

ANNUAL STATEMENT

OF THE

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

2012

OF

Richmond

IN THE STATE OF

Virginia

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

FOR THE YEAR ENDED

DECEMBER 31, 2012

PROPERTY AND CASUALTY

2012



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

NAIC Group Code 0000, 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, Incorporated/Organized 02/23/1981, Commenced Business 07/27/1981, Statutory Home Office 1300 E. Main Street, Richmond, VA, US 23219, Main Administrative Office 11401 Century Oaks Terrace, Ste. 310, Austin, TX, US 78758, 512-404-6555, Mail Address 11401 Century Oaks Terrace, Ste. 310, Austin, TX, US 78758, Primary Location of Books and Records 11401 Century Oaks Terrace, Ste. 310, Austin, TX, US 78758, 512-404-6555, Internet Website Address www.howcorp.com, Statutory Statement Contact Brenda J. Stewart, 512-404-6555, bstewart@palomarfin.com, 512-404-6530

OFFICERS

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

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Texas

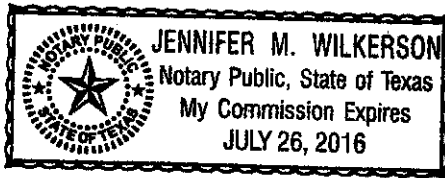
County of Travis ss

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.

Handwritten signatures of Brenda J. Stewart and Nicole Wilkins, both Authorized Representatives.

Subscribed and sworn to before me this 28 day of February, 2013. Jennifer M. Wilkerson Notary, July 26, 2013

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed 02/28/2013
3. Number of pages attached



**ANNUAL STATEMENT FOR THE YEAR 2012 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).....	108,330,472		108,330,472	114,634,850
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 (\$895,063 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$12,767,454 , Schedule DA).....	13,662,517		13,662,517	6,591,012
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	121,992,989	0	121,992,989	121,225,862
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	569,577		569,577	944,587
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	110,957		110,957	110,957
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	4,669,106	4,669,106	0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	566,926	3,550	563,376	1,221,877
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	127,909,555	4,672,656	123,236,899	123,503,283
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	127,909,555	4,672,656	123,236,899	123,503,283
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above).....	0	0	0	0
2501. Loss Reserve Prepayments.....	0		0	336,321
2502. Miscellaneous Receivables.....	3,550	3,550	0	0
2503. Prepaid Federal Income Tax.....	563,376		563,376	885,556
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above).....	566,926	3,550	563,376	1,221,877

**ANNUAL STATEMENT FOR THE YEAR 2012 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 35, Column 8)	7,000	7,000
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,656,000	2,310,000
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	23,104	34,765
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	10,800	10,800
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	11,588,525	11,655,748
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	13,285,429	14,018,313
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	13,285,429	14,018,313
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	1,000,000	1,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	5,097,479	5,097,479
35. Unassigned funds (surplus)	103,853,989	103,387,490
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	109,951,468	109,484,969
38. Totals (Page 2, Line 28, Col. 3)	123,236,897	123,503,282
DETAILS OF WRITE-INS		
2501. Loss payments - deferred, see footnote no. 6	704,607	704,607
2502. Loss reserve prepayments, See footnote no. 7	0	336,321
2503. Deferred LAE	1,288,855	1,288,855
2598. Summary of remaining write-ins for Line 25 from overflow page	9,595,063	9,325,965
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	11,588,525	11,655,748
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2012 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 35, Column 4)	0	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,765	(1,000,179)
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	672,408	2,081,723
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	997
5. Aggregate write-ins for underwriting deductions	269,098	268,362
6. Total underwriting deductions (Lines 2 through 5)	943,271	1,350,903
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(943,271)	(1,350,903)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,257,392	1,427,515
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses)).....	174,002	(16,943)
11. Net investment gain (loss) (Lines 9 + 10)	1,431,394	1,410,572
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	0	0
15. Total other income (Lines 12 through 14)	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	488,123	59,669
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)	488,123	59,669
19. Federal and foreign income taxes incurred	21,624	247,759
20. Net income (Line 18 minus Line 19) (to Line 22)	466,499	(188,091)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	109,484,969	109,673,064
22. Net income (from Line 20)	466,499	(188,091)
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		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 28, Col. 3)	0	0
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	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 36.1 and 36.2, 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)	466,499	(188,091)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	109,951,468	109,484,969
DETAILS OF WRITE-INS		
0501. Interest expense on deferred loss payments.....	269,098	268,362
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	269,098	268,362
1401.		0
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2012 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	3,409,809	3,829,462
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	3,409,809	3,829,462
5. Benefit and loss related payments	0	(440,688)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,328,173	1,413,664
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	21,624	247,759
10. Total (Lines 5 through 9)	1,349,797	1,220,734
11. Net cash from operations (Line 4 minus Line 10)	2,060,012	2,608,727
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	92,724,525	45,079,636
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	(2)	1
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	92,724,523	45,079,637
13. Cost of investments acquired (long-term only):		
13.1 Bonds	88,035,209	43,459,826
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	88,035,209	43,459,826
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)	4,689,314	1,619,811
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)	322,180	(800,269)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	322,180	(800,269)
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 17)	7,071,505	3,428,269
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,591,012	3,162,742
19.2 End of year (Line 18 plus Line 19.1)	13,662,517	6,591,012

Part 1

NONE

Part 1A

NONE

Part 1B

NONE

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 professional liability - occurrence				.0	.0	.0	.0	.0
11.2 Medical professional liability - 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
17.3 Excess workers' compensation				.0	.0	.0	.0	.0
18.1 Products liability - occurrence	.0	1,765	.0	1,765	7,000	7,000	1,765	.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. Warranty				.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property	XXX			.0	.0	.0	.0	.0
32. Reinsurance - nonproportional assumed liability	XXX			.0	.0	.0	.0	.0
33. Reinsurance - nonproportional assumed financial lines	XXX			.0	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS	0	1,765	0	1,765	7,000	7,000	1,765	0.0
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Sum. of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

6

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 Net 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 professional liability - occurrence				.0				.0	
11.2 Medical professional liability - 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	
17.3 Excess workers' compensation				.0				.0	
18.1 Products liability - occurrence	7,000			7,000				7,000	1,656,000
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. Warranty				.0				.0	
31. Reinsurance - nonproportional assumed property	XXX			.0	XXX			.0	
32. Reinsurance - nonproportional assumed liability	XXX			.0	XXX			.0	
33. Reinsurance - nonproportional assumed financial lines	XXX			.0	XXX			.0	
34. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS	7,000	0	0	7,000	0	0	0	7,000	1,656,000
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

10

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	1,765			1,765
1.2 Reinsurance assumed	(1,765)			(1,765)
1.3 Reinsurance ceded				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	0	0	0	0
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				0
19. Totals (Lines 3 to 18)	0	0	0	0
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 plans				0
24. Aggregate write-ins for miscellaneous expenses	672,408	0	126,290	798,698
25. Total expenses incurred	672,408	0	126,290	(a) 798,698
26. Less unpaid expenses - current year	1,656,000	23,104		1,679,104
27. Add unpaid expenses - prior year	2,310,000	34,765		2,344,765
28. Amounts receivable relating to uninsured plans, prior year	0	0		0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,326,408	11,661	126,290	1,464,359
DETAILS OF WRITE-INS				
2401. Excess ULAE paid	672,408			672,408
2402. Investment management expense			126,290	126,290
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0		0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	672,408	0	126,290	798,698

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

**ANNUAL STATEMENT FOR THE YEAR 2012 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) 390,244	277,235
1.1 Bonds exempt from U.S. tax		
1.2 Other bonds (unaffiliated)	(a) 1,352,028	1,090,026
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 12,470	12,470
7. Derivative instruments	(f)	
8. Other invested assets	3,950	3,950
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,758,691	1,383,681
11. Investment expenses		(g) 126,290
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 deductions (Lines 11 through 15)		126,290
17. Net investment income (Line 10 minus Line 16)		1,257,392
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. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 15,474 accrual of discount less \$ 1,804,543 amortization of premium and less \$ 402,787 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.
 (c) Includes \$ 0 accrual of discount less \$ 0 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 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	91,293		91,293		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	82,709		82,709		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments			0	0	0
7. Derivative instruments			0		
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	174,002	0	174,002	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2012 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. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	4,669,106	4,669,106	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	3,550	3,550	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,672,656	4,672,656	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	4,672,656	4,672,656	0
DETAILS OF WRITE-INS			
1101.		0	0
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous receivables.....	3,550	3,550	0
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	3,550	3,550	0

NOTES TO FINANCIAL STATEMENTS

1. Basis of Presentation

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

2. Receivership

On October 14, 1994, in Cause No. HE-1059-1, styled Commonwealth of Virginia ex rel. State Corporation Commission and Steven T. Foster, Commissioner of Insurance v. Home Warranty Corporation, Home Owners Warranty Corporation, and HOW Insurance Company, a Risk Retention Group, the Circuit Court of 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 T. Foster as the Commissioner of Insurance of the Bureau and as Deputy Receiver of the Companies. In January of 2011, Jacqueline K. Cunningham replaced Alfred W. Gross as the Commissioner of Insurance of the Bureau and as Deputy Receiver of the Companies.

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.

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 her 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 (“IRS”) 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. The tax exemption, as allowed for HOWIC under Section 501 (c) (15) of the IRC, was not effective after December 31, 2007, because of changes in the applicable law for this tax exemption.

On September 22, 2005, in accordance with the “Plan” described in Note 11. B. below, the Deputy Receiver filed a private letter ruling (“PLR”) request with the 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, 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 IRC;

NOTES TO FINANCIAL STATEMENTS

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 IRC;

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 IRC;

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 IRC; and

e) HWC will succeed to, and take into account the items of, HOWIC as described in Section 381 (c) of the IRC, subject to the conditions and limitations specified in Sections 381, 382, 383, and 384 of the IRC 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 Company's total reserves as of December 31, 2012, were \$1,663,000. Incurred losses and loss adjustment expenses paid during 2012 total \$1,326,408.

5. Debt

The Company has no outstanding debt obligations to third parties.

6. Claims Payments

On November 29, 1994, the Deputy Receiver issued the 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.

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.

NOTES TO FINANCIAL STATEMENTS

On July 16, 1999, the Deputy Receiver approved the payment of 8% simple interest on all deferred direct claim amounts accrued since October 14, 1994, until the date that such claims are paid, if at all, by HOWIC in receivership. Such interest would be paid only after satisfaction of all other claims of higher priority. Subsequently, the Deputy Receiver's Sixth Directive declared that 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 total interest accrued on all deferred direct claims is approximately \$8,154,756.57 as of December 31, 2012. HOWIC will not pay interest on deferred loss settlements until all direct and deferred direct claims have been paid in the receivership.

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

Under the terms of the Receivership Appeal Procedure, claimants are permitted two levels of appeal for denied claims. The first level of appeal is to the Deputy Receiver. The second level of appeal is to the Commission if such claim appeal is denied by the Deputy Receiver. As of December 31, 2012, approximately 1,378 appeals and 218 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 coverage 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 1,113 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 139 home owner petitions, 52 builder petitions, 10 vendor and local council petitions, 2 attorney fee 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 were liable for specified payments which they were 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. As of June 30, 2012, one such prepayment was still held by the Company. The proper payee has been identified, and this prepayment was refunded in September 2012. Therefore, cash prepayments were \$0.00 as of December 31, 2012.

8. Related Party Transactions

The Company has a non-admitted receivable from parent, subsidiaries, and affiliates in the amount of \$4,669,106. This amount includes a receivable from HWC in the amount of \$1,265,301 and a receivable from HOW in the amount of \$3,403,805.

9. Leases

The Company is not a direct party to any lease obligations.

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

NOTES TO FINANCIAL STATEMENTS

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, which remains in effect.

11. Litigation

The following paragraphs provide a summary description of certain litigation, claims and/or applications filed by or against the Company:

A. The Company, its affiliates, and its insureds were subject to claims litigation or threatened litigation brought under the Company's warranty documents that may have a material effect on the Company's financials. The reserve for litigation or threatened litigation matters reflects only a portion of the potential claims liability, if any, which may arise from litigation or threatened litigation matters. The Deputy Receiver believes that there are meritorious defenses to the litigation or threatened litigation cases. Due to the inherent uncertainty of litigation, the Company's actual liability may vary from its reserved liability for such litigation or threatened litigation matters. The Deputy Receiver has stayed or moved to stay all pending litigation cases that were filed against the Companies. In some cases, litigation continues against the Company's insureds.

B. On or about November 29, 2004, the Deputy Receiver filed with the Commission 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 (the "Plan"), Approving Claims Bar Date, and Related Matters" (the "Application"). The Plan may be summarized by the following key parts:

- (1) HOWIC 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 HOWIC'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 (as of the receivership date) will be eligible for payment by HWC, as and when it has available assets, for their equity in HWC based on a two-part formula. The fixed portion of the formula will pay all member builders on a per capita basis for having been a member builder in HWC as of the receivership date. The variable portion of the formula will allocate payments based on the builder's relative profitability contributions to the HOW Companies.
- (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 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. 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 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: 25% of the residual assets to the Fixed Component, with 75% of the residual assets allocated to the Variable Component.

Further, the Commission 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

NOTES TO FINANCIAL STATEMENTS

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 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 Companies and a final bar date. The Commission directed the Deputy Receiver, upon completion of the liquidation and dissolution of the Companies, to file a request with the Commission for approval to terminate and close the receivership proceeding.

To implement the Order Approving Plans of Liquidation, the Deputy Receiver established January 12, 2009, as the deadline (the "Bar Date") by which all claims against the Companies (including contingent or unliquidated claims) must have been filed. Notice of the claims Bar Date was provided by direct mail or publication notice to parties interested in the affairs of the receivership. Claims that have previously been approved, resolved, or paid by the Deputy Receiver were not required to be re-filed with the Companies before the Bar Date.

Late filed claims are barred from sharing in the assets of the Companies until timely approved claims are paid in full. Claims against the assets of the Companies (unless exempted from filing as described below) must have been received by the Deputy Receiver on or before the Bar Date.

Only the following claims were exempt from the final Bar Date and were not to be filed with the Deputy Receiver:

1. Claims that were previously approved, resolved, or paid by the Deputy Receiver as described above;
2. Proper administrative expense claims (*i.e.*, claims for payment of services rendered, or goods supplied, to the Companies at the request of the Deputy Receiver after October 14, 1994);
3. Claims by builders for loss reserve deposits or release of letters of credit; and
4. Claims by builders for a share of the residual assets of the Companies.

