

ANNUAL STATEMENT

OF THE

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

2005

OF

Richmond

IN THE STATE OF

Virginia

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

FOR THE YEAR ENDED

DECEMBER 31, 2005

PROPERTY AND CASUALTY

2005



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2005
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/Organized 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)
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 Brenda J Stewart (Name) 512-404-6555 (Area Code) (Telephone Number) (Extension)
bstewart@palomarfin.com (E-mail Address) 512-404-6530 (Fax Number)
Policyowner Relations Contact 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) (Extension)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Rows are blank.

OTHER OFFICERS

DIRECTORS OR TRUSTEES

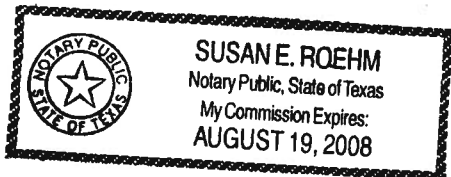
State of Texas
County of Travis ss

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Brenda J. Stewart Nicole Wilkins
Brenda J. Stewart Nicole Wilkins
Authorized Representative Authorized Representative

Subscribed and sworn to before me this 28th day of February 2006
Susan E. Roehm

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed 02/28/2006
3. Number of pages attached





ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

Statement of Actuarial Opinion



**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership**

Management's Discussion and Analysis



**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION
GROUP, In Receivership**

Audited Financial Report

**ANNUAL STATEMENT FOR THE YEAR 2005 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).....	123,009,170	0	123,009,170	116,738,449
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 (\$788,463 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$629,307 , Schedule DA).....	1,417,770		1,417,770	6,320,631
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables 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)	124,426,940	0	124,426,940	123,059,080
11. Title plants less \$ charged off (for Title insurers only).....			0	
12. Investment income due and accrued	1,350,923		1,350,923	1,206,186
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	845,117		845,117	868,465
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....			0	10,976
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	4,669,106	4,669,106	0	0
22. Health care (\$) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets	45,226,976	44,722,398	504,578	506,519
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	176,519,062	49,391,504	127,127,558	125,651,226
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	176,519,062	49,391,504	127,127,558	125,651,226
DETAILS OF WRITE-INS				
0901.				
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.....	504,578		504,578	506,519
2302. Miscellaneous receivables.....	3,550	3,550	0	0
2303. Estimated net recoverable from funds held under reinsurance treaties.....	44,718,848	44,718,848	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)	45,226,976	44,722,398	504,578	506,519

**ANNUAL STATEMENT FOR THE YEAR 2005 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)	41,228,000	45,181,000
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		.0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	7,669,000	7,243,870
4. Commissions payable, contingent commissions and other similar charges .....		.0
5. Other expenses (excluding taxes, licenses and fees)	155,655	54,264
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		.0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)).....		.0
7.2 Net deferred tax liability .....		.0
8. Borrowed money \$ and interest thereon \$ .....		.0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	.0	.0
10. Advance premiums .....		.0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		.0
11.2 Policyholders .....		.0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		.0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	46,984,700	43,930,830
14. Amounts withheld or retained by company for account of others .....		.0
15. Remittances and items not allocated .....		.0
16. Provision for reinsurance (Schedule F, Part 7)	10,800	21,127
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		.0
18. Drafts outstanding .....		.0
19. Payable to parent, subsidiaries and affiliates .....		.0
20. Payable for securities .....		.0
21. Liability for amounts held under uninsured accident and health plans .....		.0
22. Capital notes \$ and interest thereon \$ .....		.0
23. Aggregate write-ins for liabilities	13,311,492	12,971,539
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	109,359,647	109,402,630
25. Protected cell liabilities .....		.0
26. Total liabilities (Lines 24 and 25)	109,359,647	109,402,630
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
30. Aggregate write-ins for other than special surplus funds .....	.0	.0
31. Surplus notes .....		.0
32. Gross paid in and contributed surplus	5,097,479	5,097,479
33. Unassigned funds (surplus)	11,670,433	10,151,119
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		.0
34.2 shares preferred (value included in Line 29 \$)		.0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	17,767,912	16,248,598
36. TOTALS (Page 2, Line 26, Col. 3)	127,127,559	125,651,228
DETAILS OF WRITE-INS		
2301. Loss payments - deferred, see footnote no. 6.....	704,607	708,105
2302. Loss reserve prepayments, See footnote no. 7.....	1,047,924	1,049,864
2303. Deferred LAE.....	1,288,855	1,288,855
2398. Summary of remaining write-ins for Line 23 from overflow page	10,270,106	9,924,715
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	13,311,492	12,971,539
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 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	0	101,000
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	(3,171,476)	(3,249,929)
3. Loss expenses incurred (Part 3, Line 25, Column 1)	2,852,129	(3,622,149)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,238	2,238
5. Aggregate write-ins for underwriting deductions	334,900	350,736
6. Total underwriting deductions (Lines 2 through 5)	16,791	(6,519,105)
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(16,791)	6,620,105
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,582,534	1,507,120
10. Net realized capital gains (losses) less capital gains tax of \$	(61,980)	123,049
11. Net investment gain or (loss) (Lines 9 + 10)	1,520,554	1,630,170
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	3,548,719	4,450,404
15. Total other income (Lines 12 through 14)	3,548,719	4,450,404
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,052,482	12,700,678
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	5,052,482	12,700,678
19. Federal and foreign income taxes incurred		0
20. Net income (Line 18 minus Line 19) (to Line 22)	5,052,482	12,700,678
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	16,248,598	7,994,698
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	5,052,482	12,700,678
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(625)	0
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax		0
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	(3,542,869)	(4,446,778)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	10,328	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1. Paid in		0
32.2. Transferred from surplus (Stock Dividend)		0
32.3. Transferred to surplus		0
33. Surplus adjustments:		
33.1. Paid in		0
33.2. Transferred to capital (Stock Dividend)		0
33.3. Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	1,519,316	8,253,901
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	17,767,914	16,248,598
DETAILS OF WRITE-INS		
0501. Interest expense on deferred loss payments	334,900	350,736
0502. Write-off of lease liability	0	0
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)	334,900	350,736
1401. Miscellaneous income	5,850	3,511
1402. Cancellation of debt income		0
1403. Increase in estimated net recoverable from funds held under reinsurance treaties	3,542,869	4,446,893
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)	3,548,719	4,450,404
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	.0	.0
2. Net investment income	2,001,582	2,531,849
3. Miscellaneous income	5,850	3,511
4. Total (Lines 1 through 3)	2,007,432	2,535,360
5. Benefit and loss related payments	758,176	1,189,644
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts .....	.0	.0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,313,105	1,470,071
8. Dividends paid to policyholders .....	.0	.0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	.0	.0
10. Total (Lines 5 through 9)	3,071,281	2,659,716
11. Net cash from operations (Line 4 minus Line 10)	(1,063,849)	(124,356)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	48,334,117	53,649,639
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, cash equivalents and short-term investments .....	.0	.0
12.7 Miscellaneous proceeds .....	.0	.0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	48,334,117	53,649,639
13. Cost of investments acquired (long-term only):		
13.1 Bonds	55,232,802	52,276,936
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	123,049
13.7 Total investments acquired (Lines 13.1 to 13.6)	55,232,802	52,399,985
14. Net increase (decrease) in contract loans and premium notes .....	.0	.0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(6,898,685)	1,249,654
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 .....	.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)	3,059,672	2,643,708
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	3,059,672	2,643,708
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and Line 17)	(4,902,862)	3,769,007
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,320,630	2,551,624
19.2 End of year (Line 18 plus Line 19.1)	1,417,768	6,320,630

Part 1

NONE

Part 1A

NONE

Part 1B

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 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	1,293,593		512,069	781,524	41,228,000	45,181,000	(3,171,476)	.0
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	1,293,593	0	512,069	781,524	41,228,000	45,181,000	(3,171,476)	0.0
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	33,138,000		181,000	32,957,000	10,894,000		2,623,000	41,228,000	7,669,000
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	33,138,000	0	181,000	32,957,000	10,894,000	0	2,623,000	41,228,000	7,669,000
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.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.

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	(804,789)			(804,789)
1.2 Reinsurance assumed .....				.0
1.3 Reinsurance ceded	(146,785)			(146,785)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	(658,004)	.0	.0	(658,004)
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		1,238		1,238
19. Totals (Lines 3 to 18) .....	.0	1,238	.0	1,238
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	3,510,133	0	3,797,897	7,308,030
25. Total expenses incurred	2,852,129	1,238	3,797,897	(a) 6,651,264
26. Less unpaid expenses - current year	7,669,000	52,736	.0	7,721,736
27. Add unpaid expenses - prior year	7,243,870	.0	.0	7,243,870
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)	2,426,999	(51,498)	3,797,897	6,173,398
DETAILS OF WRITE-INS				
2401. Excess ULAE paid	3,510,133			3,510,133
2402. Investment interest expense			3,592,154	3,592,154
2403. Investment management expense			205,743	205,743
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)	3,510,133	0	3,797,897	7,308,030

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

**ANNUAL STATEMENT FOR THE YEAR 2005 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) 998,959	..... 1,151,519
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) 4,201,381	..... 4,193,558
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, cash equivalents and short-term investments	(e) 35,353	..... 35,353
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	..... 0	..... 0
10. Total gross investment income	5,235,694	5,380,431
11. Investment expenses	(g) .....	..... 3,797,897
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) .....	.....	..... 3,797,897
17. Net Investment Income - (Line 10 minus Line 16) .....	.....	..... 1,582,534
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 \$ 162,439 accrual of discount less \$ 727,797 amortization of premium and less \$ 336,038 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 Total
1. U.S. Government bonds .....	..... 15,949	.....	.....	..... 15,949
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	..... 0
1.2 Other bonds (unaffiliated) .....	..... (77,929)	.....	..... (625)	..... (78,554)
1.3 Bonds of affiliates .....	..... 0	..... 0	..... 0	..... 0
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	..... 0
2.11 Preferred stocks of affiliates .....	..... 0	..... 0	..... 0	..... 0
2.2 Common stocks (unaffiliated) .....	.....	.....	.....	..... 0
2.21 Common stocks of affiliates .....	..... 0	..... 0	..... 0	..... 0
3. Mortgage loans .....	.....	.....	.....	..... 0
4. Real estate .....	.....	.....	.....	..... 0
5. Contract loans .....	.....	.....	.....	..... 0
6. Cash, cash equivalents and 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
10. Total capital gains (losses) .....	..... (61,980)	..... 0	..... (625)	..... (62,605)
DETAILS OF WRITE-INS				
0901. ....	.....	.....	.....	.....
0902. ....	.....	.....	.....	.....
0903. ....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0	..... 0	..... 0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 0	..... 0	..... 0	..... 0

**ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
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	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule-E, Part 1), cash equivalents (Schedule-E, Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	4,669,106	4,669,106	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets	44,722,398	41,179,529	(3,542,869)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	49,391,504	45,848,635	(3,542,869)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	49,391,504	45,848,635	(3,542,869)
DETAILS OF WRITE-INS			
0901.	0	0	0
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Loss reserve prepayments.....	0	0	0
2302. Miscellaneous receivables.....	3,550	3,550	0
2303. Estimated net recoverable from funds held under reinsurance treaties.....	44,718,848	41,175,979	(3,542,869)
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	44,722,398	41,179,529	(3,542,869)

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 National Association of Insurance Commissioners ("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 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.

On September 22, 2005, in accordance with the "Plan" described in Note 11. D. below, the Deputy Receiver filed a private letter ruling ("PLR") request with the Internal Revenue Service ("IRS") and requested rulings from the IRS as to the federal income tax consequences of the "Plan" for the liquidation of the Company and its parent company, Home Warranty Corporation ("HWC"). Specifically, the Deputy Receiver sought rulings from the IRS to determine the tax status of certain matters related to the "Plan." On January 25, 2006, by PLR Ruling PLR-149808-05, the IRS ruled in favor of the Deputy Receiver's PLR request as follows:

a) No gain or loss will be recognized by HWC upon the receipt of the assets and liabilities of its subsidiary, HOWIC, under Section 332 of the Internal Revenue Code;

b) No gain or loss will be recognized by HOWIC on the distribution of its assets to, or the assumption of liabilities by, HWC in complete liquidation under Section 337 (a) of the Internal Revenue Code;

NOTES TO FINANCIAL STATEMENTS

c) HWC's basis in each asset received from HOWIC will be the same as the basis of that asset on the books of HOWIC immediately prior to its liquidation under Section 334 (b) (1) of the Internal Revenue Code;

d) HWC's holding period in each asset received from HOWIC, as a result of the liquidation of HOWIC, will include the period during which that asset was held by HOWIC under Section 1223 (2) of the Internal Revenue Code; and

e) HWC will succeed to, and take into account the items of, HOWIC as described in Section 381 (c) of the Internal Revenue Code, subject to the conditions and limitations specified in Sections 381, 382, 383 and 384 of the Internal Revenue Code and regulations thereunder.

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 Class 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 Class 5 or lower without the approval of the Deputy Receiver. The Company may not invest in equities.

4. Reserves

The Deputy Receiver's staff investigated the method by which the Company established incurred but not reported ("IBNR") reserves. The Company's management reported IBNR reserves based on claims reported in the 15 days subsequent to a 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 homes which are covered by the Company's warranty. The unpaid portion of the approved direct claim is 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, 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 are 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.

NOTES TO FINANCIAL STATEMENTS

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 \$6,263,845 as of December 31, 2005. HOWIC will not pay interest on deferred loss settlements until all direct and deferred direct claims have been paid in the receivership. By order of the Deputy Receiver's Sixth Directive, effective on and after October 1, 2005, the Company will pay 6% simple interest on all deferred direct claim amounts until the date that such claims are paid, if at all, by HOWIC in 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, 2005, approximately 1,337 appeals and 214 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 1,072 home owner appeals, 190 builder appeals, 37 vendor and local council appeals, 9 attorney fee 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 135 home owner petitions, 52 builder petitions, 10 vendor and local council petitions, 2 attorneys' fees petitions, 6 former employee 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) CDs 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 \$763,680.65 at December 31, 2005. Cash prepayments and CDs were \$1,047,924 at December 31, 2005, 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.

NOTES TO FINANCIAL STATEMENTS

10. Regulatory Status

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

11. Litigation

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

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

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

During the 1980s, certain New Jersey home owners began to complain that the roofs of their town homes 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 nonstructural component that is separate and distinct from the structural roof system which consists generally of tresses, braces, and framing. As such, the roof sheathing was considered to be a first-year warranty item and not a ten-year structural item.

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

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

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

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

On April 26, 1990, New Jersey Senator Paterniti introduced S. 2602 (the "Paterniti Amendment"), which was

NOTES TO FINANCIAL STATEMENTS

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 sheathing damage or inevitable premature failure 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 57 such home owners' suits involving more than 50,000 roofs. While the home owners 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 owners' lawsuits and moved to have all FRT plywood claims involving non-settling parties transferred and consolidated into the case captioned as, The Commons at Kingswood Station, C.A. v. Orleans Construction Company, et al. All cases involving non-settling parties were consolidated into The Commons at Kingswood Station, C.A. suit. In this suit, the DCA asserted its right to recover payments made by it on behalf of non-settling defendants in the original action. The Companies were severed from this case. On September 7, 2005, HOW issued a Notice of Claim Determination and denied the DCA's claim on the grounds that the HOW Insurance/Warranty Document did not provide coverage for the damaged FRT plywood roof sheathing. On October 6, 2005, the DCA timely filed a Notice of Appeal. The Deputy Receiver is now evaluating the appeal filed by the DCA.

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, and ARDC alleges that the litigation involves 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 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. In February 2005, the Pre-Hurricane Claims and Hurricane Related Claims of ARDC were denied by the Deputy Receiver and ARDC filed an appeal of that denial with the Commission. ARDC's appeal remains pending at the Commission 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

NOTES TO FINANCIAL STATEMENTS

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.

D. On or about November 29, 2004, the Deputy Receiver filed with the Commission of the Commonwealth of Virginia an "Application for Orders Setting Hearing on Plans of Liquidation for HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation, and Home Warranty Corporation, Establishing Response Date, Approving Plans of Liquidation, Approving Claims Bar Date, and Related Matters" (the "Plan"). The Plan may be summarized by the following key parts:

- (1) HOW will be liquidated under a tax-free exchange plan of liquidation.
- (2) Member builders of HWC will be paid the return of their capital contributions in HWC, as and when HWC has sufficient assets, provided that such member builders are eligible builders as defined by the HOW member builder program. Ineligible builders, as defined by the HOW member builder program, will not receive the return of their capital contributions from HWC.
- (3) All of the HOW's claims will be finally paid and adjudicated within a three-year period following the commencement of the Plan.
- (4) Interest will be paid on all home owner claims that had been deferred since the inception of the receivership. General creditor claims of the Companies will also be paid.
- (5) Member builders will be paid by HWC, as and when it has available assets, for their equity in HWC. Member builders, as of the receivership date, will be eligible for the payment of their equity in HWC. The equity payments of HWC will be based on a two-part formula. The first part of the formula will pay all member builders the same for having been a member builder in HWC as of the receivership date. The second part of the formula will reward builders for their profits' interest in HWC (*i.e.*, for how profitable each builder's insurance business may have been in HOW). The second part of the formula will consider the insurance business placed in HOW by such member builder.
- (6) The Deputy Receiver will retain assets of HWC for administrative expenses, taxes, and other contingencies before the final amounts are paid from HWC's assets. A trust (the "Trust") will be created for funds that must be escheated to state jurisdictions. Following the payment of all liabilities and amounts required for member builders' equity in HWC, the receivership estate of the HOW Companies will be closed. The Trust will be dissolved when all escheat funds have been paid to state jurisdictions.

On December 27, 2004, the Commission entered an order setting a hearing on the Application for May 17, 2005. Following the hearing on the Application, on July 13, 2005, the Commission entered its Order Approving Plans of Liquidation in which it largely approved the Deputy Receiver's Application. The Commission ordered that further efforts to rehabilitate the HOW Companies would be useless and that they should be liquidated in accordance with the plan of liquidation proposed in the Application, subject to a modification with respect to the Fixed and Variable Components for the payment of the member builders equity in HWC. For the member builders' equity in HWC, the Commission ordered that such equity should be allocated as follows: twenty-five percent (25%) of the residual assets to the Fixed Component, with seventy-five percent (75%) of the residual assets allocated to the Variable Component.

Further, pursuant to the Commission's Order, it ordered that the only former members of HWC who are entitled to a refund of capital contributions pursuant to the builder agreements are those whose capital contributions vested pursuant to the terms of the builder agreements, and who either: (i) after the inception of the receivership, had their builder agreements automatically terminated during 1994 and 1995 upon expiration of their builder agreements' one-year terms, or (ii) voluntarily terminated their builder agreements before the inception of receivership, or prior to the date that such builder agreements would have terminated automatically during 1994 or 1995 upon expiration of their one-year terms, and who at the time of termination had been members in good standing for at least five consecutive years (collectively, "Eligible Builders"), (iii) member builders who were in good standing as of October 14, 1994, but who had not been members in good standing for at least five continuous years as of the date their builder agreements were terminated automatically for non-renewal, and (iv) member builders who were terminated only for filing bankruptcy prior to receivership. Also as proposed in the Application, the Commission ordered that the parties entitled to residual assets are those parties who were HOWIC insureds as of the date of the

NOTES TO FINANCIAL STATEMENTS

receivership order, regardless of whether or not they are Eligible Builders.

The Commission also authorized the Deputy Receiver to establish by directive a period for filing proofs of claims against the HOW Companies and a final bar date. The Commission directed the Deputy Receiver, upon completion of the liquidation and dissolution of the HOW Companies, to file a request with the Commission for approval to terminate and close the receivership proceeding.

12. The Company has entered into an agreement with Compagnie Euro Paris ("Compagnie"), 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, but the amount was not paid and Compagnie still owes the Company approximately \$105,000 under a reinsurance agreement. The Company has filed a proof of debt in the liquidation proceeding of Compagnie for the \$105,000 debt, but it is not known what amount, if any, will be paid by Compagnie on such debt.

**ANNUAL STATEMENT FOR THE YEAR 2005 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	22,631,626	18.189	22,631,626	18.400
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	0	0.000	0	0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	0	0.000	0	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	0.000	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	15,998,947	12.858	15,998,947	13.010
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	4,971,945	3.996	4,971,945	4.040
1.512 Issued or guaranteed by FNMA and FHLMC	10,768,820	8.655	10,768,820	8.750
1.513 All other	1,076,702	0.865	1,076,702	0.880
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.000	0	0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	20,699,224	16.636	20,699,224	16.830
1.523 All other	0	0.000	0	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)	46,861,907	37.662	46,861,907	38.100
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	0	0.000	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated	0	0.000	0	0.000
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by the company	0	0.000	0	0.000
5.2 Property held for the production of income (including \$0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (including \$0 property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Contract loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments	1,417,770	1.139	1,417,770	1.139
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	124,426,941	100.000	124,426,941	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 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

GENERAL INTERROGATORIES

- 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 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., 9500 Aboretum Blvd., Suite 120, Austin, Texas 78759
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an 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
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved.....
- 11.13 Total book/adjusted carrying value..... \$.....
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]

BOARD OF DIRECTORS

13. 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 []
14. 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 []
15. 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 that is in conflict or likely to conflict with the official duties of such person?..... Yes [X] No []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers \$.....0
- 16.12 To stockholders not officers .. \$.....0
- 16.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers .. \$.....0
- 16.22 To stockholders not officers ... \$.....0
- 16.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 17.1 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]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others \$.....
- 17.22 Borrowed from others \$.....
- 17.23 Leased from others \$.....
- 17.24 Other \$.....
- 18.1 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]
- 18.2 If answer is yes,
- 18.21 Amount paid as losses or risk adjustment \$.....
- 18.22 Amount paid as expenses \$.....
- 18.23 Other amounts paid \$.....
- 19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount:.....\$.....4,669,106

GENERAL INTERROGATORIES

INVESTMENT

20.1 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 [] No []

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

21.1 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 17.1) Yes [] No []

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

	21.21 Loaned to others	\$
	21.22 Subject to repurchase agreements	\$
	21.23 Subject to reverse repurchase agreements	\$
	21.24 Subject to dollar repurchase agreements	\$
	21.25 Subject to reverse dollar repurchase agreements ...	\$
	21.26 Pledged as collateral	\$
	21.27 Placed under option agreements	\$
	21.28 Letter stock or other securities restricted as to sale ..	\$
	21.29 Other	\$

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

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

22.2 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.

