

**ANNUAL STATEMENT**

OF THE

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

OF

Richmond

IN THE STATE OF

Virginia

TO THE

**INSURANCE DEPARTMENT**

OF THE

STATE OF

FOR THE YEAR ENDED

DECEMBER 31, 2010

**2010**

PROPERTY AND CASUALTY

**2010**



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010
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 23219
Main Administrative Office 11401 Century Oaks Terrace, Ste. 310, Austin, TX 78758
Mail Address 11401 Century Oaks Terrace, Ste. 310, Austin, TX 78758
Primary Location of Books and Records 11401 Century Oaks Terrace, Ste. 310, Austin, TX 78758
Internet Website Address www.howcorp.com
Statutory Statement Contact Brenda J. Stewart, 512-404-6555, bstewart@palomarfin.com

OFFICERS

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

OTHER OFFICERS

DIRECTORS OR TRUSTEES

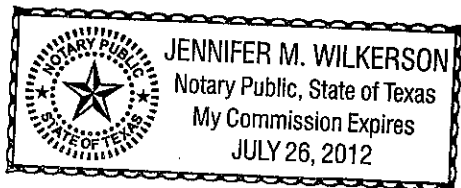
State of Texas
County of Travis ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Brenda J. Stewart, Nicole Wilkins
Authorized Representative

Subscribed and sworn to before me this 28 day of February, 2011
Jennifer M. Wilkerson Notary
July 28, 2012

a. Is this an original filing? Yes [ X ] No [ ]
b. If no,
1. State the amendment number
2. Date filed 02/28/2010
3. Number of pages attached



**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	118,244,165		118,244,165	116,257,505
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 (\$ .....157,873 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....3,004,870 , Schedule DA).....	3,162,743		3,162,743	6,994,462
6. Contract loans (including \$ .....premium notes).....			0	0
7. Derivatives .....			0	0
8. Other invested assets (Schedule BA) .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets.....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	121,406,908	0	121,406,908	123,251,967
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	1,374,229		1,374,229	1,441,718
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 premium).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	541,147		541,147	845,117
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 .....	2,143,558	3,550	2,140,008	2,124,446
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	130,134,948	4,672,656	125,462,292	127,663,248
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	130,134,948	4,672,656	125,462,292	127,663,248
<b>DETAILS OF WRITE-INS</b>				
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.....	1,006,693		1,006,693	1,004,446
2502. Miscellaneous receivables.....	3,550	3,550	0	0
2503. Prepaid Federal Income Tax.....	1,133,315		1,133,315	1,120,000
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)	2,143,558	3,550	2,140,008	2,124,446

**ANNUAL STATEMENT FOR THE YEAR 2010 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) .....	285,000	1,174,000
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	1,750,000	1,770,000
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	35,021	34,909
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		0
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		0
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....)	0	0
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		0
14. Amounts withheld or retained by company for account of others .....		0
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (Schedule F, Part 7) .....	10,800	10,800
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Derivatives .....		0
21. Payable for securities .....		0
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	13,708,410	14,313,008
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	15,789,231	17,302,717
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	15,789,231	17,302,717
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
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....		0
34. Gross paid in and contributed surplus .....	5,097,479	5,097,479
35. Unassigned funds (surplus) .....	103,575,582	104,263,051
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		0
36.2 ..... shares preferred (value included in Line 31 \$ .....)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	109,673,061	110,360,530
38. Totals (Page 2, Line 28, Col. 3)	125,462,292	127,663,247
<b>DETAILS OF WRITE-INS</b>		
2501. Loss payments - deferred, see footnote no. 6 .....	704,607	704,607
2502. Loss reserve prepayments, See footnote no. 7 .....	1,006,693	1,004,446
2503. Deferred LAE .....	1,288,855	1,288,855
2598. Summary of remaining write-ins for Line 25 from overflow page .....	10,708,255	11,315,100
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,708,410	14,313,008
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 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	.0	.0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	(42,685)	(608,187)
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	1,287,436	362,587
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	.0	.0
5. Aggregate write-ins for underwriting deductions .....	295,483	270,193
6. Total underwriting deductions (Lines 2 through 5) .....	1,540,234	24,593
7. Net income of protected cells .....	.0	.0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(1,540,234)	(24,593)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	2,363,073	3,021,014
10. Net realized capital gains (losses) less capital gains tax of \$ .....	63,376	1,246,955
11. Net investment gain (loss) (Lines 9 + 10) .....	2,426,449	4,267,969
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ .....		.0
13. Finance and service charges not included in premiums .....		.0
14. Aggregate write-ins for miscellaneous income .....	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) .....	886,215	4,243,376
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) .....	886,215	4,243,376
19. Federal and foreign income taxes incurred .....	1,573,685	(4,179,004)
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(687,470)	8,422,380
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	110,360,534	101,938,154
22. Net income (from Line 20) .....	(687,470)	8,422,380
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) .....	(687,470)	8,422,380
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	109,673,064	110,360,534
<b>DETAILS OF WRITE-INS</b>		
0501. Interest expense on deferred loss payments .....	295,483	270,193
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) .....	295,483	270,193
1401. ....		
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 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	0	0
2. Net investment income .....	4,504,799	4,730,013
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	4,504,799	4,730,013
5. Benefit and loss related payments .....	319,260	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,530,520	1,695,400
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	1,573,685	5,996,322
10. Total (Lines 5 through 9) .....	3,423,465	7,691,722
11. Net cash from operations (Line 4 minus Line 10) .....	1,081,334	(2,961,709)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	23,318,574	67,256,713
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	113,702
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	23,318,574	67,370,416
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	27,315,983	79,549,028
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	113,705
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	27,315,983	79,662,733
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) .....	(3,997,409)	(12,292,317)
<b>Cash from Financing and Miscellaneous Sources</b>		
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) .....	(915,643)	(960,525)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(915,643)	(960,525)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(3,831,719)	(16,214,551)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	6,994,462	23,209,013
19.2 End of year (Line 18 plus Line 19.1) .....	3,162,742	6,994,462

Part 1

**NONE**

Part 1A

**NONE**

Part 1B

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire				.0	.0	.0	.0	.0
2. Allied lines				.0	.0	.0	.0	.0
3. Farmowners multiple peril				.0	.0	.0	.0	.0
4. Homeowners multiple peril				.0	.0	.0	.0	.0
5. Commercial multiple peril				.0	.0	.0	.0	.0
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine				.0	.0	.0	.0	.0
10. Financial guaranty				.0	.0	.0	.0	.0
11.1 Medical 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	771,077	223,085	147,847	846,315	285,000	1,174,000	(42,685)	.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	771,077	223,085	147,847	846,315	285,000	1,174,000	(42,685)	0.0
<b>DETAILS OF WRITE-INS</b>								
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

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 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	41,000			41,000	244,000			285,000	1,750,000
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	41,000	0	0	41,000	244,000	0	0	285,000	1,750,000
<b>DETAILS OF WRITE-INS</b>									
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.