The Companies were originally organized and owned by member builders who enrolled their newly built homes in the HOW Program so that such homes may receive warranty and major structural defect insurance coverage. When member builders originally registered to become member builders in the HOW Program, including renewals of such registrations, the member builders paid membership capital contributions to the Companies. The capital contributions were separate from the insurance premiums paid for the enrolled homes. Claims by builders for return of builder capital contributions were required to be filed before the final Bar Date to preserve such claims. However, builders were not required to submit claims for a share of the residual assets of the Companies, since such distributions will be calculated automatically by the Deputy Receiver's representatives. The amount of residual assets that can be distributed to builders is unknown, and this will not be fully known until the end of the liquidation process for the Companies. The manner in which such distributions are calculated is governed by the terms of the Order Approving Plans of Liquidation.

Claims filed after the Bar Date will be barred from sharing in the assets of the Companies until timely approved claims are fully paid, unless the claims are exempted from the claims Bar Date as described above. Claim payments made by the Deputy Receiver that cannot be properly delivered and are not claimed before closure of the receivership, will be governed by applicable state laws governing the disposition of unclaimed property.

The claims filing deadline has passed, and claims are now being reviewed and adjudicated. As of December 31, 2012, 599 proofs of claim have been filed. Of these 599 claims, 234 are home owners, 183 are builders,

NOTES TO FINANCIAL STATEMENTS

82 are general creditors, and 100 are non-eligible builders. The third-party claims administrator, Crawford & Company, has closed 349 claims through December 31, 2012, including all 234 home owner claims. The full effect and extent of liability exposure for the proofs of claims is still being reviewed. Thus, claims reserves and liabilities on this financial statement may be adjusted as filed claims are adjudicated and adjusted by the Deputy Receiver and her representatives during the wind down and liquidation of the Companies.

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 Company agreed to accept \$26,250, but the amount was not paid and Compagnie still owes the Company approximately \$105,000 under the applicable 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.

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:
- 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.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA []
- 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? 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, government, manager or attorney - in - fact).

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

**ANNUAL STATEMENT FOR THE YEAR 2012 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 locations (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 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 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Calhoun, Thomson, + Matza, LLP, 9500 Arboretum Blvd., Suite 120, Austin, Texas 78759.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] NA []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
11. 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?
Oliver Wyman Actuarial Consulting, Inc., 1166 Avenue of the Americas, 32nd Floor, New York, New York 10036.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
12.12 Number of parcels involved.....
12.13 Total book/adjusted carrying value..... \$.....
- 12.2 If yes, provide explanation
.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. 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 []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [] No [X]
18. 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 is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers .. \$.....0
 - 20.12 To stockholders not officers .. \$.....0
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers .. \$.....0
 - 20.22 To stockholders not officers .. \$.....0
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
 - 21.22 Borrowed from others \$.....
 - 21.23 Leased from others \$.....
 - 21.24 Other \$.....
- 22.1 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]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
 - 22.22 Amount paid as expenses \$.....
 - 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....4,669,106

INVESTMENT

- 24.01 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? (other than securities lending programs addressed in 24.03)..... Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
.....
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?..... Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....0
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....0
 - 24.103 Total payable for securities lending reported on the liability page..... \$.....0

GENERAL INTERROGATORIES

- 25.1 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 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 21.1 and 24.03). Yes [] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements..... \$.....
 - 25.22 Subject to reverse repurchase agreements..... \$.....
 - 25.23 Subject to dollar repurchase agreements..... \$.....
 - 25.24 Subject to reverse dollar repurchase agreements..... \$.....
 - 25.25 Pledged as collateral..... \$.....
 - 25.26 Placed under option agreements..... \$.....
 - 25.27 Letter stock or securities restricted as to sale..... \$.....
 - 25.28 On deposit with state or other regulatory body..... \$.....
 - 25.29 Other..... \$.....

25.3 For category (25.27) provide the following:

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

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No []
- 26.2 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.
- 27.1 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 []
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

28. Excluding items in Schedule E-Part 3-Special Deposits, 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 Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [] No []

28.01 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
State Street Bank & Trust.....	P.O. Box 351 Boston, Massachusetts 02101.....

28.02 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)	3 Complete Explanation(s)
.....
.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No []
- 28.04 If yes, give full and complete information relating thereto:

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

28.05 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	3 Address
105496.....	T. Rowe Price Associates, Inc.....	100 East Pratt Street, Baltimore, MD 21202.....

GENERAL INTERROGATORIES

- 29.1 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 [X]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
29.2999 TOTAL		0

- 29.3 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
.....
.....

30. 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 (+)
30.1 Bonds.....	121,097,923	121,837,585	739,662
30.2 Preferred Stocks.....	0		0
30.3 Totals	121,097,923	121,837,585	739,662

- 30.4 Describe the sources or methods utilized in determining the fair values:

.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [X] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

OTHER

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

33.2 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
.....

34.1 Amount of payments for legal expenses, if any?.....\$144,323

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
See Attached.....

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

35.2 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
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 \$0
 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. \$0
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0

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

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

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

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

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$0	\$	.....0
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$1,663,000	\$	.....2,317,000
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 [X]
 5.22 As a direct expense of the exchange..... Yes [] No [] NA [X]

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:.....
N/A.....
- 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?.....
N/A.....
- 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.
N/A.....
- 7.1 Has the 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 cap, an aggregate limit or any similar provisions)?..... Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
- 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 [] 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 this 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 5% 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 5% 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) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, 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), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% 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 5% of prior year-end surplus as regards policyholders; excluding 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, 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 in a separate reinsurance contract..... 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 principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, 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.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,..... Yes [] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or..... Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement..... Yes [] No [X]
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 [] N/A [X]

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

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [] No [X]
- 11.2 If yes, give full information
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset 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 15.3, Page 2, state the amount that 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 a 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 [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit..... \$
- 12.62 Collateral and other funds..... \$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$0
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No []
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [] No []
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [] No []
- 14.5 If the answer to 14.4 is no, please explain:
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
- 15.2 If yes, give full information
.....
- 16.1 Does the reporting entity write any warranty business? Yes [X] No []

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$1,765	\$7,000	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

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

17.1 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 in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 \$.....
- 17.12 Unfunded portion of Interrogatory 17.11..... \$.....
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....
- 17.14 Case reserves portion of Interrogatory 17.11..... \$.....
- 17.15 Incurred but not reported portion of Interrogatory 17.11..... \$.....
- 17.16 Unearned premium portion of Interrogatory 17.11..... \$.....
- 17.17 Contingent commission portion of Interrogatory 17.11..... \$.....

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

- 17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 \$.....
- 17.19 Unfunded portion of Interrogatory 17.18..... \$.....
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....
- 17.21 Case reserves portion of Interrogatory 17.18..... \$.....
- 17.22 Incurred but not reported portion of Interrogatory 17.18..... \$.....
- 17.23 Unearned premium portion of Interrogatory 17.18..... \$.....
- 17.24 Contingent commission portion of Interrogatory 17.18..... \$.....

18.1 Do you act as a custodian for health savings accounts?..... Yes [] No []

18.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....

18.3 Do you act as an administrator for health savings accounts?..... Yes [] No []

18.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$.....

**ANNUAL STATEMENT FOR THE YEAR 2012 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 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 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, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	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, 17.3, 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, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(943,271)	(1,350,903)	(1,540,234)	(24,593)	(2,659,232)
14. Net investment gain (loss) (Line 11)	1,431,394	1,410,572	2,426,449	4,267,969	858,456
15. Total other income (Line 15)	0	0	0	0	5,674,151
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	21,624	247,759	1,573,685	(4,179,004)	10,175,326
18. Net income (Line 20)	466,499	(188,091)	(687,470)	8,422,380	(6,301,951)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	123,236,899	123,503,283	125,462,292	127,663,248	131,205,791
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	13,285,429	14,018,313	15,789,231	17,302,717	29,267,639
22. Losses (Page 3, Line 1)	7,000	7,000	285,000	1,174,000	1,546,000
23. Loss adjustment expenses (Page 3, Line 3)	1,656,000	2,310,000	1,750,000	1,770,000	3,339,000
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	109,951,468	109,484,969	109,673,061	110,360,530	101,938,151
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	2,060,012	2,608,727	1,081,334	(2,961,709)	(3,851,824)
Risk-Based Capital Analysis					
28. Total adjusted capital	109,951,468	109,484,969	109,673,061	110,360,530	101,938,151
29. Authorized control level risk-based capital	549,759	568,769	481,287	618,390	834,979
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	88.8	94.6	97.4	94.3	81.8
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	11.2	5.4	2.6	5.7	18.2
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	XXX	XXX
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in parent included in lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24) .....	.0	.0	.0	.0	.0
52. Dividends to stockholders (Line 35) .....	.0	.0	.0	.0	.0
53. Change in surplus as regards policyholders for the year (Line 38)	466,499	(188,091)	(687,470)	8,422,380	47,365,797
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,765	(118,558)	994,162	(236,187)	3,104,839
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	.0	.0	.0	.0	.0
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	.0	.0	.0	.0	.0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) ..	.0	.0	.0	.0	.0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	1,765	(118,558)	994,162	(236,187)	3,104,839
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,765	(722,179)	846,315	(236,187)	3,104,839
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	.0	.0	.0	.0	.0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	.0	.0	.0	.0	.0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) ..	.0	.0	.0	.0	.0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	1,765	(722,179)	846,315	(236,187)	3,104,839
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	0.0	0.0	0.0	0.0	0.0
68. Loss expenses incurred (Line 3)	0.0	0.0	0.0	0.0	0.0
69. Other underwriting expenses incurred (Line 4)	0.0	0.0	0.0	0.0	0.0
70. Net underwriting gain (loss) (Line 8)	0.0	0.0	0.0	0.0	0.0
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	25,901	23,459	21,133	16,236	12,077
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	23.7	21.4	19.1	15.9	22.1
Two Year Loss Development (000 omitted)					
76. 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)	49,360	44,592	38,496	28,634	(8,761)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	45.0	40.4	37.8	52.5	(32.4)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []
If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2012 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 2012

NAIC Company Code 41246

Line of Business	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - Occurrence												
17.2 Other Liability - Claims-Made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
35. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 35 \$

(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



ANNUAL STATEMENT FOR THE YEAR 2012 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 Consolidated

DURING THE YEAR 2012

NAIC Company Code 41246

Table with 12 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. Includes a large 'NONE' watermark across the center.

(a) Finance and service charges not included in Lines 1 to 35 \$ 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0

19.GT

Schedule F - Part 1

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 3

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commis-sions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
0499999 - Total - Authorized - Affiliates																			
00-0000000	06980	North Star Reinsurance Corp/Signet	DE				4	4								0		0	
23-0580680	24457	Reliance Insurance Company	PA				29	5								34		31	(14)
47-0698507	23680	TIG Reinsurance Company	CT				9	3								12		34	(22)
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																			
0599999 - Authorized - Other U.S. Unaffiliated Insurers					0	42	12									54		87	(33)
AA-1122000		Lloyds Underwriters	GBR				55	2								57		6	51
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																			
0899999 - Authorized - Other Non-U.S. Insurers						55	2									57		6	51
0999999 - Total - Authorized					0	97	14									111		93	18
1399999 - Total - Unauthorized - Affiliates																			
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																0			0
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																0			0
1899999 - Total - Unauthorized																			
2299999 - Total Certified - Affiliates																0			0
2399998 - Certified - Other U.S. Unaffiliated Insurers (Under \$100,000)																0			0
2699998 - Certified - Other Non-U.S. Insurers (under \$100,000)																0			0
2799999 - Total Certified																			
2899999 - Total Authorized, Unauthorized and Certified					0	97	14									111		93	18
2999999 - Total Protected Cells																			
9999999 Totals					0	97	14									111		93	18

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 []

22

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 4

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage more Than 120 Days Overdue Col. 9 / Col. 11					
				5 Current	Overdue				11 Total Due Cols. 5 + 10								
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days		10 Total Overdue Cols. 6 + 7 + 8 + 9							
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling											0.0	0.0					
0299999 - Authorized - Affiliates - U.S. Non-Pool											0.0	0.0					
0399999 - Authorized - Affiliates - Other (Non-U.S.)											0.0	0.0					
0499999 - Total - Authorized - Affiliates											0.0	0.0					
00-0000000	06980	North Star Reinsurance Corp/Signet	DE					.8	.8	.8	100.0	100.0					
23-0580680	24457	Reliance Insurance Corp	PA					34	34	34	100.0	100.0					
47-0698507	23680	TIG Reinsurance Company	CT					12	12	12	100.0	100.0					
0599999 - Authorized - Other U.S. Unaffiliated Insurers											0	54	54	100.0	100.0		
0699999 - Authorized - Pools - Mandatory Pools											0.0	0.0					
0799999 - Authorized - Pools - Voluntary Pools											0.0	0.0					
AA-1122000		Lloyds Underwriters	GBR					57	57	57	100.0	100.0					
0899999 - Authorized - Other Non-U.S. Insurers											57	57	57	100.0	100.0		
0999999 - Total - Authorized											0	111	111	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		
1799999 - Unauthorized - Other Non-U.S. Insurers														0.0	0.0		
1899999 - Total - Unauthorized													0	0.0	0.0		
1999999 - Certified - Affiliates - U.S. Intercompany Pooling														0.0	0.0		
2099999 - Certified - Affiliates - U.S. Non-Pool														0.0	0.0		
2199999 - Certified - Affiliates - Other (Non-U.S.)														0.0	0.0		
2299999 - Total - Certified - Affiliates													0	0.0	0.0		
2399999 - Certified - Other U.S. Unaffiliated Insurers														0.0	0.0		
2499999 - Certified - Pools - Mandatory Pools														0.0	0.0		
2599999 - Certified - Pools - Voluntary Pools														0.0	0.0		
2699999 - Certified - Other Non-U.S. Insurers														0.0	0.0		
2799999 - Total - Certified													0	0.0	0.0		
2899999 - Total Authorized, Unauthorized and Certified											0		111	111	111	100.0	100.0
2999999 - Total - Protected Cells														0	0	0.0	0.0
9999999 Totals											0		111	111	111	100.0	100.0

23

ANNUAL STATEMENT FOR THE YEAR 2012 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	Letter of Credit Issuing or Confirming Bank (a)		11	12	13	14	15	16	17	18	19	20	
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	American Bankers Association (ABA) Routing Number	Letter of Credit Code	Bank Name	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Cols. 6+7+11+12+13 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 14	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Col. 16	Smaller of Col. 14 or Col. 17	Smaller of Col. 14 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col.5 or Cols. 15 +18 + 19
NONE																			
9999999 Totals							XXX	XXX	XXX				0						

1. Amounts in dispute totaling \$are included in Column 5.
 2. Amounts in dispute totaling \$are excluded from Column 16.