23.1 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 []

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

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GENERAL INTERROGATORIES

24. 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 []

24.01 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.....

24.02 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)
.....
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [] No []

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

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

24.05 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 Association, Inc.....	100 East Pratt Street, Baltimore, MD 21202.....

25.1 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 []

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
25.2999 TOTAL		0

25.3 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

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	123,638,477	122,065,476	(1,573,001)
26.2 Preferred stocks.....	0		0
26.3 Totals	123,638,477	122,065,476	(1,573,001)

26.4 Describe the sources or methods utilized in determining fair values:

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$0

28.2 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
.....	
.....	

29.1 Amount of payments for legal expenses, if any?.....\$424,289

29.2 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
.....	
.....	

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

30.2 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	\$0	\$	.....101,000
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$48,897,000	\$	.....52,424,870
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**

- 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 unreinsured catastrophic loss.
- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that 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
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [X] No []
- 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
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) An unconditional or unilateral right by either party to commute the reinsurance contract, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), excluding cessions under approved pooling agreements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates.
Do not include cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principal objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
10. 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 []
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 11.2 If yes, give full information

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses..... \$
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$
- 12.2 Of the amount on Line 13.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] NA [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From..... %
- 12.42 To..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes 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 []
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of Credit..... \$763,681
- 12.62 Collateral and other funds..... \$1,047,924
- 13.1 What amount of installment notes is owned and now held by the reporting entity?..... \$0
- 13.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No []
- 13.3 If yes, what amount?..... \$
- 14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$0
- 14.2 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]
- 14.3 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.
- 15.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [] No [X]
- 15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....
- 15.3 If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [] No []
- 15.4 If the answer to 15.3 is no, are all the methods described in 15.2 entirely contained in writer agreements?..... Yes [] No []
- 15.5 If answer to 15.4 is no, please explain:
.....
- 16.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
- 16.2 If yes, give full information
.....
- 17.1 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
17.11 Home	\$(3,171,476)	\$41,288,000	\$	\$	\$
17.12 Products	\$	\$	\$	\$	\$
17.13 Automobile	\$	\$	\$	\$	\$
17.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

18.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5? Yes [] No []

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

- 18.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5..... \$.....
- 18.12 Unfunded portion of Interrogatory 18.11..... \$.....
- 18.13 Paid losses and loss adjustment expenses portion of Interrogatory 18.11..... \$.....
- 18.14 Case reverses portion of Interrogatory 18.11..... \$.....
- 18.15 Incurred but not reported portion of Interrogatory 18.11..... \$.....
- 18.16 Unearned premium portion of Interrogatory 18.11..... \$.....
- 18.17 Contingent commissions portion of Interrogatory 18.11..... \$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

- 18.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5..... \$.....
- 18.19 Unfunded portion of Interrogatory 18.18..... \$.....
- 18.20 Paid losses and loss adjustment expenses portion of Interrogatory 18.18..... \$.....
- 18.21 Case reverses portion of Interrogatory 18.18..... \$.....
- 18.22 Incurred but not reported portion of Interrogatory 18.18..... \$.....
- 18.23 Unearned premium portion of Interrogatory 18.18..... \$.....
- 18.24 Contingent commissions portion of Interrogatory 18.18..... \$.....

**ANNUAL STATEMENT FOR THE YEAR 2005 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 2005	2 2004	3 2003	4 2002	5 2001
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)	(16,791)	6,620,105	(8,159,100)	19,161,718	15,835,858
14. Net investment gain (Loss) (Line 11)	1,520,554	1,630,170	2,844,505	3,372,448	5,362,411
15. Total other income (Line 15)	3,548,719	4,450,404	36,903,204	722	240
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)	5,052,482	12,700,678	31,588,609	22,534,888	21,198,509
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	127,127,558	125,651,226	124,234,570	124,273,103	125,373,136
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 13.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	109,359,647	109,402,630	116,239,871	111,625,425	134,677,000
22. Losses (Page 3, Lines 1 and 2)	41,228,000	45,181,000	49,729,000	45,326,068	59,890,270
23. Loss adjustment expenses (Page 3, Line 3)	7,669,000	7,243,870	12,339,196	13,600,000	20,960,000
24. Unearned premiums (Page 3, Line 9)	0	0	101,000	236,000	2,792,000
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)	17,767,912	16,248,598	7,994,699	12,647,675	(9,303,864)
Risk-Based Capital Analysis					
27. Total adjusted capital	17,767,912	16,248,598	7,994,699	12,647,675	(9,303,864)
28. Authorized control level risk-based capital	7,133,684	7,422,424	4,030,757	5,401,050	9,053,488
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	98.9	94.9	97.9	97.8	98.0
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, cash equivalents and short-term investments (Line 5)	1.1	5.1	2.1	2.2	2.0
34. Contract loans (Line 6)	0.0	0.0	0.0	XXX	XXX
35. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Receivables 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, cash equivalents 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 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (Losses) (Line 24)	(625)	0	648,365	(606,772)	313,062
48. Dividends to stockholders (Line 35)	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 38)	1,519,316	8,253,901	(4,652,978)	21,951,540	21,670,081
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)	1,293,593	1,981,023	4,543,493	3,072,936	3,366,773
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)	1,293,593	1,981,023	4,543,493	3,072,936	3,366,773
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)	781,524	1,298,071	2,647,513	1,991,572	3,011,799
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)	781,524	1,298,071	2,647,513	1,991,572	3,011,799
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)	0.0	(3,217.8)	5,222.6	(491.9)	(995.0)
64. Loss expenses incurred (Line 3)	0.0	(3,586.3)	645.9	(151.7)	(188.8)
65. Other underwriting expenses incurred (Line 4)	0.0	2.2	0.6	0.0	0.1
66. Net underwriting gain (loss) (Line 8)	0.0	6,554.6	(6,043.8)	749.7	1,243.0
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)	0.0	(6,804.0)	5,868.4	(643.6)	(1,183.8)
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)	(1,891)	(2,880)	7,078	(17,522)	(17,958)
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)	(11.6)	(36.0)	56.0	188.3	58.0
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)	(7,305)	2,104	(10,577)	(35,707)	4,705
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)	(91.4)	16.6	113.7	115.3	(29.0)



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF

DURING THE YEAR 2005

NAIC Company Code 41246

Table with 13 columns: Line of Business, Gross Premiums, 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

20

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31, prior year.....	0
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11.....	0
2.2 Totals, Part 3, Column 7.....	0
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7, and net of additions and permanent improvements (Column 9).....	0
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14.....	0
4.2 Totals, Part 3, Column 9.....	0
5. Total profit (loss) on sales, Part 3, Column 14.....	0
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12.....	0
6.2 Totals, Part 3, Column 8.....	0
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13.....	0
8. Book/adjusted carrying value at end of current period.....	0
9. Total valuation allowance.....	0
10. Subtotal (Lines 8 plus 9).....	0
11. Total nonadmitted amounts.....	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column).....	0

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31, prior year.....	0
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions.....	0
2.2 Additional investment made after acquisitions.....	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0
4. Increase (decrease) by adjustment.....	0
5. Total profit (loss) on sale.....	0
6. Amounts paid on account or in full during the year.....	0
7. Amortization of premium.....	0
8. Increase (decrease) by foreign exchange adjustment.....	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0
10. Total valuation allowance.....	0
11. Subtotal (Lines 9 plus 10).....	0
12. Total nonadmitted amounts.....	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned December 31 of prior year.....	0
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions.....	0
2.2 Additional investment made after acquisitions.....	0
3. Accrual of discount.....	0
4. Increase (decrease) by adjustment.....	0
5. Total profit (loss) on sale.....	0
6. Amounts paid on account or in full during the year.....	0
7. Amortization of premium.....	0
8. Increase (decrease) by foreign exchange adjustment.....	0
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0
10. Total valuation allowance.....	0
11. Subtotal (Lines 9 plus 10).....	0
12. Total nonadmitted amounts.....	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0

NONE

**ANNUAL STATEMENT FOR THE YEAR 2005 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	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 28,422,009 2. Canada 0 3. Other Countries 0 4. Totals 28,422,009	28,029,308 0 0 28,029,308	28,532,704 0 0 28,532,704	28,008,751 0 0 28,008,751
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 32,520,232 14. Canada 0 15. Other Countries 0 16. Totals 32,520,232	31,895,788 0 0 31,895,788	32,561,322 0 0 32,561,322	32,056,847 0 0 32,056,847
Public Utilities (unaffiliated)	17. United States 6,704,579 18. Canada 0 19. Other Countries 0 20. Totals 6,704,579	6,724,096 0 0 6,724,096	6,597,710 0 0 6,597,710	6,685,000 0 0 6,685,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 55,362,349 22. Canada 0 23. Other Countries 0 24. Totals 55,362,349	54,786,977 0 0 54,786,977	55,698,086 0 0 55,698,086	54,931,637 0 0 54,931,637
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 123,009,170	0 121,436,169	0 123,389,821	0 121,682,235
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 123,009,170	121,436,169	123,389,821	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year..... 116,738,449	7. Amortization of premium..... 727,797
2. Cost of bonds and stocks acquired, Column 7, Part 3 55,232,802	8. Foreign Exchange Adjustment:
3. Accrual of discount..... 162,439	8.1 Column 15, Part 1 0
4. Increase (decrease) by adjustment:	8.2 Column 19, Part 2, Sec. 1 0
4.1 Columns 12 - 14, Part 1..... (625)	8.3 Column 16, Part 2, Sec. 2 0
4.2 Columns 15 - 17, Part 2, Sec. 1..... 0	8.4 Column 15, Part 4 0
4.3 Column 15, Part 2, Sec. 2..... 0	9. Book/adjusted carrying value at end of current period 123,009,170
4.4 Columns 11 - 13, Part 4 0	10. Total valuation allowance 0
5. Total gain (loss), Column 19, Part 4 (61,980)	11. Subtotal (Lines 9 plus 10) 123,009,170
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 48,334,117	12. Total nonadmitted amounts 0
	13. Statement value of bonds and stocks, current period 123,009,170

ANNUAL STATEMENT FOR THE YEAR 2005 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	4,233,826	18,486,111	4,843,922	702,947	155,203	28,422,009	23.1	20,138,905	17.3	28,422,009	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	4,233,826	18,486,111	4,843,922	702,947	155,203	28,422,009	23.1	20,138,905	17.3	28,422,009	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	5,035,388	19,149,476	5,976,787	1,768,394	590,188	32,520,232	26.4	31,733,924	27.2	32,520,232	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	5,035,388	19,149,476	5,976,787	1,768,394	590,188	32,520,232	26.4	31,733,924	27.2	32,520,232	0

ANNUAL STATEMENT FOR THE YEAR 2005 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	2,440,202	.0	.0	.0	2,440,202	2.0	3,184,123	2.7	2,440,202	.0
6.2 Class 2	1,198,589	3,065,789	.0	.0	.0	4,264,377	3.5	5,065,722	4.3	4,264,377	.0
6.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	507,888	0.4	.0	.0
6.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.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	1,198,589	5,505,991	0	0	0	6,704,579	5.5	8,757,733	7.5	6,704,579	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	9,742,947	32,030,534	560,785	263,550	117,650	42,715,467	34.7	41,212,326	35.3	42,715,467	.0
7.2 Class 2	2,006,365	9,986,693	.0	.0	.0	11,993,058	9.8	12,439,402	10.7	11,993,058	.0
7.3 Class 3	274,783	51,944	327,098	.0	.0	653,824	0.5	2,340,321	2.0	653,824	.0
7.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	115,838	0.1	.0	.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	12,024,095	42,069,171	887,883	263,550	117,650	55,362,349	45.0	56,107,887	48.1	55,362,349	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 2005 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	19,012,161	72,106,323	11,381,494	2,734,891	863,041	106,097,910	86.3	XXX	XXX	106,097,910	.0
10.2 Class 2	3,204,954	13,052,482	.0	.0	.0	16,257,436	13.2	XXX	XXX	16,257,435	.0
10.3 Class 3	274,783	51,944	327,098	.0	.0	653,825	0.5	XXX	XXX	653,824	.0
10.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.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	22,491,898	85,210,749	11,708,592	2,734,891	863,041	123,009,171	100.0	XXX	XXX	123,009,169	.0
10.8 Line 10.7 as a % of Col. 6	18.3	69.3	9.5	2.2	0.7	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	21,788,895	62,970,244	6,806,275	3,749,647	954,219	XXX	XXX	96,269,278	82.5	96,269,278	.0
11.2 Class 2	1,849,577	14,503,532	1,152,014	.0	.0	XXX	XXX	17,505,124	15.0	17,505,124	.0
11.3 Class 3	.0	2,012,933	835,276	.0	.0	XXX	XXX	2,848,209	2.4	2,848,209	.0
11.4 Class 4	.0	115,838	.0	.0	.0	XXX	XXX	115,838	0.1	115,838	.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	23,638,471	79,602,547	8,793,565	3,749,647	954,219	XXX	XXX	116,738,450	100.0	116,738,450	.0
11.8 Line 11.7 as a % of Col. 8	20.0	68.0	8.0	3.0	1.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	19,012,161	72,106,322	11,381,494	2,734,892	863,041	106,097,911	86.3	96,269,278	82.5	106,097,911	XXX
12.2 Class 2	3,204,954	13,052,482	.0	.0	.0	16,257,435	13.2	17,505,124	15.0	16,257,435	XXX
12.3 Class 3	274,783	51,944	327,098	.0	.0	653,824	0.5	2,848,209	2.4	653,824	XXX
12.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	115,838	0.1	.0	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	22,491,898	85,210,748	11,708,592	2,734,892	863,041	123,009,170	100.0	116,738,450	100.0	123,009,170	XXX
12.8 Line 12.7 as a % of Col. 6	18.0	69.0	10.0	2.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	18.0	69.0	10.0	2.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	.0	.0	.0	.0	.0	.0	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 2005 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	3,010,570	16,092,023	3,529,033	.0	.0	22,631,626	18.4	13,005,766	11.1	22,631,626	.0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	1,223,256	2,394,087	1,314,889	702,947	155,203	5,790,383	4.7	7,133,139	6.1	5,790,383	0
1.7 Totals	4,233,826	18,486,111	4,843,922	702,947	155,203	28,422,009	23.1	20,138,905	17.3	28,422,009	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											
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											
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											
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											
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											
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											
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	2,517,021	11,432,611	2,049,315	.0	.0	15,998,947	13.0	16,676,542	14.3	15,998,947	.0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,518,367	7,716,864	3,927,472	1,768,394	590,188	16,521,285	13.4	14,436,550	12.4	16,521,285	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	.0	.0	.0	.0	.0	.0	0.0	620,832	0.5	.0	.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											
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	5,035,388	19,149,476	5,976,787	1,768,394	590,188	32,520,232	26.4	31,733,924	27.2	32,520,232	0

ANNUAL STATEMENT FOR THE YEAR 2005 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	1,198,589	5,505,991	0	0	0	6,704,579	5.5	8,757,733	7.5	6,704,579	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	1,198,589	5,505,991	0	0	0	6,704,579	5.5	8,757,733	7.5	6,704,579	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	11,288,640	36,181,581	488,946	182,138	117,650	48,258,956	39.2	54,765,821	46.9	48,258,956	0
7.2 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											
7.3 Defined	0	499,842	0	0	0	499,842	0.4	1,342,066	1.1	499,842	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	735,455	5,387,748	398,937	81,411	0	6,603,552	5.4	0	0.0	6,603,552	0
7.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	12,024,095	42,069,171	887,883	263,550	117,650	55,362,349	45.0	56,107,887	48.1	55,362,349	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

ANNUAL STATEMENT FOR THE YEAR 2005 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
10. Total Bonds Current Year											
10.1 Issuer Obligations	18,014,820	69,212,206	6,067,294	182,138	117,650	93,594,108	76.1	XXX	XXX	93,594,108	.0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	3,741,623	10,110,951	5,242,361	2,471,341	745,391	22,311,667	18.1	XXX	XXX	22,311,668	.0
10.3 Defined	.0	499,842	.0	.0	.0	499,842	0.4	XXX	XXX	499,842	.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	735,455	5,387,748	398,937	81,411	.0	6,603,551	5.4	XXX	XXX	6,603,552	.0
10.6 Other	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 Totals	22,491,898	85,210,747	11,708,592	2,734,890	863,041	123,009,168	100.0	XXX	XXX	123,009,170	.0
10.8 Line 10.7 as a % of Col. 6	18.3	69.3	9.5	2.2	0.7	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	18,433,055	68,592,344	4,139,045	1,627,985	413,434	XXX	XXX	93,205,863	79.8	93,205,863	.0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	4,744,556	9,812,856	4,463,228	2,008,265	540,785	XXX	XXX	21,569,689	18.5	21,569,689	.0
11.3 Defined	460,860	1,197,348	191,293	113,397	.0	XXX	XXX	1,962,898	1.7	1,962,898	.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	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Other	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals	23,638,471	79,602,547	8,793,565	3,749,647	954,219	XXX	XXX	116,738,450	100.0	116,738,450	.0
11.8 Line 11.7 as a % of Col. 8	20.0	68.0	8.0	3.0	1.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	18,014,820	69,212,206	6,067,294	182,138	117,650	93,594,108	76.1	93,205,863	79.8	93,594,108	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	3,741,623	10,110,951	5,242,361	2,471,342	745,391	22,311,669	18.1	21,569,689	18.5	22,311,669	XXX
12.3 Defined	.0	499,842	.0	.0	.0	499,842	0.4	1,962,898	1.7	499,842	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	735,455	5,387,748	398,937	81,411	.0	6,603,552	5.4	.0	0.0	6,603,552	XXX
12.6 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	22,491,898	85,210,748	11,708,592	2,734,892	863,041	123,009,170	100.0	116,738,450	100.0	123,009,170	XXX
12.8 Line 12.7 as a % of Col. 6	18.0	69.0	10.0	2.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	18.0	69.0	10.0	2.0	1.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	.0	.0	.0	.0	.0	.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	5,790,005	5,790,005	0	0	0
2. Cost of short-term investments acquired	45,690,989	45,690,989	0		
3. Increase (decrease) by adjustment	0				
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	0				
6. Consideration received on disposal of short-term investments	50,851,687	50,851,687	0		
7. Book/adjusted carrying value, current year	629,307	629,307	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	629,307	629,307	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	629,307	629,307	0	0	0
12. Income collected during year	20,738	20,738			
13. Income earned during year	0				

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

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 2005 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 Commissions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers										
0499999 - Total - Authorized - Affiliates																0	0									
13-4924125	10227	American Reinsurance Company	DE					181		2,623	579				3,383	3,383	46,984									
36-3347420	23876	Chatham Reinsurance Corporation	NJ											0	9	(9)										
13-3440360	29700	European Reinsurance Corp of America	NH			156	55							211	657	(446)										
13-2930109	22047	North Star Reinsurance Corp/Signet	DE			4	4							8	22	(14)										
23-0580680	24457	Reliance Insurance Company	PA			29	5							34	31	3										
75-1444207	30058	SCOR Reinsurance Company	NY			286	76							362	1,393	(1,031)										
13-3029255	39322	Sorema North American Reinsurance Compan	NY			42	13							55	175	(120)										
41-0406690	24767	St. Paul Marine & Fire Insurance	MN			76	16							92	228	(136)										
47-0698507	23680	TIG Reinsurance	CT			9	3							12	35	(23)										
13-6108722	12904	Tokio Marine & Fire Insurance	NY											0	7	(7)										
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																0	0									
0599999 - Authorized - Other U.S. Unaffiliated Insurers																602	172	181	2,623	579			4,157	2,557	1,600	46,984
AA-1122000	00000	Lloyds Underwriters	EN			56	1							57	6	51										
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																0	0						0	0		
0899999 - Authorized - Other Non-U.S. Insurers																56	1						57	6	51	
0999999 - Total - Authorized																658	173	181	2,623	579			4,214	2,563	1,651	46,984
1399999 - Total - Unauthorized - Affiliates																							0	0		
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																							0	0		
AA-1120440	00000	Copenhagen Reinsurance Company	EN			13	1							14	55	(41)										
AA-1560483	00000	Hannover Stahl Ruckversicherungs Akt	GW											0	27	(27)										
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																							0	0		
1799999 - Unauthorized - Other Non-U.S. Insurers																13	1						14	82	(68)	
1899999 - Total - Unauthorized																13	1						14	82	(68)	
1999999 - Total - Authorized and Unauthorized																671	174	181	2,623	579		0	4,228	2,645	1,583	46,984
2099999 - Total - Protected Cells																							0	0		
9999999 Totals																671	174	181	2,623	579			4,228	2,645	1,583	46,984

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 Reinsurer	2 Commission Rate	3 Ceded Premium
1.		
2.		
3.		
4.		
5.		

Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1.			Yes [] No []
2.			Yes [] No []
3.			Yes [] No []
4.			Yes [] No []
5.			Yes [] No []

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ANNUAL STATEMENT FOR THE YEAR 2005 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		
13-3440360	29700	European Reinsurance Corp of America	NH					211	211	211	100.0	100.0
13-2930109	22047	North Star Reinsurance Copr/Signet	DE					.8	.8	.8	100.0	100.0
23-0580680	24457	Reliance Insurance Company	PA					.34	.34	.34	100.0	100.0
75-1444207	30058	SCOR Reinsurance Company	NY					362	362	362	100.0	100.0
13-3029255	39322	Sorema North American Reinsurance Compan	NY					.55	.55	.55	100.0	100.0
41-0406690	24767	St. Paul Marine & Fire Insurance	MN					.92	.92	.92	100.0	100.0
47-0698507	23680	TIG Reinsurance	CT					.12	.12	.12	100.0	100.0
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling								774	774	774	100.0	100.0
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								774	774	774	100.0	100.0
0599999 - Authorized - Other U.S. Unaffiliated Insurers											0.0	0.0
0699999 - Authorized - Pools - Mandatory Pools											0.0	0.0
0799999 - Authorized - Pools - Voluntary Pools											0.0	0.0
AA-1122000	00000	Lloyds Underwriters	EN					.57	.57	.57	100.0	100.0
0899999 - Authorized - Other Non-U.S. Insurers								57	57	57	100.0	100.0
0999999 - Total - Authorized								831	831	831	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
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers											0.0	0.0
1599999 - Unauthorized - Pools - Mandatory Pools											0.0	0.0
1699999 - Unauthorized - Pools - Voluntary Pools											0.0	0.0
AA-1120440	00000	Copenhagen Reinsurance Company	EN					14	14	14	100.0	100.0
1799999 - Unauthorized - Other Non-U.S. Insurers								14	14	14	100.0	100.0
1899999 - Total - Unauthorized								14	14	14	100.0	100.0
1999999 - Total - Authorized and Unauthorized								845	845	845	100.0	100.0
2099999 - Total - Protected Cells										0	0.0	0.0
9999999 Totals								845	845	845	100.0	100.0

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ANNUAL STATEMENT FOR THE YEAR 2005 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	EN	14				55		14	0		0	0	0	0
AA-1560483	00000	Hannover Stahl Ruckerversicherungs Akt	GW					27		0	0		0	0	0	0
0199999 - Affiliates - U.S. Intercompany Pooling				14				82		14	0					0
0499999 - Total - Affiliates				14				82		14	0					0
0999999 - Total - Affiliates and Others				14				82		14	0					0
1099999 - Total - Protected Cells										0	0		0	0	0	0
9999999 Totals				14				82		14	0					0

1. Amounts in dispute totaling \$are included in Column 5.
2. Amounts in dispute totaling \$are excluded from Column 13.

ANNUAL STATEMENT FOR THE YEAR 2005 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
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 Reliance Company	361,689	361,689		100.000	0	0	0	0
13-3029255	39322	Sorema North American Reinsurance Compan	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	11,206	11,206		100.000	0	0	0	0
13-6108722	12904	Tokio Marine & Fire Insurance	154	154		100.000	0	0	0	0
9999999 Totals			830,748	830,748		XXX	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 2005 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
23-0580680	24457	Reliance Insurance Corporation	34,664				31,293		31,293	3,371	3,371
9999999 Totals			91,503				37,505		37,505	53,998	53,998

1. Total	53,998
2. Line 1 x .2	10,800
3. Schedule F - Part 6 Col. 11	0
4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3)	10,800
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 17 x 1000)	0
6. Provision for Reinsurance (sum Lines 4 + 5) [Enter this amount on Page 3, Line 16]	10,800

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**ANNUAL STATEMENT FOR THE YEAR 2005 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)	124,426,940		124,426,940
2. Premiums and considerations (Line 13)	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1)	845,117	(845,117)	0
4. Funds held by or deposited with reinsured companies (Line 14.2)	0		0
5. Other assets	1,855,501		1,855,501
6. Net amount recoverable from reinsurers		(42,767,383)	(42,767,383)
7. Totals (Line 26)	127,127,558	(43,612,500)	83,515,058
<u>LIABILITIES</u> (Page 3)			
8. Losses and loss adjustment expenses (Lines 1 through 3)	48,897,000	3,383,000	52,280,000
9. Taxes, expenses, and other obligations (Lines 4 through 8)	155,655		155,655
10. Unearned premiums (Line 9)	0		0
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)	46,984,700	(46,984,700)	0
15. Amounts withheld or retained by company for account of others (Line 14)	0		0
16. Provision for reinsurance (Line 16)	10,800	(10,800)	0
17. Other liabilities (Lines 15 and 17 through 23)	13,311,492		13,311,492
18. Total liabilities excluding protected cell business (Line 26 minus Line 25)	109,359,647	(43,612,500)	65,747,147
19. Surplus as regards policyholders (Line 35)	17,767,912	X X X	17,767,912
20. Totals (Line 36)	127,127,559	(43,612,500)	83,515,059

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	1	0	0	0	0	0	1	1	XXX
2. 1996	18,502	3,413	15,089	5,065	427	749	33	7,640	0	2,140	12,994	XXX
3. 1997	17,937	4,071	13,866	3,639	642	603	28	4,117	0	798	7,689	XXX
4. 1998	13,588	2,596	10,992	3,144	635	412	38	2,911	0	825	5,794	XXX
5. 1999	10,946	2,296	8,650	3,689	1,022	406	41	3,420	0	568	6,452	XXX
6. 2000	7,234	2,127	5,107	3,660	1,010	414	46	3,424	0	585	6,442	XXX
7. 2001	1,157	(117)	1,274	3,077	1,291	369	60	4,125	0	427	6,220	XXX
8. 2002	5,204	2,648	2,556	2,796	1,099	227	48	2,279	0	32	4,155	XXX
9. 2003	863	728	135	2,865	(60)	240	(9)	1,080	0	(57)	4,254	XXX
10. 2004	134	33	101	2,542	1	132	0	246	0	0	2,919	XXX
11. 2005	0	0	0	0	91	0	5	0	0	0	(96)	XXX
12. Totals	XXX	XXX	XXX	30,478	6,158	3,552	290	29,242	0	5,319	56,824	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.	31,559	0	10,894	2,623	5	0	2,407	579	5,740	0	0	47,403	XXX
2.	12	0	0	0	1	0	0	0	0	0	0	13	XXX
3.	72	2	0	0	0	0	0	0	0	0	0	70	XXX
4.	130	49	0	0	0	0	0	0	0	0	0	81	XXX
5.	922	39	0	0	8	0	0	0	0	0	0	891	XXX
6.	62	3	0	0	7	0	0	0	0	0	0	66	XXX
7.	215	24	0	0	16	0	0	0	0	0	0	207	XXX
8.	28	9	0	0	11	0	0	0	0	0	0	30	XXX
9.	80	38	0	0	11	0	0	0	0	0	0	53	XXX
10.	58	17	0	0	42	0	0	0	0	0	0	83	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	33,138	181	10,894	2,623	101	0	2,407	579	5,740	0	0	48,897	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	39,830	7,573										
2.	13,467	460	13,007	72.8	13.5	86.2	0	0		12	1										
3.	8,431	672	7,759	47.0	16.5	56.0	0	0		70	0										
4.	6,597	722	5,875	48.6	27.8	53.4	0	0		81	0										
5.	8,445	1,102	7,343	77.2	48.0	84.9	0	0		883	8										
6.	7,567	1,059	6,508	104.6	49.8	127.4	0	0		59	7										
7.	7,802	1,375	6,427	674.3	(1,175.2)	504.5	0	0		191	16										
8.	5,341	1,156	4,185	102.6	43.7	163.7	0	0		19	11										
9.	4,276	(31)	4,307	495.5	(4.3)	3,190.4	0	0		42	11										
10.	3,020	18	3,002	2,253.7	54.5	2,972.3	0	0		41	42										
11.	0	96	(96)	0.0	0.0	0.0	0	0		0	0										
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	41,228	7,669										

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 2005 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	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year	
1. Prior	71,397	85,946	79,978	68,727	90,265	72,525	54,530	61,502	56,371	51,777	(4,594)	(9,725)	
2. 1996	7,140	6,866	5,460	5,403	5,401	5,412	5,405	5,385	5,422	5,367	(55)	(18)	
3. 1997	XXX	3,677	3,467	3,272	3,628	3,642	3,671	3,637	3,653	3,642	(11)	5	
4. 1998	XXX	XXX	3,062	3,120	3,001	3,061	3,062	2,969	3,766	2,964	(802)	(5)	
5. 1999	XXX	XXX	XXX	3,154	4,251	3,741	3,758	3,946	3,156	3,923	767	(23)	
6. 2000	XXX	XXX	XXX	XXX	2,460	2,667	2,873	2,721	2,932	3,084	152	363	
7. 2001	XXX	XXX	XXX	XXX	XXX	2,016	2,243	2,327	2,106	2,302	196	(25)	
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,765	1,898	2,005	1,906	(99)	8	
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,112	3,206	3,227	21	2,115	
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	222	2,756	2,534	XXX	
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(96)	XXX	XXX	
											12. Totals	(1,891)	(7,305)

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	.000	3,174	7,223	9,033	9,271	9,805	10,083	10,105	10,113	10,114	XXX	XXX
2. 1996	2,165	4,592	5,180	5,273	5,271	5,387	5,386	5,376	5,351	5,354	XXX	XXX
3. 1997	XXX	1,392	2,905	2,952	3,457	3,496	3,549	3,556	3,572	3,572	XXX	XXX
4. 1998	XXX	XXX	1,230	2,621	2,794	2,876	2,893	2,883	2,883	2,883	XXX	XXX
5. 1999	XXX	XXX	XXX	1,031	2,263	2,650	2,776	3,050	3,032	3,032	XXX	XXX
6. 2000	XXX	XXX	XXX	XXX	1,094	2,136	2,394	2,551	2,717	3,018	XXX	XXX
7. 2001	XXX	XXX	XXX	XXX	XXX	672	1,698	2,067	2,065	2,095	XXX	XXX
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	486	1,765	1,891	1,876	XXX	XXX
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	733	3,093	3,174	XXX	XXX
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	177	2,673	XXX	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(96)	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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	64,516	73,342	69,825	57,587	47,275	30,839	12,883	19,824	14,684	10,099
2. 1996	0	0	0	0	0	0	0	0	0	0
3. 1997	XXX	0	0	0	0	0	0	0	0	0
4. 1998	XXX	XXX	0	0	0	0	0	0	0	0
5. 1999	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2000	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2001	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2005	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 2005 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	1	0	0	0	0	0	1	1	XXX
2. 1996	18,502	3,413	15,089	5,065	427	749	33	7,640	0	2,140	12,994	4,287
3. 1997	17,937	4,071	13,866	3,639	642	603	28	4,117	0	798	7,689	2,767
4. 1998	13,588	2,596	10,992	3,144	635	412	38	2,911	0	825	5,794	2,007
5. 1999	10,946	2,296	8,650	3,689	1,022	406	41	3,420	0	568	6,452	1,895
6. 2000	7,234	2,127	5,107	3,660	1,010	414	46	3,424	0	585	6,442	1,113
7. 2001	1,157	(117)	1,274	3,077	1,291	369	60	4,125	0	427	6,220	1,113
8. 2002	5,204	2,648	2,556	2,796	1,099	227	48	2,279	0	32	4,155	646
9. 2003	863	728	135	2,865	(60)	240	(9)	1,080	0	(57)	4,254	239
10. 2004	134	33	101	2,542	1	132	0	246	0	0	2,919	119
11. 2005	0	0	0	0	91	0	5	0	0	0	(96)	0
12. Totals	XXX	XXX	XXX	30,478	6,158	3,552	290	29,242	0	5,319	56,824	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.	31,559	0	10,894	2,623	5	0	2,407	579	5,740	0	0	47,403	1,059
2.	12	0	0	0	1	0	0	0	0	0	0	13	4
3.	72	2	0	0	0	0	0	0	0	0	0	70	13
4.	130	49	0	0	0	0	0	0	0	0	0	81	76
5.	922	39	0	0	8	0	0	0	0	0	0	891	47
6.	62	3	0	0	7	0	0	0	0	0	0	66	24
7.	215	24	0	0	16	0	0	0	0	0	0	207	38
8.	28	9	0	0	11	0	0	0	0	0	0	30	9
9.	80	38	0	0	11	0	0	0	0	0	0	53	10
10.	58	17	0	0	42	0	0	0	0	0	0	83	28
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	33,138	181	10,894	2,623	101	0	2,407	579	5,740	0	0	48,897	1,308

	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	39,830	7,573
2.	13,467	460	13,007	72.8	13.5	86.2	0	0	0.0	12	1
3.	8,431	672	7,759	47.0	16.5	56.0	0	0	0.0	70	0
4.	6,597	722	5,875	48.6	27.8	53.4	0	0	0.0	81	0
5.	8,445	1,102	7,343	77.2	48.0	84.9	0	0	0.0	883	8
6.	7,567	1,059	6,508	104.6	49.8	127.4	0	0	0.0	59	7
7.	7,802	1,375	6,427	674.3	(1,175.2)	504.5	0	0	0.0	191	16
8.	5,341	1,156	4,185	102.6	43.7	163.7	0	0	0.0	19	11
9.	4,276	(31)	4,307	495.5	(4.3)	3,190.4	0	0	0.0	42	11
10.	3,020	18	3,002	2,253.7	54.5	2,972.3	0	0	0.0	41	42
11.	0	96	(96)	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	41,228	7,669

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 2005 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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	11 One Year	12 Two Year
1. Prior	71,397	85,946	79,978	68,727	90,265	72,525	54,530	61,502	56,371	51,777	(4,594)	(9,725)
2. 1996	7,140	6,866	5,460	5,403	5,401	5,412	5,405	5,385	5,422	5,367	(55)	(18)
3. 1997	XXX	3,677	3,467	3,272	3,628	3,642	3,671	3,637	3,653	3,642	(11)	5
4. 1998	XXX	XXX	3,062	3,120	3,001	3,061	3,062	2,969	3,766	2,964	(802)	(5)
5. 1999	XXX	XXX	XXX	3,154	4,251	3,741	3,758	3,946	3,156	3,923	767	(23)
6. 2000	XXX	XXX	XXX	XXX	2,460	2,667	2,873	2,721	2,932	3,084	152	363
7. 2001	XXX	XXX	XXX	XXX	XXX	2,016	2,243	2,327	2,106	2,302	196	(25)
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,765	1,898	2,005	1,906	(99)	8
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,112	3,206	3,227	21	2,115
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	222	2,756	2,534	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(96)	XXX	XXX
12. Totals											(1,891)	(7,305)

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1996	0	0	0	0	0	0	0	0	0	0	0	0
3. 1997	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1998	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 1999	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2000	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2001	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

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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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	.000	3,174	7,223	9,033	9,271	9,805	10,083	10,105	10,113	10,114	25,832	74,313
2. 1996	2,165	4,592	5,180	5,273	5,271	5,387	5,386	5,376	5,351	5,354	1,043	3,240
3. 1997	XXX	1,392	2,905	2,952	3,457	3,496	3,549	3,556	3,572	3,572	484	2,270
4. 1998	XXX	XXX	1,230	2,621	2,794	2,876	2,893	2,883	2,883	2,883	429	1,502
5. 1999	XXX	XXX	XXX	1,031	2,263	2,650	2,776	3,050	3,032	3,032	418	1,430
6. 2000	XXX	XXX	XXX	XXX	1,094	2,136	2,394	2,551	2,717	3,018	340	749
7. 2001	XXX	XXX	XXX	XXX	XXX	672	1,698	2,067	2,065	2,095	346	729
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	486	1,765	1,891	1,876	195	442
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	733	3,093	3,174	78	151
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	177	2,673	17	74
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(96)	0	0

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

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1996	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1997	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1998	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 1999	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2000	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2001	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

NONE

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	.0	.0	XXX	XXX
2. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
3. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	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 2005 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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior	64,516	73,342	69,825	57,587	47,275	30,839	12,883	19,824	14,684	10,099
2. 1996	0	0	0	0	0	0	0	0	0	0
3. 1997	XXX	0	0	0	0	0	0	0	0	0
4. 1998	XXX	XXX	0	0	0	0	0	0	0	0
5. 1999	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2000	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2001	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0							
2. 1996	0	0	0	0	0	0	0	0	0	0							
3. 1997	XXX	0	0	NONE							0						
4. 1998	XXX	XXX	0								0						
5. 1999	XXX	XXX	XXX								0						
6. 2000	XXX	XXX	XXX								XXX	0					
7. 2001	XXX	XXX	XXX								XXX	XXX	0				
8. 2002	XXX	XXX	XXX								XXX	XXX	XXX	0			
9. 2003	XXX	XXX	XXX								XXX	XXX	XXX	XXX	0		
10. 2004	XXX	XXX	XXX								XXX	XXX	XXX	XXX	XXX	0	
11. 2005	XXX	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0		
2. 2004	XXX	XXX	XXX	NONE							0
3. 2005	XXX	XXX	XXX								XXX

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	382	91	124	168	19	68	0	1	25,070	25,832
2. 1996	383	721	984	1,025	1,032	1,035	1,038	1,040	1,043	1,043
3. 1997	XXX	219	427	464	477	480	482	484	484	484
4. 1998	XXX	XXX	216	388	409	424	429	429	429	429
5. 1999	XXX	XXX	XXX	191	357	406	412	415	419	418
6. 2000	XXX	XXX	XXX	XXX	186	308	330	335	337	340
7. 2001	XXX	XXX	XXX	XXX	XXX	154	322	343	345	346
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	110	175	193	195
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26	62	78
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8	17
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	632	550	456	244	219	394	1,064	1,063	1,059	1,059
2. 1996	1,763	336	81	30	9	7	5	7	4	4
3. 1997	XXX	709	128	59	31	27	25	15	14	13
4. 1998	XXX	XXX	592	203	142	121	115	81	76	76
5. 1999	XXX	XXX	XXX	613	224	100	91	62	47	47
6. 2000	XXX	XXX	XXX	XXX	400	143	116	82	27	24
7. 2001	XXX	XXX	XXX	XXX	XXX	370	110	53	40	38
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	273	42	11	9
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84	26	10
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	51	28
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	3	164	111	1	0	291	(14,087)	0	97,508	101,204
2. 1996	4,328	4,246	4,287	4,287	4,287	4,287	4,287	4,287	4,287	4,287
3. 1997	XXX	2,765	2,766	2,766	2,766	2,766	2,767	2,767	2,767	2,767
4. 1998	XXX	XXX	2,003	2,007	2,007	2,007	2,007	2,007	2,007	2,007
5. 1999	XXX	XXX	XXX	1,874	1,895	1,895	1,895	1,895	1,895	1,895
6. 2000	XXX	XXX	XXX	XXX	1,110	1,113	1,113	1,113	1,113	1,113
7. 2001	XXX	XXX	XXX	XXX	XXX	1,110	1,113	1,113	1,113	1,113
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	645	646	646	646
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	225	239	239
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	119	119
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

Schedule P - Part 6R - SN1A

NONE

Schedule P - Part 6R - SN2A

NONE

Schedule P - Part 6R - SN1B

NONE

Schedule P - Part 6R - SN2B

NONE

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 2005 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	1996			
1.03	1997			
1.04	1998			
1.05	1999			
1.06	2000			
1.07	2001			
1.08	2002			
1.09	2003			
1.10	2004			
1.11	2005			
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 disclosure 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 or per claimant (Indicate which).....CLAIM
If not the same in all years, explain in Interrogatory 7.