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## 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 .....	223,085			223,085
1.2 Reinsurance assumed .....	(223,085)			(223,085)
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 .....	1,287,436	0	140,117	1,427,553
25. Total expenses incurred .....	1,287,436	.0	140,117	(a) 1,427,553
26. Less unpaid expenses - current year .....	1,750,000	35,021		1,785,021
27. Add unpaid expenses - prior year .....	1,770,000	34,909		1,804,909
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)	1,307,436	(112)	140,117	1,447,441
<b>DETAILS OF WRITE-INS</b>				
2401. Excess ULAE paid .....	1,287,436			1,287,436
2402. Investment interest expense .....				.0
2403. Investment management expense .....			140,117	140,117
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)	1,287,436	0	140,117	1,427,553

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

**ANNUAL STATEMENT FOR THE YEAR 2010 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) 800,725	781,529
1.1 Bonds exempt from U.S. tax		
1.2 Other bonds (unaffiliated)	(a) 1,736,174	1,694,586
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)	(b) 0	
2.21 Common stocks of affiliates	(b) 0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 17,297	10,593
7. Derivative instruments	(f)	
8. Other invested assets	(f) 16,483	16,483
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	2,570,679	2,503,190
11. Investment expenses		(g) 140,117
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)		140,117
17. Net investment income (Line 10 minus Line 16)		2,363,073
<b>DETAILS OF WRITE-INS</b>		
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 \$ 22,974 accrual of discount less \$ 2,097,100 amortization of premium and less \$ 248,074 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	12,489		12,489		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	50,887		50,887		
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)	63,376	0	63,376	0	0
<b>DETAILS OF WRITE-INS</b>					
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 2010 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 .....	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 .....	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
<b>DETAILS OF WRITE-INS</b>			
1101. ....	0	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. Loss reserve prepayments.....	0	0	0
2502. Miscellaneous receivables.....	3,550	3,550	0
2503. Estimated net recoverable from funds held under reinsurance treaties.....	0	0	0
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 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. In this connection, certain liabilities listed in this financial statement may never be paid if the Company has insufficient assets available to satisfy these claims.

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

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

In January of 1997, the Company applied for recognition of tax-exempt status under Internal Revenue Code (“IRC”) Section 501 (c) (15) retroactively to January 1, 1995. On April 10, 1997, HOWIC received a favorable determination letter from the Internal Revenue Service (“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. C. 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:

## NOTES TO FINANCIAL STATEMENTS

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

### 5. Debt

The Company has no outstanding debt obligations to third parties.

### 6. Claims Payments

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

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

A third directive dated December 28, 1998, increased the direct claim payment rate to 60% and directed that the following indirect claims are reclassified as direct claims: (i) claims approved by the Deputy Receiver for damages determined to be extra contractual obligations of the Company, non-economic damages,

## NOTES TO FINANCIAL STATEMENTS

consequential damages, litigation costs or attorneys' fees incurred by a home owner or member builder in asserting a claim against the Company before receivership; and (ii) claims approved by the Deputy Receiver for litigation costs and attorneys' fees incurred by a member builder in an action brought against the member builder to recover under the Major Structural Defect Insurance coverage provided by the Company. The Company began paying claims at the 60% rate in January of 1999.

A fourth directive dated August 13, 1999, increased the direct claim payment rate to 70%. The Company began paying direct claims at the 70% rate in October of 1999. A fifth directive dated November 14, 2000, increased the direct claim payment rate to 100%. The Company began paying direct claims at the 100% rate in November of 2000.

The Deputy Receiver approved the payment of 8% simple interest on all deferred direct claim amounts until the date that such claims are paid, if at all, by HOWIC in receivership. By order of the Deputy Receiver's Sixth Directive, effective on and after October 1, 2005, the Company will pay 6% simple interest on all deferred direct claim amounts until the date that such claims are paid, if at all, by HOWIC in receivership. The total interest accrued on all deferred direct claims is approximately \$7,617,296 as of December 31, 2010. 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, 2010, 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 attorneys' fees petitions, 6 former employee petitions, and 9 petitions of former members of the Company's Board of Directors and others submitted to the Deputy Receiver. Generally, builder appeals involve disputes with respect to determinations of responsibility for making certain home repairs under the Builder's Limited Warranty. Further, builder appeals include, but are not limited to, claims for the refund of loss reserve prepayments, capital contributions, and enrollment fees. The appeals from claimants other than home owners generally involve fees for goods and services provided to the Company prior to the inception of the receivership proceedings.

### 7. Loss Prepayments

Pursuant to certain agreements between the Company and certain member builders, participating member builders are liable for specified payments which they may be required to prepay in the form of cash, certificates of deposit ("CDs"), or letters of credit ("LOCs"). Prepayments were made by builders and held by the Company as follows: (a) cash payments were deposited in the general operating account of the Company; (b) CDs received were issued in the Company's name; and (c) LOCs named the Company as the beneficiary. Cash prepayments and CDs were \$1,006,693 as of December 31, 2010, and this amount is included in the Company's financials as of that date.

### 8. Related Party Transactions

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

## NOTES TO FINANCIAL STATEMENTS

### 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 Columbia. During the course of receivership, a number of these states have placed restrictions on the Company's authority to write new insurance business. The Deputy Receiver imposed a moratorium on the issuance of new insurance business at the inception of the receivership. The moratorium for new insurance business remains in effect.

### 11. Litigation

The following 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. Centex Homes submitted seventy-four claims seeking reimbursement of \$2,667,267 allegedly spent in the repair of damages covered under the HOW Insurance/Warranty Document. Review of the documents submitted in support of the claims showed that some items may be rejected on one or more of several grounds, including, but not limited to, Centex's failure to provide adequate supporting documentation, damage first occurring during the Builder's Limited Warranty period, application of Centex's loss participation, or a Notice of Claim Determination or Determination of Appeal was issued denying the claim and has now become a final decision on the merits.

After extensive settlement negotiations, on March 8, 2010, the parties completed execution of a settlement agreement awarding Centex Homes an approved direct claim totaling \$700,000, in exchange for a complete release of the Companies from all claims related to this matter. Funding of the settlement agreement was completed by wire transfer on March 12, 2010, and this matter is now concluded.

C. 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, Approving Claims Bar Date, and Related Matters" (the "Plan"). The Plan may be summarized by the following key parts:

- (1) HOW will be liquidated under a tax-free exchange plan of liquidation.
- (2) Member builders of HWC will be paid the return of their capital contributions in HWC, as and when HWC has sufficient assets, provided that such member builders are eligible builders as defined by the HOW member builder program. Ineligible builders, as defined by the HOW member builder program, will not receive the return of their capital contributions from HWC.
- (3) All of HOW's claims will be finally paid and adjudicated within a three-year period following the commencement of the Plan.
- (4) Interest will be paid on all home owner claims that had been deferred since the inception of the receivership. General creditor claims of the Companies will also be paid.



## NOTES TO FINANCIAL STATEMENTS

- (5) Member builders will be paid by HWC, as and when it has available assets, for their equity in HWC. Member builders, as of the receivership date, will be eligible for the payment of their equity in HWC. The equity payments of HWC will be based on a two-part formula. The first part of the formula will pay all member builders the same for having been a member builder in HWC as of the receivership date. The second part of the formula will reward builders for their profits' interest in HWC (*i.e.*, for how profitable each builder's insurance business may have been in HOW). The second part of the formula will consider the insurance business placed in HOW by such member builder.
- (6) The Deputy Receiver will retain assets of HWC for administrative expenses, taxes, and other contingencies before the final amounts are paid from HWC's assets. A trust (the "Trust") will be created for funds that must be escheated to state jurisdictions. Following the payment of all liabilities and amounts required for member builders' equity in HWC, the receivership estate of the HOW Companies will be closed. The Trust will be dissolved when all escheat funds have been paid to state jurisdictions.

On December 27, 2004, the Commission entered an order setting a hearing on the Application for May 17, 2005. On July 13, 2005, the Commission entered its Order Approving Plans of Liquidation in which it largely approved the Deputy Receiver's Application. The Commission ordered that further efforts to rehabilitate the HOW Companies would be useless and that they should be liquidated in accordance with the plan of liquidation proposed in the Application, subject to a modification with respect to the Fixed and Variable Components for the payment of the member builders' equity in HWC. For the member builders' equity in HWC, the Commission ordered that such equity should be allocated as follows: 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 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 HOW Companies and a final bar date. The Commission directed the Deputy Receiver, upon completion of the liquidation and dissolution of the HOW Companies, to file a request with the Commission for approval to terminate and close the receivership proceeding.