(a)

Code	American Bankers Association (ABA) Routing Number	Bank Name

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 6 - SECTION 1

Provision for Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 OMITTED)

Line Number	1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Certified Reinsurer Rating (1 through 6)	6 Effective Date of Certified Reinsurer Rating	7 Percent Collateral Required for Full Credit (0% - 100%)	8 Net Amount Recoverable from Reinsurers (Sch. F Part 3 Col. 18)	9 Catastrophe Recoverables Qualifying for Collateral Deferral	10 Net Recoverables Subject to Collateral Requirements for Full Credit (Col 8 - Col 9)	11 Dollar Amount of Collateral Required (Col 10 x Col 7)	Collateral Provided							
												12 Multiple Beneficiary Trust	13 Funds Held by Company Under Reinsurance Treaties	14 Letters of Credit	15 Letter of Credit Issuing or Confirming Bank (a)			16 Letter of Credit Code	17 Bank Name	18 Other Allowable Collateral	19 Total Collateral Provided (Col. 12 + 13 + 14 + 18)
NONE																			
9999999	Totals														XXX	XXX	XXX		

SCHEDULE F - PART 6 - SECTION 1 (Continued)

Provision for Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 OMITTED)

Line Number	20 Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements (Col. 19 / Col. 10)	21 Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col 20 / Col 7, not to exceed 100%)	22 Amount of Credit Allowed for Net Recoverables (Col. 9 + Col. 10 x Col. 21)	23 Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 8 - Col. 22)
NONE				
999999 Totals				

26

(a) Code American Bankers Association (ABA) Routing Number Bank Name

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 6 - SECTION 2

Provision for Overdue Reinsurance Ceded to Certified Reinsurers 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 Recoverable on Paid Loss and LAE More Than 90 Days Overdue (a)	6 Total Reinsurance Recoverable on Paid Losses and LAE (b)	7 Amounts Received Prior 90 Days	8 Percent More Than 90 Days Overdue	9 20% of Amounts in Col. 5	10 20% of Amounts in Dispute Excluded from Col. 5	11 Amount of Credit Allowed for Net Recoverables (Sch. F Part 6 Section 1 Col. 22)	Complete if Column 8 is 20% or Greater			15 Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Greater of Col. 9 + Col. 10 or Col.14) not to Exceed Col. 11
											12 Total Collateral Provided (Sch. F Part 6 Section 1 Col. 19) not to Exceed Col 11	13 Net Unsecured Recoverable for Which Credit is Allowed (Col. 11 - Col. 12)	14 20% of Amount in Col. 13	
NONE														
9999999	Totals							XXX						

a. From Schedule F - Part 4 Columns 8 + 9, total certified, less in dispute.
 b. From Schedule F - Part 3 Columns 7 + 8, total certified, less in dispute.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 7

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
AA-1122000		Lloyds Underwriters	56,839	56,839		100.000	0	0	0	0
00-0000000	06980	North Star Reinsurance Corp/Signet	7,971	7,971		100.000	0	0	0	0
23-0580680	24457	Reliance Insurance Company	34,664	34,664		100.000	0	0	0	0
47-0698507	23680	TIG Reinsurance Company	11,206	11,206		100.000	0	0	0	0
9999999 Totals			110,680	110,680		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.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE F - PART 8

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		Lloyds Underwriters	56,839				6,212		6,212	50,627	50,627
23-0580680	24457	Reliance Insurance Company	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 7 Col. 11	0
4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3)	10,800
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 20 x 1000)	0
6. Provision for Reinsurance Ceded to Certified Reinsurers (Schedule F, Part 6, Section 1, Col. 23 x 1000)	0
7. Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Schedule F, Part 6, Section 2, Col. 15 x 1000)	0
8. Provision for Reinsurance (sum Lines 4 + 5 + 6 + 7) (Enter this amount on Page 3, Line 16)	10,800

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE F - PART 9

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 12)	121,992,989		121,992,989
2. Premiums and considerations (Line 15)	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1).....	110,957	(110,957)	0
4. Funds held by or deposited with reinsured companies (Line 16.2).....	0		0
5. Other assets	1,132,947		1,132,947
6. Net amount recoverable from reinsurers		100,157	100,157
7. Protected cell assets (Line 27)	0		0
8. Totals (Line 28)	123,236,893	(10,800)	123,226,093
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	1,663,000		1,663,000
10. Taxes, expenses, and other obligations (Lines 4 through 8)	23,104		23,104
11. Unearned premiums (Line 9)	0		0
12. Advance premiums (Line 10)	0		0
13. Dividends declared and unpaid (Line 11.1 and 11.2)	0		0
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	0		0
15. Funds held by company under reinsurance treaties (Line 13)	0		0
16. Amounts withheld or retained by company for account of others (Line 14)	0		0
17. Provision for reinsurance (Line 16)	10,800	(10,800)	0
18. Other liabilities	11,588,525		11,588,525
19. Total liabilities excluding protected cell business (Line 26)	13,285,429	(10,800)	13,274,629
20. Protected cell liabilities (Line 27)	0		0
21. Surplus as regards policyholders (Line 37)	109,951,468	X X X	109,951,468
22. Totals (Line 38)	123,236,897	(10,800)	123,226,097

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	29,062	6,149	3,287	299	2,319	0	5,370	28,220	XXX
2. 2003	0	0	0	2,899	24	252	(4)	1,190	0	(57)	4,321	XXX
3. 2004	0	0	0	1,343	393	247	17	472	0	0	1,652	XXX
4. 2005	0	0	0	0	101	0	1	0	0	0	(102)	XXX
5. 2006	0	0	0	0	72	0	0	0	0	0	(72)	XXX
6. 2007	0	0	0	2,500	0	238	0	3,290	0	0	6,028	XXX
7. 2008	0	0	0	0	0	53	0	0	0	0	53	XXX
8. 2009	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2010	0	0	0	4	0	0	0	13	0	0	17	XXX
10. 2011	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2012	0	0	0	0	0	2	0	0	0	0	2	XXX
12. Totals	XXX	XXX	XXX	35,808	6,739	4,079	313	7,284	0	5,313	40,119	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.	7	0	0	0	0	0	0	0	1,656	0	0	1,663	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	7	0	0	0	0	0	0	0	1,656	0	0	1,663	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	7	1,656
2.	4,341	20	4,321	0.0	0.0	0.0	0	0	0	0	0
3.	2,062	410	1,652	0.0	0.0	0.0	0	0	0	0	0
4.	0	102	(102)	0.0	0.0	0.0	0	0	0	0	0
5.	0	72	(72)	0.0	0.0	0.0	0	0	0	0	0
6.	6,028	0	6,028	0.0	0.0	0.0	0	0	0	0	0
7.	53	0	53	0.0	0.0	0.0	0	0	0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0	0	0
9.	17	0	17	0.0	0.0	0.0	0	0	0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0	0	0
11.	2	0	2	0.0	0.0	0.0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7	1,656

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 2012 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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior	53,032	48,058	43,612	39,907	19,227	31,286	47,844	70,356	93,885	119,786	25,901	49,430
2. 2003	1,112	3,206	3,227	3,115	3,111	3,118	3,117	3,134	3,131	3,131	0	(3)
3. 2004	XXX	222	2,756	1,297	1,215	1,226	1,226	1,247	1,180	1,180	0	(67)
4. 2005	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	(102)	(102)	0	0
5. 2006	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	(72)	(72)	0	0
6. 2007	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	2,738	2,738	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	664	343	53	53	53	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	1,127	0	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	4	4	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	XXX	XXX
12. Totals											25,901	49,360

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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	000	271	591	6,101	15,320	30,259	48,254	70,033	93,878	119,779	XXX	XXX
2. 2003	733	3,093	3,174	3,102	3,102	3,102	3,102	3,119	3,131	3,131	XXX	XXX
3. 2004	XXX	177	2,673	1,159	1,159	1,159	1,159	1,180	1,180	1,180	XXX	XXX
4. 2005	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	(102)	(102)	XXX	XXX
5. 2006	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	(72)	(72)	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	2,738	2,738	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	53	53	53	53	53	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	4	4	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	19,824	14,684	10,099	1,764	240	538	(900)	298	0	0
2. 2003	0	0	0	0	0	0	0	0	0	0
3. 2004	XXX	0	0	0	0	0	0	0	0	0
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2012	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 - Prof. Liab. Occur

NONE

Schedule P - Part 1F - Prof. Liab. 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

**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	29,062	6,149	3,287	299	2,319	0	5,370	28,220	XXX
2. 2003	0	0	0	2,899	24	252	(4)	1,190	0	(57)	4,321	239
3. 2004	0	0	0	1,343	393	247	17	472	0	0	1,652	119
4. 2005	0	0	0	0	101	0	1	0	0	0	(102)	0
5. 2006	0	0	0	0	72	0	0	0	0	0	(72)	0
6. 2007	0	0	0	2,500	0	238	0	3,290	0	0	6,028	2,158
7. 2008	0	0	0	0	0	53	0	0	0	0	53	0
8. 2009	0	0	0	0	0	0	0	0	0	0	0	0
9. 2010	0	0	0	4	0	0	0	13	0	0	17	1
10. 2011	0	0	0	0	0	0	0	0	0	0	0	0
11. 2012	0	0	0	0	0	2	0	0	0	0	2	0
12. Totals	XXX	XXX	XXX	35,808	6,739	4,079	313	7,284	0	5,313	40,119	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.	7	0	0	0	0	0	0	0	1,656	0	0	1,663	2
2.	0	0	0	0	0	0	0	0	0	0	0	0	0
3.	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	0	0	0	0	0	0	0	0	0	0	0	0	0
8.	0	0	0	0	0	0	0	0	0	0	0	0	0
9.	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	7	0	0	0	0	0	0	0	1,656	0	0	1,663	2

	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	7	1,656
2.	4,341	20	4,321	0.0	0.0	0.0	0	0	0.0	0	0
3.	2,062	410	1,652	0.0	0.0	0.0	0	0	0.0	0	0
4.	0	102	(102)	0.0	0.0	0.0	0	0	0.0	0	0
5.	0	72	(72)	0.0	0.0	0.0	0	0	0.0	0	0
6.	6,028	0	6,028	0.0	0.0	0.0	0	0	0.0	0	0
7.	53	0	53	0.0	0.0	0.0	0	0	0.0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
9.	17	0	17	0.0	0.0	0.0	0	0	0.0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	2	0	2	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	7	1,656

Schedule P - Part 1R - Prod Liab Claims

NONE

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

NONE

Schedule P - Part 1T - Warranty

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 - Prof. Liab. Occur

NONE

Schedule P - Part 2F - Prof. Liab. 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 2012 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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior	53,032	48,058	43,612	39,907	19,227	31,286	47,844	70,356	93,885	119,786	25,901	49,430
2. 2003	1,112	3,206	3,227	3,115	3,111	3,118	3,117	3,134	3,131	3,131	0	(3)
3. 2004	XXX	222	2,756	1,297	1,215	1,226	1,226	1,247	1,180	1,180	0	(67)
4. 2005	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	(102)	(102)	0	0
5. 2006	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	(72)	(72)	0	0
6. 2007	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	2,738	2,738	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	664	343	53	53	53	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	1,127	0	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	4	4	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	XXX	XXX
12. Totals											25,901	49,360

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. 2003	0	0	0	0	0	0	0	0	0	0	0	0
3. 2004	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2012	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. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2012	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 - Prof. Liab. Occur

NONE

Schedule P - Part 3F - Prof. Liab. Claim

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Other Liab Occur

NONE

Schedule P - Part 3H - Other Liab Claims

NONE

Schedule P - Part 3I

NONE

Schedule P - Part 3J

NONE

Schedule P - Part 3K

NONE

Schedule P - Part 3L

NONE

Schedule P - Part 3M

NONE

Schedule P - Part 3N

NONE

Schedule P - Part 3O

NONE

Schedule P - Part 3P

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

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

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	.000	.271	.591	6,101	15,320	30,259	48,254	70,033	93,878	119,779	12,093	46,080
2. 2003	.733	3,093	3,174	3,102	3,102	3,102	3,102	3,119	3,131	3,131	.86	153
3. 2004	.XXX	.177	2,673	1,159	1,159	1,159	1,159	1,180	1,180	1,180	.32	.87
4. 2005	.XXX	.XXX	(96)	(102)	(102)	(102)	(102)	(102)	(102)	(102)	.0	.0
5. 2006	.XXX	.XXX	.XXX	.0	(72)	(72)	(72)	(72)	(72)	(72)	.0	.0
6. 2007	.XXX	.XXX	.XXX	.XXX	2,738	2,738	2,738	2,738	2,738	2,738	.131	2,027
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.53	.53	.53	.53	.53	.0	.0
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0
9. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.4	.4	.4	.1	.0
10. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0
11. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	2	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. 2003	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2004	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2005	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2006	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2007	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0
8. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0
9. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0
10. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0
11. 2012	.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. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
3. 2012	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	0	.XXX	.XXX

NONE

SCHEDULE P - PART 3T - WARRANTY

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000	.0	.0	.XXX	.XXX
2. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
3. 2012	.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 - Prof. Liab. Occur

NONE

Schedule P - Part 4F - Prof. Liab. 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 2012 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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior	19,824	14,684	10,099	1,764	240	538	(900)	298	0	0
2. 2003	0	0	0	0	0	0	0	0	0	0
3. 2004	XXX	0	0	0	0	0	0	0	0	0
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2012	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. 2003	0	0	0	0	0	0	0	0	0	0							
3. 2004	XXX	0	0	NONE							0						
4. 2005	XXX	XXX	0								0	0	0	0	0	0	
5. 2006	XXX	XXX	XXX								0	0	0	0	0	0	
6. 2007	XXX	XXX	XXX								XXX	0	0	0	0	0	
7. 2008	XXX	XXX	XXX								XXX	XXX	0	0	0	0	
8. 2009	XXX	XXX	XXX								XXX	XXX	XXX	0	0	0	
9. 2010	XXX	XXX	XXX								XXX	XXX	XXX	XXX	0	0	
10. 2011	XXX	XXX	XXX								XXX	XXX	XXX	XXX	XXX	0	
11. 2012	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. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	99	25,099	25,837	26,890	50,967	51,397	28,284	28,980	28,980	12,093
2. 2003	26	62	78	84	84	86	86	86	86	86
3. 2004	XXX	8	17	27	27	32	32	32	32	32
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	131	131	131	131	131
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2012	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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	1,405	1,278	1,270	1,156	1,156	663	59	3	3	2
2. 2003	84	26	10	4	4	1	1	1	1	0
3. 2004	XXX	51	28	7	7	2	2	2	2	0
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2012	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
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	1	97,508	101,204	104,428	79,828	2,007	(1,895)	114,382	115,028	58,175
2. 2003	225	239	239	239	239	239	239	239	239	239
3. 2004	XXX	119	119	119	119	119	119	119	119	119
4. 2005	XXX	XXX	0	0	0	0	0	0	0	0
5. 2006	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2007	XXX	XXX	XXX	XXX	0	2,158	2,158	2,158	2,158	2,158
7. 2008	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2012	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 5T- SN1

NONE

Schedule P - Part 5T- SN2

NONE

Schedule P - Part 5T- SN3

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 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [] No [X]
If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)?.....
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [] No [X]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [] No [X]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [] No [] N/A [X]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
		1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601	Prior		
1.602	2003		
1.603	2004		
1.604	2005		
1.605	2006		
1.606	2007		
1.607	2008		
1.608	2009		
1.609	2010		
1.610	2011		
1.611	2012		
1.612	Totals	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.
.....