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 that have occurred that must be considered when making such analyses? Yes [] No [X]

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 2005 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	(1,935)	.0	.0	.0
2. Alaska	AK	No	.0	.0	.0	.0	.0	.0	.0
3. Arizona	AZ	No	.0	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	No	.0	.0	.0	.0	.0	.0	.0
5. California	CA	No	.0	.0	.0	(11,673)	116,664	.0	.0
6. Colorado	CO	No	.0	.0	739,424	610,500	1,076,636	.0	.0
7. Connecticut	CT	No	.0	.0	.0	.0	.0	.0	.0
8. Delaware	DE	No	.0	.0	.0	.0	.0	.0	.0
9. District of Columbia	DC	No	.0	.0	.0	.0	.0	.0	.0
10. Florida	FL	No	.0	.0	.0	(2,395,955)	23,946,082	.0	.0
11. Georgia	GA	No	.0	.0	6,000	5,535	4,651	.0	.0
12. Hawaii	HI	No	.0	.0	.0	(5,116)	.0	.0	.0
13. Idaho	ID	No	.0	.0	.0	.0	.0	.0	.0
14. Illinois	IL	No	.0	.0	14,755	4,543	8,105	.0	.0
15. Indiana	IN	No	.0	.0	17,362	14,248	13,952	.0	.0
16. Iowa	IA	No	.0	.0	.0	.0	.0	.0	.0
17. Kansas	KS	No	.0	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	No	.0	.0	(3,188)	(3,188)	.0	.0	.0
19. Louisiana	LA	No	.0	.0	.0	.0	.0	.0	.0
20. Maine	ME	No	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	No	.0	.0	(310)	(1,241)	9,301	.0	.0
22. Massachusetts	MA	No	.0	.0	.0	.0	.0	.0	.0
23. Michigan	MI	No	.0	.0	.0	.0	.0	.0	.0
24. Minnesota	MN	No	.0	.0	.0	.0	.0	.0	.0
25. Mississippi	MS	No	.0	.0	2,800	2,421	3,787	.0	.0
26. Missouri	MO	No	.0	.0	6,256	(4,442)	4,651	.0	.0
27. Montana	MT	No	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	No	.0	.0	.0	.0	.0	.0	.0
29. Nevada	NV	No	.0	.0	.0	(931)	9,301	.0	.0
30. New Hampshire	NH	No	.0	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	No	.0	.0	7,450	(1,940,344)	18,214,473	.0	.0
32. New Mexico	NM	No	.0	.0	.0	.0	.0	.0	.0
33. New York	NY	No	.0	.0	.0	.0	.0	.0	.0
34. North Carolina	NC	No	.0	.0	1,012	547	4,651	.0	.0
35. North Dakota	ND	No	.0	.0	.0	.0	.0	.0	.0
36. Ohio	OH	No	.0	.0	.0	.0	.0	.0	.0
37. Oklahoma	OK	No	.0	.0	11,100	1,731	11,095	.0	.0
38. Oregon	OR	No	.0	.0	(1,260)	(1,260)	.0	.0	.0
39. Pennsylvania	PA	No	.0	.0	.0	(931)	9,301	.0	.0
40. Rhode Island	RI	No	.0	.0	.0	.0	.0	.0	.0
41. South Carolina	SC	No	.0	.0	4,800	(35,860)	65,987	.0	.0
42. South Dakota	SD	No	.0	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	No	.0	.0	.0	.0	.0	.0	.0
44. Texas	TX	No	.0	.0	487,393	267,491	518,978	.0	.0
45. Utah	UT	No	.0	.0	.0	(7,016)	.0	.0	.0
46. Vermont	VT	No	.0	.0	.0	.0	.0	.0	.0
47. Virginia	VA	Yes	.0	.0	.0	(21,892)	13,952	.0	.0
48. Washington	WA	No	.0	.0	.0	.0	.0	.0	.0
49. West Virginia	WV	No	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	No	.0	.0	.0	.0	.0	.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	1,293,593	(3,524,767)	44,031,566	0	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

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

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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

**SCHEDULE T – PART 2
INTERSTATE COMPACT PRODUCTS – EXHIBIT OF PREMIUMS WRITTEN**

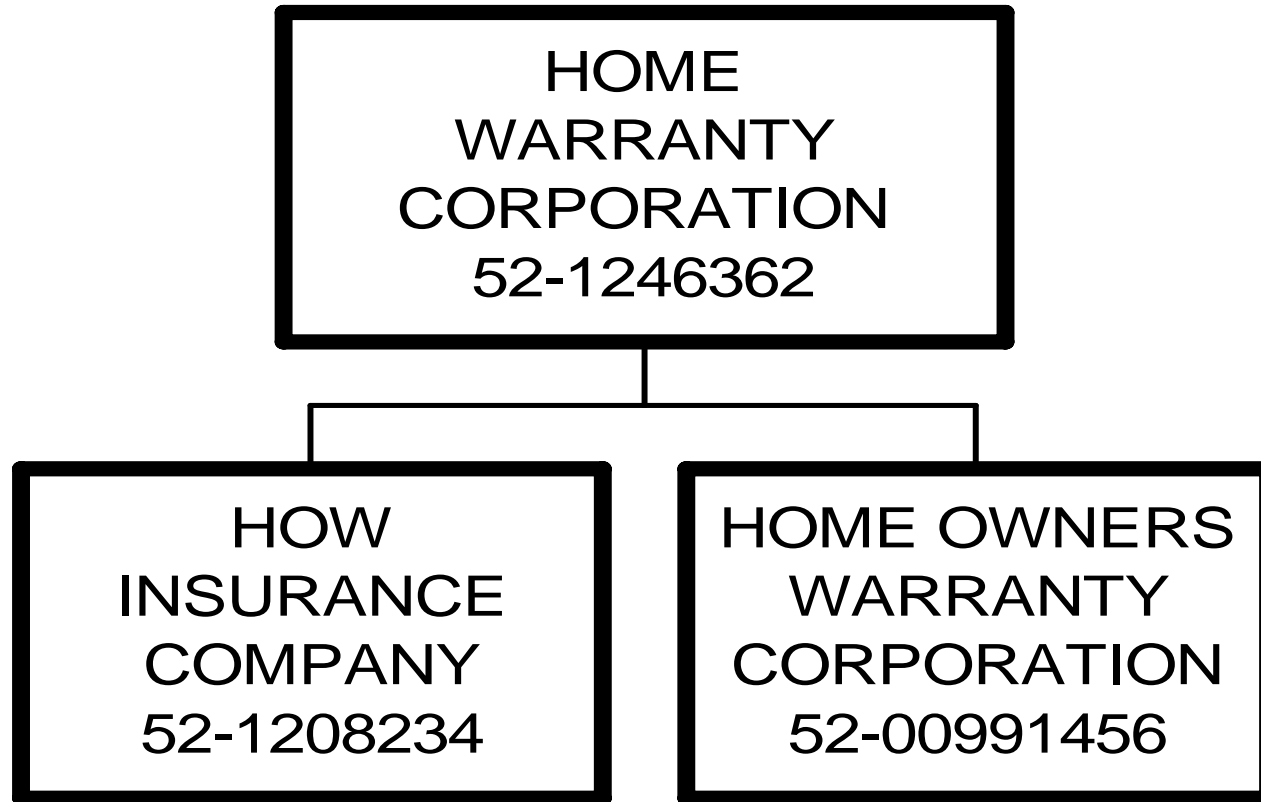
Allocated by States and Territories

States, Etc.		Direct Business Only					Totals
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama	AL						0
2. Alaska	AK						0
3. Arizona	AZ						0
4. Arkansas	AR						0
5. California	CA						0
6. Colorado	CO						0
7. Connecticut	CT						0
8. Delaware	DE						0
9. District of Columbia	DC						0
10. Florida	FL						0
11. Georgia	GA						0
12. Hawaii	HI						0
13. Idaho	ID						0
14. Illinois	IL						0
15. Indiana	IN						0
16. Iowa	IA						0
17. Kansas	KS						0
18. Kentucky	KY						0
19. Louisiana	LA						0
20. Maine	ME						0
21. Maryland	MD						0
22. Massachusetts	MA						0
23. Michigan	MI						0
24. Minnesota	MN						0
25. Mississippi	MS						0
26. Missouri	MO						0
27. Montana	MT						0
28. Nebraska	NE						0
29. Nevada	NV						0
30. New Hampshire	NH						0
31. New Jersey	NJ						0
32. New Mexico	NM						0
33. New York	NY						0
34. North Carolina	NC						0
35. North Dakota	ND						0
36. Ohio	OH						0
37. Oklahoma	OK						0
38. Oregon	OR						0
39. Pennsylvania	PA						0
40. Rhode Island	RI						0
41. South Carolina	SC						0
42. South Dakota	SD						0
43. Tennessee	TN						0
44. Texas	TX						0
45. Utah	UT						0
46. Vermont	VT						0
47. Virginia	VA						0
48. Washington	WA						0
49. West Virginia	WV						0
50. Wisconsin	WI						0
51. Wyoming	WY						0
52. American Samoa	AS						0
53. Guam	GU						0
54. Puerto Rico	PR						0
55. U.S. Virgin Islands	VI						0
56. Canada	CN						0
57. Other Alien	OT						0
58. Totals		0	0	0	0	0	0

NONE

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			0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** 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 an actuarial opinion be filed by March 1?		.....YES.....
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		.....WAIVED.....
3. Will the Risk-based Capital Report be filed with the NAIC by March 1?		.....YES.....
4. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?		.....YES.....
5. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?		.....YES.....
APRIL FILING		
6. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		.....WAIVED.....
7. Will Management's Discussion and Analysis be filed by April 1?		.....YES.....
8. Will the Investment Risk Interrogatories be filed by April 1?		.....YES.....
MAY FILING		
9. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?		.....WAIVED.....
JUNE FILING		
10. Will an audited financial report be filed by June 1?		.....YES.....

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		
11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?		.....SEE EXPLANATION.....
12. Will the Financial Guaranty Insurance Exhibit be filed March 1?		.....SEE EXPLANATION.....
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
14. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?		.....SEE EXPLANATION.....
15. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?		.....YES.....
16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?		.....SEE EXPLANATION.....
17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
APRIL FILING		
18. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
19. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
20. Will the Accident and Health Policy Experience Exhibit be filed by April 1?		.....SEE EXPLANATION.....

Explanation:

- 11. Not Required
- 12. Not Required
- 13. Not Required
- 14. Not Required
- 16. Not Required

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

17. Not Required

18. Not Required

19. Not Required

20. Not Required

Bar Code:

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

6. 
4 1 2 4 6 2 0 0 5 2 7 0 0 0 0 0 0

9. 
4 1 2 4 6 2 0 0 5 2 0 1 0 0 0 0 0

OVERFLOW PAGE FOR WRITE-INS

P003 Additional Aggregate Lines for Page 3 Line 23.
*LIAB - Liabilities

	1 Current Year	2 Prior Year
2304. Reinsurance liability adjustment.....	1,122,000	1,122,000
2305. Unclaimed property drafts.....	14,703	4,126
2306. Notices of claim determination.....	1,345,909	1,345,909
2307. Ceded reinsurance - Amounts due reinsurers.....	1,523,649	1,523,649
2308. Accrued interest on deferred loss payments.....	6,263,845	5,928,946
2309. Suspense.....		.85
2397. Summary of remaining write-ins for Line 23 from page 3	10,270,106	9,924,715

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 2005 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	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
912827-7L-0	UNITED STATES TREASURY				1	1,947,414	102.6560	1,899,136	1,850,000	1,935,615	.0	(11,799)	.0	.0	4.875	4.023	FA	34,071	90,188	01/27/2005	02/15/2012	
912828-AT-7	UNITED STATES TREASURY				1	4,964,844	97.1880	4,859,400	5,000,000	4,975,883	.0	10,803	.0	.0	3.000	3.263	FA	56,667	150,000	12/23/2004	02/15/2008	
912827-7B-2	US TREASURY				1	1,601,836	103.2190	1,548,285	1,500,000	1,593,418	.0	(8,418)	.0	.0	5.000	3.796	FA	28,333	37,500	06/06/2005	08/15/2011	
912827-6J-6	US TREASURY NOTE				1	1,634,648	105.8120	1,587,180	1,500,000	1,615,420	.0	(19,228)	.0	.0	5.750	3.953	FA	32,583	43,125	02/22/2005	08/15/2010	
912827-Z6-2	US TREASURY NOTES				1	3,078,242	101.5160	3,045,480	3,000,000	3,010,570	.0	(12,728)	.0	.0	6.500	6.126	AO	41,786	195,000	08/03/2000	10/15/2006	
912828-BG-4	US TREASURY NT/BD				1	2,233,037	97.2340	2,187,765	2,250,000	2,237,464	.0	4,427	.0	.0	3.250	3.504	FA	27,625	73,125	01/06/2005	08/15/2008	
912828-CS-7	US TREASURY NT/BD				1	2,022,734	97.0940	1,941,880	2,000,000	2,017,211	.0	(4,408)	.0	.0	3.500	3.273	FA	26,444	70,000	09/28/2004	08/15/2009	
912828-DB-3	US TREASURY NT/BD				1	690,484	96.9380	678,566	700,000	691,577	.0	1,093	.0	.0	3.500	3.874	MN	3,131	12,250	06/14/2005	11/15/2009	
912828-DP-2	US TREASURY NT/BD				1	3,056,164	98.5780	3,055,918	3,100,000	3,062,360	.0	6,196	.0	.0	4.000	4.365	MS	36,511	62,000	03/23/2005	03/15/2010	
912828-DQ-0	US TREASURY NT/BD				1	1,490,566	99.1560	1,487,340	1,500,000	1,492,107	.0	1,541	.0	.0	3.750	4.231	MS	14,219	0	09/30/2005	03/31/2007	
0199999	Total Bonds - U.S. Government - Issuer Obligations					22,719,971	XXX	22,290,950	22,400,000	22,631,626	.0	(32,522)	.0	.0	XXX	XXX	XXX		301,370	733,188	XXX	XXX
362059-Y8-4	GNMA POOL #030435				1	566	104.3650	547	524	539	.0	(5)	.0	.0	9.000	7.251	MON	4	47	05/18/1998	04/15/2009	
362064-L8-8	GNMA POOL #034551				1	6,309	104.3650	6,100	5,845	6,044	.0	(53)	.0	.0	9.000	6.770	MON	44	526	05/18/1998	05/15/2009	
362135-4V-4	GNMA POOL #097136				1	40,512	109.6060	40,367	36,829	38,898	.0	(252)	.0	.0	10.500	8.947	MON	322	3,867	09/19/1996	04/15/2013	
36214H-G0-4	GNMA POOL #106496				1	38,562	107.4660	38,394	35,727	37,283	.0	(185)	.0	.0	9.000	7.997	MON	268	3,215	05/18/1998	12/15/2013	
36215N-TV-6	GNMA POOL #140164				1	12,859	109.3250	12,882	11,783	12,691	.0	(26)	.0	.0	10.000	6.326	MON	98	1,178	06/23/1995	03/15/2016	
36215N-3T-9	GNMA POOL #140410				1	11,291	109.4810	11,328	10,347	11,030	.0	(46)	.0	.0	10.000	8.429	MON	86	1,035	06/23/1995	03/15/2016	
36215N-3U-6	GNMA POOL #140411				1	9,872	109.1380	9,874	9,047	9,715	.0	(21)	.0	.0	10.000	6.740	MON	75	905	06/23/1995	04/15/2016	
36215U-VT-2	GNMA POOL #145626				1	46,848	109.3250	46,934	42,930	46,020	.0	(72)	.0	.0	10.000	5.995	MON	358	4,293	06/23/1995	02/15/2016	
36215W-BR-4	GNMA POOL #146848				1	13,705	109.3250	13,730	12,559	13,337	.0	(67)	.0	.0	10.000	8.849	MON	105	1,256	06/23/1995	02/15/2016	
362151-AU-6	GNMA POOL #150419				1	10,579	109.4810	10,613	9,694	10,425	.0	(14)	.0	.0	10.000	5.252	MON	81	969	06/23/1995	02/15/2016	
362153-ED-6	GNMA POOL #152332				1	102,622	109.4810	102,957	94,041	99,395	.0	(451)	.0	.0	10.000	8.967	MON	784	9,404	06/23/1995	03/15/2016	
362159-P2-5	GNMA POOL #158041				1	20,492	109.4810	20,559	18,778	19,944	.0	(99)	.0	.0	10.000	8.886	MON	156	1,878	06/23/1995	04/15/2016	
36216H-YB-6	GNMA POOL #165506				1	8,006	106.9970	8,527	7,969	7,992	.0	(1)	.0	.0	8.500	8.375	MON	56	677	11/28/1986	08/15/2016	
36216S-J7-8	GNMA POOL #173186				1	12,921	106.9970	13,760	12,860	12,887	.0	(4)	.0	.0	8.500	8.687	MON	91	1,093	11/28/1986	08/15/2016	
36216Z-SW-0	GNMA POOL #181533				1	6,754	108.7780	6,807	6,258	6,639	.0	(23)	.0	.0	9.000	8.185	MON	47	563	05/18/1998	10/15/2019	
362164-XG-7	GNMA POOL #183501				1	22,624	109.4810	22,697	20,732	22,079	.0	(108)	.0	.0	10.000	8.881	MON	173	2,073	06/23/1995	10/15/2016	
36202C-BS-1	GNMA POOL #1849				1	894	107.2780	920	857	892	.0	0	.0	.0	8.500	5.522	MON	6	73	02/04/1998	08/20/2024	
36217C-SU-1	GNMA POOL #189631				1	48,097	109.3880	48,213	44,075	46,899	.0	(191)	.0	.0	10.000	8.898	MON	367	4,408	06/23/1995	08/15/2017	
36202C-G5-6	GNMA POOL #2020				1	158,622	107.3090	163,228	152,110	158,376	.0	(24)	.0	.0	8.500	5.803	MON	1,077	12,929	02/04/1998	06/20/2025	
36218F-KA-5	GNMA POOL #220889				1	1,723	108.6530	1,735	1,597	1,709	.0	(1)	.0	.0	9.000	1.663	MON	12	144	05/18/1998	05/15/2018	
36202C-RF-2	GNMA POOL #2286				1	7,543	107.2780	7,760	7,234	7,532	.0	(1)	.0	.0	8.500	5.974	MON	51	615	02/04/1998	09/20/2026	
36202C-SP-9	GNMA POOL #2326				1	67,423	107.2780	69,361	64,655	67,328	.0	(8)	.0	.0	8.500	5.689	MON	458	5,496	02/04/1998	11/20/2026	
36218V-S9-5	GNMA POOL #233744				1	20,200	109.3880	22,692	20,745	20,358	.0	19	.0	.0	10.000	10.815	MON	173	2,074	04/21/1989	09/15/2017	
36218W-MD-0	GNMA POOL #234456				1	93,029	109.7630	93,573	85,250	91,534	.0	(298)	.0	.0	10.000	8.516	MON	710	8,525	06/23/1995	11/15/2018	
36202C-TA-1	GNMA POOL #2345				1	57,133	107.2780	58,775	54,787	57,048	.0	(9)	.0	.0	8.500	6.199	MON	388	4,657	02/04/1998	12/20/2026	
36202C-UX-9	GNMA POOL #2398				1	6,513	107.2470	6,698	6,246	6,502	.0	(1)	.0	.0	8.500	5.952	MON	44	531	02/04/1998	03/20/2027	
36202C-VH-3	GNMA POOL #2416				1	2,367	107.2470	2,435	2,270	2,363	.0	(1)	.0	.0	8.500	6.620	MON	16	193	02/04/1998	04/20/2027	
36202C-WF-6	GNMA POOL #2446				1	18,739	107.2470	19,272	17,969	18,715	.0	(2)	.0	.0	8.500	5.203	MON	127	1,527	02/04/1998	06/20/2027	
36219E-BK-5	GNMA POOL #246742				1	15,027	108.6530	15,126	13,922	14,818	.0	(25)	.0	.0	9.000	6.767	MON	104	1,253	05/18/1998	04/15/2018	
36219M-50-1	GNMA POOL #253855				1	8,180	108.6530	8,234	7,579	8,026	.0	(31)	.0	.0	9.000	8.123	MON	57	682	05/18/1998	06/15/2018	
36202C-ZC-0	GNMA POOL #2539				1	6,160	107.1840	6,331	5,907	6,128	.0	(7)	.0	.0	8.500	8.278	MON	42	502	02/04/1998	01/20/2028	
36219S-Z5-1	GNMA POOL #258264				1	22,820	109.7630	22,954	20,912	22,245	.0	(84)	.0	.0	10.000	9.107	MON	174	2,091	06/23/1995	12/15/2018	
36219T-N6-0	GNMA POOL #258813				1	4,376	109.7630	4,982	4,539	4,424	.0	6	.0	.0	10.000	10.943	MON	38	454	03/30/1989	09/15/2018	
36219U-4W-1	GNMA POOL #260137				1	3,959	109.7630	4,508	4,107	3,988	.0	1	.0	.0	10.000	12.008	MON	34	411	03/30/1989	08/15/2018	
36220H-QY-9	GNMA POOL #278671				1	54,011	108.7780	54,432	50,040	53,365	.0	(61)	.0	.0	9.000	6.418	MON	375	4,504	05/18/1998	08/15/2019	
36220L-2N-0	GNMA POOL #281681				1	42,668	108.7780	43,000	39,530	41,975	.0	(145)	.0	.0	9.000	8.174	MON	296	3,558	05/18/1998	11/15/2019	
36220M-AP-4	GNMA POOL #281814				1	77,854	108.7780	78,460	72,129	77,502	.0	(49)	.0	.0	9.000	4.419	MON	541	6,492	05/18/1998	12/15/2019	
36203A-P2-6	GNMA POOL #343441				1	10,594	107.6220	11,031	10,249	10,535	.0	(11)	.0	.0	8.500	8.338	MON	73	871	09/26/1996	07/15/2024	
36205J-HZ-1	GNMA POOL #391848				1	3,773	107.5590	3,926	3,650	3,751	.0	(4)	.0	.0	8.500	8.385	MON	26				