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 HOW 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 HOW Companies until timely approved claims are paid in full. Claims against the assets of the HOW 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 of the HOW Companies:

1. Claims that were previously approved, resolved, or paid by the Deputy Receiver as described above;

## NOTES TO FINANCIAL STATEMENTS

2. Proper administrative expense claims (*i.e.*, claims for payment of services rendered, or goods supplied, to the HOW 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 HOW Companies.

The HOW Companies were originally organized and owned by member builders who enrolled their newly built homes in the HOW insurance 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 insurance program, including renewals of such registrations, the member builders paid membership capital contributions to the HOW 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 HOW 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 HOW 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 HOW 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, 2010, 599 proofs of claim have been filed. In August of 2010, an audit performed by the third-party claims administrator resulted in thirteen additional claims being added to the total (the claims were timely received, but had been assigned an incorrect client code). Of these 599 claims, 234 are home owners, 183 are builders, 82 are general creditors, and 100 are non-eligible builders. Crawford has closed 349 claims through December 31, 2010, 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 his representatives during the wind down and liquidation of the HOW 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.

13. On December 30, 2008, the Special Deputy Receiver issued a termination notice to American Re-Insurance Company, now known as Munich Re ("Am Re"), of the Variable Quota Share Reinsurance Agreement (the "Treaty") that had been in effect between Am Re and HOWIC since October 1, 1991. In addition, the Company and Am Re agreed to terminate the Trust Agreement by and among the Company, Am Re, and Deutsche Bank, which had been entered into as a condition of the reinsurance agreement by and between Am Re and the Company. Specifically, Deutsche Bank was trustee of a fund that held investments posted by the Company as security for its reinsurance obligations with Am Re. The amounts in the trust fund were returned to the Company without charge or reduction, and Deutsche Bank has advised that the trust termination was effective on February 27, 2009. Because the termination of the reinsurance Treaty was effective as of December 30, 2008, the Company made an estimated tax payment using conservative assumptions on March 9, 2009. Subsequently, the Company filed its tax return with the Internal Revenue Service and determined that it was due a refund for taxes previously paid. The refund check in the amount of \$4,481,952 was received and deposited on October 26, 2009. In November 2009, it was determined that certain bond interest was excluded from taxable income in 2008. A Form 1120X Amended Corporation Income Tax Return was filed in December 2009. This resulted in the HOW Companies owing an additional \$818,274 in taxes for the 2008 tax year, and this tax has now been paid.

14. Between 1988 and 1994, the Company entered into a reinsurance arrangement through brokers Guy Carpenter and Willcox, Inc. The arrangement provided for a series of excess of loss treaties spread among

## NOTES TO FINANCIAL STATEMENTS

some forty-nine different domestic and foreign reinsurers over the course of the six years of the arrangement. The arrangement provided for adjustable premiums based on the volume of business ceded and claims experience on the underlying treaties. To date, there remain net amounts due by HOWIC to nine of the reinsurers participating in the arrangement for an aggregate sum totaling approximately \$1.2 million. In April 2010, the Company began negotiating compromise settlement agreements with the reinsurers in order to commute and settle its outstanding liabilities to such reinsurers. To date, final agreements have been negotiated with Swiss Re, Tokio Re, Travelers, and Chatham Re in the sums of \$334,164, \$3,471, \$105,000, and \$6,550, respectively. Negotiations with the remaining reinsurers in the arrangement continue.

## 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 2010 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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Calhoun, 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 to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting 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 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 ]
- 10.6 If the response to 10.5 is yes, provide information related to this exemption:
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] NA [ ]
- 10.8 If the response to 10.7 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 [ ]
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and
- a. 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).

**BOARD OF DIRECTORS**

15. 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 [ ]
16. 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 ]
17. 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 [ ]

## GENERAL INTERROGATORIES

### FINANCIAL

18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 19.11 To directors or other officers ..... \$ .....0
- 19.12 To stockholders not officers ..... \$ .....0
- 19.13 Trustees, supreme or grand (Fraternal only) ..... \$ .....0
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 19.21 To directors or other officers ..... \$ .....0
- 19.22 To stockholders not officers ..... \$ .....0
- 19.23 Trustees, supreme or grand (Fraternal only) ..... \$ .....0
- 20.1 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 ]
- 20.2 If yes, state the amount thereof at December 31 of the current year:
- 20.21 Rented from others ..... \$ .....
- 20.22 Borrowed from others ..... \$ .....
- 20.23 Leased from others ..... \$ .....
- 20.24 Other ..... \$ .....
- 21.1 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 ]
- 21.2 If answer is yes:
- 21.21 Amount paid as losses or risk adjustment ..... \$ .....
- 21.22 Amount paid as expenses ..... \$ .....
- 21.23 Other amounts paid ..... \$ .....
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....4,669,106

### INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3)..... Yes [ X ] No [ ]
- 23.2 If no, give full and complete information, relating thereto
- 23.3 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)
- 23.4 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 ]
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. .... \$ .....
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs. .... \$ .....
- 23.7 Does the company's security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [ ] No [ ] NA [ X ]
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [ ] No [ ] NA [ X ]
- 23.9 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 ]
- 24.1 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 20.1 and 23.3) ..... Yes [ ] No [ X ]
- 24.2 If yes, state the amount thereof at December 31 of the current year:
- 24.21 Subject to repurchase agreements ..... \$ .....
- 24.22 Subject to reverse repurchase agreements..... \$ .....
- 24.23 Subject to dollar repurchase agreements..... \$ .....
- 24.24 Subject to reverse dollar repurchase agreements..... \$ .....
- 24.25 Pledged as collateral..... \$ .....
- 24.26 Placed under option agreements..... \$ .....
- 24.27 Letter stock or securities restricted as to sale..... \$ .....
- 24.28 On deposit with state or other regulatory body..... \$ .....
- 24.29 Other..... \$ .....
- 24.3 For category (24.27) provide the following:

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

- 25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]
- 25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ] NA [ X ]  
If no, attach a description with this statement.
- 26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes [ ] No [ X ]
- 26.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**GENERAL INTERROGATORIES**

27. 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 [ X ] No [ ]

27.01 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.....

27.02 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)
.....	.....	.....
.....	.....	.....

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? .....

Yes [ ] No [ X ]

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

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

27.05 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.....

28.1 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 ]

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
28.2999 TOTAL		0

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

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

## GENERAL INTERROGATORIES

29. 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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
29.1 Bonds.....	121,249,035	122,300,072	1,051,037
29.2 Preferred Stocks.....	0		0
29.3 Totals	121,249,035	122,300,072	1,051,037

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

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

30.1 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 [ ]

30.2 If the answer to 30.1 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 [ ]

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

31.2 If no, list exceptions:

### OTHER

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

32.2 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	2
Name	Amount Paid
.....	.....

33.1 Amount of payments for legal expenses, if any?.....\$ .....235,019

33.2 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	2
Name	Amount Paid
See Attached.....	.....

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

34.2 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	2
Name	Amount Paid
.....	.....
.....	.....