**ANNUAL STATEMENT FOR THE YEAR 2012 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 Active Status	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	N	0	0	0	0	0	0	0	0
2. Alaska AK	N	0	0	0	0	0	0	0	0
3. Arizona AZ	N	0	0	0	0	0	0	0	0
4. Arkansas AR	N	0	0	0	0	0	0	0	0
5. California CA	N	0	0	0	0	0	0	0	0
6. Colorado CO	N	0	0	0	0	0	0	0	0
7. Connecticut CT	N	0	0	0	0	0	0	0	0
8. Delaware DE	N	0	0	0	0	0	0	0	0
9. Dist. of Columbia DC	N	0	0	0	0	0	0	0	0
10. Florida FL	N	0	0	0	0	0	0	0	0
11. Georgia GA	N	0	0	0	0	0	0	0	0
12. Hawaii HI	N	0	0	0	0	0	0	0	0
13. Idaho ID	N	0	0	0	0	0	0	0	0
14. Illinois IL	N	0	0	0	0	0	0	0	0
15. Indiana IN	N	0	0	0	0	0	0	0	0
16. Iowa IA	N	0	0	0	0	0	0	0	0
17. Kansas KS	N	0	0	0	0	0	0	0	0
18. Kentucky KY	N	0	0	0	0	0	0	0	0
19. Louisiana LA	N	0	0	0	0	0	0	0	0
20. Maine ME	N	0	0	0	0	0	0	0	0
21. Maryland MD	N	0	0	0	0	0	0	0	0
22. Massachusetts MA	N	0	0	0	0	0	0	0	0
23. Michigan MI	N	0	0	0	0	0	0	0	0
24. Minnesota MN	N	0	0	0	0	0	0	0	0
25. Mississippi MS	N	0	0	0	0	0	0	0	0
26. Missouri MO	N	0	0	0	0	0	0	0	0
27. Montana MT	N	0	0	0	0	0	0	0	0
28. Nebraska NE	N	0	0	0	0	0	0	0	0
29. Nevada NV	N	0	0	0	0	0	0	0	0
30. New Hampshire NH	N	0	0	0	0	0	0	0	0
31. New Jersey NJ	N	0	0	0	0	0	0	0	0
32. New Mexico NM	N	0	0	0	0	0	0	0	0
33. New York NY	N	0	0	0	0	0	0	0	0
34. No. Carolina NC	N	0	0	0	0	0	0	0	0
35. No. Dakota ND	N	0	0	0	0	0	0	0	0
36. Ohio OH	N	0	0	0	0	0	0	0	0
37. Oklahoma OK	N	0	0	0	0	0	0	0	0
38. Oregon OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0
40. Rhode Island RI	N	0	0	0	0	0	0	0	0
41. So. Carolina SC	N	0	0	0	0	0	0	0	0
42. So. Dakota SD	N	0	0	0	0	0	0	0	0
43. Tennessee TN	N	0	0	0	0	0	0	0	0
44. Texas TX	N	0	0	0	0	0	0	0	0
45. Utah UT	N	0	0	0	0	0	0	0	0
46. Vermont VT	N	0	0	0	0	0	7,000	0	0
47. Virginia VA	R	0	0	0	0	0	0	0	0
48. Washington WA	N	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	0
50. Wisconsin WI	N	0	0	0	0	0	0	0	0
51. Wyoming WY	N	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 0	0	0	0	0	0	7,000	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

**SCHEDULE T – PART 2
INTERSTATE COMPACT – 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. US Virgin Islands	VI						0
56. Northern Mariana Islands	MP						0
57. Canada	CAN						0
58. Aggregate Other Alien	OT						0
59. 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 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
							NONE							

NONE

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

69

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 confidential Risk-based Capital Report be filed with the NAIC by March 1?		.....YES.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?		.....YES.....

APRIL FILING		
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		.....WAIVED.....
6. Will Management's Discussion and Analysis be filed by April 1?		.....YES.....
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?		.....YES.....

MAY FILING		
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		.....WAIVED.....

JUNE FILING		
9. Will an audited financial report be filed by June 1?		.....YES.....
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?		.....YES.....

AUGUST FILING		
11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 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		
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?		.....SEE EXPLANATION.....
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?		.....SEE EXPLANATION.....
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?		.....SEE EXPLANATION.....
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?		.....YES.....
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?		.....SEE EXPLANATION.....
18. 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.....
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?		.....YES.....
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?		.....YES.....
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?		.....SEE EXPLANATION.....
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?		.....SEE EXPLANATION.....
26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?		.....SEE EXPLANATION.....
27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?		.....SEE EXPLANATION.....

APRIL FILING		
28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
29. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?		.....SEE EXPLANATION.....
31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....

AUGUST FILING		
33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?		.....YES.....

Explanation:

12. Not Required

13. Not Required

14. Not Required

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 15. Not Required
- 17. Not Required
- 18. Not Required
- 19. Not Required
- 22. Not Required
- 23. Not Required
- 24. Not Required
- 25. Not Required
- 26. Not Required
- 27. Not Required
- 28. Not Required
- 29. Not Required
- 30. Not Required
- 31. Not Required
- 32. Not Required

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

P003 Additional Aggregate Lines for Page 3 Line 25.
*LIAB - Liabilities

	1 Current Year	2 Prior Year
2504. Reinsurance liability adjustment.....	16,156	16,156
2505. Notices of claim determination.....	1,345,909	1,345,909
2506. Ceded Reinsurance - Amounts due reinsurers.....	78,241	78,241
2507. Accrued interest on deferred loss payments.....	8,154,757	7,885,659
2597. Summary of remaining write-ins for Line 25 from page 3	9,595,063	9,325,965

**ANNUAL STATEMENT FOR THE YEAR 2012 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 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	9,720,033	7.968	9,720,033		9,720,033	7.968
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.000			0	0.000
1.22 Issued by U.S. government sponsored agencies	32,725,489	26.826	32,725,489		32,725,489	26.826
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)		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		0.000			0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000			0	0.000
1.43 Revenue and assessment obligations		0.000			0	0.000
1.44 Industrial development and similar obligations		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	343,753	0.282	343,753		343,753	0.282
1.512 Issued or guaranteed by FNMA and FHLMC		0.000			0	0.000
1.513 All other		0.000			0	0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		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		0.000			0	0.000
1.523 All other		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 and hybrid securities)	65,541,196	53.725	65,541,196		65,541,196	53.725
2.2 Unaffiliated non-U.S. securities (including Canada)		0.000			0	0.000
2.3 Affiliated securities		0.000			0	0.000
3. Equity interests:						
3.1 Investments in mutual funds		0.000			0	0.000
3.2 Preferred stocks:						
3.21 Affiliated		0.000			0	0.000
3.22 Unaffiliated		0.000			0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.000			0	0.000
3.32 Unaffiliated		0.000			0	0.000
3.4 Other equity securities:						
3.41 Affiliated		0.000			0	0.000
3.42 Unaffiliated		0.000			0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.000			0	0.000
3.52 Unaffiliated		0.000			0	0.000
4. Mortgage loans:						
4.1 Construction and land development		0.000			0	0.000
4.2 Agricultural		0.000			0	0.000
4.3 Single family residential properties		0.000			0	0.000
4.4 Multifamily residential properties		0.000			0	0.000
4.5 Commercial loans		0.000			0	0.000
4.6 Mezzanine real estate loans		0.000			0	0.000
5. Real estate investments:						
5.1 Property occupied by company		0.000	0		0	0.000
5.2 Property held for production of income (including \$ of property acquired in satisfaction of debt)		0.000	0		0	0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000	0		0	0.000
6. Contract loans		0.000	0		0	0.000
7. Derivatives		0.000	0		0	0.000
8. Receivables for securities		0.000	0		0	0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral)		0.000	0	XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	13,662,517	11.199	13,662,517		13,662,517	11.199
11. Other invested assets		0.000			0	0.000
12. Total invested assets	121,992,988	100.000	121,992,988	0	121,992,988	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	0
2.2 Additional investment made after acquisition (Part 2, Column 7).....	0
3. Current year change in encumbrances:	
3.1 Totals, Part 1, Column 13.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Total gain (loss) on disposals, Part 3, Column 18.....	0
5. Deduct amounts received on disposals, Part 3, Column 15.....	0
6. Total foreign exchange change in book/adjusted carrying value:	
6.1 Totals, Part 1, Column 15.....	0
6.2 Totals, Part 3, Column 13.....	0
7. Deduct current year's other than temporary impairment recognized:	
7.1 Totals, Part 1, Column 12.....	0
7.2 Totals, Part 3, Column 10.....	0
8. Deduct current year's depreciation:	
8.1 Totals, Part 1, Column 11.....	0
8.2 Totals, Part 3, Column 9.....	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0
10. Deduct total nonadmitted amounts.....	0
11. Statement value at end of current period (Line 9 minus Line 10).....	0

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	0
2.2 Additional investment made after acquisition (Part 2, Column 8).....	0
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 12.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Accrual of discount.....	0
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 9.....	0
5.2 Totals, Part 3, Column 8.....	0
6. Total gain (loss) on disposals, Part 3, Column 18.....	0
7. Deduct amounts received on disposals, Part 3, Column 15.....	0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:	
9.1 Totals, Part 1, Column 13.....	0
9.2 Totals, Part 3, Column 13.....	0
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 11.....	0
10.2 Totals, Part 3, Column 10.....	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0
12. Total valuation allowance.....	0
13. Subtotal (Line 11 plus Line 12).....	0
14. Deduct total nonadmitted amounts.....	0
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....	0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	0
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 16.....	0
3.2 Totals, Part 3, Column 12.....	0
4. Accrual of discount.....	0
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 13.....	0
5.2 Totals, Part 3, Column 9.....	0
6. Total gain (loss) on disposals, Part 3, Column 19.....	0
7. Deduct amounts received on disposals, Part 3, Column 16.....	0
8. Deduct amortization of premium and depreciation.....	0
9. Total foreign exchange change in book/adjusted carrying value:	
9.1 Totals, Part 1, Column 17.....	0
9.2 Totals, Part 3, Column 14.....	0
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 15.....	0
10.2 Totals, Part 3, Column 11.....	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0
12. Deduct total nonadmitted amounts.....	0
13. Statement value at end of current period (Line 11 minus Line 12).....	0

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book /adjusted carrying value, December 31 of prior year.....	114,634,850
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	88,035,207
3. Accrual of discount.....	15,474
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12.....	0
4.2 Part 2, Section 1, Column 15.....	0
4.3 Part 2, Section 2, Column 13.....	0
4.4 Part 4, Column 11.....	0
5. Total gain (loss) on disposals, Part 4, Column 19.....	174,002
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	92,724,520
7. Deduct amortization of premium.....	1,804,543
8. Total foreign exchange change in book/adjusted carrying value:	
8.1 Part 1, Column 15.....	0
8.2 Part 2, Section 1, Column 19.....	0
8.3 Part 2, Section 2, Column 16.....	0
8.4 Part 4, Column 15.....	0
9. Deduct current year's other than temporary impairment recognized:	
9.1 Part 1, Column 14.....	0
9.2 Part 2, Section 1, Column 17.....	0
9.3 Part 2, Section 2, Column 14.....	0
9.4 Part 4, Column 13.....	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	108,330,470
11. Deduct total nonadmitted amounts.....	0
12. Statement value at end of current period (Line 10 minus Line 11).....	108,330,470

**ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In
Receivership**

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 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	10,063,787	10,080,433	10,066,801	10,077,286
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	10,063,787	10,080,433	10,066,801	10,077,286
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	32,725,489	32,833,928	32,926,961	31,250,000
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States	65,541,196	66,155,771	66,525,681	62,524,000
	9. Canada	0	0	0	0
	10. Other Countries	0	0	0	0
	11. Totals	65,541,196	66,155,771	66,525,681	62,524,000
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	108,330,472	109,070,132	109,519,443	103,851,286
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States	0	0	0	
	15. Canada	0	0	0	
	16. Other Countries	0	0	0	
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	0	0	0	
	21. Canada	0	0	0	
	22. Other Countries	0	0	0	
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. Total Common Stocks	0	0	0	
	26. Total Stocks	0	0	0	
	27. Total Bonds and Stocks	108,330,472	109,070,132	109,519,443	

ANNUAL STATEMENT FOR THE YEAR 2012 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 9.7	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											
1.1 Class 1	100,415	9,898,959	42,498	21,913	0	10,063,785	8.3	27,254,675	22.5	10,063,785	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	100,415	9,898,959	42,498	21,913	0	10,063,785	8.3	27,254,675	22.5	10,063,785	0
2. All Other Governments											
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. U.S. States, Territories and Possessions, etc., Guaranteed											
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. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
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. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1	0	32,725,489	0	0	0	32,725,489	27.0	31,153,035	25.8	32,725,489	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	0	32,725,489	0	0	0	32,725,489	27.0	31,153,035	25.8	32,725,489	0

9015

ANNUAL STATEMENT FOR THE YEAR 2012 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 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	33,766,801	33,013,139	8,251,507	.0	.0	75,031,447	62.0	62,566,198	51.7	75,031,447	.0
6.2 Class 2	1,206,556	2,070,646	.0	.0	.0	3,277,202	2.7	.0	0.0	3,277,202	.0
6.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.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	34,973,357	35,083,785	8,251,507	0	0	78,308,649	64.7	62,566,198	51.7	78,308,649	0
7. Hybrid Securities											
7.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.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	0	0	0	0	0	0	0.0	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates											
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