ANNUAL STATEMENT FOR THE YEAR 2005 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	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
36201S-XJ-3	GNMA POOL #592081				1	553,273	.98	528,501	536,751	554,256	.0	.385	.0	.0	4.500	3.962	MON	2,013	24,154	.05/22/2003	.06/15/2018
36201S-YW-3	GNMA POOL #592125				1	122,189	.102	119,870	117,032	122,273	.0	(16)	.0	.0	6.000	4.046	MON	585	7,022	.05/22/2003	.11/15/2032
36201U-YX-6	GNMA POOL #593926				1	116,478	.102	114,233	111,562	116,559	.0	(15)	.0	.0	6.000	4.048	MON	558	6,694	.05/22/2003	.04/15/2033
36200A-6U-8	GNMA POOL #595883				1	237,110	.98	226,494	230,030	236,471	.0	.2	.0	.0	4.500	4.045	MON	863	10,351	.05/22/2003	.05/15/2018
36200A-6Z-7	GNMA POOL #595888				1	144,273	.98	137,814	139,965	144,314	.0	(63)	.0	.0	4.500	3.992	MON	525	6,298	.05/22/2003	.06/15/2018
36200D-KW-4	GNMA POOL #598000				1	28,383	.102	27,844	27,185	28,374	.0	(4)	.0	.0	6.000	4.115	MON	136	1,631	.08/01/2003	.12/15/2032
36200K-ZE-0	GNMA POOL #603841				1	269,563	.100	267,992	265,702	269,296	.0	(91)	.0	.0	5.500	5.460	MON	1,218	14,614	.12/06/2002	.12/15/2032
36200M-GB-3	GNMA POOL #604194				1	111,551	.98	106,692	108,220	111,315	.0	.155	.0	.0	4.500	3.909	MON	406	4,870	.05/22/2003	.04/15/2018
36225A-DX-5	GNMA POOL #780118				1	71,803	.110	73,588	66,872	71,459	.0	(39)	.0	.0	9.500	5.913	MON	529	6,353	.10/12/1995	.08/15/2021
36225A-FR-6	GNMA POOL #780176				1	637,689	.110	649,167	588,579	633,411	.0	(445)	.0	.0	10.000	6.282	MON	4,905	58,858	.05/26/1995	.03/15/2021
36225A-L7-3	GNMA POOL #780350				1	165,121	.102	167,955	171,851	166,221	.0	259	.0	.0	6.500	7.312	MON	910	10,917	.08/07/2000	.05/15/2009
36221G-SV-4	GNMA POOL #905932				1	99,844	.109	100,297	91,338	96,417	.0	(434)	.0	.0	10.250	9.241	MON	780	9,362	.10/07/1996	.02/15/2016
38374B-BC-6	GNR 2003-49-A				1	435,593	.94	414,755	437,782	436,076	.0	.114	.0	.0	2.212	2.342	MON	807	9,684	.05/30/2003	.10/16/2017
38374J-6V-3	GNR 2004-103 A				1	382,363	.97	373,450	382,363	382,363	.0	.0	.0	.0	3.878	3.795	MON	618	15,169	.11/19/2004	.12/16/2019
0299999	Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities					5,812,733	.XXX	5,738,358	5,608,751	5,790,383	.0	(2,040)	.0	.0	XXX	XXX	XXX	28,371	348,207	XXX	XXX
0399999	Total - U.S. Government Bonds					28,532,704	.XXX	28,029,308	28,008,751	28,422,009	.0	(34,562)	.0	.0	XXX	XXX	XXX	329,741	1,081,394	XXX	XXX
31359M-EV-5	FANNIE MAE				1	1,333,351	.106	1,329,113	1,250,000	1,331,237	.0	(2,114)	.0	.0	6.625	4.749	MS	24,384	0	.11/23/2005	.09/15/2009
31359M-SQ-7	FANNIE MAE				1	1,414,000	.96	1,384,427	1,434,000	1,422,726	.0	4,030	.0	.0	3.250	3.598	FA	17,606	46,605	.10/15/2003	.08/15/2008
31359M-DJ-9	FED NATL MTG ASSN				1	519,174	.102	510,430	500,000	514,291	.0	(4,883)	.0	.0	5.750	4.373	FA	10,861	14,375	.03/23/2005	.02/15/2008
313310-3W-7	FEDERAL FARM CREDIT BANK				1	2,366,259	.97	2,382,258	2,450,000	2,401,718	.0	35,459	.0	.0	1.875	3.859	JJ	21,055	22,969	.03/16/2005	.01/16/2007
3133MN-VV-0	FEDERAL HOME LOAN BANK				1	2,066,495	.105	1,999,978	1,900,000	2,049,315	.0	(17,180)	.0	.0	5.750	4.373	MN	13,960	109,250	.02/22/2005	.05/15/2012
3133X8-EL-2	FEDERAL HOME LOAN BANK				1	2,517,605	.96	2,420,975	2,500,000	2,513,363	.0	(3,387)	.0	.0	3.750	3.624	FA	92,188	92,188	.08/28/2004	.08/18/2009
31344A-GK-4	FHLMC				1	1,571,825	.100	1,507,875	1,500,000	1,519,102	.0	(34,600)	.0	.0	5.500	3.124	JJ	38,042	82,500	.06/18/2004	.07/15/2006
31359M-LH-4	FNMA				1	989,336	.99	987,070	1,000,000	997,919	.0	2,527	.0	.0	4.375	4.700	AO	9,236	43,750	.05/24/2002	.10/15/2006
3128X3-N7-4	FREDDIE MAC				1	978,580	.97	979,630	1,000,000	978,819	.0	239	.0	.0	3.550	4.801	MN	4,536	0	.12/23/2005	.11/15/2007
31344A-TE-4	FREDDIE MAC				1	527,161	.96	528,253	550,000	536,151	.0	5,893	.0	.0	2.750	3.992	MS	4,453	15,125	.06/16/2004	.03/15/2008
31344A-VB-7	FREDDIE MAC				1	1,732,934	.97	1,705,183	1,750,000	1,734,306	.0	(1,372)	.0	.0	4.125	4.392	JJ	38,099	0	.07/22/2005	.07/12/2010
2599999	Total Bonds - Special Revenue - Issuer Obligations					16,016,720	.XXX	15,746,190	15,834,000	15,998,947	.0	(12,644)	.0	.0	XXX	XXX	XXX	216,867	426,761	XXX	XXX
31286X-VA-1	FHLM 15 YR GOLD #E93309				1	418,126	.100	407,286	404,230	416,968	.0	(527)	.0	.0	5.500	4.577	MON	1,853	22,233	.01/30/2003	.12/01/2017
31283K-WS-3	FHLM 15 YR GOLD G1-1557				1	521,155	.102	506,607	496,338	521,343	.0	(481)	.0	.0	6.000	3.852	MON	2,482	29,780	.10/29/2004	.03/01/2019
3128NG-AT-2	FHLMC ARM #1H1218				1	801,933	.98	779,698	795,593	801,783	.0	(150)	.0	.0	4.854	4.866	MON	3,218	32,136	.01/19/2005	.11/01/2034
31394J-6L-6	FHR 2681 PC				1	1,027,031	.99	994,350	1,000,000	1,023,038	.0	(2,372)	.0	.0	5.000	4.604	MON	4,167	50,000	.10/14/2003	.01/15/2019
31395E-SU-7	FHR 2872 YB				1	621,094	.99	599,478	600,000	618,830	.0	(2,002)	.0	.0	5.000	4.351	MON	2,500	30,000	.11/17/2004	.06/15/2023
31395M-DV-2	FHR 2934 NB				1	1,020,195	.98	988,860	1,000,000	1,019,509	.0	(687)	.0	.0	5.000	4.808	MON	4,167	41,667	.01/21/2005	.01/15/2028
31394R-PZ-6	FHSF 2004-C				1	998,887	.95	956,000	1,000,000	998,804	.0	(37)	.0	.0	3.320	3.367	MON	2,767	33,200	.03/03/2004	.12/15/2011
31371K-2T-7	FNMA 15 YR #254686				1	681,736	.100	659,090	653,944	677,027	.0	(1,784)	.0	.0	5.500	3.865	MON	2,997	36,032	.04/24/2003	.04/01/2018
31376D-W7-3	FNMA 15 YR #352670				1	128,283	.102	130,323	126,881	127,666	.0	(120)	.0	.0	6.500	6.275	MON	687	8,254	.03/18/1999	.02/01/2013
31376J-VR-7	FNMA 15 YR #357124				1	251,024	.100	244,692	242,481	250,956	.0	(248)	.0	.0	5.500	3.742	MON	1,111	13,358	.08/25/2004	.05/01/2016
31378F-2D-6	FNMA 15 YR #397772				1	22,367	.102	22,723	22,123	22,251	.0	(22)	.0	.0	6.500	6.281	MON	120	1,439	.03/18/1999	.09/01/2012
31378M-GL-8	FNMA 15 YR #402603				1	24,211	.102	24,596	23,946	24,063	.0	(28)	.0	.0	6.500	6.395	MON	130	1,558	.03/18/1999	.11/01/2012
31378N-GZ-5	FNMA 15 YR #403516				1	30,270	.102	30,751	29,939	30,169	.0	(17)	.0	.0	6.500	5.947	MON	162	1,948	.03/18/1999	.01/01/2013
31378T-K4-6	FNMA 15 YR #408115				1	17,371	.102	17,647	17,181	17,321	.0	(7)	.0	.0	6.500	5.713	MON	93	1,118	.03/18/1999	.12/01/2012
31379B-HC-0	FNMA 15 YR #414327				1	25,132	.102	25,532	24,857	25,044	.0	(16)	.0	.0	6.500	6.023	MON	135	1,622	.03/18/1999	.02/01/2013
31379K-H2-2	FNMA 15 YR #421549				1	179,940	.102	182,801	177,972	178,880	.0	(212)	.0	.0	6.500	6.372	MON	964	11,579	.03/18/1999	.06/01/2013
31379K-H3-0	FNMA 15 YR #421550				1	55,656	.102	56,472	55,048	55,425	.0	(45)	.0	.0	6.500	6.142	MON	298	3,582	.03/18/1999	.06/01/2013
31379X-JT-3	FNMA 15 YR #432374				1	24,750	.102	25,143	24,479	24,643	.0	(21)	.0	.0	6.500	6.161	MON	133	1,592	.03/18/1999	.06/01/2013
31379Y-FR-9	FNMA 15 YR #433176				1	188,977	.102	192,472	187,048	188,055	.0	(186)	.0	.0	6.500	6.305	MON	1,013	12,167	.04/05/1999	.07/01/2013
31380L-TC-2	FNMA 15 YR #443447				1	124,446	.102	126,654	123,085	123,919	.0	(126)	.0	.0	6.500	6.320	MON	667	8,006	.03/18/1999	.09/01/2028
31380Q-GA-9	FNMA 15 YR #446693				1	14,108	.102	14,359	13,954	14,062	.0	(8)	.0	.0	6.500	6.065	MON	76	908	.03/18/1999	.10/01/2013
31380Q-H3-4	FNMA 15 YR #446750				1	61,287	.102	62,374	60,617	61,102	.0	(31)	.0	.0	6.500	5.883	MON	328			

ANNUAL STATEMENT FOR THE YEAR 2005 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	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
313820-UQ-6	FNMA 15 YR #489391				1	38,694	102.9310	39,393	38,271	38,608	0	(11)	0	0	6.500	5.440	MON	207	2,489	03/18/1999	03/01/2014	
31382T-HK-8	FNMA 15 YR #491734				1	29,876	102.9000	30,406	29,549	29,768	0	(20)	0	0	6.500	6.190	MON	160	1,922	03/18/1999	03/01/2014	
31400K-CU-8	FNMA 15 YR #689583				1	601,581	99.2750	582,298	589,729	589,729	0	(615)	0	0	5.000	4.573	MON	2,444	29,340	02/25/2003	02/01/2018	
31401C-4K-6	FNMA 15 YR #704726				1	337,126	97.6190	322,745	330,617	336,594	0	(233)	0	0	4.500	3.925	MON	1,240	14,886	07/03/2003	06/01/2018	
31401J-C2-2	FNMA 15 YR #709389				1	587,927	100.6620	567,182	563,452	585,895	0	(983)	0	0	5.500	4.430	MON	2,582	31,214	07/03/2003	07/01/2018	
31402B-C3-6	FNMA 15 YR #723790				1	1,486,689	97.5560	1,422,352	1,457,985	1,484,346	0	(1,029)	0	0	4.500	3.925	MON	5,467	65,638	07/03/2003	06/01/2018	
31404G-YW-7	FNMA 15 YR #768516				1	68,829	100.6620	66,952	66,512	68,787	0	(65)	0	0	5.500	4.340	MON	305	3,660	08/25/2004	03/01/2019	
31371L-PL-7	FNMA 15YR #255227				1	1,076,605	97.4630	1,056,556	1,084,058	1,076,702	0	96	0	0	4.500	4.687	MON	4,065	28,457	05/13/2005	05/01/2019	
31382N-SQ-6	FNMA 30 YR #487527				1	436,934	101.3440	448,837	442,885	437,264	0	47	0	0	6.000	6.378	MON	2,214	26,577	01/14/1999	02/01/2029	
31383S-CY-0	FNMA 30 YR #511384				1	32,139	104.3620	34,280	32,848	32,155	0	2	0	0	7.000	8.139	MON	192	2,321	09/08/1999	09/01/2029	
31383T-SN-9	FNMA 30 YR #512725				1	7,544	104.3940	8,049	7,710	7,548	0	0	0	0	7.000	8.200	MON	45	540	09/08/1999	09/01/2029	
31400B-SW-2	FNMA 30 YR #683161				1	690,508	101.0000	670,136	663,501	690,800	0	(127)	0	0	6.000	4.631	MON	3,318	39,887	02/28/2004	02/01/2033	
31404M-ML-9	FNMA 30 YR #772663				1	251,123	99.3000	241,992	243,698	251,122	0	(31)	0	0	5.500	4.451	MON	1,117	13,425	03/09/2004	03/01/2034	
31404M-MW-5	FNMA 30 YR #772673				1	57,143	99.2370	55,030	55,453	57,143	0	(7)	0	0	5.500	4.451	MON	254	3,062	03/09/2004	03/01/2034	
31391A-3V-9	FNMA ARM #661512				1	805,339	100.8490	786,135	779,517	815,381	0	2,207	0	0	4.916	3.894	MON	3,193	38,428	04/01/2003	09/01/2032	
31403V-LM-9	FNMA ARM #759132				1	281,650	99.9020	276,577	276,849	281,623	0	(27)	0	0	4.980	4.582	MON	1,149	12,605	01/04/2005	01/01/2034	
31365E-BN-2	FNMA POOL #125245				1	33,704	104.5810	34,441	32,932	33,589	0	(5)	0	0	7.000	5.977	MON	192	2,308	09/14/1993	10/01/2023	
31390K-WT-1	FNMA POOL #648758				1	82,002	100.7870	81,564	80,927	81,811	0	(70)	0	0	5.500	5.293	MON	371	4,453	07/25/2002	08/01/2017	
31404A-3G-7	FNMA POOL #763199				1	739,490	99.7170	735,788	737,876	739,998	0	272	0	0	3.824	3.849	MON	2,351	28,198	12/19/2003	10/01/2033	
31393B-K7-9	FNR 2003-35 MB				1	1,023,125	99.0850	990,850	1,000,000	1,015,583	0	(3,677)	0	0	4.500	3.915	MON	3,750	78,750	08/22/2003	06/25/2013	
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities						16,544,601	XXX	16,149,598	16,222,847	16,521,285	0	(13,902)	0	0	XXX	XXX	XXX	68,107	815,389	XXX	XXX	
3199999 - Total - Special Revenue Bonds						32,561,322	XXX	31,895,788	32,056,847	32,520,232	0	(26,545)	0	0	0	XXX	XXX	XXX	284,974	1,242,150	XXX	XXX
010392-EN-4	ALABAMA POWER CO				1FE	799,741	97.6150	780,920	800,000	799,835	0	84	0	0	3.510	3.552	MN	3,588	27,922	11/10/2004	11/15/2007	
037735-CA-3	APPALACHIAN POWER CO				2FE	240,000	100.3270	240,785	240,000	240,000	0	0	0	0	3.420	3.464	MJSD	46	8,795	06/24/2004	06/29/2007	
15189T-AF-4	CENTERPOINT ENERGY				2FE	366,947	101.5760	355,516	350,000	361,505	0	(4,414)	0	0	5.875	4.475	JD	1,714	20,563	10/05/2004	06/01/2008	
25746U-AL-3	DOMINION RESOURCES INC				2	301,587	98.2290	294,687	300,000	301,124	0	(463)	0	0	4.125	3.978	FA	4,675	12,375	01/27/2005	02/15/2008	
337932-AA-5	FIRSTENERGY CORP				2FE	289,675	100.2790	290,809	290,000	289,937	0	69	0	0	5.500	5.602	MN	2,038	15,950	11/08/2001	11/15/2006	
653522-DJ-8	NIAGARA MOHAWK POWER				2FE	525,378	106.6370	533,185	500,000	518,138	0	(6,125)	0	0	7.750	6.455	AO	9,688	38,750	09/29/2004	10/01/2008	
654730-AP-8	NISOURCE FINANCE CORP				2FE	502,410	100.2230	501,115	500,000	501,971	0	(439)	0	0	3.854	3.798	FMAN	2,034	18,503	01/21/2005	11/23/2009	
723484-AB-7	PINNACLE WEST CAPITAL CORP				2FE	489,300	100.3040	501,520	500,000	499,107	0	3,389	0	0	6.400	7.254	AO	8,000	32,000	11/21/2002	04/01/2006	
69362B-AC-6	PSEG POWER				2FE	360,500	100.5200	417,158	415,000	409,544	0	17,359	0	0	6.875	11.914	AO	6,023	28,531	10/28/2002	04/15/2006	
744567-DT-2	PUBLIC SERV ELECT & GAS				1FE	928,420	101.3200	1,013,200	1,000,000	990,818	0	8,553	0	0	6.250	7.348	JJ	31,250	62,500	03/29/1996	01/01/2007	
816851-AH-2	SEMPRA ENERGY				2FE	500,000	100.2460	501,230	500,000	500,000	0	0	0	0	3.318	3.360	FMAN	1,843	17,972	05/18/2004	05/21/2008	
879403-AL-7	TELEFONOS DE MEXICO SA				2FE	501,719	98.2500	491,250	500,000	501,314	0	(420)	0	0	4.500	4.451	MN	2,625	22,500	10/19/2004	11/19/2008	
92344G-AR-7	VERIZON GLOBAL FDG CORP				1FE	648,609	101.5410	660,017	650,000	649,549	0	287	0	0	6.125	6.271	JD	1,769	39,813	06/18/2002	06/15/2007	
92931D-AB-8	WPD HOLDINGS UK 144A				2FE	143,424	101.9320	142,705	140,000	141,737	0	(811)	0	0	6.875	6.288	JD	428	9,625	11/06/2003	12/15/2007	
3299999 - Total Bonds - Public Utilities - Issuer Obligations						6,597,710	XXX	6,724,096	6,685,000	6,704,579	0	17,068	0	0	XXX	XXX	XXX	75,721	355,798	XXX	XXX	
3899999 - Total - Public Utilities Bonds						6,597,710	XXX	6,724,096	6,685,000	6,704,579	0	17,068	0	0	0	XXX	XXX	XXX	75,721	355,798	XXX	XXX
002824-AM-2	ABBOTT LABORATORIES				1FE	498,355	100.4250	502,125	500,000	499,814	0	358	0	0	5.625	5.783	JJ	14,063	28,125	06/28/2001	07/01/2006	
00103R-BD-7	AESOP 2003-5 A1 144A				1FE	499,931	98.5420	492,710	500,000	499,711	0	(221)	0	0	2.780	2.767	MON	1,158	13,900	10/02/2003	12/20/2007	
029717-AM-7	AMER STANDARD SR NT				2FE	502,830	107.9050	539,525	500,000	501,297	0	(259)	0	0	7.625	7.693	FA	14,403	38,125	07/30/1998	02/15/2010	
023551-AE-4	AMERADA HESS CORP				2FE	563,430	108.2080	541,040	500,000	552,181	0	(11,249)	0	0	7.375	4.378	AO	9,219	36,875	02/09/2005	10/01/2009	
05947U-B3-1	BACM 2004-6 A1				1FE	337,413	97.8400	329,295	336,564	336,780	0	(632)	0	0	3.801	3.657	MON	320	12,868	12/16/2004	12/10/2042	
06406M-AW-8	BANK OF NEW YORK				1FE	999,560	98.0130	980,130	1,000,000	999,693	0	133	0	0	3.800	3.852	FA	15,833	20,372	01/11/2005	02/01/2008	
06423A-AM-5	BANK ONE CORP				1FE	551,400	100.1470	500,735	500,000	501,699	0	(17,243)	0	0	6.500	2.988	FA	13,542	32,500	01/08/2003	02/01/2006	
066050-CB-9	BANKAMERICA CORP SUB NOTE				1FE	885,530	100.7090	1,007,090	1,000,000	995,464	0	14,722	0	0	7.200	9.004	AO	15,200	72,000	11/15/1994	04/15/2006	
06606W-AM-6	BBHE 1998-2 A6				1FE	361,720	101.3670	345,795	341,132	361,391	0	(183)	0	0	6.640	5.022	MON	1,888	22,651	09/24/2003	12/25/2028	
080555-AC-0	BELO CORPORATION				2FE	245,203	106.2600	228,459	225,000	236,649	0	(7,050)	0	0	8.000	4.239	MN	2,867	17,200	10/12/2004	11/01/2008	
05948X-R2-9	BOAMS 2003-L 2A2				1FE	527,560	98.6150	517,669	524,940	525,349	0	(736)	0	0	4.283	3.954	MON	1,874	22,456	12/09/2003	01/25/2034	
06424E-AC-8	BOAST 03-1				1FE																	