**GENERAL INTERROGATORIES**

(continued)

**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U.S. business only. .... \$ .....0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....
- 1.3.1 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 ..... 0

All years prior to most current three years:

- 1.64 Total premium earned ..... \$ .....0
- 1.65 Total incurred claims ..... \$ .....0
- 1.66 Number of covered lives ..... 0

1.7 Group policies:

Most current three years:

- 1.71 Total premium earned ..... \$ .....0
- 1.72 Total incurred claims ..... \$ .....0
- 1.73 Number of covered lives ..... 0

All years prior to most current three years:

- 1.74 Total premium earned ..... \$ .....0
- 1.75 Total incurred claims ..... \$ .....0
- 1.76 Number of covered lives ..... 0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....0	\$	.....0
2.2	Premium Denominator	\$ .....0	\$	.....0
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$ .....0	\$	.....0
2.5	Reserve Denominator	\$ .....2,035,000	\$	.....2,944,000
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:

- 3.2.1 Participating policies ..... \$ .....
- 3.2.2 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:

- 5.2.1 Out of Attorney's-in-fact compensation ..... Yes [ ] No [ ] NA [X]
- 5.2.2 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 the risk, or portion thereof, reinsured?..... Yes [ ] No [ X ]
- 8.2 If yes, give full information.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 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 agreements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates 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 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 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 the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [ X ] No [ ]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of Credit..... \$ .....
- 12.62 Collateral and other funds..... \$ .....1,006,693
- 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 .....	\$ .....(42,685,000)	\$ .....285,000	\$ .....	\$ .....	\$ .....
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 not 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 2010 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 2010	2 2009	3 2008	4 2007	5 2006
<b>Gross Premiums Written</b> (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
<b>Net Premiums Written</b> (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
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,540,234)	(24,593)	(2,659,232)	26,247,184	9,338,730
14. Net investment gain (loss) (Line 11)	2,426,449	4,267,969	858,456	1,296,809	(80,785)
15. Total other income (Line 15)	0	0	5,674,151	4,425,290	4,525,490
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	1,573,685	(4,179,004)	10,175,326	0	0
18. Net income (Line 20)	(687,470)	8,422,380	(6,301,951)	31,969,283	13,783,435
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	125,462,292	127,663,248	131,205,791	130,409,406	129,149,908
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)	15,789,231	17,302,717	29,267,639	75,837,052	102,124,395
22. Losses (Page 3, Line 1)	285,000	1,174,000	1,546,000	3,848,000	33,545,000
23. Loss adjustment expenses (Page 3, Line 3)	1,750,000	1,770,000	3,339,000	3,231,906	4,203,000
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)	109,673,061	110,360,530	101,938,151	54,572,355	27,025,513
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	1,081,334	(2,961,709)	(3,851,824)	(3,935,245)	91,081
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	109,673,061	110,360,530	101,938,151	54,572,355	27,025,513
29. Authorized control level risk-based capital	481,287	618,390	834,979	1,083,515	5,266,129
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	97.4	94.3	81.8	92.7	61.6
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)	2.6	5.7	18.2	7.3	38.4
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	XXX	XXX	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	XXX	XXX	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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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. 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 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24) .....	.0	.0	.0	2,850	(2,225)
51. Dividends to stockholders (Line 35) .....	.0	.0	.0	.0	.0
52. Change in surplus as regards policyholders for the year (Line 38) .....	(687,470)	8,422,380	47,365,797	27,546,843	9,257,600
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
53. 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) .....	994,162	(236,187)	3,104,839	2,687,415	322,927
54. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	.0	.0	.0	.0	.0
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	.0	.0	.0	.0	.0
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	.0	.0	.0	.0	.0
57. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
58. Total (Line 35) .....	994,162	(236,187)	3,104,839	2,687,415	322,927
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
59. 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) .....	846,315	(236,187)	3,104,839	2,606,035	205,312
60. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	.0	.0	.0	.0	.0
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	.0	.0	.0	.0	.0
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	.0	.0	.0	.0	.0
63. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
64. Total (Line 35) .....	846,315	(236,187)	3,104,839	2,606,035	205,312
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
65. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2) .....	0.0	0.0	0.0	0.0	0.0
67. Loss expenses incurred (Line 3) .....	0.0	0.0	0.0	0.0	0.0
68. Other underwriting expenses incurred (Line 4) .....	0.0	0.0	0.0	0.0	0.0
69. Net underwriting gain (loss) (Line 8) .....	0.0	0.0	0.0	0.0	0.0
<b>Other Percentages</b>					
70. 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
71. 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
72. 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
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11) .....	21,133	16,236	12,077	(20,838)	(5,282)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	19.1	15.9	22.1	(77.1)	(29.7)
<b>Two Year Loss Development (000 omitted)</b>					
75. 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) .....	38,496	28,634	(8,761)	(26,048)	(7,167)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	37.8	52.5	(32.4)	(146.6)	(44.1)

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 2010 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 2010

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
<b>DETAILS OF WRITE-INS</b>												
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

Schedule F - Part 1

**NONE**

Schedule F - Part 2

**NONE**



**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE F - PART 3**

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties	
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commis-sions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers				
0499999 - Total - Authorized - Affiliates																				
13-3440360	29700	European Reinsurance Corp of America	NH				.38	.12									0		0	
13-2930109	22047	North Star Reinsurance Corp/Signet	DE				.4	.4									.8		.22	
23-0580680	24457	Reliance Insurance Company	PA				.29	.5									.34		.31	
75-1444207	30058	SCOR Reinsurance Company	NY				286	.76									.362		1,393	
13-3029255	39322	Sorema North America Reinsurance	NY				.4	.0									.4		.175	
47-0698507	23680	TIG Reinsurance Company	CT				.9	.3									.12		.35	
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																				
0599999 - Authorized - Other U.S. Unaffiliated Insurers																				
AA-1122000		Lloyds Underwriters	GB				370	100									470		1,656	
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																				
0899999 - Authorized - Other Non-U.S. Insurers																				
0999999 - Total - Authorized																				
1399999 - Total - Unauthorized - Affiliates																				
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																				
AA-1120440		Copenhagen Reinsurance	GB				13	.1									.14		.55	
AA-1560483		Hannover Stahl Ruckversicherungs Akt	DE														.0		.27	
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																				
1799999 - Unauthorized - Other Non-U.S. Insurers																				
1899999 - Total - Unauthorized																				
1999999 - Total - Authorized and Unauthorized																				
2099999 - Total - Protected Cells																				
9999999 Totals																				
						438	103										541		1,744	(1,203)

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

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

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

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

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE F - PART 4**

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

1  Federal ID Number	2  NAIC Company Code	3  Name of Reinsurer	4  Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12  Percentage Overdue Col. 10/Col. 11	13  Percentage more Than 120 Days Overdue Col. 9 / Col. 11		
				5  Current	Overdue				11  Total Due Cols. 5 + 10					
					6  1 to 29 Days	7  30 - 90 Days	8  91 - 120 Days	9  Over 120 Days		10  Total Overdue Cols. 6 + 7 + 8 + 9				
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling											0.0	0.0		
0299999 - Authorized - Affiliates - U.S. Non-Pool											0.0	0.0		
0399999 - Authorized - Affiliates - Other (Non-U.S.)											0.0	0.0		
0499999 - Total - Authorized - Affiliates											0.0	0.0		
13-3440360	29700	European Reinsurance Corp of America	NH					50	50	50	100.0	100.0		
13-2930109	22047	North Star Reinsurance Corp/Signet	DE					8	8	8	100.0	100.0		
23-0580680	24457	Reliance Insurance Company	PA					34	34	34	100.0	100.0		
75-1444207	30058	SCOR Reinsurance Company	NY					362	362	362	100.0	100.0		
13-3029255	39322	Sorema North America Reinsurance	NY					5	5	5	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											471	471	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	GB					56	56	56	100.0	100.0		
0899999 - Authorized - Other Non-U.S. Insurers											56	56	100.0	100.0
0999999 - Total - Authorized											527	527	100.0	100.0
1099999 - Unauthorized - Affiliates - U.S. Intercompany Pooling													0.0	0.0
1199999 - Unauthorized - Affiliates - U.S. Non-Pool													0.0	0.0
1299999 - Unauthorized - Affiliates - Other (Non-U.S.)													0.0	0.0
1399999 - Total - Unauthorized - Affiliates											0	0	0.0	0.0
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers													0.0	0.0
1599999 - Unauthorized - Pools - Mandatory Pools													0.0	0.0
1699999 - Unauthorized - Pools - Voluntary Pools													0.0	0.0
AA-1120440		Copenhagen Reinsurance	GB					14	14	14	100.0	100.0		
1799999 - Unauthorized - Other Non-U.S. Insurers											14	14	100.0	100.0
1899999 - Total - Unauthorized											14	14	100.0	100.0
1999999 - Total - Authorized and Unauthorized											541	541	100.0	100.0
2099999 - Total - Protected Cells											0	0	0.0	0.0
9999999 Totals											541	541	100.0	100.0