9106

ANNUAL STATEMENT FOR THE YEAR 2012 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 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 Class 1	(d) 33,867,216	75,637,587	8,294,005	21,913	0	117,820,721	97.3	XXX	XXX	117,820,721	0
9.2 Class 2	(d) 1,206,556	2,070,646	0	0	0	3,277,202	2.7	XXX	XXX	3,277,202	0
9.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 Class 5	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.6 Class 6	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.7 Totals	35,073,772	77,708,233	8,294,005	21,913	0	121,097,923	100.0	XXX	XXX	121,097,923	0
9.8 Line 9.7 as a % of Col. 6	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
10. Total Bonds Prior Year											
10.1 Class 1	71,369,460	49,520,820	57,307	26,321	0	XXX	XXX	120,973,907	100.0	120,973,907	0
10.2 Class 2	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.7 Totals	71,369,460	49,520,820	57,307	26,321	0	XXX	XXX	120,973,907	100.0	120,973,907	0
10.8 Line 10.7 as a % of Col. 8	59.0	40.9	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
11. Total Publicly Traded Bonds											
11.1 Class 1	33,867,216	75,637,587	8,294,005	21,913	0	117,820,721	97.3	120,973,908	100.0	117,820,721	XXX
11.2 Class 2	1,206,556	2,070,646	0	0	0	3,277,202	2.7	0	0.0	3,277,202	XXX
11.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.7 Totals	35,073,772	77,708,233	8,294,005	21,913	0	121,097,923	100.0	120,973,908	100.0	121,097,923	XXX
11.8 Line 11.7 as a % of Col. 6	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12. Total Privately Placed Bonds											
12.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ current year, prior year of bonds with Z* designations. 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 \$ current year, prior year of bonds with 5* designations and current year, prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

S107

ANNUAL STATEMENT FOR THE YEAR 2012 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	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 9.5	Total from Col 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	.0	9,720,033	.0	.0	.0	9,720,033	8.0	26,829,408	22.2	9,720,033	.0
1.2 Residential Mortgage-Backed Securities	100,415	178,927	42,498	21,913	.0	343,753	0.3	425,267	0.4	343,753	.0
1.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.5 Totals	100,415	9,898,960	42,498	21,913	0	10,063,786	8.3	27,254,675	22.5	10,063,786	0
2. All Other Governments											
2.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. U.S. States, Territories and Possessions Guaranteed											
3.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	.0	32,725,489	.0	.0	.0	32,725,489	27.0	31,153,035	25.8	32,725,489	.0
5.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.5 Totals	0	32,725,489	0	0	0	32,725,489	27.0	31,153,035	25.8	32,725,489	0
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	34,973,357	35,083,786	8,251,507	.0	.0	78,308,650	64.7	62,566,198	51.7	78,308,650	.0
6.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.5 Totals	34,973,357	35,083,786	8,251,507	0	0	78,308,650	64.7	62,566,198	51.7	78,308,650	0
7. Hybrid Securities											
7.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.2 Residential Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.3 Commercial Mortgage-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.4 Other Loan-Backed and Structured Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

8018

ANNUAL STATEMENT FOR THE YEAR 2012 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 9.5	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	34,973,357	77,529,308	8,251,507	0	0	120,754,172	99.7	XXX	XXX	120,754,172	0
9.2 Residential Mortgage-Backed Securities	100,415	178,927	42,498	21,913	0	343,753	0.3	XXX	XXX	343,753	0
9.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 Totals	35,073,772	77,708,235	8,294,005	21,913	0	121,097,925	100.0	XXX	XXX	121,097,925	0
9.6 Lines 9.5 as a % Col. 6	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
10. Total Bonds Prior Year											
10.1 Issuer Obligations	71,251,174	49,297,466	0	0	0	XXX	XXX	120,548,641	99.6	120,548,641	0
10.2 Residential Mortgage-Backed Securities	118,285	223,354	57,307	26,321	0	XXX	XXX	425,267	0.4	425,267	0
10.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.5 Totals	71,369,459	49,520,820	57,307	26,321	0	XXX	XXX	120,973,908	100.0	120,973,908	0
10.6 Line 10.5 as a % of Col. 8	59.0	40.9	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	34,973,357	77,529,308	8,251,507	0	0	120,754,172	99.7	120,548,640	99.6	120,754,172	XXX
11.2 Residential Mortgage-Backed Securities	100,415	178,927	42,498	21,913	0	343,753	0.3	425,267	0.4	343,753	XXX
11.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	0	XXX
11.5 Totals	35,073,772	77,708,235	8,294,005	21,913	0	121,097,925	100.0	120,973,908	100.0	121,097,925	XXX
11.6 Line 11.5 as a % of Col. 6	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	29.0	64.2	6.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12. Total Privately Placed Bonds											
12.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.5 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Line 12.5 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

601S

SCHEDULE DA - 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, December 31 of prior year.....	6,339,058	6,339,058	0	0	0
2. Cost of short-term investments acquired	40,070,497	40,070,497			
3. Accrual of discount.....	0				
4. Unrealized valuation increase (decrease).....	0				
5. Total gain (loss) on disposals.....	0				
6. Deduct consideration received on disposals.....	33,642,101	33,642,101			
7. Deduct amortization of premium.....	0				
8. Total foreign exchange change in book/adjusted carrying value.....	0				
9. Deduct current year's other than temporary impairment recognized.....	0				
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	12,767,454	12,767,454	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11)	12,767,454	12,767,454	0	0	0

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

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

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 B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION COMPANY, 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	Code	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	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
912828-TD-2	US TREASURY N/B				1	8,227,236	.99	8,236,470	8,250,000	8,230,622	.0	3,386	.0	.0	0.250	0.343	JJ	9,510	.0	07/27/2012	07/15/2015
912828-TG-5	US TREASURY N/B				1	1,488,457	.99	1,490,970	1,500,000	1,489,411	.0	954	.0	.0	0.500	0.658	JJ	3,146	.0	07/27/2012	07/31/2017
0199999	U.S. Governments - Issuer Obligations					9,715,693	.XXX	9,727,440	9,750,000	9,720,033	.0	4,340	.0	.0	.XXX	.XXX	.XXX	12,656	.0	.XXX	.XXX
36215N-TV-6	GNMA POOL #140164				1	3,747	.110	3,790	3,434	3,579	.0	(29)	.0	.0	10.000	6.327	MON	29	343	06/23/1995	03/15/2016
36215N-3T-9	GNMA POOL #140410				1	1,990	.102	2,320	1,824	1,868	.0	(13)	.0	.0	10.000	8.428	MON	15	182	06/23/1995	03/15/2016
36215N-3U-6	GNMA POOL #140411				1	1,893	.110	3,540	1,914	1,803	.0	(14)	.0	.0	10.000	6.740	MON	14	173	06/23/1995	04/15/2016
36215U-VT-2	GNMA POOL #145626				1	3,445	.101	6,180	3,208	3,290	.0	(25)	.0	.0	10.000	5.995	MON	26	316	06/23/1995	02/15/2016
362151-AU-6	GNMA POOL #150419				1	3,134	.102	2,540	2,934	3,007	.0	(22)	.0	.0	10.000	5.252	MON	24	287	06/23/1995	02/15/2016
362153-ED-6	GNMA POOL #152332				1	25,232	.102	4,860	23,697	23,122	.0	(142)	.0	.0	10.000	8.967	MON	193	2,312	06/23/1995	03/15/2016
362159-P2-5	GNMA POOL #158041				1	4,807	.100	4,670	4,426	4,493	.0	(29)	.0	.0	10.000	8.886	MON	37	441	06/23/1995	04/15/2016
36218W-WD-0	GNMA POOL #234456				1	28,464	.101	4,440	26,460	27,143	.0	(151)	.0	.0	10.000	8.516	MON	217	2,608	06/23/1995	11/15/2016
36219S-Z5-1	GNMA POOL #258264				1	2,918	.100	4,820	2,687	2,757	.0	(14)	.0	.0	10.000	9.107	MON	22	268	06/23/1995	12/15/2018
36201N-AD-2	GNMA POOL #587804				1	4,350	.109	5,800	4,624	4,391	.0	2	.0	.0	4.500	3.824	MON	16	190	05/22/2003	06/15/2018
36200A-6U-8	GNMA POOL #595883				1	39,307	.109	9,550	41,929	38,133	.0	11	.0	.0	4.500	3.876	MON	143	1,716	05/22/2003	05/15/2018
36200A-6Z-7	GNMA POOL #595888				1	36,332	.109	7,990	38,701	35,247	.0	18	.0	.0	4.500	3.937	MON	132	1,586	05/22/2003	06/15/2018
36225A-FR-6	GNMA POOL #780176				1	188,750	.109	3,850	190,564	185,579	.0	(441)	.0	.0	10.000	6.282	MON	1,452	17,421	05/26/1995	03/15/2021
36221G-SV-4	GNMA POOL #905932				1	6,739	.100	4,860	6,165	6,269	.0	(38)	.0	.0	10.250	9.241	MON	53	632	10/07/1996	02/15/2016
0299999	U.S. Governments - Residential Mortgage-Backed Securities					351,108	.XXX	352,993	327,286	343,754	.0	(887)	.0	.0	.XXX	.XXX	.XXX	2,373	28,475	.XXX	.XXX
0599999	Subtotals - U.S. Governments					10,066,801	.XXX	10,080,433	10,077,286	10,063,787	.0	3,453	.0	.0	.XXX	.XXX	.XXX	15,029	28,475	.XXX	.XXX
313560-HG-1	FANNIE MAE				1	10,984,270	.100	13,300	11,014,630	11,000,000	.0	2,731	.0	.0	0.375	0.429	MS	12,031	20,625	07/13/2012	03/16/2015
3133XF-JF-4	FEDERAL HOME LOAN BANK				1	10,921,901	.116	4,790	10,774,308	10,721,194	.0	(200,707)	.0	.0	5.375	0.615	MM	248,594	59,386	07/13/2012	05/18/2016
3137EA-DD-8	FREDDIE MAC				1	11,020,790	.100	4,090	11,044,990	11,017,294	.0	(3,496)	.0	.0	0.500	0.432	AO	11,306	27,500	07/13/2012	04/17/2015
2599999	U.S. Special Revenue - Issuer Obligations					32,926,961	.XXX	32,833,928	31,250,000	32,725,489	.0	(201,472)	.0	.0	.XXX	.XXX	.XXX	82,723	296,719	.XXX	.XXX
3199999	Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions					32,926,961	.XXX	32,833,928	31,250,000	32,725,489	.0	(201,472)	.0	.0	.XXX	.XXX	.XXX	82,723	296,719	.XXX	.XXX
88579Y-AE-1	3M COMPANY				1	1,075,021	.100	3,680	1,083,974	1,080,000	.0	498	.0	.0	1.000	1.098	JD	150	5,400	06/21/2012	06/26/2017
00440E-AK-3	ACE INA HOLDINGS INC.				1	1,094,409	.121	9,010	1,078,979	900,000	.0	(15,430)	.0	.0	5.800	1.791	MS	15,370	26,100	07/11/2012	03/15/2018
021441-AD-2	ALTERA CORP.				1	1,009,910	.102	1,780	1,000,000	1,008,981	.0	(929)	.0	.0	1.750	1.543	MN	2,236	9,090	07/12/2012	05/15/2017
025800-DE-6	AMERICAN EXPRESS CREDIT				1	284,943	.102	9,440	285,000	284,953	.0	10	.0	.0	1.750	1.765	JD	263	2,494	06/07/2012	06/12/2015
026660-F3-2	AMERICAN HONDA FINANCE 144A				1	1,021,400	.100	3,980	1,000,000	1,002,560	.0	(11,612)	.0	.0	2.375	1.204	MS	6,795	23,750	05/13/2011	03/18/2013
03523T-BN-7	ANHEUSER-BUSCH INBEV WOR				1	997,120	.101	5,530	1,000,000	997,376	.0	256	.0	.0	1.375	1.440	JJ	6,302	.0	07/11/2012	07/15/2017
00182E-AQ-2	ANZ NATIONAL (INTL) LTD 144A				1	469,666	.101	8,920	478,892	469,708	.0	42	.0	.0	1.850	1.882	AO	3,599	.0	07/26/2012	10/15/2015
037411-AU-9	APACHE CORP.				1	830,715	.103	8,010	778,508	776,478	.0	(37,204)	.0	.0	6.000	0.972	MS	13,250	45,000	07/15/2011	09/15/2013
046353-AA-6	ASTRAZENECA PLC.				1	562,530	.106	8,610	534,305	531,293	.0	(21,837)	.0	.0	5.400	0.945	JD	2,250	27,000	07/25/2011	06/01/2014
00206R-BF-8	AT&T INC.				1	968,118	.101	4,250	983,823	970,000	.0	199	.0	.0	1.700	1.749	JD	1,374	7,650	06/11/2012	06/01/2017
05252A-AL-5	AUST & NZ BANKING GROUP 144A				1	439,670	.100	5,050	440,220	439,997	.0	113	.0	.0	2.400	2.441	JJ	4,987	10,560	01/06/2010	01/11/2013
057224-AY-3	BAKER HUGHES INC.				1	1,100,360	.132	4,750	1,092,919	1,080,979	.0	(19,382)	.0	.0	7.500	1.902	MN	7,906	30,938	07/11/2012	11/15/2018
060516-EB-1	BANK OF AMERICA CORP.				2	735,714	.106	5,930	730,140	700,000	.0	(5,574)	.0	.0	4.500	2.536	AO	7,875	15,750	07/26/2012	04/01/2015
063660-W8-6	BANK OF MONTREAL				1	1,046,950	.104	8,240	1,000,000	1,042,365	.0	(4,585)	.0	.0	2.500	1.419	JJ	11,806	.0	07/19/2012	01/11/2017
064057-BD-3	BANK OF NEW YORK CO INC.				1	1,109,657	.116	4,140	1,105,933	1,096,398	.0	(13,259)	.0	.0	5.500	2.190	JD	4,354	26,125	07/11/2012	12/01/2017
064149-B9-7	BANK OF NOVA SCOTIA				1	628,239	.101	9,000	621,590	610,000	.0	(7,424)	.0	.0	2.375	1.137	JD	563	14,488	07/05/2011	12/17/2013
064159-AM-8	BANK OF NOVA SCOTIA				1	471,933	.105	2,240	473,508	450,000	.0	(2,140)	.0	.0	2.550	1.428	JJ	5,387	.0	07/19/2012	01/12/2017
05531F-AK-9	BB&T CORPORATION				1	1,029,260	.103	4,280	1,000,000	1,026,502	.0	(2,758)	.0	.0	2.150	1.506	MS	5,913	10,750	07/17/2012	03/22/2017
084664-BD-2	BERKSHIRE HATHAWAY FIN.				1	801,098	.101	5,500	761,625	750,000	.0	(27,878)	.0	.0	4.600	0.849	MN	4,408	34,500	07/15/2011	05/15/2013
084670-BD-9	BERKSHIRE HATHAWAY INC.				1	257,245	.103	3,720	258,430	256,516	.0	(729)	.0	.0	1.900	1.247	JJ	1,992	2,375	07/12/2012	01/31/2017
055451-AP-3	BHP BILLITON FIN USA LTD.				1	1,021,610	.101	8,100	1,000,000	1,019,510	.0	(2,100)	.0	.0	1.625	1.145	FA	5,733	8,125	07/16/2012	02/24/2017
055451-AA-6	BHP FINANCE USA LTD.				1	134,899	.101	2,530	126,566	125,882	.0	(3,001)	.0	.0	4.800	2.354	AO	1,267	6,000	12/03/2009	04/15/2013
110122-AL-2	BRISTOL MYERS SQUIBB				1	546,460	.102	9,970	514,985	500,000	.0	(22,586)	.0	.0	5.250	0.691	FA	9,917	26,250	07/25/2011	08/15/2013
111320-AB-3	BROADCOM CORP.				1	753,345	.100	8,420	756,315	751,140	.0	(1,351)	.0	.0	1.500	1.320	MN	1,875	11,550	05/11/2011	11/01/2013
149123-BZ-3	CATERPILLAR INC.				1	998,800	.101	2,790	1,000,000	998,919	.0	119	.0	.0	1.500	1.531	JD	208	7,500	06/21/2012	06/26/2017
17275R-AL-6	CISCO SYSTEMS INC.				1	501,685	.100	2,720	501,360	500,000	.0	(633)	.0	.0	0.651	0.525	MJSD	154	3,659	07/18/2011	03/14/2014
172967-EQ-0	CITIGROUP INC.				2	961,472	.101	3,030	909,270	900,000	.0	(26,105)	.0	.0	5.500	2.543					