ANNUAL STATEMENT FOR THE YEAR 2005 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	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
152312-AP-9	CENTEX CORP				2FE	321,792	.95	311,386	325,000	322,061	.0	.269	.0	.0	4.550	4.818	MN	2,465	7,394	.06/30/2005	.11/01/2010
173067-EA-3	CGCMT 2004-C2 A1				1FE	169,742	.97	165,572	169,323	169,493	.0	(236)	.0	.0	3.787	3.650	MON	249	6,455	.12/15/2004	.10/15/2041
125581-AD-0	CIT GROUP				1FE	249,355	.101	252,550	250,000	249,732	.0	.129	.0	.0	5.500	5.637	MN	1,184	13,750	.11/21/2002	.11/30/2007
172967-CU-3	CITIGROUP INC				1FE	997,990	.97	972,000	1,000,000	998,306	.0	.316	.0	.0	4.125	4.213	FA	14,781	20,625	.02/14/2005	.02/22/2010
161581-CU-5	CMAOT 2003-A A4				1FE	951,188	.97	926,944	950,000	950,450	.0	(291)	.0	.0	2.060	2.045	MON	1,631	19,570	.06/03/2003	.12/15/2009
20029P-AF-6	COMCAST CORP				2FE	507,096	.104	468,715	450,000	468,993	.0	(13,422)	.0	.0	8.375	5.129	MN	6,281	37,688	.01/08/2003	.05/01/2007
718507-BJ-4	CONOCOPHILLIPS				1FE	1,078,290	.104	1,045,060	1,000,000	1,068,476	.0	(9,814)	.0	.0	6.375	4.144	MS	16,115	31,875	.06/30/2005	.03/31/2009
22237L-PW-8	COUNTRYSIDE HOME LOAN				1FE	753,255	.96	722,918	750,000	752,511	.0	(616)	.0	.0	4.125	4.067	MS	9,109	30,852	.10/14/2004	.09/15/2009
224050-AR-5	COX ENTERPRISES 144A				2FE	498,325	.97	488,205	500,000	498,974	.0	.408	.0	.0	4.375	4.518	MN	3,646	21,875	.05/20/2004	.05/01/2008
225458-DJ-4	CSFB 2005-C1 A2				1FE	1,105,500	.98	1,080,882	1,100,000	1,104,268	.0	(1,232)	.0	.0	4.609	4.543	MON	6,197	38,024	.03/03/2005	.02/15/2038
207678-AC-7	CTRRB 2001-1 A3				1FE	804,458	.100	748,101	742,827	783,990	.0	(7,278)	.0	.0	5.730	3.277	MJSD	14,114	31,923	.09/15/2003	.03/30/2009
233835-AU-1	DAIMLERCHRYSLER NA				2FE	514,835	.99	495,400	500,000	509,242	.0	(4,280)	.0	.0	4.750	3.835	JJ	10,951	23,750	.09/08/2004	.01/15/2008
239753-CY-0	DAYTON HUDSON				1FE	547,285	.101	507,075	500,000	506,419	.0	(11,454)	.0	.0	7.500	5.121	JJ	17,292	37,500	.03/05/2002	.07/15/2006
25156P-AE-3	DEUTSCHE TELEKOM INT				1FE	372,540	.97	366,176	375,000	373,161	.0	.621	.0	.0	3.875	4.120	JJ	6,418	7,265	.01/27/2005	.07/22/2008
260543-AY-9	DOW CHEM NT 99				1FE	967,646	.111	1,063,620	950,000	956,705	.0	(1,449)	.0	.0	8.550	8.503	AO	17,148	81,225	.10/10/1995	.10/15/2009
26439R-AP-1	DUKE CAPITAL CORP				2FE	503,335	.99	499,110	500,000	500,658	.0	4.302	.0	.0	4.500	4.011	FMAN	21,510	21,510	.05/20/2004	.05/18/2006
293791-AL-3	ENTERPRISE PRODUCTS OPER				2FE	249,680	.97	244,980	250,000	249,782	.0	.102	.0	.0	4.000	4.092	AO	2,111	10,306	.02/11/2005	.10/15/2007
35177P-AJ-6	FRANCE TELECOM				1FE	554,415	.100	502,110	500,000	504,503	.0	(26,520)	.0	.0	7.450	2.039	MS	12,417	38,500	.02/04/2004	.03/01/2006
396789-FN-4	GCCFC 2004 G6IA A2				1FE	692,496	.98	675,741	689,068	691,054	.0	(962)	.0	.0	3.835	3.685	MON	2,202	26,525	.04/29/2004	.10/08/2008
368710-AE-9	GENENTECH INC USA				1FE	579,954	.98	569,949	580,000	579,957	.0	.4	.0	.0	4.400	4.450	JJ	11,555	.0	.07/13/2005	.07/15/2010
37033L-FT-8	GENERAL MILLS INC				.1	658,346	.101	657,300	650,000	657,255	.0	(1,091)	.0	.0	6.449	5.054	AO	8,849	.0	.11/17/2005	.10/15/2006
370425-RT-9	GMAC				3FE	295,466	.99	274,783	275,000	274,783	.0	(625)	.0	.0	6.750	2.955	JJ	8,559	14,386	.01/07/2004	.01/15/2006
38143U-AA-9	GOLDMAN SACHS GROUP INC				1FE	221,990	.96	218,228	225,000	222,403	.0	.414	.0	.0	3.875	4.330	JJ	4,020	4,359	.06/23/2005	.01/15/2009
413627-AE-0	HARRAHS OPERATING INC				2FE	541,585	.105	528,955	500,000	536,662	.0	(4,923)	.0	.0	7.500	4.935	JJ	17,292	.0	.07/21/2005	.01/15/2009
4041A0-AP-3	HBOS TREASURY SERVICES 144A				1FE	999,770	.98	982,710	1,000,000	999,921	.0	.74	.0	.0	3.125	3.157	JJ	14,670	31,260	.12/02/2003	.01/12/2007
42805R-AB-5	HERTZ 2004-1A A2				1FE	999,742	.97	971,620	1,000,000	999,830	.0	.98	.0	.0	2.380	2.417	MON	397	23,800	.03/24/2004	.05/25/2008
404230-AF-4	HMH PROPERTIES MTN				3FE	48,668	.101	54,608	54,000	51,944	.0	.671	.0	.0	7.875	9.801	JD	189	4,253	.11/12/1999	.08/01/2008
441812-FW-9	HOUSEHOLD FIN CO				.1	624,219	.102	623,329	610,000	623,742	.0	(478)	.0	.0	6.875	4.927	MS	13,979	.0	.12/16/2005	.03/01/2007
448414-AA-0	HUTCHISON WHAMPO 144A				1FE	271,365	.102	257,395	250,000	262,216	.0	(7,351)	.0	.0	6.950	3.779	FA	7,240	17,735	.10/10/2004	.08/01/2007
459200-ET-7	IBM CORP				0FE	999,610	.97	979,820	1,000,000	999,724	.0	.114	.0	.0	3.800	3.850	FA	15,833	19,000	.01/27/2005	.02/01/2008
459056-OG-5	INTL BANK RECON & DEV				1FE	1,031,758	.100	1,002,040	1,000,000	1,002,189	.0	(8,789)	.0	.0	5.000	4.127	MS	12,917	50,000	.06/17/2002	.03/28/2006
459745-FJ-9	INTL LEASE FINANCE CORP				1FE	997,980	.98	983,020	1,000,000	999,163	.0	.503	.0	.0	3.750	3.841	FA	15,625	37,500	.07/29/2003	.08/01/2007
45031U-AF-8	ISTAR FINANCIAL INC				2FE	298,362	.98	295,155	300,000	298,555	.0	.193	.0	.0	4.875	5.112	JJ	6,744	.0	.07/21/2005	.01/15/2009
244217-BJ-3	JOHN DEERE CAP CORP				1FE	500,810	.97	489,855	500,000	500,348	.0	(161)	.0	.0	3.900	3.901	JJ	8,992	19,500	.01/08/2003	.01/15/2008
480074-AL-7	JONES APPAREL GROUP				2FE	532,320	.101	506,055	500,000	510,015	.0	(21,434)	.0	.0	7.875	3.439	JD	1,750	39,375	.12/16/2004	.06/15/2006
49326E-DT-7	KEYCORP				1FE	501,700	.99	496,125	500,000	501,402	.0	(298)	.0	.0	4.700	4.663	MN	2,611	23,500	.03/15/2005	.05/21/2009
50075N-AA-2	KRAFT FOODS				2FE	978,650	.99	997,530	1,000,000	995,692	.0	4,925	.0	.0	4.625	5.225	MN	7,708	46,250	.04/18/2002	.11/01/2006
501044-BY-6	KROGER CO				2FE	560,305	.103	519,070	500,000	533,543	.0	(19,743)	.0	.0	7.800	3.542	FA	14,733	39,000	.08/20/2004	.08/15/2007
5525V0-AP-1	MARSHALL & ILLSLEY BANK				1FE	499,440	.97	489,975	500,000	499,605	.0	.165	.0	.0	3.800	3.800	FA	7,547	10,239	.01/14/2005	.02/08/2008
57978X-AA-3	MCCORMICK & CO				1FE	748,508	.100	750,953	750,000	749,971	.0	.335	.0	.0	6.400	6.551	FA	20,000	48,000	.01/26/2001	.02/01/2006
585055-AE-6	MEDTRONIC INC 144A				.1	599,638	.97	587,622	600,000	599,657	.0	.19	.0	.0	4.375	4.437	MS	7,729	.0	.09/14/2005	.09/15/2010
617446-GL-7	MORGAN STANLEY DEAN WITTER				1FE	546,645	.100	502,090	500,000	504,559	.0	(15,441)	.0	.0	6.100	2.939	AO	6,439	30,500	.03/14/2003	.04/15/2006
637432-CY-9	NATIONAL RURAL UTILITIES				1FE	757,823	.97	734,738	750,000	754,970	.0	(2,215)	.0	.0	3.875	3.580	FA	10,979	29,063	.09/15/2004	.02/15/2008
63936W-AC-0	NAVOT 2003-A A3				1FE	147,261	.99	147,097	147,275	147,229	.0	(41)	.0	.0	1.730	1.685	MON	212	2,603	.05/20/2003	.02/15/2007
652478-BW-7	NEWS AMERICA HOLDINGS				2FE	558,555	.106	530,175	500,000	543,117	.0	(14,278)	.0	.0	7.375	4.121	AO	7,580	36,875	.12/01/2004	.10/17/2008
654740-AA-7	NISSAN MOTOR ACCEPTANCE 144A				2FE	549,104	.98	541,002	550,000	549,236	.0	.132	.0	.0	4.625	4.716	MS	7,985	12,719	.03/01/2005	.03/08/2010
62944T-AC-9	NVR INC				2FE	310,406	.97	310,369	310,000	310,689	.0	(37)	.0	.0	5.000	5.032	JD	689	7,750	.06/30/2005	.06/15/2010
698465-BL-4	PANHANDLE EASTERN PIPELINE				2FE	499,772	.97	486,440	500,000	499,906	.0	.75	.0	.0	2.750	2.785	MS	4,049	13,750	.03/09/2004	.03/15/2007
706451-AP-6	PEMEX PROJ FDG MASTER TR 144A				2FE	500,500	.103	516,250	500,000	500,381	.0	(77)	.0	.0	4.710	4.774	MJSD	1,047	22,797	.06/09/2004	.06/15/2010
713291-AF-9	PEPCO HOLDINGS, INC				2FE	542,545	.100	503,000	500,000	520,644	.0	(12,252)	.0	.0	5.500	2.898	FA	10,389	27,500</		

ANNUAL STATEMENT FOR THE YEAR 2005 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	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
792860-AF-5	ST PAUL COMPANIES INC.				1FE	463,400	100.8290	468,855	465,000	464,571	.0	333	.0	.0	5.750	5.915	MS	7,873	26,738	03/07/2002	03/15/2007
87927V-AK-4	TELECOM ITALIA CAPITAL				2FE	492,290	95.4070	477,035	500,000	493,569	.0	1,279	.0	.0	4.000	4.398	JJ	9,222	10,000	02/09/2005	01/15/2010
88731E-AK-6	TIME WARNER ENTMT SR DEB.				1	534,300	104.7180	523,590	500,000	531,243	.0	(3,057)	.0	.0	7.250	4.785	MS	12,083	.0	09/20/2005	09/01/2008
89420G-AG-4	TRAVELERS PROPERTY CASUALTY				1FE	354,084	97.3510	345,596	355,000	354,575	.0	181	.0	.0	3.750	3.843	MS	3,920	13,313	03/06/2003	03/15/2008
907818-CM-8	UNION PACIFIC CORP.				2FE	532,685	101.2290	506,145	500,000	519,073	.0	(10,146)	.0	.0	5.750	3.563	AO	6,069	28,750	08/25/2004	10/15/2007
908584-DJ-1	UNION TANK CAR.				1FE	499,465	102.1620	510,810	500,000	499,922	.0	67	.0	.0	7.125	7.268	FA	14,844	35,625	01/22/1997	02/01/2007
913017-BG-3	UNITED TECHNOLOGIES CORP.				1FE	746,738	97.8560	733,920	750,000	747,134	.0	397	.0	.0	4.375	4.523	MN	5,469	16,589	04/26/2005	05/01/2010
929043-AB-3	VORNADO REALTY LP.				1	494,770	97.3320	486,660	500,000	495,176	.0	406	.0	.0	4.500	4.851	FA	8,500	.0	08/30/2005	08/15/2009
92922F-LD-8	WAMU 2004-ARI A				1FE	429,049	98.1690	417,023	424,801	425,007	.0	(43)	.0	.0	4.229	4.276	MON	1,497	17,965	02/01/2004	03/25/2034
929274-AF-5	WESTO 2004-2 C				1FE	526,274	98.1410	519,575	529,417	529,417	.0	2,921	.0	.0	3.200	3.247	MON	.0	17,531	05/12/2004	11/21/2011
982526-AA-3	WM WRIGLEY JR CO.				1FE	998,220	98.1040	981,040	1,000,000	998,369	.0	149	.0	.0	4.300	4.387	JJ	19,947	.0	07/11/2005	07/15/2010
98151G-AA-3	WORLD SAVINGS BANK FSB				1FE	847,365	97.1430	825,716	850,000	847,878	.0	483	.0	.0	4.125	4.238	JD	1,558	35,744	12/01/2004	12/15/2009
3999999	Total Bonds - Industrial, Misc. - Issuer Obligations					48,597,584	XXX	47,726,688	47,756,365	48,258,956	(625)	(223,588)	.0	.0	XXX	XXX	XXX	640,619	1,785,150	XXX	XXX
12489W-MW-1	CBASS 2005-CB5 AF2				1	499,994	99.0770	495,385	500,000	499,842	.0	(152)	.0	.0	4.831	4.836	MON	2,013	8,052	08/18/2005	08/25/2035
4199999	Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities					499,994	XXX	495,385	500,000	499,842	.0	(152)	.0	.0	XXX	XXX	XXX	2,013	8,052	XXX	XXX
07387B-AD-5	BSCMS 2005-PWR9 A1				1	730,162	99.0120	721,146	728,342	730,105	.0	(56)	.0	.0	4.498	4.503	MON	910	8,190	09/14/2005	09/15/2042
12613X-BY-6	CNH 2003-B A4B				1	1,076,625	97.5530	1,073,083	1,100,000	1,077,812	.0	1,187	.0	.0	3.380	4.581	MON	3,098	3,148	11/23/2005	02/15/2011
449182-AV-6	HART 2003-A A4				1	1,076,625	97.5650	1,073,215	1,100,000	1,078,047	.0	1,422	.0	.0	3.020	4.414	MON	2,768	2,768	11/23/2005	10/15/2010
41283A-BE-8	HDMOT 2003-4 A2				1	535,584	97.1680	534,424	550,000	536,733	.0	1,149	.0	.0	2.690	3.664	MON	1,233	3,699	09/30/2005	04/15/2011
244243-BN-0	JDOT 2005-A A4				1	211,204	98.1390	210,999	215,000	211,311	.0	107	.0	.0	4.160	4.780	MON	745	.0	11/21/2005	05/15/2012
46625Y-TX-1	JPMCC 2005-LDP4 A1				1	217,623	99.3090	215,432	216,931	217,595	.0	(28)	.0	.0	4.613	4.594	MON	834	2,524	09/22/2005	10/15/2042
68338S-EK-0	ONYX 2004-B A4				1	568,711	98.0340	563,696	575,000	569,116	.0	405	.0	.0	3.890	4.287	MON	1,864	5,592	09/30/2005	02/15/2011
68338S-ET-1	ONYX 2005-A A4				1	294,633	98.0530	294,159	300,000	294,739	.0	106	.0	.0	3.910	4.877	MON	978	.0	12/15/2005	09/15/2011
69350E-AH-3	PPL 1999-1 A8				1	532,383	104.8680	524,340	500,000	529,497	.0	(2,886)	.0	.0	7.150	4.629	MJSD	2,979	8,938	09/30/2005	06/25/2009
89578S-AH-6	TAROT 2004-A A4				1	707,786	96.8860	707,268	730,000	709,109	.0	1,322	.0	.0	2.500	4.428	MON	152	1,521	11/23/2005	09/13/2010
903278-CA-5	USAOT 2005-2 A4				1	649,172	98.0520	647,143	660,000	649,488	.0	316	.0	.0	4.170	4.765	MON	2,294	2,294	11/21/2005	02/15/2011
4399999	Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities					6,600,507	XXX	6,564,904	6,675,272	6,603,552	.0	3,044	.0	.0	XXX	XXX	XXX	17,855	39,417	XXX	XXX
4599999	Total - Industrial and Miscellaneous Bonds					55,698,086	XXX	54,786,977	54,931,637	55,362,349	(625)	(220,676)	.0	.0	XXX	XXX	XXX	660,487	1,832,620	XXX	XXX
5499999	Total - Issuer Obligations					93,931,985	XXX	92,487,924	92,675,365	93,594,108	(625)	(251,666)	.0	.0	XXX	XXX	XXX	1,234,577	3,300,897	XXX	XXX
5599999	Total - Single Class Mortgage-Backed/Asset-Backed Securities					22,357,334	XXX	21,887,956	21,831,598	22,311,669	.0	(15,942)	.0	.0	XXX	XXX	XXX	96,478	1,163,596	XXX	XXX
5699999	Total - Defined Multi-Class Residential Mortgage-Backed Securities					499,994	XXX	495,385	500,000	499,842	.0	(152)	.0	.0	XXX	XXX	XXX	2,013	8,052	XXX	XXX
5899999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities					6,600,507	XXX	6,564,904	6,675,272	6,603,552	.0	3,044	.0	.0	XXX	XXX	XXX	17,855	39,417	XXX	XXX
6099999	Totals					123,389,821	XXX	121,436,169	121,682,235	123,009,170	(625)	(264,715)	0	0	XXX	XXX	XXX	1,350,923	4,511,962	XXX	XXX

E08.4

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
.912827-7L-0	UNITED STATES TREASURY		.01/27/2005	Undefined		1,947,414	1,850,000	40,682
.912827-7B-2	US TREASURY		.06/06/2005	Undefined		2,135,781	2,000,000	30,939
.912827-6J-6	US TREASURY NOTE		.02/22/2005	Undefined		1,634,648	1,500,000	1,906
.912828-BG-4	US TREASURY NT/BD		.01/06/2005	Undefined		2,233,037	2,250,000	28,813
.912828-DB-3	US TREASURY NT/BD		.06/14/2005	Undefined		690,484	700,000	2,064
.912828-DP-2	US TREASURY NT/BD		.03/23/2005	Undefined		3,056,164	3,100,000	4,717
.912828-DQ-0	US TREASURY NT/BD		.09/30/2005	Undefined		1,490,566	1,500,000	464
0399999 - Total	Bonds - U.S. Government					13,188,096	12,900,000	109,585
.31359M-EY-5	FANNIE MAE		.11/23/2005	Undefined		1,333,351	1,250,000	16,102
.31359M-DJ-9	FED NATL MTG ASSN		.03/23/2005	Undefined		519,174	500,000	3,514
.31331Q-3M-7	FEDERAL FARM CREDIT BANK		.03/16/2005	Undefined		2,366,259	2,450,000	7,784
.3133MN-VV-0	FEDERAL HOME LOAN BANK		.02/22/2005	Undefined		2,066,495	1,900,000	29,740
.3128NG-AT-2	FHLMC ARM #1H1218		.01/19/2005	Undefined		1,007,612	999,646	3,093
.31395M-DY-2	FHR 2934 NB		.01/21/2005	Undefined		1,020,195	1,000,000	3,750
.31371L-PL-7	FNMA 15YR #255227		.05/13/2005	Undefined		1,190,945	1,199,189	2,398
.31403V-LM-9	FNMA ARM #759132		.01/04/2005	Undefined		473,092	465,027	1,480
.3128X3-N7-4	FREDDIE MAC		.12/23/2005	Undefined		978,580	1,000,000	4,142
.3134A4-VB-7	FREDDIE MAC		.07/22/2005	Undefined		1,732,934	1,750,000	6,818
3199999 - Total	Bonds - Special Revenue					12,688,637	12,513,862	78,821
.25746U-AL-3	DOMINION RESOURCES INC.		.01/27/2005	Undefined		301,587	300,000	5,706
.65473Q-AP-8	NISOURCE FINANCE CORP		.01/21/2005	Undefined		502,410	500,000	2,591
3899999 - Total	Bonds - Public Utilities					803,997	800,000	8,297
.023551-AE-4	AMERADA HESS CORP		.02/09/2005	Undefined		563,430	500,000	13,623
.06406M-AW-8	BANK OF NEW YORK		.01/11/2005	Undefined		999,560	1,000,000	.0
.09700W-DK-6	BOEING CAPITAL CORP		.12/16/2005	Undefined		627,086	610,000	10,329
.07387B-AD-5	BSCMS 2005-PWR9 A1		.09/14/2005	Undefined		751,874	750,000	2,530
.14912L-2U-4	CATERPILLAR FIN SERV		.08/29/2005	Undefined		999,300	1,000,000	.0
.12489W-MW-1	CBASS 2005-CB5 AF2		.08/18/2005	Undefined		499,994	500,000	1,946
.152312-AP-9	CENTEX CORP		.06/30/2005	Undefined		341,595	345,000	2,834
.172967-CU-3	CITIGROUP INC		.02/14/2005	Undefined		997,990	1,000,000	.0
.12613X-BY-6	CNH 2003-B A4B		.11/23/2005	Undefined		1,076,625	1,100,000	1,446
.718507-BJ-4	CONOCOPHILL IPS		.06/30/2005	Undefined		1,078,290	1,000,000	17,000
.225458-DJ-4	CSFB 2005-C1 A2		.03/03/2005	Undefined		1,105,500	1,100,000	2,253
.25156P-AE-3	DEUTSCHE TELEKOM INT		.01/27/2005	Undefined		372,540	375,000	363
.293791-AL-3	ENTERPRISE PRODUCTS OPER		.02/11/2005	Undefined		249,680	250,000	3,667
.368710-AE-9	GENENTECH INC USA		.07/13/2005	Undefined		579,954	580,000	.0
.37033L-FT-8	GENERAL MILLS INC		.11/17/2005	Undefined		658,346	650,000	4,308
.38143U-AA-9	GOLDMAN SACHS GROUP INC		.06/23/2005	Undefined		221,990	225,000	3,948
.413627-AE-0	HARRAHS OPERATING INC		.07/21/2005	Undefined		541,585	500,000	1,146
.449182-AV-6	HART 2003-A A4		.11/23/2005	Undefined		1,076,625	1,100,000	1,292
.41283A-BE-8	HDMOT 2003-4 A2		.09/30/2005	Undefined		535,584	550,000	822
.441812-FW-9	HOUSEHOLD FIN CO		.12/16/2005	Undefined		624,219	610,000	12,814
.459200-ET-7	IBM CORP		.01/27/2005	Undefined		999,610	1,000,000	.0
.45031U-AF-8	ISTAR FINANCIAL INC		.07/21/2005	Undefined		298,362	300,000	447
.244243-BN-0	JDOT 2005-A A4		.11/21/2005	Undefined		211,204	215,000	248
.46625Y-TX-1	JPMCC 2005-LDP4 A1		.09/22/2005	Undefined		225,718	225,000	807
.49326E-DT-7	KEYCORP		.03/15/2005	Undefined		501,700	500,000	7,638
.5525V0-AP-1	MARSHALL & ILSLEY BANK		.01/14/2005	Undefined		499,440	500,000	.0
.585055-AE-6	MEDTRONIC INC 144A		.09/14/2005	Undefined		599,638	600,000	146
.654740-AA-7	NISSAN MOTOR ACCEPTANCE 144A		.03/01/2005	Undefined		549,104	550,000	.0
.62944T-AC-9	NVR INC		.06/30/2005	Undefined		500,655	500,000	1,458
.68338S-EK-0	ONYX 2004-B A4		.09/30/2005	Undefined		568,711	575,000	1,243
.68338S-ET-1	ONYX 2005-A A4		.12/15/2005	Undefined		294,633	300,000	163
.69350E-AH-3	PPL 1999-1 A8		.09/30/2005	Undefined		532,383	500,000	993
.74254P-JR-4	PRINCIPAL LIFE INC		.11/03/2005	Undefined		129,936	130,000	.0
.745867-AR-2	PULTE HOMES INC		.06/30/2005	Undefined		502,095	500,000	11,578
.786514-BJ-7	SAFEWAY INC		.08/04/2005	Undefined		391,756	400,000	4,492
.852060-AC-6	SPRINT CAPITAL CORP		.06/29/2005	Undefined		526,930	500,000	4,253
.89578S-AH-6	TAROT 2004-A A4		.11/23/2005	Undefined		707,786	730,000	862
.87927V-AK-4	TELECOM ITALIA CAPITAL		.02/09/2005	Undefined		492,290	500,000	1,611