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE F - PART 5**

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

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

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

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE F - PART 6**

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

1	2	3	4	5	6	7	8	9	10	11
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable on Paid Losses and LAE More Than 90 Days Overdue (a)	Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	Amounts Received Prior 90 Days	Col. 4 divided by (Cols. 5 + 6)	Amounts in Col. 4 for Companies Reporting less than 20% in Col. 7	Amounts in Dispute Excluded from Col. 4 for Companies Reporting less than 20% in Col. 7	20% of Amount in Col. 9	Amount Reported in Col. 8 x 20% + Col. 10
13-3440360	29700	European Reinsurance Corp of America	49,375	49,375		100.000	0	0	0	0
AA-1122000		Lloyds Underwriters	56,839	56,839		100.000	0	0	0	0
13-2930109	22047	North Star Reinsurance Corp/Signet	7,971	7,971		100.000	0	0	0	0
23-0580680	24457	Reliance Insurance Company	34,664	34,664		100.000	0	0	0	0
75-1444207	30058	SCOR Reinsurance Company	361,689	361,689		100.000	0	0	0	0
13-3029255	39322	Sorema North America Reinsurance Company	5,034	5,034		100.000	0	0	0	0
47-0698507	23680	TIG Reinsurance Company	11,206	11,206		100.000	0	0	0	0
9999999 Totals			526,778	526,778		XXX	0		0	0

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

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

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE F - PART 7**

Provision for Overdue Reinsurance as of December 31, Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Cols. 5 thru 9 but not in excess of Col. 4	11 Col. 4 minus Col. 10	12 Greater of Col. 11 or Schedule F - Part 4 Cols. 8 + 9
AA-1122000		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
<b>9999999 Totals</b>			91,503				37,505		37,505	53,998	53,998

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

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**SCHEDULE F - PART 8**

**Restatement of Balance Sheet to Identify Net Credit for Reinsurance**

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 3)			
1. Cash and invested assets (Line 12) .....	121,406,908		121,406,908
2. Premiums and considerations (Line 15) .....	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1).....	541,147	(541,147)	0
4. Funds held by or deposited with reinsured companies (Line 16.2).....	0		0
5. Other assets .....	3,514,237		3,514,237
6. Net amount recoverable from reinsurers .....		530,347	530,347
7. Protected cell assets (Line 27) .....	0		0
8. Totals (Line 28) .....	125,462,292	(10,800)	125,451,492
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	2,035,000		2,035,000
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	35,021		35,021
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 .....	13,708,410		13,708,410
19. Total liabilities excluding protected cell business (Line 26) .....	15,789,231	(10,800)	15,778,431
20. Protected cell liabilities (Line 27) .....	0		0
21. Surplus as regards policyholders (Line 37) .....	109,673,061	X X X	109,673,061
22. Totals (Line 38)	125,462,292	(10,800)	125,451,492

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	23,033	3,763	2,691	191	9,814	0	4,901	31,584	XXX
2. 2001	0	0	0	3,082	1,304	369	62	4,190	0	427	6,275	XXX
3. 2002	0	0	0	2,957	1,082	227	46	2,319	0	32	4,375	XXX
4. 2003	0	0	0	2,899	24	240	(4)	1,190	0	(57)	4,309	XXX
5. 2004	0	0	0	1,343	393	247	17	472	0	0	1,652	XXX
6. 2005	0	0	0	0	101	0	1	0	0	0	(102)	XXX
7. 2006	0	0	0	0	72	0	0	0	0	0	(72)	XXX
8. 2007	0	0	0	2,500	0	238	0	3,290	0	0	6,028	XXX
9. 2008	0	0	0	0	0	53	0	0	0	0	53	XXX
10. 2009	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2010	0	0	0	4	0	0	0	13	0	0	17	XXX
12. Totals	XXX	XXX	XXX	35,818	6,739	4,065	313	21,288	0	5,303	54,119	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.	3	0	244	0	7	0	54	0	1,630	0	0	1,938	XXX
2.	4	0	0	0	2	0	0	0	0	0	0	6	XXX
3.	0	0	0	0	9	0	0	0	0	0	0	9	XXX
4.	4	0	0	0	11	0	0	0	0	0	0	15	XXX
5.	30	0	0	0	37	0	0	0	0	0	0	67	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	41	0	244	0	66	0	54	0	1,630	0	0	2,035	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	247	1,691
2.	7,647	1,366	6,281	0.0	0.0	0.0	0	0	0	4	2
3.	5,512	1,128	4,384	0.0	0.0	0.0	0	0	0	0	9
4.	4,344	20	4,324	0.0	0.0	0.0	0	0	0	4	11
5.	2,129	410	1,719	0.0	0.0	0.0	0	0	0	30	37
6.	0	102	(102)	0.0	0.0	0.0	0	0	0	0	0
7.	0	72	(72)	0.0	0.0	0.0	0	0	0	0	0
8.	6,028	0	6,028	0.0	0.0	0.0	0	0	0	0	0
9.	53	0	53	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.	17	0	17	0.0	0.0	0.0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	285	1,750

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 2010 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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	One Year	Two Year
1. Prior	64,698	46,949	53,810	48,950	44,407	40,691	19,918	31,978	48,536	71,203	22,667	39,225
2. 2001	2,016	2,243	2,327	2,106	2,302	2,283	2,234	2,231	2,231	2,091	(140)	(140)
3. 2002	XXX	1,765	1,898	2,005	1,906	1,936	2,078	2,080	2,080	2,065	(15)	(15)
4. 2003	XXX	XXX	1,112	3,206	3,227	3,115	3,111	3,118	3,117	3,134	17	16
5. 2004	XXX	XXX	XXX	222	2,756	1,297	1,215	1,226	1,226	1,247	21	21
6. 2005	XXX	XXX	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	664	343	53	(290)	(611)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,127	0	(1,127)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	XXX	XXX
<b>12. Totals</b>											<b>21,133</b>	<b>38,496</b>

**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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
1. Prior	000	731	1,171	1,318	1,623	7,118	16,191	31,130	49,125	70,895	XXX	XXX
2. 2001	672	1,698	2,067	2,065	2,095	2,080	2,076	2,076	2,076	2,085	XXX	XXX
3. 2002	XXX	486	1,765	1,891	1,876	1,906	2,056	2,056	2,056	2,056	XXX	XXX
4. 2003	XXX	XXX	733	3,093	3,174	3,102	3,102	3,102	3,102	3,119	XXX	XXX
5. 2004	XXX	XXX	XXX	177	2,673	1,159	1,159	1,159	1,159	1,180	XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53	53	53	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior	30,839	12,883	19,824	14,684	10,099	1,764	240	538	(900)	298
2. 2001	0	0	0	0	0	0	0	0	0	0
3. 2002	XXX	0	0	0	0	0	0	0	0	0
4. 2003	XXX	XXX	0	0	0	0	0	0	0	0
5. 2004	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2010	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	23,033	3,763	2,691	191	9,814	0	4,901	31,584	XXX
2. 2001	0	0	0	3,082	1,304	369	62	4,190	0	427	6,275	1,113
3. 2002	0	0	0	2,957	1,082	227	46	2,319	0	32	4,375	646
4. 2003	0	0	0	2,899	24	240	(4)	1,190	0	(57)	4,309	239
5. 2004	0	0	0	1,343	393	247	17	472	0	0	1,652	119
6. 2005	0	0	0	0	101	0	1	0	0	0	(102)	0
7. 2006	0	0	0	0	72	0	0	0	0	0	(72)	0
8. 2007	0	0	0	2,500	0	238	0	3,290	0	0	6,028	2,158
9. 2008	0	0	0	0	0	53	0	0	0	0	53	0
10. 2009	0	0	0	0	0	0	0	0	0	0	0	0
11. 2010	0	0	0	4	0	0	0	13	0	0	17	1
12. Totals	XXX	XXX	XXX	35,818	6,739	4,065	313	21,288	0	5,303	54,119	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.	3	0	244	0	7	0	54	0	1,630	0	0	1,938	2
2.	4	0	0	0	2	0	0	0	0	0	0	6	1
3.	0	0	0	0	9	0	0	0	0	0	0	9	0
4.	4	0	0	0	11	0	0	0	0	0	0	15	1
5.	30	0	0	0	37	0	0	0	0	0	0	67	2
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.	41	0	244	0	66	0	54	0	1,630	0	0	2,035	6

