	FNMA 15 YR #709389	12/25/2003	VARIOUS		1,253,442	1,228,286	1,281,639	1,271,267	(10,373)	0	0	(17,824)	(17,824)	28,410	
31402B-C3-6	FNMA 15 YR #723790	12/25/2003	PRINCIPAL RECEIPT		41,687	41,687	42,507	41,687	(821)	0	0	0	0	468	
76110Y-AZ-5	RFMSI 1999-S3 A1	06/25/2003	PRINCIPAL RECEIPT		401,374	401,374	409,574	401,374	(7,811)	0	0	0	0	6,444	
STATE TOTAL					36,926,587	36,011,092	36,469,221	36,302,098	(263,722)	0	0	624,489	624,489	1,104,127	XXX
COUNTRY TOTAL - U.S.					37,003,267	36,236,092	36,505,656	36,378,192	(259,880)	0	0	625,076	625,076	1,104,127	XXX
3199999 - Bonds - Special Revenues					37,003,267	36,236,092	36,505,656	36,378,192	(259,880)	0	0	625,076	625,076	1,104,127	XXX
PUBLIC UTILITIES - U.S.															
190441-BE-4	COASTAL CORP	07/29/2003	Undefined		264,000	300,000	304,059	303,017	(504)	0	0	(39,017)	(39,017)	21,625	
337932-AA-5	FIRSTENERGY CORP	08/18/2003	MORGAN STANLEY		215,063	210,000	209,765	209,841	28	0	0	5,222	5,222	8,855	
60467P-AG-9	MIRANT AMERICAS GENERATION	06/03/2003	Undefined		337,000	500,000	480,000	484,114	226,614	0	0	(147,114)	(147,114)	16,797	
65474N-AA-7	NISOURCE FINANCE CORP	04/15/2003	MATURITY		500,000	500,000	489,705	500,000	2,892	0	0	0	0	14,375	
677347-BJ-4	OHIO EDISON CO	09/15/2003	MATURITY		1,230,000	1,230,000	1,317,109	1,230,000	(11,326)	0	0	0	0	106,088	
COUNTRY TOTAL - U.S.					2,546,063	2,740,000	2,800,637	2,726,971	217,703	0	0	(180,908)	(180,908)	167,740	XXX
3899999 - Bonds - Public Utilities					2,546,063	2,740,000	2,800,637	2,726,971	217,703	0	0	(180,908)	(180,908)	167,740	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.															
008916-AA-6	AGRIUM INC	01/08/2003	MERRILL LYNCH		520,720	500,000	498,390	499,702	5	0	0	21,018	21,018	15,750	
023586-AA-8	AMERCO NOTE	05/16/2003	SALOMON BROTHERS INC		750,000	1,000,000	999,700	1,000,000	300,000	0	0	(250,000)	(250,000)	40,340	
06423A-AM-5	BANK ONE CORP	03/14/2003	Undefined		554,685	500,000	551,400	548,458	(2,942)	0	0	6,227	6,227	20,583	
097014-AB-0	BOEING CAP CORP	12/02/2003	MERRILL LYNCH		1,079,980	1,000,000	1,003,871	1,001,569	(722)	0	0	78,411	78,411	84,411	
149123-AP-6	CATERPILLAR INC	11/30/2003	WERTHEIM SCHRODER & CO		500,000	500,000	467,205	488,715	2,608	0	0	11,285	11,285	23,750	
172967-BF-7	CITIGROUP INC	08/18/2003	Undefined		322,326	300,000	307,326	305,085	(1,079)	0	0	17,241	17,241	13,465	
184502-AG-7	CLEAR CHANNEL	10/06/2003	MERRILL LYNCH		834,112	760,000	806,033	782,281	(8,308)	0	0	51,831	51,831	45,097	
20043J-AG-0	COMINCO LTD MTNS	05/26/2003	MATURITY		1,275,000	1,275,000	1,313,148	1,275,000	(3,004)	0	0	0	0	71,383	
210518-BN-5	CONSUMERS ENERGY CO	02/10/2003	Undefined		156,725	155,000	154,964	154,974	1	0	0	1,751	1,751	3,808	
22237L-LQ-3	COUNTRYWIDE HOME LOANS	02/25/2003	Undefined		268,708	250,000	261,581	260,428	(423)	0	0	8,280	8,280	7,906	
224044-AF-4	COX COMMUNICATION	08/01/2003	Undefined		266,563	265,000	269,335	267,747	(791)	0	0	18,816	18,816	11,690	
22541L-AD-5	CREDIT SUISSE FIRST BOSTON	11/20/2003	Undefined		542,495	500,000	525,858	520,280	(4,802)	0	0	22,215	22,215	60,694	
233835-AB-3	DAIMLERCHRYSLER SNR NTS	08/18/2003	CS First Boston		314,034	300,000	299,553	299,895	61	0	0	14,139	14,139	20,125	
25156P-AA-1	DEUTSCHE TELEKOM FINANCE GRP	01/10/2003	DEUTSCHE BANK		375,000	375,000	374,348	374,648	3	0	0	31,672	31,672	2,578	
26816L-AC-6	DYNEGY HOLDINGS	08/08/2003	Undefined		200,000	200,000	204,702	202,728	(949)	0	0	(2,728)	(2,728)	18,715	