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
.88731E-AK-6	TIME WARNER ENTMT SR DEB		.09/20/2005	Undefined		534,300	500,000	2,215
.913017-BG-3	UNITED TECHNOLOGIES CORP		.04/26/2005	Undefined		746,738	750,000	.0
.903278-CA-5	USAOT 2005-2 A4		.11/21/2005	Undefined		649,172	660,000	.765
.929043-AB-3	VORNADO REALTY LP		.08/30/2005	Undefined		494,770	500,000	1,063
.982526-AA-3	WM WRIGLEY JR CO		.07/11/2005	Undefined		998,220	1,000,000	.0
4599999 - Total	- Bonds - Industrial, Misc.					25,856,916	25,680,000	120,303
6099997 - Total	- Bonds - Part 3					52,537,646	51,893,862	317,007
6099998 - Total	- Bonds - Part 5					2,695,156	2,705,000	19,031
6099999 - Total	- Bonds					55,232,802	54,598,862	336,038
6599998 - Total	- Preferred Stocks - Part 5					.0	XXX	.0
6599999 - Total	- Preferred Stocks					.0	XXX	.0
7299998 - Total	- Common Stocks - Part 5					.0	XXX	.0
7299999 - Total	- Common Stocks					.0	XXX	.0
7399999 - Total	- Preferred and Common Stocks					.0	XXX	.0
7499999 Totals						55,232,802	XXX	336,038

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ANNUAL STATEMENT FOR THE YEAR 2005 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	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
362059-Y8-4	GNMA POOL #030435		12/15/2005	PRINCIPAL RECEIPT	160	160	160	172	166	.0	(6)	.0	(6)	.0	160	.0	.0	.0	.8	04/15/2009
362064-L8-8	GNMA POOL #034551		12/15/2005	PRINCIPAL RECEIPT	1,439	1,439	1,439	1,553	1,501	.0	(62)	.0	(62)	.0	1,439	.0	.0	.0	.71	05/15/2009
362135-4V-4	GNMA POOL #097136		12/15/2005	PRINCIPAL RECEIPT	5,390	5,390	5,390	5,928	5,729	.0	(340)	.0	(340)	.0	5,390	.0	.0	.0	.312	04/15/2013
36214H-GD-4	GNMA POOL #106496		12/15/2005	PRINCIPAL RECEIPT	2,908	2,908	2,908	3,139	3,050	.0	(142)	.0	(142)	.0	2,908	.0	.0	.0	.144	12/15/2013
36215N-TV-6	GNMA POOL #140164		12/15/2005	PRINCIPAL RECEIPT	1,139	1,139	1,139	1,243	1,229	.0	(90)	.0	(90)	.0	1,139	.0	.0	.0	.63	03/15/2016
36215N-3T-9	GNMA POOL #140410		12/15/2005	PRINCIPAL RECEIPT	6,712	6,712	6,712	7,325	7,184	.0	(472)	.0	(472)	.0	6,712	.0	.0	.0	.366	03/15/2016
36215N-3U-6	GNMA POOL #140411		12/15/2005	PRINCIPAL RECEIPT	4,523	4,523	4,523	4,936	4,868	.0	(344)	.0	(344)	.0	4,523	.0	.0	.0	.179	04/15/2016
362150-YK-7	GNMA POOL #142114		08/15/2005	PRINCIPAL RECEIPT	5,742	5,742	5,742	6,266	6,127	.0	(385)	.0	(385)	.0	5,742	.0	.0	.0	.277	03/15/2016
36215U-VT-2	GNMA POOL #145626		12/15/2005	PRINCIPAL RECEIPT	3,278	3,278	3,278	3,578	3,520	.0	(241)	.0	(241)	.0	3,278	.0	.0	.0	.179	02/15/2016
36215U-ZH-4	GNMA POOL #145744		01/15/2005	PRINCIPAL RECEIPT	5,244	5,244	5,244	5,723	5,588	.0	(344)	.0	(344)	.0	5,244	.0	.0	.0	.44	02/15/2016
36215W-BR-4	GNMA POOL #146848		12/15/2005	PRINCIPAL RECEIPT	1,125	1,125	1,125	1,227	1,200	.0	(76)	.0	(76)	.0	1,125	.0	.0	.0	.53	02/15/2016
362151-AU-6	GNMA POOL #150419		12/15/2005	PRINCIPAL RECEIPT	512	512	512	559	552	.0	(39)	.0	(39)	.0	512	.0	.0	.0	.28	02/15/2016
362153-ED-6	GNMA POOL #152332		12/15/2005	PRINCIPAL RECEIPT	4,897	4,897	4,897	5,344	5,199	.0	(302)	.0	(302)	.0	4,897	.0	.0	.0	.269	03/15/2016
362159-P2-5	GNMA POOL #158041		12/15/2005	PRINCIPAL RECEIPT	997	997	997	1,088	1,064	.0	(67)	.0	(67)	.0	997	.0	.0	.0	.55	04/15/2016
36216H-YB-6	GNMA POOL #165506		12/15/2005	PRINCIPAL RECEIPT	3,276	3,276	3,276	3,291	3,285	.0	(10)	.0	(10)	.0	3,276	.0	.0	.0	.146	08/15/2016
362165-J7-8	GNMA POOL #173186		12/15/2005	PRINCIPAL RECEIPT	2,731	2,731	2,731	2,744	2,738	.0	(7)	.0	(7)	.0	2,731	.0	.0	.0	.128	08/15/2016
362162-SW-0	GNMA POOL #181533		12/15/2005	PRINCIPAL RECEIPT	212	212	212	228	225	.0	(14)	.0	(14)	.0	212	.0	.0	.0	.10	10/15/2019
362164-X6-7	GNMA POOL #183501		12/15/2005	PRINCIPAL RECEIPT	1,104	1,104	1,104	1,205	1,182	.0	(78)	.0	(78)	.0	1,104	.0	.0	.0	.60	10/15/2016
36202C-B5-1	GNMA POOL #1849		12/20/2005	PRINCIPAL RECEIPT	28	28	28	29	29	.0	(1)	.0	(1)	.0	28	.0	.0	.0	.1	08/20/2024
36217C-SU-1	GNMA POOL #189631		12/15/2005	PRINCIPAL RECEIPT	24,658	24,658	24,658	26,908	26,344	.0	(1,686)	.0	(1,686)	.0	24,658	.0	.0	.0	2,114	08/15/2017
36202C-G5-6	GNMA POOL #2020		12/20/2005	PRINCIPAL RECEIPT	75,723	75,723	75,723	78,965	78,854	.0	(3,131)	.0	(3,131)	.0	75,723	.0	.0	.0	4,251	06/20/2025
36218F-KA-5	GNMA POOL #220889		12/15/2005	PRINCIPAL RECEIPT	66	66	66	71	70	.0	(5)	.0	(5)	.0	66	.0	.0	.0	.3	05/15/2018
36202C-RF-2	GNMA POOL #2286		12/20/2005	PRINCIPAL RECEIPT	3,862	3,862	3,862	4,028	4,022	.0	(160)	.0	(160)	.0	3,862	.0	.0	.0	.123	09/20/2026
36202C-SP-9	GNMA POOL #2326		12/20/2005	PRINCIPAL RECEIPT	30,065	30,065	30,065	31,352	31,311	.0	(1,247)	.0	(1,247)	.0	30,065	.0	.0	.0	1,823	11/20/2026
36218V-S9-5	GNMA POOL #233744		12/15/2005	PRINCIPAL RECEIPT	854	854	854	832	838	.0	17	.0	17	.0	854	.0	.0	.0	.47	09/15/2017
36218W-MD-0	GNMA POOL #234456		12/15/2005	PRINCIPAL RECEIPT	3,055	3,055	3,055	3,334	3,291	.0	(236)	.0	(236)	.0	3,055	.0	.0	.0	.168	11/15/2018
36202C-TA-1	GNMA POOL #2345		12/20/2005	PRINCIPAL RECEIPT	16,150	16,150	16,150	16,842	16,819	.0	(669)	.0	(669)	.0	16,150	.0	.0	.0	640	12/20/2026
36202C-UX-9	GNMA POOL #2398		12/20/2005	PRINCIPAL RECEIPT	4,594	4,594	4,594	4,791	4,783	.0	(189)	.0	(189)	.0	4,594	.0	.0	.0	.216	03/20/2027
36202C-VH-3	GNMA POOL #2416		12/20/2005	PRINCIPAL RECEIPT	259	259	259	270	269	.0	(11)	.0	(11)	.0	259	.0	.0	.0	.11	04/20/2027
36202C-WF-6	GNMA POOL #2446		12/20/2005	PRINCIPAL RECEIPT	14,180	14,180	14,180	14,787	14,770	.0	(590)	.0	(590)	.0	14,180	.0	.0	.0	681	06/20/2027
36219E-BK-5	GNMA POOL #246742		12/15/2005	PRINCIPAL RECEIPT	985	985	985	1,064	1,051	.0	(65)	.0	(65)	.0	985	.0	.0	.0	.49	04/15/2018
36219M-50-1	GNMA POOL #253855		12/15/2005	PRINCIPAL RECEIPT	410	410	410	443	436	.0	(26)	.0	(26)	.0	410	.0	.0	.0	.20	06/15/2018
36202C-ZC-0	GNMA POOL #2539		12/20/2005	PRINCIPAL RECEIPT	1,270	1,270	1,270	1,324	1,319	.0	(49)	.0	(49)	.0	1,270	.0	.0	.0	.59	01/20/2028
36219H-HR-4	GNMA POOL #254140		04/15/2005	PRINCIPAL RECEIPT	10,199	10,199	10,199	9,832	9,916	.0	283	.0	283	.0	10,199	.0	.0	.0	.338	07/15/2018
36219S-Z5-1	GNMA POOL #258264		12/15/2005	PRINCIPAL RECEIPT	10,411	10,411	10,411	11,361	11,117	.0	(706)	.0	(706)	.0	10,411	.0	.0	.0	.678	12/15/2018
36219T-N6-0	GNMA POOL #258813		12/15/2005	PRINCIPAL RECEIPT	178	178	178	171	173	.0	5	.0	5	.0	178	.0	.0	.0	.10	09/15/2018
36219U-4W-1	GNMA POOL #260137		12/15/2005	PRINCIPAL RECEIPT	937	937	937	903	910	.0	28	.0	28	.0	937	.0	.0	.0	.43	08/15/2018
362199-7D-7	GNMA POOL #271892		06/15/2005	PRINCIPAL RECEIPT	4,821	4,821	4,821	5,204	5,154	.0	(333)	.0	(333)	.0	4,821	.0	.0	.0	.215	08/15/2019
36220H-OY-9	GNMA POOL #278671		12/15/2005	PRINCIPAL RECEIPT	3,356	3,356	3,356	3,622	3,583	.0	(227)	.0	(227)	.0	3,356	.0	.0	.0	.166	08/15/2019
36220L-2N-0	GNMA POOL #281681		12/15/2005	PRINCIPAL RECEIPT	1,327	1,327	1,327	1,432	1,414	.0	(87)	.0	(87)	.0	1,327	.0	.0	.0	.66	11/15/2019
36220M-AP-4	GNMA POOL #281814		12/15/2005	PRINCIPAL RECEIPT	4,451	4,451	4,451	4,805	4,786	.0	(335)	.0	(335)	.0	4,451	.0	.0	.0	.220	12/15/2019
36203A-P2-6	GNMA POOL #343441		12/15/2005	PRINCIPAL RECEIPT	226	226	226	233	232	.0	(7)	.0	(7)	.0	226	.0	.0	.0	.11	07/15/2024
36205J-AX-3	GNMA POOL #391622		08/15/2005	PRINCIPAL RECEIPT	88,049	88,049	88,049	91,020	90,588	.0	(2,539)	.0	(2,539)	.0	88,049	.0	.0	.0	4,963	12/15/2024
36205J-HZ-1	GNMA POOL #391848		12/15/2005	PRINCIPAL RECEIPT	68	68	68	70	70	.0	(2)	.0	(2)	.0	68	.0	.0	.0	.3	03/15/2025
36210A-2E-6	GNMA POOL #486873		12/15/2005	PRINCIPAL RECEIPT	41,452	41,452	41,452	38,774	38,878	.0	2,574	.0	2,574	.0	41,452	.0	.0	.0	1,244	01/15/2029
36201C-RG-1	GNMA POOL #579287		12/15/2005	PRINCIPAL RECEIPT	55,747	55,747	55,747	58,204	58,251	.0	(2,504)	.0	(2,504)	.0	55,747	.0	.0	.0	2,387	02/15/2032
36201N-AD-2	GNMA POOL #587804		12/15/2005	PRINCIPAL RECEIPT	5,046	5,046	5,046	5,202	5,204	.0	(158)	.0	(158)	.0	5,046	.0	.0	.0	.143	06/15/2018
36201N-LV-0	GNMA POOL #588140		12/15/2005	PRINCIPAL RECEIPT	91,836	91,836	91,836	93,170	93,114	.0	(1,278)	.0	(1,278)	.0	91,836	.0	.0	.0	2,727	12/15/2032
36201S-LU-1	GNMA POOL #591739		12/15/2005	PRINCIPAL RECEIPT	44,019	44,019	44,019	44,659	44,624	.0	(605)	.0	(605)	.0	44,019	.0	.0	.0	1,929	12/15/2032
36201S-WF-2	GNMA POOL #592046		12/15/2005	PRINCIPAL RECEIPT	191,861	191,861	191,861	197,767	197,407	.0	(5,546)	.0	(5,546)	.0	191,861	.0	.0	.0	4,584	05/15/2018
36201S-XJ-3	GNMA POOL #592081		12/15/2005	PRINCIPAL RECEIPT	100,336	100,336	100,336	103,424	103,536	.0	(3,200)	.0	(3,200)	.0	100,336	.0	.0	.0	2,756	06/15/2018
36201S-YW-3	GNMA POOL #592125		12/15/2005	PRINCIPAL RECEIPT	81,326	81,326	81,326	84,910	84,980	.0	(3,653)	.0	(3,653)	.0	81,326	.0	.0	.0	2,433	11/15/2032
36201U-YX-6	GNMA POOL #593926		12/15/2005	PRINCIPAL RECEIPT	127,998	127,998	127,998	133,638	133,749	.0	(5,751)	.0	(5,751)	.0	127,998	.0	.0	.0	3,888	04/15/2033
36200A-6U-8	GNMA POOL #595883		12/15/2005	PRINCIPAL RECEIPT	35,009	35,009	35,009	36,086	35,989	.0	(980)	.0	(980)	.0	35,009	.0	.0	.0	1,061	05/15/2018
36200A-6Z-7	GNMA POOL #595888		12/15/2005	PRINCIPAL RECEIPT	18,183	18,183	18,183	18,743	18,756	.0	(573)	.0	(573)	.0	18,183	.0	.0	.0	635	06/15/2018
36200D-KM-4	GNMA POOL #598000		12/15/2005	PRINCIPAL RECEIPT	60,923	60,923	60,923	63,608	63,597	.0	(2,674)	.0	(2,674)	.0	60,923	.0	.0	.0	1,267	12/15/2032
36200K-ZE-0	GNMA POOL #603841		12/15/2005	PRINCIPAL RECEIPT	75,179	75,179	75,179	76,272	76,222	.0	(1,043)	.0	(1,043)	.0	75,179	.0	.0	.0	1,986	12/15/2032
36200M-GB-3	GNMA POOL #604194		12/15/2005	PRINCIPAL RECEIPT	37,260	37,260	37,260	38,407	38,272	.0	(1,012)	.0	(1,012)	.0	37,260	.0	.0	.0	861	04/15/2018
36225A-DX-5	GNMA POOL #780																			