	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	247	1,691
2.	7,647	1,366	6,281	0.0	0.0	0.0	0	0	0.0	4	2
3.	5,512	1,128	4,384	0.0	0.0	0.0	0	0	0.0	0	9
4.	4,344	20	4,324	0.0	0.0	0.0	0	0	0.0	4	11
5.	2,129	410	1,719	0.0	0.0	0.0	0	0	0.0	30	37
6.	0	102	(102)	0.0	0.0	0.0	0	0	0.0	0	0
7.	0	72	(72)	0.0	0.0	0.0	0	0	0.0	0	0
8.	6,028	0	6,028	0.0	0.0	0.0	0	0	0.0	0	0
9.	53	0	53	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.	17	0	17	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	285	1,750

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 2010 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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior	64,698	46,949	53,810	48,950	44,407	40,691	19,918	31,978	48,536	71,203	22,667	39,225
2. 2001	2,016	2,243	2,327	2,106	2,302	2,283	2,234	2,231	2,231	2,091	(140)	(140)
3. 2002	XXX	1,765	1,898	2,005	1,906	1,936	2,078	2,080	2,080	2,065	(15)	(15)
4. 2003	XXX	XXX	1,112	3,206	3,227	3,115	3,111	3,118	3,117	3,134	17	16
5. 2004	XXX	XXX	XXX	222	2,756	1,297	1,215	1,226	1,226	1,247	21	21
6. 2005	XXX	XXX	XXX	XXX	(96)	(102)	(102)	(102)	(102)	(102)	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	(72)	(72)	(72)	(72)	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,738	2,738	2,738	2,738	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	664	343	53	(290)	(611)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,127	0	(1,127)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	XXX	XXX
<b>12. Totals</b>											21,133	38,496

**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. 2001	0	0	0	0	0	0	0	0	0	0	0	0
3. 2002	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2003	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2004	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
<b>12. Totals</b>											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. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
<b>4. Totals</b>											0	0

**SCHEDULE P - PART 2T - WARRANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
<b>4. Totals</b>											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 2010 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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
1. Prior	.000	.731	1,171	1,318	1,623	7,118	16,191	31,130	49,125	70,895	28,629	84,638
2. 2001	.672	1,698	2,067	2,065	2,095	2,080	2,076	2,076	2,076	2,085	351	761
3. 2002	.XXX	.486	1,765	1,891	1,876	1,906	2,056	2,056	2,056	2,056	199	447
4. 2003	.XXX	.XXX	.733	3,093	3,174	3,102	3,102	3,102	3,102	3,119	86	152
5. 2004	.XXX	.XXX	.XXX	.177	2,673	1,159	1,159	1,159	1,159	1,180	32	85
6. 2005	.XXX	.XXX	.XXX	.XXX	(96)	(102)	(102)	(102)	(102)	(102)	.0	.0
7. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.0	(72)	(72)	(72)	(72)	.0	.0
8. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	2,738	2,738	2,738	2,738	131	2,027
9. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	53	53	53	.0	.0
10. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0
11. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	4	1	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. 2001	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2002	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2003	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2004	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2005	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0
8. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0
9. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0
10. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0
11. 2010	.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. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
3. 2010	.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. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.XXX	.XXX
3. 2010	.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 2010 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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior	30,839	12,883	19,824	14,684	10,099	1,764	240	538	(900)	298
2. 2001	0	0	0	0	0	0	0	0	0	0
3. 2002	XXX	0	0	0	0	0	0	0	0	0
4. 2003	XXX	XXX	0	0	0	0	0	0	0	0
5. 2004	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2010	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. 2001	0	0	0	0	0	0	0	0	0	0							
3. 2002	XXX	0	0	<b>NONE</b>							0						
4. 2003	XXX	XXX	0								0	0	0	0	0	0	
5. 2004	XXX	XXX	XXX								0	0	0	0	0	0	
6. 2005	XXX	XXX	XXX								XXX	0	0	0	0	0	
7. 2006	XXX	XXX	XXX								XXX	XXX	0	0	0	0	
8. 2007	XXX	XXX	XXX								XXX	XXX	XXX	0	0	0	
9. 2008	XXX	XXX	XXX								XXX	XXX	XXX	XXX	0	0	
10. 2009	XXX	XXX	XXX								XXX	XXX	XXX	XXX	XXX	0	
11. 2010	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. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3. 2010	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. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3. 2010	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 2010 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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	260	38	13	25,079	25,834	26,882	50,967	51,396	28,284	28,629
2. 2001	154	322	343	345	346	350	350	351	351	351
3. 2002	XXX	110	175	193	195	199	199	199	199	199
4. 2003	XXX	XXX	26	62	78	84	84	86	86	86
5. 2004	XXX	XXX	XXX	8	17	27	27	32	32	32
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	131	131	131
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1

**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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	792	1,416	1,310	1,227	1,223	1,117	1,117	651	48	2
2. 2001	370	110	53	40	38	33	33	10	9	1
3. 2002	XXX	273	42	11	9	6	6	2	2	0
4. 2003	XXX	XXX	84	26	10	4	4	1	1	1
5. 2004	XXX	XXX	XXX	51	28	7	7	2	2	2
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2010	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
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	294	(14,086)	0	97,508	101,204	104,428	79,828	2,007	(1,895)	113,269
2. 2001	1,110	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
3. 2002	XXX	645	646	646	646	646	646	646	646	646
4. 2003	XXX	XXX	225	239	239	239	239	239	239	239
5. 2004	XXX	XXX	XXX	119	119	119	119	119	119	119
6. 2005	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2006	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	0	2,158	2,158	2,158
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1

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 2010 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	2001.....		
1.603	2002.....		
1.604	2003.....		
1.605	2004.....		
1.606	2005.....		
1.607	2006.....		
1.608	2007.....		
1.609	2008.....		
1.610	2009.....		
1.611	2010.....		
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 (See Notes to Financial Statement).....