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ANNUAL STATEMENT FOR THE YEAR 2003 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	15	16	
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	
277461-AS-8	EASTMAN KODAK CO NOTE	07/23/2003	HAMILTON INVESTMENTS, INC.		546,110	500,000	622,435	517,579	(7,823)	0	0	28,531	28,531	40,219		
302570-AH-9	FPL GROUP CAPITAL INC	11/14/2003	Undefined		823,712	800,000	845,480	814,499	(22,467)	0	0	9,213	9,213	53,167		
345397-TX-1	FORD MOTOR CREDIT	03/21/2003	SALOMON BROTHERS INC.		977,473	1,000,000	998,450	998,790	37	0	0	(21,317)	(21,317)	37,826		
41283A-BC-2	HDMOT 2003-3 B	12/15/2003	PRINCIPAL RECEIPT		56,052	56,052	56,043	56,052	8	0	0	0	0	267		
45974V-YB-8	INTL LEASE FINANCE CORP	07/29/2003	Undefined		1,137,576	1,100,000	1,139,274	1,119,633	(12,917)	0	0	17,943	17,943	48,064		
55262L-AA-8	MBNA CORPORATION	02/20/2003	CHASE MANHATTAN		536,135	500,000	491,250	496,904	168	0	0	39,231	39,231	8,021		
637432-CR-4	NATL RURAL UTILITIES COOP FINANCE	07/24/2003	Undefined		726,537	700,000	723,772	712,545	(7,071)	0	0	13,993	13,993	38,179		
638585-AF-6	NATIONSBANK SUB NOTE	07/21/2003	ISI MANAGEMENT		1,003,098	1,000,000	1,000,000	1,000,000	0	0	0	3,098	3,098	61,208		
676255-AJ-1	OFFSHORE LOGISTICS INC 144A	04/08/2003	JEFFERIES & COMPANY, INC.		647,563	650,000	648,200	648,965	24,965	0	0	(1,402)	(1,402)	37,713		
68338S-BA-5	ONYX ACCEPTANCE AUTO TRUST	03/19/2003	VARIOUS		356,080	356,080	356,004	356,077	4	0	0	3	3	4,993		
69332H-GX-8	PHH CORP MTN	02/03/2003	MATURITY		1,000,000	1,000,000	999,680	1,000,000	15	0	0	0	0	40,625		
751025-AA-5	RALCORP	01/08/2003	Undefined		550,290	500,000	553,350	535,468	(395)	0	0	14,822	14,822	14,340		
866165-AF-0	SUMT 2002-1 A1	12/03/2003	VARIOUS		516,181	516,181	530,497	516,379	(11,724)	0	0	(198)	(198)	20,473		
902118-AL-2	TYCO INTERNATIONAL GRP	04/30/2003	Barclay Investments		699,000	700,000	678,314	690,745	15,245	0	0	8,255	8,255	19,355		
908068-AD-1	UNION PLANTERS CORP SUB	11/01/2003	MATURITY		1,000,000	1,000,000	985,150	1,000,000	1,946	0	0	0	0	62,500		
912920-AU-9	US WEST COMMUNICATIONS INC	08/04/2003	SALOMON BROTHERS INC.		302,250	300,000	307,382	302,706	14,706	0	0	(456)	(456)	16,560		
939322-AG-8	WASHINGTON MUTUAL	12/10/2003	Undefined		535,135	500,000	531,610	524,386	(6,844)	0	0	10,749	10,749	39,844		
COUNTRY TOTAL - U.S.					19,424,858	19,058,313	19,504,305	19,272,237	267,512	0	0	152,621	152,621	983,650	XXX	
4599999 - Bonds - Industrial and Miscellaneous					19,424,858	19,058,313	19,504,305	19,272,237	267,512	0	0	152,621	152,621	983,650	XXX	
6099997 - Bonds - Part 4					62,999,331	62,059,009	62,968,991	62,403,771	105,126	0	0	595,561	595,561	2,400,398	XXX	
6099998 - Bonds - Part 5					5,273,670	5,374,900	5,411,661	5,399,707	(11,953)	0	0	(126,037)	(126,037)	81,657	XXX	
6099999 - Total - Bonds					68,273,001	67,433,909	68,380,652	67,803,478	93,172	0	0	469,523	469,523	2,482,055	XXX	
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	XXX	0
7099998 - Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	XXX	0
7099999 - Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	XXX	0
7299999 Totals					68,273,001	XXX	68,380,652	67,803,478	93,172	0	0	469,523	469,523	2,482,055	0	