ANNUAL STATEMENT FOR THE YEAR 2012 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	Code	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	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
23329P-AA-8	DNB BANK ASA 144A				1	1,029,160	106.6120	1,066,120	1,000,000	1,026,534	.0	(2,626)	.0	.0	3.200	2.554	AO	7,822	16,000	07/20/2012	04/03/2017
26442E-AB-6	DUKE ENERGY OHIO INC.				1	194,967	100.7330	196,429	195,000	194,996	.0	10	.0	.0	2.100	2.116	JD	182	4,095	12/14/2009	06/15/2013
291011-AZ-7	EMERSON ELECTRIC CO				1	545,770	107.7890	538,945	500,000	538,200	.0	(7,570)	.0	.0	4.125	0.754	AO	4,354	10,313	07/16/2012	04/15/2015
36962G-AQ-4	GENERAL ELEC CAP CORP				1	1,001,484	100.9860	1,009,860	1,000,000	1,000,521	.0	(727)	.0	.0	1.875	1.809	MS	5,469	18,750	05/11/2011	09/16/2013
377372-AA-5	GLAXOSMITHKLINE CAP INC				1	546,530	104.9490	524,745	500,000	522,176	.0	(17,025)	.0	.0	4.375	0.909	AO	4,618	21,875	07/25/2011	04/15/2014
38141G-DO-4	GOLDMAN SACHS GROUP INC				1	1,009,655	103.5010	962,559	930,000	950,702	.0	(25,667)	.0	.0	5.250	2.402	AO	10,308	48,825	09/01/2010	10/15/2013
05571A-AB-1	GROUPE BPCE 144A				1	634,562	100.9190	640,836	635,000	634,886	.0	147	.0	.0	2.375	2.413	AO	3,645	15,081	09/29/2010	10/04/2013
427866-AQ-1	HERSHEY COMPANY				1	535,605	101.1270	505,635	500,000	505,237	.0	(20,823)	.0	.0	5.000	0.804	AO	6,250	25,000	07/15/2011	04/01/2013
437076-AR-3	HOME DEPOT INC				1	821,985	104.6260	784,695	750,000	777,596	.0	(28,409)	.0	.0	5.250	1.377	JD	1,641	39,375	07/15/2011	12/16/2013
438516-AW-6	HONEYWELL INTERNATIONAL				1	795,173	100.6270	754,703	750,000	754,647	.0	(27,770)	.0	.0	4.250	0.530	MS	10,625	31,875	07/15/2011	03/01/2013
438516-AX-4	HONEYWELL INTERNATIONAL				1	334,150	119.5380	328,730	300,000	329,390	.0	(4,759)	.0	.0	5.300	1.331	MS	4,858	7,288	07/12/2012	03/01/2018
44328M-AD-6	HSBC BANK PLC 144A				1	503,660	100.7000	503,500	500,000	501,008	.0	(1,625)	.0	.0	1.625	1.299	FA	3,137	9,125	05/11/2011	08/12/2013
448814-JB-0	HYDRO QUEBEC				1	938,412	104.2900	938,610	900,000	934,361	.0	(4,051)	.0	.0	2.000	0.891	JD	50	9,000	07/30/2012	06/30/2016
459200-GT-2	IBM CORP				1	995,910	100.4580	1,004,580	1,000,000	999,178	.0	1,370	.0	.0	1.000	1.142	FA	4,056	10,000	08/02/2010	08/05/2013
46625H-GY-0	JP MORGAN CHASE				1	829,311	119.7190	838,033	700,000	819,784	.0	(9,527)	.0	.0	6.000	2.391	JJ	19,367	0	07/27/2012	01/15/2018
58013M-EB-6	MCDONALDS CORP				1	1,106,136	121.4960	1,093,464	900,000	1,088,674	.0	(17,462)	.0	.0	5.800	1.278	AO	11,020	26,100	07/16/2012	10/15/2017
581550-AC-7	MCKESSON CORP				2	753,858	107.1900	750,330	700,000	747,521	.0	(6,337)	.0	.0	3.250	1.067	MS	7,583	11,375	07/26/2012	03/01/2016
59156R-AZ-1	METLIFE INC				1	1,012,903	100.7110	1,007,110	1,000,000	1,003,473	.0	(5,760)	.0	.0	1.729	1.150	FMAN	2,642	17,421	05/10/2011	08/06/2013
594918-AF-1	MICROSOFT CORP				1	993,358	100.4350	999,328	995,000	994,591	.0	549	.0	.0	0.875	0.933	MS	2,273	8,706	09/22/2010	09/27/2013
61747Y-DD-4	MORGAN STANLEY				2	592,146	104.9790	629,874	600,000	592,985	.0	839	.0	.0	3.800	4.224	AO	3,927	11,400	07/26/2012	04/29/2016
637432-LR-4	NATIONAL RURAL UTIL COOP				1	460,867	147.8220	465,639	315,000	450,692	.0	(10,176)	.0	.0	10.375	2.429	MN	5,447	16,341	07/11/2012	11/01/2018
64952W-BG-6	NEW YORK LIFE GLOBAL FDG 144A				1	312,996	104.7830	314,349	300,000	311,509	.0	(1,487)	.0	.0	2.450	1.340	JJ	3,410	0	07/12/2012	07/14/2016
654624-AE-5	NIPPON TELEGRAPH & TELEPHONE				1	808,907	100.6600	815,346	810,000	809,002	.0	96	.0	.0	1.400	1.433	JJ	5,135	0	07/11/2012	07/18/2017
65557F-AB-2	NORDEA BANK AB 144A				1	1,093,791	106.5910	1,145,853	1,075,000	1,092,006	.0	(1,785)	.0	.0	3.125	2.744	MS	9,425	16,797	07/11/2012	03/20/2017
669827-FT-9	NOVA SCOTIA				1	943,456	116.7800	934,240	800,000	930,100	.0	(13,356)	.0	.0	5.125	1.037	JJ	17,653	0	07/27/2012	01/26/2017
66989H-AB-4	NOVARTIS CAPITAL CORP				1	768,533	100.5190	753,893	750,000	753,290	.0	(10,444)	.0	.0	1.900	0.501	AO	2,652	14,250	07/15/2011	04/24/2013
674599-CA-1	OCCIDENTAL PETROLEUM COR				1	1,014,410	101.0430	1,010,430	1,000,000	1,005,694	.0	(5,943)	.0	.0	1.450	0.849	JD	725	14,500	07/12/2011	12/13/2013
683234-DP-0	ONTARIO				1	924,687	103.1820	928,638	900,000	922,186	.0	(2,501)	.0	.0	1.600	0.927	MS	4,000	7,200	07/27/2012	09/21/2016
68389X-AC-9	ORACLE CORP				1	306,713	121.7010	304,253	250,000	302,259	.0	(4,454)	.0	.0	5.750	1.618	AO	3,035	7,188	07/11/2012	04/15/2018
68389X-AD-7	ORACLE CORP				1	807,615	101.2830	759,623	750,000	759,553	.0	(32,935)	.0	.0	4.950	0.535	AO	7,838	37,125	07/15/2011	04/15/2013
693304-AL-1	PECO ENERGY CO				1	725,454	120.3400	722,040	600,000	716,217	.0	(9,237)	.0	.0	5.350	1.451	MS	10,700	16,050	07/27/2012	03/01/2018
717081-AR-4	PFIZER INC				1	548,395	104.5160	522,580	500,000	521,201	.0	(18,749)	.0	.0	4.500	0.702	FA	8,500	22,500	07/18/2011	02/15/2014
69349L-AE-8	PNC BANK NA				1	1,093,248	124.9110	1,124,199	900,000	1,078,437	.0	(14,811)	.0	.0	6.875	2.809	AO	15,469	30,938	07/11/2012	04/01/2018
74005P-AX-2	PRAXAIR INC				1	629,244	100.8010	635,046	630,000	629,897	.0	225	.0	.0	2.125	2.173	JD	632	13,388	01/11/2010	06/14/2013
771196-AQ-5	ROCHE HLDGS INC 144A				1	550,555	105.0460	525,230	500,000	522,627	.0	(19,163)	.0	.0	5.000	1.090	MS	8,333	25,000	07/15/2011	03/01/2014
78008H-X9-6	ROYAL BANK OF CANADA				1	512,720	100.9080	504,540	500,000	503,647	.0	(6,269)	.0	.0	2.100	0.834	JJ	4,433	10,500	07/19/2011	07/29/2013
78008T-LB-8	ROYAL BANK OF CANADA				1	521,160	104.2130	521,065	500,000	518,833	.0	(2,327)	.0	.0	2.300	1.217	JJ	5,143	0	07/19/2012	07/20/2016
80105N-AC-9	SANOFI-AVENTIS				1	502,459	100.3720	501,860	500,000	501,138	.0	(910)	.0	.0	0.788	0.605	MJSD	33	3,951	07/18/2011	03/28/2014
78403D-AC-4	SBA TOWER TRUST 144A				1	410,000	104.7660	429,541	410,000	410,000	.0	0	.0	.0	2.933	2.973	MON	534	4,276	02/26/2012	12/15/2017
80685P-AD-0	SCHLUMBERGER NORGE AS 144A				1	999,080	99.5750	995,750	1,000,000	999,128	.0	48	.0	.0	1.250	1.274	FA	5,243	0	07/24/2012	08/01/2017
822582-AL-6	SHELL INTERNATIONAL FIN				1	767,325	100.3570	752,678	750,000	752,396	.0	(10,230)	.0	.0	1.875	0.505	MS	3,750	14,063	07/15/2011	03/25/2013
828807-BW-6	SIMON PROPERTY GROUP LP				1	1,080,074	114.4140	1,086,933	950,000	1,066,611	.0	(13,463)	.0	.0	5.250	1.988	JD	4,156	24,938	07/11/2012	12/01/2016
863667-AC-5	STRYKER CORP				1	729,869	104.1280	728,896	700,000	726,846	.0	(3,023)	.0	.0	2.000	0.958	MS	3,539	7,000	07/26/2012	09/30/2016
871829-AP-2	SYSCO CORPORATION				1	834,280	99.9730	839,773	840,000	835,323	.0	1,044	.0	.0	0.550	0.782	JD	244	2,310	06/06/2012	06/12/2015
874060-AA-4	TAKEDA PHARMACEUTICAL 144A				1	380,000	100.3960	381,505	380,000	380,000	.0	0	.0	.0	1.031	1.034	MS	1,132	653	07/09/2012	03/17/2015
87612E-AM-8	TARGET CORP				1	937,378	101.5480	888,545	875,000	886,188	.0	(24,352)	.0	.0	4.000	1.182	JD	1,556	35,000	07/15/2011	06/15/2013
191216-AN-0	THE COCA-COLA CO				1	624,706	100.3590	627,244	625,000	624,914	.0	98	.0	.0	0.750	0.767	MN	599	4,688	11/04/2010	11/15/2013
884903-BA-2	THOMSON REUTERS CORP				2	320,663	102.8130	300,214	292,000	299,172	.0	(13,168)	.0	.0	5.950	1.366	JJ	8,011	17,374	05/11/2011	07/15/2013
891140-AB-4	TORONTO-DOMINION BANK				1	1,046,240	104.7100	1,047,100	1,000,000	1,041,085	.0	(5,155)	.0	.0	2.500	1.312	JJ	11,597	0	07/17/2012	07/14/2016
89153V-AC-3	TOTAL CAPITAL INTL SA				1	1,091,104	101.5420	1,091,577	1,075,000	1,089,613	.0	(1,490)	.0	.0	1.550	1.242	JD	139	8,331	07/11/2012	06/28/2017
89233P-6J-0	TOYOTA MOTOR CREDIT CORP				1	1,099,417	100.4120	1,104,532	1,100,000	1,099,504	.0	87	.0	.0	0.875	0.895	JJ	4,331	0	07/16/2012	07/17/2015
89352H-AF-6	TRANSCANADA PIPELINES				1	1,131,741	125.9370	1,133,433	900,000	1,115,508	.0	(16,233)	.0	.0	6.500	1.989	FA	22,100	29,250	07/19/2012	08/15/2018
913017-BM-0	UNITED TECHNOLOGIES CORP				1	732,564	118.8610	713,166	600,000	722,259	.0	(10,305)	.0	.0	5.375	1.138	JD	1,433	16,125	07/26/2012	12/15/2017
91324P-BJ-0	UNITEDHEALTH GROUP INC				1	1,075,174	121.7190	1,065,041	875,000	1,059,002	.0	(16,172)	.0	.0	6.000	1.704	FA	19,833	26,250	07/11/2012	02/15/2018
92343V-AQ-7																					

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book / Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
931142-CW-1	WAL MART STORES INC				1	996,570	100,2980	1,002,980	1,000,000	999,057	0	1,145	0	0	0.750	0.868	AO	1,375	7,500	10/18/2010	10/25/2013
254687-AW-6	WALT DISNEY COMPANY				1	271,525	103,8830	259,708	250,000	258,567	0	(8,887)	0	0	4.500	0.893	JD	500	11,250	07/15/2011	12/15/2013
3299999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					66,525,681	XXX	66,155,771	62,524,000	65,541,196	0	(711,775)	0	0	XXX	XXX	XXX	471,825	1,257,797	XXX	XXX
3899999	Subtotals - Industrial and Miscellaneous (Unaffiliated)					66,525,681	XXX	66,155,771	62,524,000	65,541,196	0	(711,775)	0	0	XXX	XXX	XXX	471,825	1,257,797	XXX	XXX
7799999	Subtotals - Issuer Obligations					109,168,335	XXX	108,717,139	103,524,000	107,986,718	0	(908,907)	0	0	XXX	XXX	XXX	567,204	1,554,516	XXX	XXX
7899999	Subtotals - Residential Mortgage-Backed Securities					351,108	XXX	352,993	327,286	343,754	0	(887)	0	0	XXX	XXX	XXX	2,373	28,475	XXX	XXX
8399999 Totals						109,519,443	XXX	109,070,132	103,851,286	108,330,472	0	(909,794)	0	0	XXX	XXX	XXX	569,577	1,582,991	XXX	XXX