**ANNUAL STATEMENT FOR THE YEAR 2010 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
2. Alaska	AK	N	.0	.0	.0	.0	.0	.0	.0
3. Arizona	AZ	N	.0	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	N	.0	.0	.0	.0	.0	.0	.0
5. California	CA	N	.0	.0	.0	.0	.0	.0	.0
6. Colorado	CO	N	.0	.0	.0	(2,151)	.0	.0	.0
7. Connecticut	CT	N	.0	.0	.0	.0	.0	.0	.0
8. Delaware	DE	N	.0	.0	.0	(2,150)	.0	.0	.0
9. Dist. of Columbia	DC	N	.0	.0	.0	.0	.0	.0	.0
10. Florida	FL	N	.0	.0	.0	(2,150)	.0	.0	.0
11. Georgia	GA	N	.0	.0	.0	(1,843)	.0	.0	.0
12. Hawaii	HI	N	.0	.0	.0	.0	.0	.0	.0
13. Idaho	ID	N	.0	.0	.0	.0	.0	.0	.0
14. Illinois	IL	N	.0	.0	.0	(1,597)	.0	.0	.0
15. Indiana	IN	N	.0	.0	(27,500)	(95,887)	24,426	.0	.0
16. Iowa	IA	N	.0	.0	.0	.0	.0	.0	.0
17. Kansas	KS	N	.0	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	N	.0	.0	.0	(46,075)	.0	.0	.0
19. Louisiana	LA	N	.0	.0	.0	(675,763)	.0	.0	.0
20. Maine	ME	N	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	N	.0	.0	54,750	208,491	187,105	.0	.0
22. Massachusetts	MA	N	.0	.0	.0	.0	.0	.0	.0
23. Michigan	MI	N	.0	.0	.0	.0	.0	.0	.0
24. Minnesota	MN	N	.0	.0	.0	(2,150)	.0	.0	.0
25. Mississippi	MS	N	.0	.0	.0	.0	.0	.0	.0
26. Missouri	MO	N	.0	.0	.0	.0	.0	.0	.0
27. Montana	MT	N	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	N	.0	.0	.0	.0	.0	.0	.0
29. Nevada	NV	N	.0	.0	.0	.0	.0	.0	.0
30. New Hampshire	NH	N	.0	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	N	.0	.0	.0	.0	.0	.0	.0
32. New Mexico	NM	N	.0	.0	.0	.0	.0	.0	.0
33. New York	NY	N	.0	.0	.0	.0	.0	.0	.0
34. No. Carolina	NC	N	.0	.0	.0	.0	.0	.0	.0
35. No. Dakota	ND	N	.0	.0	.0	.0	.0	.0	.0
36. Ohio	OH	N	.0	.0	.0	.0	.0	.0	.0
37. Oklahoma	OK	N	.0	.0	.0	.0	.0	.0	.0
38. Oregon	OR	N	.0	.0	.0	.0	.0	.0	.0
39. Pennsylvania	PA	N	.0	.0	.0	(12,410)	.0	.0	.0
40. Rhode Island	RI	N	.0	.0	.0	.0	.0	.0	.0
41. So. Carolina	SC	N	.0	.0	.0	(40,521)	.0	.0	.0
42. So. Dakota	SD	N	.0	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	N	.0	.0	.0	.0	.0	.0	.0
44. Texas	TX	N	.0	.0	743,828	489,306	.0	.0	.0
45. Utah	UT	N	.0	.0	.0	.0	.0	.0	.0
46. Vermont	VT	N	.0	.0	.0	.0	.0	.0	.0
47. Virginia	VA	R	.0	.0	.0	66,828	73,279	.0	.0
48. Washington	WA	N	.0	.0	.0	.0	.0	.0	.0
49. West Virginia	WV	N	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	N	.0	.0	.0	.0	.0	.0	.0
51. Wyoming	WY	N	.0	.0	.0	.0	.0	.0	.0
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	.0
53. Guam	GU	N	.0	.0	.0	.0	.0	.0	.0
54. Puerto Rico	PR	N	.0	.0	.0	.0	.0	.0	.0
55. U.S. Virgin Islands	VI	N	.0	.0	.0	.0	.0	.0	.0
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	.0
57. Canada	CN	N	.0	.0	.0	.0	.0	.0	.0
58. Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Totals	(a)	0	.0	.0	.0	771,078	(118,071)	284,810	0
<b>DETAILS OF WRITE-INS</b>									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898.									
Sum. of remaining write-ins for Line 58 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0
5899.									
Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX		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 2010 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	CN						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 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)
<b>NONE</b>												
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

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## 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.

<b>MARCH FILING</b>		<b>RESPONSES</b>
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.....
<b>APRIL FILING</b>		
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.....
<b>MAY FILING</b>		
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		.....WAIVED.....
<b>JUNE FILING</b>		
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.....
<b>AUGUST FILING</b>		
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.

<b>MARCH FILING</b>		
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.....
<b>APRIL FILING</b>		
24. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
25. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
26. Will the Accident and Health Policy Experience Exhibit be filed by April 1?		.....SEE EXPLANATION.....
27. Will the Supplemental Health Care Exhibit be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
28. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?		.....SEE EXPLANATION.....
<b>AUGUST FILING</b>		
29. 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
- 15. Not Required

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**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.....	749,047	1,122,000
2505. Unclaimed property drafts.....	404	1,729
2506. Notices of claim determination.....	1,345,909	1,345,909
2507. Ceded reinsurance - Amounts due reinsurers.....	995,599	1,523,649
2508. Accrued interest on deferred loss payments.....	7,617,296	7,321,813
2597. Summary of remaining write-ins for Line 24 from page 3	10,708,255	11,315,100

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In  
Receivership**

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	53,005,321	43.659	53,005,321	43.659
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		0.000		0.000
1.22 Issued by U.S. government sponsored agencies .....	20,615,415	16.980	20,615,415	16.980
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....	13,499,730	11.119	13,499,730	11.119
1.44 Industrial development and similar obligations .....		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....	554,700	0.457	554,700	0.457
1.512 Issued or guaranteed by FNMA and FHLMC .....		0.000		0.000
1.513 All other .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....		0.000		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 .....	440,799	0.363	440,799	0.363
1.523 All other .....		0.000		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) .....	30,128,199	24.816	30,128,199	24.816
2.2 Unaffiliated non-U.S. securities (including Canada) .....		0.000		0.000
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
4.6 Mezzanine real estate loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by company .....		0.000	0	0.000
5.2 Property held for the production of income (including \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Contract loans .....		0.000	0	0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash, cash equivalents and short-term investments .....	3,162,743	2.605	3,162,743	2.605
9. Other invested assets .....		0.000		0.000
10. Total invested assets	121,406,907	100.000	121,406,907	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.....	
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.....	
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.....	
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.....	116,257,505
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	27,315,983
3. Accrual of discount.....	22,974
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.....	63,376
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	23,318,574
7. Deduct amortization of premium.....	2,097,100
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).....	118,244,165
11. Deduct total nonadmitted amounts.....	0
12. Statement value at end of current period (Line 10 minus Line 11).....	118,244,165



**ANNUAL STATEMENT FOR THE YEAR 2010 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
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States .....53,560,022 2. Canada .....0 3. Other Countries .....0 4. Totals .....53,560,022	.....54,134,493 .....0 .....0 .....54,134,493	.....55,614,762 .....0 .....0 .....55,614,762	.....52,901,651 .....0 .....0 .....52,901,651
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 .....34,115,145	.....34,524,705	.....34,706,762	.....33,500,000
Industrial and Miscellaneous and Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States .....30,568,998 9. Canada .....0 10. Other Countries .....0 11. Totals .....30,568,998	.....30,636,004 .....0 .....0 .....30,636,004	.....30,965,641 .....0 .....0 .....30,965,641	.....29,490,891 .....0 .....0 .....29,490,891
Parent, Subsidiaries and Affiliates	12. Totals .....0	.....0	.....0	.....0
	13. <b>Total Bonds</b> .....118,244,165	.....119,295,202	.....121,287,165	.....115,892,543
<b>PREFERRED STOCKS</b>				
Industrial and Miscellaneous (unaffiliated)	14. United States .....0 15. Canada .....0 16. Other Countries .....0 17. Totals .....0	.....0 .....0 .....0 .....0	.....0 .....0 .....0 .....0	.....0 .....0 .....0 .....0
Parent, Subsidiaries and Affiliates	18. Totals .....0	.....0	.....0	.....0
	19. <b>Total Preferred Stocks</b> .....0	.....0	.....0	.....0
<b>COMMON STOCKS</b>				
Industrial and Miscellaneous (unaffiliated)	20. United States .....0 21. Canada .....0 22. Other Countries .....0 23. Totals .....0	.....0 .....0 .....0 .....0	.....0 .....0 .....0 .....0	.....0 .....0 .....0 .....0
Parent, Subsidiaries and Affiliates	24. Totals .....0	.....0	.....0	.....0
	25. <b>Total Common Stocks</b> .....0	.....0	.....0	.....0
	26. <b>Total Stocks</b> .....0	.....0	.....0	.....0
	27. <b>Total Bonds and Stocks</b> .....118,244,165	.....119,295,202	.....121,287,165	