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ANNUAL STATEMENT FOR THE YEAR 2003 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	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
SPECIAL REVENUE AND ASSESSMENTS - U.S. GOVERNMENT																
31359M-SB-0...	FANNIE MAE	05/29/2003	Undefined	10/15/2003	Undefined	3,000,000	3,000,235	2,880,768	3,000,218	(17)	0	0	(119,450)	(119,450)	29,792	2,083
31374T-JA-8...	FNMA 15 YR #323457	02/16/2003	Undefined	10/25/2003	VARIOUS	999,900	1,024,117	1,016,484	1,013,054	(11,063)	0	0	3,431	3,431	31,324	2,750
STATE TOTAL						3,999,900	4,024,352	3,897,252	4,013,272	(11,079)	0	0	(116,020)	(116,020)	61,115	4,833
COUNTRY TOTAL - U.S.						3,999,900	4,024,352	3,897,252	4,013,272	(11,079)	0	0	(116,020)	(116,020)	61,115	4,833
3199999 - Bonds - Special Revenue						3,999,900	4,024,352	3,897,252	4,013,272	(11,079)	0	0	(116,020)	(116,020)	61,115	4,833
PUBLIC UTILITIES - U.S.																
25746U-AL-3...	DOMINION RESOURCES INC	06/30/2003	Undefined	12/03/2003	Undefined	300,000	313,125	303,936	311,996	(1,129)	0	0	(8,060)	(8,060)	10,141	4,813
COUNTRY TOTAL - U.S.						300,000	313,125	303,936	311,996	(1,129)	0	0	(8,060)	(8,060)	10,141	4,813
3899999 - Bonds - Public Utilities						300,000	313,125	303,936	311,996	(1,129)	0	0	(8,060)	(8,060)	10,141	4,813
INDUSTRIAL & MISCELLANEOUS - U.S.																
369550-AH-1...	GENERAL DYNAMICS CORP	05/12/2003	Undefined	09/29/2003	Undefined	575,000	574,235	572,482	574,327	92	0	0	(1,846)	(1,846)	4,650	0
41283A-AW-9...	HDMOT 2003-1 B	01/28/2003	Undefined	08/06/2003	VARIOUS	500,000	499,949	500,000	500,112	163	0	0	(112)	(112)	5,751	0
COUNTRY TOTAL - U.S.						1,075,000	1,074,184	1,072,482	1,074,439	255	0	0	(1,957)	(1,957)	10,401	0
4599999 - Bonds - Industrial and Miscellaneous						1,075,000	1,074,184	1,072,482	1,074,439	255	0	0	(1,957)	(1,957)	10,401	0
6099998 - Total - Bonds						5,374,900	5,411,661	5,273,670	5,399,707	(11,953)	0	0	(126,037)	(126,037)	81,657	9,646
7199999 - Total - Preferred and Common Stocks																
7299999 Totals							5,411,661	5,273,670	5,399,707	(11,953)	0	0	(126,037)	(126,037)	81,657	9,646

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 If Yes, Amount of Such Intangible Assets	7 Statement Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
NONE								
1999999 Totals							XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$
2. Total amount of intangible assets nonadmitted: \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2003 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		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Designation	17 Effective Rate of Interest		
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received					
161990-22-1	Chase Manhattan	01/01/2003	Undefined	0.000	MATR	01/01/2004	1,706,312			1,706,312	1,706,312				1	0.000		
3999999 - Industrial and Miscellaneous - Issuer Obligations							1,706,312			1,706,312	1,706,312					XXX	XXX	
4599999 - Total - Industrial and Miscellaneous Bonds							1,706,312			1,706,312	1,706,312						XXX	XXX
5499999 - Total - Issuer Obligations							1,706,312			1,706,312	1,706,312						XXX	XXX
6099999 - Total - Bonds							1,706,312			1,706,312	1,706,312						XXX	XXX
8099999 Totals							1,706,312	(a)			XXX	1,706,312					XXX	XXX

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

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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 B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

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 D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

**ANNUAL STATEMENT FOR THE YEAR 2003 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 value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds	120,617,733	124,021,601	3,403,868
2. Preferred Stocks	0		0
3. Totals	120,617,733	124,021,601	3,403,868

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

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing Investments owned December 31 of current year

1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Rate of Interest	Maturity	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
NONE							
0199999 Total Cash Equivalents							

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ANNUAL STATEMENT FOR THE YEAR 2003 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

1	2	3	4	5	6	7
Line Number	Type	Description of Deposit	Where Deposited and Purpose of Deposit	Par or Book Value	Statement Value (a)	Fair Value
OT99999	- Other			0	0	0
9999997	- Totals - Not All Policyholders			0	0	0
9999998	- Totals - All Policyholders			39,736,000	41,768,289	43,309,029
9999999	Totals			39,736,000	41,768,289	43,309,029

(a) Including \$ cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.