E10.2

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2012 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
.912828-TD-2	US TREASURY N/B		07/27/2012	Undefined		8,975,039	9,000,000	.497
.912828-TG-5	US TREASURY N/B		07/27/2012	Undefined		1,488,457	1,500,000	.20
0599999	- Bonds - U.S. Governments					10,463,496	10,500,000	.517
.313560-HG-1	FANNIE MAE		07/13/2012	Undefined		10,984,270	11,000,000	13,750
.3133XF-JF-4	FEDERAL HOME LOAN BANK		07/13/2012	Undefined		10,921,901	9,250,000	80,102
.3137EA-DD-8	FREDDIE MAC		07/13/2012	Undefined		11,020,790	11,000,000	13,597
3199999	- Bonds - U.S. Special Revenue					32,926,961	31,250,000	107,449
.88579Y-AE-1	3M COMPANY		06/21/2012	Undefined		1,075,021	1,080,000	.0
.00440E-AK-3	ACE INA HOLDINGS INC.		07/11/2012	Undefined		1,094,409	900,000	17,545
.021441-AD-2	ALTERA CORP		07/12/2012	Undefined		1,009,910	1,000,000	3,354
.0258M0-DE-6	AMERICAN EXPRESS CREDIT		06/07/2012	Undefined		284,943	285,000	.0
.03523T-BN-7	ANHEUSER-BUSCH INBEV WOR.		07/11/2012	Undefined		997,120	1,000,000	.0
.00182E-AQ-2	ANZ NATIONAL (INTL) LTD 144A		07/26/2012	Undefined		469,666	470,000	.0
.00206R-BF-8	AT&T INC		06/11/2012	Undefined		968,118	970,000	.0
.057224-AY-3	BAKER HUGHES INC.		07/11/2012	Undefined		1,100,360	825,000	10,484
.06051G-EB-1	BANK OF AMERICA CORP		07/26/2012	Undefined		735,714	700,000	10,500
.06366Q-W8-6	BANK OF MONTREAL		07/19/2012	Undefined		1,046,950	1,000,000	.903
.064057-BD-3	BANK OF NEW YORK CO INC.		07/11/2012	Undefined		1,109,657	950,000	6,531
.064159-AM-8	BANK OF NOVA SCOTIA		07/19/2012	Undefined		471,933	450,000	.383
.05531F-AK-9	BB&T CORPORATION		07/17/2012	Undefined		1,029,260	1,000,000	7,047
.084670-BD-9	BERKSHIRE HATHAWAY INC.		07/12/2012	Undefined		257,245	250,000	2,203
.055451-AP-3	BHP BILLITON FIN USA LTD.		07/16/2012	Undefined		1,021,610	1,000,000	6,545
.149123-BZ-3	CATERPILLAR INC		06/21/2012	Undefined		998,800	1,000,000	.0
.20271R-AA-8	COMMONWEALTH BANK AUST.		07/17/2012	Undefined		886,165	875,000	5,877
.233851-AH-7	DAIMLER FINANCE NA LLC 144A		07/12/2012	Undefined		570,867	550,000	4,893
.23329P-AA-8	DNB BANK ASA 144A		07/20/2012	Undefined		1,029,160	1,000,000	9,956
.291011-AZ-7	EMERSON ELECTRIC CO.		07/16/2012	Undefined		545,770	500,000	5,385
.438516-AX-4	HONEYWELL INTERNATIONAL		07/12/2012	Undefined		334,150	275,000	5,506
.448814-JB-0	HYDRO QUEBEC		07/30/2012	Undefined		938,412	900,000	1,550
.46625H-GY-0	JP MORGAN CHASE		07/27/2012	Undefined		829,311	700,000	1,867
.58013M-EB-6	MCDONALDS CORP		07/16/2012	Undefined		1,106,136	900,000	13,630
.58155Q-AC-7	MCKESSON CORP.		07/26/2012	Undefined		753,858	700,000	9,479
.61747Y-DD-4	MORGAN STANLEY		07/26/2012	Undefined		592,146	600,000	5,827
.637432-LR-4	NATIONAL RURAL UTIL COOP.		07/11/2012	Undefined		460,867	315,000	6,809
.64952W-BC-6	NEW YORK LIFE GLOBAL FDG 144A		07/12/2012	Undefined		312,996	300,000	.61
.654624-AE-5	NIPPON TELEGRAPH & TELEPHONE		07/11/2012	Undefined		808,907	810,000	.0
.65557F-AB-2	NORDEA BANK AB 144A		07/11/2012	Undefined		1,093,791	1,075,000	10,825
.669827-FT-9	NOVA SCOTIA		07/27/2012	Undefined		943,456	800,000	569
.683234-DP-0	ONTARIO		07/27/2012	Undefined		924,687	900,000	5,200
.68389X-AC-9	ORACLE CORP.		07/11/2012	Undefined		306,713	250,000	3,634
.693304-AL-1	PECO ENERGY CO.		07/27/2012	Undefined		725,454	600,000	13,375
.69349L-AE-8	PNC BANK NA		07/11/2012	Undefined		1,093,248	900,000	18,047
.78008T-LB-8	ROYAL BANK OF CANADA		07/19/2012	Undefined		521,160	500,000	128
.78403D-AC-4	SBA TOWER TRUST 144A		07/26/2012	Undefined		410,000	410,000	.0
.80685P-AD-0	SCHLUMBERGER NORGE AS 144A		07/24/2012	Undefined		999,080	1,000,000	.0
.828807-BW-6	SIMON PROPERTY GROUP LP		07/11/2012	Undefined		1,080,074	950,000	6,234
.863667-AC-5	STRYKER CORP		07/26/2012	Undefined		729,869	700,000	4,667
.871829-AP-2	SYSCO CORPORATION		06/06/2012	Undefined		834,280	840,000	.0
.87406Q-AA-4	TAKEDA PHARMACEUTICAL 144A		07/09/2012	Undefined		380,000	380,000	.0
.89114Q-AB-4	TORONTO-DOMINION BANK		07/17/2012	Undefined		1,046,240	1,000,000	417
.89153V-AC-3	TOTAL CAPITAL INTL SA		07/11/2012	Undefined		1,091,104	1,075,000	833
.89233P-6J-0	TOYOTA MOTOR CREDIT CORP.		07/16/2012	Undefined		1,099,417	1,100,000	.0
.89352H-AF-6	TRANSCANADA PIPELINES		07/19/2012	Undefined		1,131,741	900,000	25,838
.913017-BM-0	UNITED TECHNOLOGIES CORP.		07/26/2012	Undefined		732,564	600,000	4,121
.91324P-BJ-0	UNITEDHEALTH GROUP INC.		07/11/2012	Undefined		1,075,174	875,000	22,021
.92343V-AQ-7	VERIZON COMMUNICATIONS		07/11/2012	Undefined		346,705	250,000	4,557
.92867Q-AJ-7	VOLKSWAGEN INTL FIN NV 144A		05/08/2012	Undefined		562,800	560,000	1,239
3899999	- Bonds - Industrial and Miscellaneous (Unaffiliated)					39,967,018	36,970,000	258,040
8399997	- Subtotals - Bonds - Part 3					83,357,475	78,720,000	366,006

E13

ANNUAL STATEMENT FOR THE YEAR 2012 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	Stated Contractual Maturity Date	
36215N-TV-6	GNMA POOL #140164		PRINCIPAL RECEIPT		1,311	1,311	1,431	1,377	.0	(66)	.0	(66)	.0	1,311	.0	.0	.0	72	03/15/2016	
36215N-3T-9	GNMA POOL #140410		PRINCIPAL RECEIPT		577	577	630	596	.0	(18)	.0	(18)	.0	577	.0	.0	.0	32	03/15/2016	
36215N-3U-6	GNMA POOL #140411		PRINCIPAL RECEIPT		753	753	822	789	.0	(36)	.0	(36)	.0	753	.0	.0	.0	37	04/15/2016	
36215U-VT-2	GNMA POOL #145626		PRINCIPAL RECEIPT		7,258	7,258	7,920	7,620	.0	(362)	.0	(362)	.0	7,258	.0	.0	.0	208	02/15/2016	
362151-AU-6	GNMA POOL #150419		PRINCIPAL RECEIPT		1,184	1,184	1,292	1,248	.0	(65)	.0	(65)	.0	1,184	.0	.0	.0	55	02/15/2016	
362153-ED-6	GNMA POOL #152332		PRINCIPAL RECEIPT		5,791	5,791	6,320	5,931	.0	(140)	.0	(140)	.0	5,791	.0	.0	.0	318	03/15/2016	
362159-P2-5	GNMA POOL #158041		PRINCIPAL RECEIPT		1,221	1,221	1,332	1,253	.0	(32)	.0	(32)	.0	1,221	.0	.0	.0	57	04/15/2016	
36218W-MD-0	GNMA POOL #234456		PRINCIPAL RECEIPT		3,279	3,279	3,579	3,431	.0	(152)	.0	(152)	.0	3,279	.0	.0	.0	181	11/15/2018	
36219S-Z5-1	GNMA POOL #258264		PRINCIPAL RECEIPT		578	578	630	599	.0	(21)	.0	(21)	.0	578	.0	.0	.0	21	12/15/2018	
36201N-AD-2	GNMA POOL #587804		PRINCIPAL RECEIPT		1,194	1,194	1,231	1,242	.0	(48)	.0	(48)	.0	1,194	.0	.0	.0	31	06/15/2018	
36200A-6U-8	GNMA POOL #595883		PRINCIPAL RECEIPT		7,100	7,100	7,318	7,366	.0	(266)	.0	(266)	.0	7,100	.0	.0	.0	173	05/15/2018	
36200A-6Z-7	GNMA POOL #595888		PRINCIPAL RECEIPT		8,240	8,240	8,494	8,521	.0	(281)	.0	(281)	.0	8,240	.0	.0	.0	208	06/15/2018	
36225A-FR-6	GNMA POOL #780176		PRINCIPAL RECEIPT		31,966	31,966	34,633	34,132	.0	(2,166)	.0	(2,166)	.0	31,966	.0	.0	.0	1,819	03/15/2021	
36221G-SV-4	GNMA POOL #905932		PRINCIPAL RECEIPT		6,377	6,377	6,970	6,523	.0	(146)	.0	(146)	.0	6,377	.0	.0	.0	360	02/15/2016	
912828-LH-1	US TREASURY N/B		Undef ined.		12,918,141	12,900,000	12,970,547	12,914,953	.0	(12,802)	.0	(12,802)	.0	12,902,151	.0	15,990	15,990	207,144	08/15/2012	
912828-TD-2	US TREASURY N/B		Undef ined.		748,594	750,000	747,803	.0	.0	.0	.0	.0	.0	747,833	.0	761	761	82	07/15/2015	
912828-HK-9	US TREASURY NT/BD		Undef ined.		13,864,293	13,700,000	14,455,641	13,914,455	.0	(124,704)	.0	(124,704)	.0	13,789,751	.0	74,542	74,542	289,300	11/30/2012	
	0599999 - Bonds - U.S. Governments				27,607,857	27,426,829	28,256,592	26,910,036	0	(141,275)	0	(141,275)	0	27,516,564	0	91,293	91,293	500,108	XXX	
31335M-PF-4	FANNIE MAE		Undef ined.		5,537,945	5,500,000	5,909,965	5,596,300	.0	(72,624)	.0	(72,624)	.0	5,523,676	.0	14,268	14,268	201,189	09/15/2012	
31338A-T4-4	FANNIE MAE		Undef ined.		3,641,954	3,600,000	3,668,180	3,653,073	.0	(19,000)	.0	(19,000)	.0	3,634,073	.0	7,881	7,881	30,000	06/26/2013	
3133XT-S4-9	FEDERAL HOME LOAN BANK		MATURITY		6,500,000	6,500,000	6,512,025	6,502,033	.0	(2,033)	.0	(2,033)	.0	6,500,000	.0	.0	.0	60,938	06/20/2012	
3133XA-YX-9	FEDERAL HOME LOAN BANK		Undef ined.		3,654,338	3,600,000	3,690,422	3,670,245	.0	(25,380)	.0	(25,380)	.0	3,644,865	.0	9,474	9,474	38,438	06/21/2013	
31344A-JT-2	FREDDIE MAC		MATURITY		4,000,000	4,000,000	4,401,860	4,006,633	.0	(6,633)	.0	(6,633)	.0	4,000,000	.0	.0	.0	115,000	01/15/2012	
31344A-QD-9	FREDDIE MAC		MATURITY		4,000,000	4,000,000	4,379,240	4,071,819	.0	(71,819)	.0	(71,819)	.0	4,000,000	.0	.0	.0	205,000	07/15/2012	
3137EA-CJ-6	FREDDIE MAC		Undef ined.		3,637,130	3,600,000	3,670,313	3,652,932	.0	(21,861)	.0	(21,861)	.0	3,631,071	.0	6,059	6,059	44,038	04/15/2013	
	3199999 - U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				30,971,367	30,800,000	32,232,005	31,153,035	0	(219,350)	0	(219,350)	0	30,933,685	0	37,682	37,682	694,602	XXX	
88579E-AD-7	3M COMPANY		Undef ined.		510,195	500,000	544,510	519,618	.0	(9,682)	.0	(9,682)	.0	509,935	.0	260	260	12,335	12/15/2012	
020002-AN-1	ALLSTATE CORP		MATURITY		500,000	500,000	536,276	503,229	.0	(3,229)	.0	(3,229)	.0	500,000	.0	.0	.0	15,313	02/15/2012	
022095-AC-7	ALTRIA GROUP INC.		Undef ined.		547,610	500,000	580,460	564,676	.0	(19,631)	.0	(19,631)	.0	545,044	.0	2,566	2,566	30,813	11/10/2013	
02581F-YH-6	AMERICAN EXPR CENTURION		MATURITY		575,000	575,000	607,396	595,112	.0	(20,112)	.0	(20,112)	.0	575,000	.0	.0	.0	31,913	10/17/2012	
034863-AC-4	ANGLO AMERICAN CAP 144A		Undef ined.		503,825	500,000	506,885	505,061	.0	(1,642)	.0	(1,642)	.0	503,419	.0	406	406	9,078	09/27/2013	
035231-AL-2	ANHEUSER-BUSCH INBEV WOR		Undef ined.		1,006,510	1,000,000	1,033,820	1,015,691	.0	(10,480)	.0	(10,480)	.0	1,005,211	.0	1,299	1,299	22,583	10/15/2012	
03938L-AC-8	ARCELORMITTAL		Undef ined.		514,750	500,000	535,760	524,757	.0	(9,146)	.0	(9,146)	.0	515,612	.0	(862)	(862)	16,797	06/01/2013	
00206R-AF-9	AT&T INC		Undef ined.		769,770	750,000	795,398	781,508	.0	(13,440)	.0	(13,440)	.0	768,067	.0	1,703	1,703	33,928	01/15/2013	
06849T-AA-6	BARRICK GOLD FINANCE CO.		Undef ined.		794,355	750,000	835,238	796,764	.0	(15,414)	.0	(15,414)	.0	781,349	.0	13,006	13,006	40,323	09/15/2013	
055451-AD-0	BHP BILLITON FIN USA LTD		MATURITY		300,000	300,000	318,768	303,124	.0	(3,124)	.0	(3,124)	.0	300,000	.0	.0	.0	7,688	03/29/2012	
136385-AM-3	CANADIAN NATL RESOURCES		Undef ined.		510,785	500,000	534,795	521,996	.0	(11,531)	.0	(11,531)	.0	510,464	.0	321	321	25,750	02/01/2013	
14149V-AS-7	CARDINAL HEALTH INC		Undef ined.		346,271	334,000	360,583	352,569	.0	(7,209)	.0	(7,209)	.0	345,359	.0	.0	.0	11,532	06/15/2013	
14912L-3N-9	CATERPILLAR FIN SERV CRP		Undef ined.		637,269	625,000	675,500	644,844	.0	(10,007)	.0	(10,007)	.0	634,837	.0	2,432	2,432	16,756	12/07/2012	
92344S-AN-0	CELCO PART/VERI WIRELESS		MATURITY		625,000	625,000	663,944	627,117	.0	(2,117)	.0	(2,117)	.0	625,000	.0	.0	.0	16,406	02/01/2012	
191098-AE-2	COCA COLA BOTTLE CO		MATURITY		500,000	500,000	536,830	511,306	.0	(11,306)	.0	(11,306)	.0	500,000	.0	.0	.0	25,000	11/15/2012	
19122T-AA-7	COCA-COLA ENTERPRISES		Undef ined.		754,253	750,000	745,245	746,447	.0	1,076	.0	1,076	.0	747,522	.0	6,730	6,730	6,070	11/12/2013	
22160K-AB-1	COSTCO WHOLESALE		MATURITY		625,000	625,000	671,625	630,827	.0	(5,827)	.0	(5,827)	.0	625,000	.0	.0	.0	16,563	03/15/2012	
126408-GL-1	CSX CORP		Undef ined.		603,825	585,000	632,871	616,417	.0	(14,778)	.0	(14,778)	.0	601,639	.0	2,186	2,186	29,526	03/15/2013	
260543-BZ-5	DOW CHEMICAL CO/THE		Undef ined.		378,826	372,000	393,758	379,126	.0	(2,124)	.0	(2,124)	.0	377,002	.0	1,824	1,824	10,174	08/15/2012	
29379V-AE-3	ENTERPRISE PRODUCTS OPER		MATURITY		350,000	350,000	369,751	356,399	.0	(6,399)	.0	(6,399)	.0	350,000	.0	.0	.0	16,100	08/01/2012	
26884T-AB-8	ERAC USA FINANCE COMPANY 144A		Undef ined.		505,385	500,000	512,170	508,587	.0	(3,235)	.0	(3,235)	.0	505,353	.0	32	32	14,896	07/01/2013	
302182-AC-4	EXPRESS SCRIPTS INC		MATURITY		460,000	460,000	492,968	466,024	.0	(6,024)	.0	(6,024)	.0	460,000	.0	.0	.0	12,075	06/15/2012	
369550-AK-4	GENERAL DYNAMICS CORP		Undef ined.		762,683	750,000	799,628	787,198	.0	(25,266)	.0	(25,266)	.0	761,933	.0	750	750	33,823	05/15/2013	
370334-AS-3	GENERAL MILLS		MATURITY		350,000	350,000	374,777	352,247	.0	(2,247)	.0	(2,247)	.0	350,000	.0	.0	.0	10,500	02/15/2012	
370334-BG-8	GENERAL MILLS INC		Undef ined.		524,285	500,000	543,400	533,876	.0	(11,828)	.0	(11,828)	.0	522,048	.0	2,237	2,237	25,229	08/15/2013	
428236-AU-7	HEWLETT-PACKARD CO		MATURITY		625,000	625,000	658,500	628,086	.0	(3,086)	.0	(3,086)	.0	625,000	.0	.0	.0	13,281	02/24/2012	
24422E-OM-4	JOHN DEERE CAPITAL CORP		Undef ined.		1,000,000	1,000,000	1,079,183	1,036,783	.0	(36,783)	.0	(36,783)	.0	1,000,000	.0	.0	.0	49,500	12/17/2012	
478160-AP-9	JOHNSON & JOHNSON		MATURITY		750,000	750,000	788,925	772,605	.0	(22,605)	.0	(22,605)	.0	750,000	.0	.0	.0	38,625	08/15/2012	
50075N-AH-7	KRAFT FOODS		Undef ined.		183,000	183,000														