ANNUAL STATEMENT FOR THE YEAR 2005 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 CUSIP Identification	2 Description	3 Foreign Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B/A. C.V.	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date
									11	12	13	14	15											
912828-BB-8	US TREASURY NT/BD	03/23/2005	Undefined		990,703	1,000,000	993,398	994,273	0	1,413	0	0	1,413	0	0	0	5,315,353	0	0	0	15,949	15,949	6,130	11/30/2005
0399999	Bonds - U.S. Governments				5,331,302	5,285,091	5,380,731	5,370,430	0	(65,077)	0	0	(65,077)	0	0	0	5,315,353	0	0	15,949	15,949	116,789	XXX	
31359M-PT-4	FANNIE MAE	03/23/2005	Undefined		498,595	500,000	503,984	501,111	0	(319)	0	0	(319)	0	0	0	5,000,792	0	0	0	0	6,549	10/15/2005	
31359M-VA-8	FANNIE MAE	07/13/2005	Undefined		493,524	500,000	499,645	499,757	0	88	0	0	88	0	0	0	4,999,845	0	0	0	0	7,257	06/15/2006	
3133X2-UX-1	FEDERAL HOME LOAN BANK	02/22/2005	Undefined		1,983,980	2,000,000	2,000,622	2,000,463	0	(68)	0	0	(68)	0	0	0	2,000,395	0	0	0	0	8,500	12/15/2005	
3128GX-VA-1	FHLM 15 YR GOLD #E93309	12/15/2005	PRINCIPAL RECEIPT		91,508	91,508	94,654	91,511	0	(3,003)	0	0	(3,003)	0	0	0	91,508	0	0	0	0	3,254	12/01/2017	
3134A3-40-6	FHLMC	07/15/2005	VARIOUS		1,484,713	1,471,000	1,592,490	1,511,095	0	(20,354)	0	0	(20,354)	0	0	0	1,490,741	0	0	0	0	7,206	07/15/2005	
31283K-WS-3	FHLMC 15 YR GOLD G1-1557	12/15/2005	PRINCIPAL RECEIPT		188,275	188,275	197,689	197,943	0	(9,668)	0	0	(9,668)	0	0	0	188,275	0	0	0	0	5,598	03/01/2019	
3128NG-AT-2	FHLMC ARM #1H1218	12/15/2005	PRINCIPAL RECEIPT		204,052	204,052	205,678	205,678	0	(1,626)	0	0	(1,626)	0	0	0	204,052	0	0	0	0	4,855	11/01/2034	
312950-S3-3	FHLMC PC GOLD 15Y POOL #B00538	10/15/2005	PRINCIPAL RECEIPT		3,857	3,857	4,058	3,888	0	(30)	0	0	(30)	0	0	0	3,857	0	0	0	0	125	11/01/2005	
31371K-2T-7	FNMA 15 YR #254686	12/25/2005	PRINCIPAL RECEIPT		208,959	208,959	217,840	216,905	0	(7,946)	0	0	(7,946)	0	0	0	208,959	0	0	0	0	6,223	04/01/2018	
31376D-W7-3	FNMA 15 YR #352670	12/25/2005	PRINCIPAL RECEIPT		17,857	17,857	18,054	17,984	0	(127)	0	0	(127)	0	0	0	17,857	0	0	0	0	624	02/01/2013	
31376J-VR-7	FNMA 15 YR #357124	12/25/2005	PRINCIPAL RECEIPT		83,774	83,774	86,726	86,788	0	(3,014)	0	0	(3,014)	0	0	0	83,774	0	0	0	0	2,481	05/01/2016	
31378F-2D-6	FNMA 15 YR #397772	12/25/2005	PRINCIPAL RECEIPT		4,993	4,993	5,027	5,027	0	(34)	0	0	(34)	0	0	0	4,993	0	0	0	0	209	09/01/2012	
31378M-GL-8	FNMA 15 YR #402603	12/25/2005	PRINCIPAL RECEIPT		3,294	3,294	3,330	3,314	0	(20)	0	0	(20)	0	0	0	3,294	0	0	0	0	115	11/01/2012	
31378N-GZ-5	FNMA 15 YR #403516	12/25/2005	PRINCIPAL RECEIPT		7,926	7,926	8,013	7,991	0	(66)	0	0	(66)	0	0	0	7,926	0	0	0	0	224	01/01/2013	
31378T-K4-6	FNMA 15 YR #408115	12/25/2005	PRINCIPAL RECEIPT		1,954	1,954	1,975	1,971	0	(17)	0	0	(17)	0	0	0	1,954	0	0	0	0	69	12/01/2012	
31379B-HC-0	FNMA 15 YR #414327	12/25/2005	PRINCIPAL RECEIPT		8,581	8,581	8,676	8,651	0	(70)	0	0	(70)	0	0	0	8,581	0	0	0	0	305	02/01/2013	
31379K-H2-2	FNMA 15 YR #421549	12/25/2005	PRINCIPAL RECEIPT		40,994	40,994	41,447	41,252	0	(258)	0	0	(258)	0	0	0	40,994	0	0	0	0	1,573	06/01/2013	
31379K-H3-0	FNMA 15 YR #421550	12/25/2005	PRINCIPAL RECEIPT		31,449	31,449	31,796	31,690	0	(241)	0	0	(241)	0	0	0	31,449	0	0	0	0	1,271	06/01/2013	
31379X-JT-3	FNMA 15 YR #432374	12/25/2005	PRINCIPAL RECEIPT		12,723	12,723	12,864	12,819	0	(96)	0	0	(96)	0	0	0	12,723	0	0	0	0	551	06/01/2013	
31379Y-FR-9	FNMA 15 YR #433176	12/25/2005	PRINCIPAL RECEIPT		21,884	21,884	22,109	22,023	0	(140)	0	0	(140)	0	0	0	21,884	0	0	0	0	764	07/01/2013	
31380L-TC-2	FNMA 15 YR #443447	12/25/2005	PRINCIPAL RECEIPT		14,309	14,309	14,467	14,421	0	(112)	0	0	(112)	0	0	0	14,309	0	0	0	0	507	09/01/2028	
313800-GA-9	FNMA 15 YR #446693	12/25/2005	PRINCIPAL RECEIPT		9,963	9,963	10,074	10,046	0	(83)	0	0	(83)	0	0	0	9,963	0	0	0	0	417	10/01/2013	
313800-H3-4	FNMA 15 YR #446750	12/25/2005	PRINCIPAL RECEIPT		64,128	64,128	64,836	64,674	0	(547)	0	0	(547)	0	0	0	64,128	0	0	0	0	2,931	10/01/2013	
313826-NV-9	FNMA 15 YR #482007	12/25/2005	PRINCIPAL RECEIPT		30,564	30,564	30,902	30,830	0	(266)	0	0	(266)	0	0	0	30,564	0	0	0	0	1,027	04/01/2014	
31382J-T7-6	FNMA 15 YR #483974	12/25/2005	PRINCIPAL RECEIPT		148,747	148,747	150,281	149,797	0	(1,051)	0	0	(1,051)	0	0	0	148,747	0	0	0	0	5,307	02/01/2014	
31382L-BV-1	FNMA 15 YR #485255	12/25/2005	PRINCIPAL RECEIPT		22,846	22,846	23,082	22,984	0	(138)	0	0	(138)	0	0	0	22,846	0	0	0	0	769	02/01/2014	
31382L-X2-7	FNMA 15 YR #485897	12/25/2005	PRINCIPAL RECEIPT		10,620	10,620	10,737	10,709	0	(90)	0	0	(90)	0	0	0	10,620	0	0	0	0	350	03/01/2014	
31382M-CV-8	FNMA 15 YR #486187	12/25/2005	PRINCIPAL RECEIPT		24,968	24,968	25,244	25,187	0	(220)	0	0	(220)	0	0	0	24,968	0	0	0	0	601	03/01/2014	
31382U-UO-6	FNMA 15 YR #489391	12/25/2005	PRINCIPAL RECEIPT		41,746	41,746	42,207	42,125	0	(379)	0	0	(379)	0	0	0	41,746	0	0	0	0	979	03/01/2014	
31382T-HK-8	FNMA 15 YR #491734	12/25/2005	PRINCIPAL RECEIPT		17,959	17,959	18,158	18,105	0	(145)	0	0	(145)	0	0	0	17,959	0	0	0	0	644	03/01/2014	
31385J-MB-8	FNMA 15 YR #545883	03/25/2005	VARIOUS		483,975	474,172	490,471	490,865	0	(1,498)	0	0	(1,498)	0	0	0	489,365	0	0	0	0	7,435	09/01/2017	
31385X-D7-9	FNMA 15 YR #555526	03/25/2005	VARIOUS		1,137,281	1,114,038	1,147,372	1,147,188	0	(2,453)	0	0	(2,453)	0	0	0	1,144,734	0	0	0	0	17,643	05/01/2018	
31400K-CU-8	FNMA 15 YR #689583	12/25/2005	PRINCIPAL RECEIPT		141,725	141,725	145,356	145,057	0	(3,333)	0	0	(3,333)	0	0	0	141,725	0	0	0	0	4,010	02/01/2018	
31401C-4K-6	FNMA 15 YR #704726	12/25/2005	PRINCIPAL RECEIPT		63,384	63,384	64,632	64,575	0	(1,191)	0	0	(1,191)	0	0	0	63,384	0	0	0	0	1,582	06/01/2018	
31401J-C2-2	FNMA 15 YR #709389	12/25/2005	PRINCIPAL RECEIPT		358,655	358,655	374,234	373,566	0	(14,911)	0	0	(14,911)	0	0	0	358,655	0	0	0	0	9,150	07/01/2018	
31402B-C3-6	FNMA 15 YR #723790	12/25/2005	PRINCIPAL RECEIPT		345,429	345,429	352,229	351,918	0	(6,489)	0	0	(6,489)	0	0	0	345,429	0	0	0	0	7,842	06/01/2018	
31402C-W6-5	FNMA 15 YR #725269	03/25/2005	VARIOUS		980,213	960,252	993,261	993,845	0	(2,732)	0	0	(2,732)	0	0	0	991,114	0	0	0	0	15,115	03/01/2019	
31404G-YM-7	FNMA 15 YR #768516	12/25/2005	PRINCIPAL RECEIPT		14,369	14,369	14,870	14,875	0	(506)	0	0	(506)	0	0	0	14,369	0	0	0	0	535	03/01/2019	
31371L-PL-7	FNMA 15YR #255227	12/25/2005	PRINCIPAL RECEIPT		115,131	115,131	114,340	114,340	0	792	0	0	792	0	0	0	115,131	0	0	0	0	1,621	05/01/2019	
31382N-S0-6	FNMA 30 YR #487527	12/25/2005	PRINCIPAL RECEIPT		371,339	371,339	366,349	366,586	0	4,753	0	0	4,753	0	0	0	371,339	0	0	0	0	16,686	02/01/2029	
31383S-CV-0	FNMA 30 YR #511384	12/25/2005	PRINCIPAL RECEIPT		9,360	9,360	9,158	9,162	0	198	0	0	198	0	0	0	9,360	0	0	0	0	185	09/01/2029	
31383T-SN-9	FNMA 30 YR #512725	12/25/2005	PRINCIPAL RECEIPT		3,547	3,547	3,470	3,472	0	75	0	0	75	0	0	0	3,547	0	0	0	0	70	09/01/2029	
31400B-SW-2	FNMA 30 YR #683161	12/25/2005	PRINCIPAL RECEIPT		193,234	193,234	201,099	201,221	0	(7,987)	0	0	(7,987)	0	0	0	193,234	0	0	0	0	5,792	02/01/2033	
31404M-ML-9	FNMA 30 YR #772663	12/25/2005	PRINCIPAL RECEIPT		75,024	75,024	77,310	77,320	0	(2,295)	0	0	(2,295)	0	0	0	75,024	0	0	0	0	2,050	03/01/2034	
31404M-MW-5	FNMA 30 YR #772673																							

ANNUAL STATEMENT FOR THE YEAR 2005 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	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21	
										11	12	13	14							15
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
066006-AM-6	BBHE 1998-2 A6		12/25/2005	PRINCIPAL RECEIPT		141,986	141,986	150,555	150,495	.0	(8,508)	.0	(8,508)	.0	141,986	.0	.0	.0	4,666	12/25/2008
080555-AG-0	BELO CORPORATION		06/07/2005	Undefined		310,991	285,000	325,037	323,043	.0	(3,440)	.0	(3,440)	.0	319,604	.0	(6,613)	(6,613)	12,480	11/01/2008
055999-AY-6	BHWOT 2003-A A3		11/25/2005	PRINCIPAL RECEIPT		651,433	651,433	651,343	651,069	.0	364	.0	364	.0	651,433	.0	.0	.0	5,854	02/25/2007
05948X-RZ-9	BOAMS 2003-L 2A2		12/25/2005	PRINCIPAL RECEIPT		199,355	199,355	200,350	199,790	.0	(435)	.0	(435)	.0	199,355	.0	.0	.0	4,296	01/25/2034
06424E-AC-8	BOAST 03-1		12/20/2005	PRINCIPAL RECEIPT		612,312	612,312	612,287	612,112	.0	200	.0	200	.0	612,312	.0	.0	.0	8,147	09/20/2007
111021-AC-5	BRITISH TELECOM PLC		02/09/2005	MORGAN STANLEY		518,525	500,000	499,195	499,822	.0	19	.0	19	.0	499,841	.0	18,684	18,684	6,453	12/15/2005
07383F-W8-7	BSCMS 2004-PWR6 A1		12/12/2005	PRINCIPAL RECEIPT		50,670	50,670	50,796	50,792	.0	(122)	.0	(122)	.0	50,670	.0	.0	.0	988	11/11/2041
07387B-AD-5	BSCMS 2005-PWR9 A1		12/12/2005	PRINCIPAL RECEIPT		21,658	21,658	21,712	21,712	.0	(54)	.0	(54)	.0	21,658	.0	.0	.0	163	09/15/2042
14912L-X6-3	CATERPILLAR FINANCIAL SERVICES		08/29/2005	Undefined		985,690	1,000,000	994,360	996,637	.0	1,426	.0	1,426	.0	998,063	.0	(12,373)	(12,373)	29,209	07/15/2006
152312-AP-9	CENTEX CORP		11/22/2005	Undefined		19,074	20,000	19,803	19,803	.0	13	.0	13	.0	19,816	.0	(742)	(742)	523	11/01/2010
173067-EA-3	CGCMT 2004-C2 A1		12/16/2005	PRINCIPAL RECEIPT		30,677	30,677	30,753	30,751	.0	(74)	.0	(74)	.0	30,677	.0	.0	.0	617	10/15/2041
158916-AL-0	CHANCELLOR MEDIA CORP		07/13/2005	Undefined		536,955	500,000	568,340	563,626	.0	(8,231)	.0	(8,231)	.0	555,395	.0	(18,440)	(18,440)	28,556	11/01/2008
172967-BF-7	CITIGROUP INC		02/14/2005	Undefined		1,027,240	1,000,000	1,024,420	1,008,734	.0	(742)	.0	(742)	.0	1,007,992	.0	19,248	19,248	15,493	05/10/2006
20825C-AD-6	CONOCOPHILLIPS		03/31/2005	Undefined		1,000,000	1,000,000	999,508	999,715	.0	24	.0	24	.0	999,740	.0	260	260	16,715	10/15/2007
126304-AD-6	CSC HOLDINGS INC SER B DEBENTURES		06/21/2005	BEAR STEARNS CO		506,250	500,000	498,135	499,064	.0	80	.0	80	.0	499,144	.0	7,106	7,106	34,870	08/15/2009
207678-AC-7	CTRRB 2001-1 A3		09/30/2005	PRINCIPAL RECEIPT		227,173	227,173	246,021	241,988	.0	(14,814)	.0	(14,814)	.0	227,173	.0	.0	.0	8,260	03/30/2009
12669F-JE-4	CWHL 2003-60 3A1		02/25/2005	VARIOUS		625,730	618,369	624,360	627,904	.0	(416)	.0	(416)	.0	627,488	.0	(1,758)	(1,758)	5,698	02/15/2034
25156P-AA-1	DEUTSCHE TELEKOM FINANCE GRP		01/27/2005	DEUTSCHE BANK		382,166	375,000	374,348	374,928	.0	11	.0	11	.0	374,939	.0	7,227	7,227	3,953	06/15/2005
25746U-AB-5	DOMINION RESOURCES INC		01/27/2005	Undefined		306,099	300,000	324,654	308,325	.0	(1,110)	.0	(1,110)	.0	307,216	.0	(1,117)	(1,117)	12,454	07/15/2005
26882P-AB-8	ERAC USA FIN 144A		02/15/2005	MATURITY		500,000	500,000	527,025	501,452	.0	(1,452)	.0	(1,452)	.0	500,000	.0	.0	.0	12,552	02/15/2005
337358-DO-5	FIRST UNION CORP		08/18/2005	MATURITY		1,000,000	1,000,000	1,043,150	1,006,742	.0	(6,742)	.0	(6,742)	.0	1,000,000	.0	.0	.0	75,500	08/18/2005
396789-FN-4	GCCFC 2004 GGIA A2		12/10/2005	PRINCIPAL RECEIPT		60,932	60,932	61,235	61,193	.0	(261)	.0	(261)	.0	60,932	.0	.0	.0	1,751	10/08/2008
369626-VM-3	GENERAL ELECTRIC CAPITAL CORP		01/12/2005	Undefined		1,028,740	1,000,000	1,101,550	1,027,561	.0	(993)	.0	(993)	.0	1,026,567	.0	2,173	2,173	14,544	11/01/2005
375766-AK-8	GILLETTE COMPANY		03/02/2005	Undefined		988,540	1,000,000	998,290	999,016	.0	57	.0	57	.0	999,073	.0	(10,533)	(10,533)	13,806	10/15/2007
370425-RT-9	GMAC		07/11/2005	Undefined		227,250	225,000	241,745	233,727	.0	(4,401)	.0	(4,401)	.0	229,326	.0	(2,076)	(2,076)	19,322	01/15/2006
381416-CS-1	GOLDMAN SACHS GROUP INC		06/23/2005	Undefined		498,868	500,000	509,795	506,394	.0	(853)	.0	(853)	.0	505,541	.0	(6,674)	(6,674)	18,580	01/15/2008
413627-AL-4	HARRAH'S OPERATING CO		07/21/2005	Undefined		523,030	500,000	543,980	541,300	.0	(9,201)	.0	(9,201)	.0	532,189	.0	(9,159)	(9,159)	23,255	06/01/2007
449182-AW-4	HART 2003-A B		04/11/2005	Undefined		196,250	200,000	199,968	200,049	.0	(13)	.0	(13)	.0	200,036	.0	(3,786)	(3,786)	1,977	10/15/2010
449182-AX-2	HART 2003-A C		04/11/2005	Undefined		98,266	100,000	99,991	100,033	.0	(7)	.0	(7)	.0	100,025	.0	(1,760)	(1,760)	1,054	10/15/2010
428040-BV-0	HERTZ CORP		12/20/2005	Undefined		489,500	500,000	502,445	502,230	.0	(572)	.0	(572)	.0	501,658	.0	(12,158)	(12,158)	39,784	08/05/2008
404230-AF-4	HHH PROPERTIES MTN		04/08/2005	DONALDSON, LUFKN & JENRETT		69,807	68,000	61,285	64,566	.0	218	.0	218	.0	64,784	.0	5,023	5,023	1,726	08/01/2008
46625Y-TX-1	JPMCC 2005-LDP4 A1		12/15/2005	PRINCIPAL RECEIPT		8,069	8,069	8,095	8,095	.0	(26)	.0	(26)	.0	8,069	.0	.0	.0	43	10/15/2042
493267-AA-6	KEYCORP		03/15/2005	Undefined		514,180	500,000	541,380	514,551	.0	(2,442)	.0	(2,442)	.0	512,110	.0	2,070	2,070	17,156	03/15/2006
524908-DD-9	LEHMAN BROTHERS HOLDINGS INC		01/27/2005	Undefined		776,130	750,000	791,528	780,124	.0	(1,547)	.0	(1,547)	.0	778,577	.0	(2,447)	(2,447)	9,896	05/15/2006
55250V-AE-6	M & I MARSHALL & TISLEY BANK		01/18/2005	Undefined		367,971	365,000	363,879	364,375	.0	10	.0	10	.0	364,386	.0	3,586	3,586	5,730	09/04/2007
571748-AH-5	MARSH & MCLENNAN COS INC		08/30/2005	Undefined		242,998	250,000	249,403	249,613	.0	79	.0	79	.0	249,692	.0	(6,694)	(6,694)	9,490	02/15/2008
5526E0-AH-6	MBNA AMERICA BANK NA		09/15/2005	MATURITY		500,000	500,000	552,455	514,885	.0	(14,885)	.0	(14,885)	.0	500,000	.0	.0	.0	38,750	09/15/2005
63936W-AC-8	NAVOT 2003-A A3		12/15/2005	PRINCIPAL RECEIPT		590,782	590,782	590,727	590,762	.0	20	.0	20	.0	590,782	.0	.0	.0	5,301	02/15/2007
651229-AD-8	NEWELL RUBBERMAID INC		05/01/2005	MATURITY		150,000	150,000	149,922	149,987	.0	13	.0	13	.0	150,000	.0	.0	.0	1,500	05/01/2005
62944T-AC-9	NVR INC		11/22/2005	Undefined		183,333	190,000	190,249	190,249	.0	(18)	.0	(18)	.0	190,231	.0	(6,898)	(6,898)	4,301	06/15/2010
679833-AB-9	OLD KENT FINANCIAL CORP		11/15/2005	MATURITY		1,000,000	1,000,000	1,016,150	1,001,858	.0	(1,858)	.0	(1,858)	.0	1,000,000	.0	.0	.0	66,250	11/15/2005
695629-AR-6	PAINE WEBBER		03/15/2005	MATURITY		1,000,000	1,000,000	1,139,600	1,004,166	.0	(4,166)	.0	(4,166)	.0	1,000,000	.0	.0	.0	44,375	03/15/2005
700690-AB-6	PARK PLACE ENTM		11/02/2005	DEUTSCHE BANK		502,170	500,000	503,125	501,241	.0	(507)	.0	(507)	.0	500,733	.0	1,436	1,436	34,672	12/15/2006
741550-AJ-9	PCMT 2000-1 A		11/15/2005	PRINCIPAL RECEIPT		1,000,000	1,000,000	1,066,641	1,015,858	.0	(15,858)	.0	(15,858)	.0	1,000,000	.0	.0	.0	61,417	10/15/2009
74005P-AB-0	PRAXAIR INC		06/15/2005	MATURITY		750,000	750,000	770,985	752,566	.0	(2,566)	.0	(2,566)	.0	750,000	.0	.0	.0	25,688	06/15/2005
745867-AR-2	PULTE HOMES INC		11/22/2005	Undefined		186,097	190,000	190,796	190,796	.0	(71)	.0	(71)	.0	190,725	.0	(4,628)	(4,628)	8,053	07/15/2009
852060-AM-4	SPRINT CAPITAL CORP		02/11/2005	Undefined		519,745	500,000	539,665	527,323	.0	(1,441)	.0	(1,441)	.0	525,882	.0	(6,137)	(6,137)	17,583	01/15/2007
879385-AB-8	TELEFONICA EUROP		09/15/2005	MATURITY		500,000	500,000	500,798	500,133	.0	(133)	.0	(133)	.0	500,000	.0	.0	.0	36,750	09/15/2005
903278-AY-5	USAOT 2003-1 A3		01/20/2005	VARIOUS		925,332	930,968	930,881	930,836	.0	5	.0	5	.0	930,842	.0	(5,510)	(5,510)	1,596	06/15/2007
92922F-LD-8	WAMU 2004-ARI A		12/25/2005	PRINCIPAL RECEIPT		128,310	128,310	129,593	128,385	.0	(75)	.0	(75)	.0	128,310	.0	.0	.0	2,763	03/25/2034
929274-AF-5	WESTO 2004-2 C		12/20/2005	PRINCIPAL RECEIPT		470,583	470,583	467,789	467,986	.0	2,596	.0								

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 5

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal Date	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.					
313444-RH-9	FREDDIE MAC		03/23/2005	Undefined	07/22/2005	Undefined	1,250,000	1,232,176	1,236,234	1,234,445	0	2,269	0	2,269	0	0	1,788	1,788	15,799	1,701
3199999	Bonds - Special Revenue						1,250,000	1,232,176	1,236,234	1,234,445	0	2,269	0	2,269	0	0	1,788	1,788	15,799	1,701
152312-AP-9	CENTEX CORP.		06/30/2005	Undefined	11/22/2005	Undefined	155,000	153,642	147,822	153,732	0	89	0	89	0	0	(5,910)	(5,910)	4,055	1,273
319963-AL-8	FIRST DATA CORPORATION		05/19/2005	Undefined	11/02/2005	Undefined	275,000	274,843	265,172	274,855	0	12	0	12	0	0	(9,684)	(9,684)	5,534	0
549271-AD-6	LUBRIZOL CORP.		02/10/2005	Undefined	04/18/2005	Undefined	500,000	505,443	492,185	505,241	0	(201)	0	(201)	0	0	(13,056)	(13,056)	13,040	8,800
76113B-AC-3	RESIDENTIAL CAPITAL CORP 144A		06/21/2005	Undefined	10/04/2005	Undefined	225,000	224,339	227,655	224,370	0	31	0	31	0	0	3,285	3,285	4,104	0
783764-AJ-2	RYLAND GROUP		05/10/2005	Undefined	07/21/2005	Undefined	300,000	304,713	304,344	304,430	0	(283)	0	(283)	0	0	(86)	(86)	10,526	7,256
4599999	Bonds - Industrial and Miscellaneous						1,455,000	1,462,979	1,437,177	1,462,628	0	(352)	0	(352)	0	0	(25,450)	(25,450)	37,259	17,330
6099998	Total - Bonds						2,705,000	2,695,156	2,673,411	2,697,073	0	1,917	0	1,917	0	0	(23,662)	(23,662)	53,058	19,031
7399999	Total - Preferred and Common Stocks						0	0	0	0	0	0	0	0	0	0	0	0	0	0
7499999	Totals						2,695,156	2,673,411	2,697,073	2,697,073	0	1,917	0	1,917	0	0	(23,662)	(23,662)	53,058	19,031

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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 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % 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 Total Amount of Intangible Assets Included in Amount Shown in Column 7, 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

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 2005 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	9
CUSIP Identification	Description	Code	Date Acquired	Rate of Interest	Maturity Date	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 2005 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits with the State of Domicile For The Benefit of All Policyholders		All Other Special Deposits		
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value	
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR						
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA						
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI						
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM						
33. New York	NY						
34. North Carolina	NC						
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA	B	Quota Share Reinsurance Agreement	46,771,498	47,848,404		
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. US Virgin Islands	VI						
56. Canada	CN						
57. Aggregate Other Alien	OT	XXX	XXX	.0	.0	.0	.0
58. Total	XXX	XXX		46,771,498	47,848,404	0	0
DETAILS OF WRITE-INS							
5701.							
5702.							
5703.							
5798.	Summary of remaining write-ins for Line 57 from overflow page	XXX	XXX	.0	.0	.0	.0
5799.	Totals (Lines 5701 through 5703 + 5798)(Line 57 above)	XXX	XXX	0	0	0	0