ANNUAL STATEMENT FOR THE YEAR 2012 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	Stated Contractual Maturity Date	
744320-BK-0	PRUDENTIAL FINANCIAL INC.		07/26/2012	Undefined		252,295	250,000	255,555	253,445	0	(1,887)	0	(1,887)	0	251,558	0	737	737	7,200	01/14/2013	
77509N-AH-6	ROGERS COMMUNICATIONS INC.		07/26/2012	Undefined		366,814	350,000	395,308	374,726	0	(9,613)	0	(9,613)	0	365,113	0	1,701	1,701	13,733	06/15/2013	
78010X-AD-3	ROYAL BK OF SCOTLAND PLC.		03/12/2012	Undefined		506,130	500,000	516,565	511,969	0	(1,420)	0	(1,420)	0	510,569	0	(4,439)	(4,439)	9,539	08/23/2013	
786514-BF-5	SAFEWAY INC.		08/15/2012	MATURITY		500,000	500,000	543,065	514,542	0	(14,542)	0	(14,542)	0	500,000	0	0	0	29,000	08/15/2012	
844741-AV-0	SOUTHWEST AIRLINES		03/01/2012	MATURITY		585,000	585,000	619,790	589,211	0	(4,211)	0	(4,211)	0	585,000	0	0	0	19,013	03/01/2012	
87927Y-AE-8	TELECOM ITALIA CAP.		06/14/2012	Undefined		583,538	585,000	613,753	607,970	0	(5,436)	0	(5,436)	0	602,534	0	(18,997)	(18,997)	18,257	11/15/2013	
87938W-AK-9	TELEFONICA EMISIONES SAU.		06/14/2012	Undefined		492,500	500,000	507,890	505,340	0	(1,818)	0	(1,818)	0	503,522	0	(11,022)	(11,022)	8,356	04/26/2013	
88166B-AB-6	TEVA PHARMA FIN III LLC.		06/15/2012	MATURITY		625,000	625,000	628,719	625,890	0	(890)	0	(890)	0	625,000	0	0	0	4,688	06/15/2012	
88732J-AG-3	TIME WARNER CABLE INC.		07/02/2012	MATURITY		500,000	500,000	535,855	510,086	0	(10,086)	0	(10,086)	0	500,000	0	0	0	27,000	07/02/2012	
89233P-4H-6	TOYOTA MOTOR CREDIT CORP.		07/16/2012	Undefined		504,830	500,000	505,000	503,897	0	(1,302)	0	(1,302)	0	502,595	0	2,235	2,235	6,436	08/12/2013	
92343V-AQ-7	VERIZON COMMUNICATIONS		12/14/2012	Undefined		123,381	88,000	122,040	0	0	(2,153)	0	(2,153)	0	119,887	0	3,494	3,494	4,834	11/01/2018	
92345N-AA-8	VERIZON VIRGINIA INC.		12/10/2012	Undefined		712,959	705,000	748,570	728,645	0	(18,417)	0	(18,417)	0	710,228	0	2,731	2,731	40,305	03/15/2013	
25468P-BX-3	WALT DISNEY COMPANY		03/01/2012	MATURITY		625,000	625,000	679,556	630,624	0	(5,624)	0	(5,624)	0	625,000	0	0	0	19,922	03/01/2012	
03674B-AC-8	WELLPOINT INC. / ANTHEM		08/01/2012	MATURITY		400,000	400,000	442,196	409,438	0	(9,438)	0	(9,438)	0	400,000	0	0	0	27,200	08/01/2012	
984121-BS-1	XEROX CORPORATION		05/15/2012	MATURITY		500,000	500,000	534,085	507,965	0	(7,965)	0	(7,965)	0	500,000	0	0	0	13,750	05/15/2012	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					29,468,717	29,097,000	30,919,166	29,819,147	0	(492,497)	0	(492,497)	0	29,448,686	0	20,029	20,029	1,076,631	XXX	
8399997	Subtotals - Bonds - Part 4					88,047,941	87,323,829	91,407,763	87,882,218	0	(853,122)	0	(853,122)	0	87,898,935	0	149,004	149,004	2,271,341	XXX	
8399998	Summary item from Part 5 for Bonds					4,676,581	4,340,000	4,677,734	0	0	(26,153)	0	(26,153)	0	4,651,582	0	25,000	25,000	79,795	XXX	
8399999	Subtotals - Bonds					92,724,522	91,663,829	96,085,497	87,882,218	0	(879,275)	0	(879,275)	0	92,550,517	0	174,004	174,004	2,351,136	XXX	
8999998	Summary item from Part 5 for Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999999	Subtotals - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998	Summary item from Part 5 for Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999	Subtotals - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999	Subtotals - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999	Totals					92,724,522	XXX	96,085,497	87,882,218	0	(879,275)	0	(879,275)	0	92,550,517	0	174,004	174,004	2,351,136	XXX	

E14.1

ANNUAL STATEMENT FOR THE YEAR 2012 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	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.					
002819-AB-6	ABBOTT LABORATORIES		07/12/2012	Undefined	12/10/2012	Undefined	900,000	1,100,745	1,107,153	1,085,896	0	(14,849)	0	(14,849)	0	21,257	21,257	26,600	6,580	
031162-BJ-8	AMGEN INC		05/08/2012	Undefined	07/26/2012	Undefined	500,000	510,645	511,830	509,741	0	(904)	0	(904)	0	2,089	2,089	6,797	4,714	
375558-AR-4	GILEAD SCIENCES INC		05/08/2012	Undefined	07/26/2012	Undefined	560,000	580,826	579,124	579,087	0	(1,740)	0	(1,740)	0	37	37	8,512	5,525	
428236-BN-2	HEWLETT PACKARD CO		07/26/2012	Undefined	10/11/2012	Undefined	600,000	609,462	606,438	608,729	0	(733)	0	(733)	0	(2,291)	(2,291)	8,264	5,327	
460146-BU-6	INTL PAPER CO		05/08/2012	Undefined	07/26/2012	Undefined	560,000	619,030	614,762	614,710	0	(4,320)	0	(4,320)	0	53	53	9,893	3,298	
487836-BG-2	KELLOGG CO		05/14/2012	Undefined	07/26/2012	Undefined	135,000	134,842	136,249	134,852	0	10	0	10	0	1,397	1,397	312	0	
559080-AA-4	MAGELLAN MIDSTREAM PARTNER		05/08/2012	Undefined	07/26/2012	Undefined	280,000	307,672	304,595	304,812	0	(2,860)	0	(2,860)	0	(217)	(217)	12,040	8,027	
78573A-AD-2	SABMILLER HOLDINGS INC. 144A		05/08/2012	Undefined	07/26/2012	Undefined	565,000	574,526	577,272	573,768	0	(758)	0	(758)	0	3,504	3,504	5,633	3,310	
92852T-AA-0	VIVENDI SA 144A		04/03/2012	Undefined	07/26/2012	Undefined	240,000	239,986	239,158	239,987	0	1	0	1	0	(829)	(829)	1,744	0	
3999999	Bonds - Industrial and Miscellaneous (Unaffiliated)						4,340,000	4,677,734	4,676,581	4,651,582	0	(26,153)	0	(26,153)	0	25,000	25,000	79,795	36,781	
8399998	Subtotal Bonds						4,340,000	4,677,734	4,676,581	4,651,582	0	(26,153)	0	(26,153)	0	25,000	25,000	79,795	36,781	
9999999	Totals							4,677,734	4,676,581	4,651,582		(26,153)		(26,153)		25,000	25,000	79,795	36,781	

E15

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE DA - PART 1

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

1 CUSIP Identification	2 Description	3 Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/ Adjusted Carrying Value	9-12 Change In Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	15-20 Interest					21 Paid for Accrued Interest		
		Code	Foreign					9 Unrealized Valuation Increase/ (Decrease)	10 Current Year's (Amortization) /	11 Current Year's Other Than Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	16 Non-Admitted Due and Accrued	17 Rate of	18 Effective Rate of	19 When Paid		20 Amount Received During Year	
	Industrial and Miscellaneous			01/01/2012	Undefined	01/01/2013	12,767,453					12,767,453	12,767,453	0			XXX	XXX	XXX	12,366	
3299999	Industrial and Miscellaneous - Issuer Obligations						12,767,453					12,767,453	12,767,453				XXX	XXX	XXX	12,366	
3899999	Subtotals - Industrial and Miscellaneous (Unaffiliated)						12,767,453					12,767,453	12,767,453				XXX	XXX	XXX	12,366	
7799999	Subtotals - Issuer Obligations						12,767,453					12,767,453	12,767,453				XXX	XXX	XXX	12,366	
8399999	Subtotals - Bonds						12,767,453	.0	.0	.0	.0	12,767,453	12,767,453	0	0		XXX	XXX	XXX	12,366	0
9199999 Totals							12,767,453	0	0	0	0	XXX	12,767,453	0	0		XXX	XXX	XXX	12,366	0

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part A - Section 2

NONE

Sch. DB - Pt. A - Sn. 2 - Footnote (a)

NONE

Schedule DB - Part B - Section 1- Future

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part B - Section 2- Future

NONE

Sch. DB - Pt. B - Sn. 2 - Footnotes

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Schedule E - Part 2 - Cash Equivalents

NONE

Schedule E - Part 3

NONE