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE D - PART 1A - SECTION 1**

**Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations**

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	26,060,053	27,370,505	93,822	35,642	.0	53,560,022	44.2	56,040,934	45.5	53,560,022	.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	26,060,053	27,370,505	93,822	35,642	0	53,560,022	44.2	56,040,934	45.5	53,560,022	0
<b>2. All Other Governments</b>											
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
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
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
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
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
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1	13,499,730	20,615,415	.0	.0	.0	34,115,145	28.1	39,190,232	31.8	34,115,145	.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	13,499,730	20,615,415	0	0	0	34,115,145	28.1	39,190,232	31.8	34,115,145	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (unaffiliated)</b>											
6.1 Class 1	6,285,523	27,288,345	.0	.0	.0	33,573,868	27.7	27,413,204	22.2	33,573,868	.0
6.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	648,800	0.5	.0	.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	6,285,523	27,288,345	0	0	0	33,573,868	27.7	28,062,004	22.7	33,573,868	0
<b>7. Credit Tenant Loans</b>											
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
<b>8. Hybrid Securities</b>											
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
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	XXX	XXX	121,249,035	0
10.2 Class 2	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	XXX	XXX	121,249,035	0
10.8 Line 10.7 as a % of Col. 6	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	24,269,336	98,203,715	130,049	41,268	0	XXX	XXX	122,644,369	99.5	122,644,369	0
11.2 Class 2	648,800	0	0	0	0	XXX	XXX	648,800	0.5	648,800	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	24,918,136	98,203,715	130,049	41,268	0	XXX	XXX	123,293,169	100.0	123,293,169	0
11.8 Line 11.7 as a % of Col. 8	20.2	79.7	0.1	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	122,644,369	99.5	121,249,035	XXX
12.2 Class 2	0	0	0	0	0	0	0.0	648,800	0.5	0	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	123,293,169	100.0	121,249,035	XXX
12.8 Line 12.7 as a % of Col. 6	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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

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

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5\* designations and \$ 0 current year, 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 \$ .

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE D - PART 1A - SECTION 2**

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	25,921,254	27,084,067	0	0	0	53,005,321	43.7	55,390,265	44.9	53,005,321	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	138,798	286,438	93,822	35,642	0	554,700	0.5	650,670	0.5	554,700	0
1.7 Totals	26,060,052	27,370,505	93,822	35,642	0	53,560,021	44.2	56,040,934	45.5	53,560,021	0
<b>2. All Other Governments</b>											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Issuer Obligations	13,499,730	20,615,415	0	0	0	34,115,145	28.1	39,190,232	31.8	34,115,145	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	13,499,730	20,615,415	0	0	0	34,115,145	28.1	39,190,232	31.8	34,115,145	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues											
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations	6,285,523	27,288,345	0	0	0	33,573,868	27.7	28,062,004	22.8	33,573,868	0
6.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	6,285,523	27,288,345	0	0	0	33,573,868	27.7	28,062,004	22.8	33,573,868	0
<b>7. Credit Tenant Loans</b>											
7.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Single Class Mortgage-Backed Securities	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
<b>8. Hybrid Securities</b>											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Other	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
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	45,706,508	74,987,827	0	0	0	120,694,335	99.5	XXX	XXX	120,694,335	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	138,798	286,438	93,822	35,642	0	554,700	0.5	XXX	XXX	554,700	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	XXX	XXX	121,249,035	0
10.8 Lines 10.7 as a % of Col. 6	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	24,758,880	97,883,620	0	0	0	XXX	XXX	122,642,500	99.5	122,642,501	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	159,256	320,095	130,049	41,268	0	XXX	XXX	650,670	0.5	650,670	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	24,918,136	98,203,715	130,049	41,268	0	XXX	XXX	123,293,170	100.0	123,293,171	0
11.8 Line 11.7 as a % of Col. 8	20.2	79.7	0.1	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	45,706,508	74,987,827	0	0	0	120,694,335	99.5	122,642,500	99.5	120,694,335	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	138,798	286,438	93,822	35,642	0	554,700	0.5	650,670	0.5	554,700	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	45,845,306	75,274,265	93,822	35,642	0	121,249,035	100.0	123,293,170	100.0	121,249,035	XXX
12.8 Line 12.7 as a % of Col. 6	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	37.8	62.1	0.1	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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**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.....	7,035,664	7,035,664	0	0	0
2. Cost of short-term investments acquired .....	29,901,981	29,901,981			
3. Accrual of discount.....	7,522	7,522			
4. Unrealized valuation increase (decrease).....	0				
5. Total gain (loss) on disposals.....	0				
6. Deduct consideration received on disposals.....	33,940,297	33,940,297			
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).....	3,004,870	3,004,870	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11)	3,004,870	3,004,870	0	0	0

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

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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 2010 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	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	Maturity
912828-LH-1	US TREASURY N/B				1	12,970,547	.102.0310	13,161,999	12,900,000	12,938,669	.0	(23,350)	.0	.0	1.750	1.568	FA	85,283	225,750	08/18/2009	08/15/2012
912828-EX-4	US TREASURY NT/BD				1	27,623,350	.100.6560	25,944,084	25,775,000	25,921,254	.0	(885,995)	.0	.0	4.500	1.036	FA	389,847	1,159,875	02/04/2009	02/28/2011
912828-HK-9	US TREASURY NT/BD				1	14,455,641	.105.3910	14,438,567	13,700,000	14,145,398	.0	(227,195)	.0	.0	3.375	1.650	MN	39,816	462,375	08/18/2009	11/30/2012
0199999	- Total Bonds - U.S. Government - Issuer Obligations					55,049,537	.XXX	53,544,650	52,375,000	53,005,321	.0	(1,136,541)	.0	.0	.XXX	.XXX	.XXX	514,946	1,848,000	.XXX	.XXX
36215N-TV-6	GNMA POOL #140164				1	6,466	.111.7440	6,621	5,925	6,266	.0	(33)	.0	.0	10.000	6.327	MON	49	593	06/23/1995	03/15/2016
36215N-3T-9	GNMA POOL #140410				1	3,188	.111.7440	3,264	2,921	3,033	.0	(19)	.0	.0	10.000	8.429	MON	24	292	06/23/1995	03/15/2016
36215N-3U-6	GNMA POOL #140411				1	3,982	.111.7440	4,078	3,649	3,847	.0	(20)	.0	.0	10.000	6.740	MON	30	365	06/23/1995	04/15/2016
36215U-VT-2	GNMA POOL #145626				1	15,156	.111.7440	15,520	13,889	14,665	.0	(66)	.0	.0	10.000	5.995	MON	116	1,389	06/23/1995	02/15/2016
36215I-AU-6	GNMA POOL #150419				1	6,195	.111.7440	6,344	5,677	6,021	.0	(26)	.0	.0	10.000	5.252	MON	47	568	06/23/1995	02/15/2016
362153-ED-6	GNMA POOL #152332				1	37,224	.112.6810	38,436	34,111	35,136	.0	(197)	.0	.0	10.000	8.967	MON	284	3,411	06/23/1995	03/15/2016
362159-P2-5	GNMA POOL #158041				1	7,348	.111.7440	7,525	6,734	6,955	.0	(42)	.0	.0	10.000	8.886	MON	56	673	06/23/1995	04/15/2016
36217C-SU-1	GNMA POOL #189631				1	7,178	.113.9310	7,495	6,578	6,835	.0	(36)	.0	.0	10.000	8.898	MON	55	658	06/23/1995	08/15/2017
36218W-MD-0	GNMA POOL #234456				1	69,846	.114.2440	73,122	64,005	67,321	.0	(322)	.0	.0	10.000	8.516	MON	533	6,401	06/23/1995	11/15/2018
36219S-Z5-1	GNMA POOL #258264				1	5,228	.112.6810	5,399	4,791	4,989	.0	(23)	.0	.0	10.000	9.107	MON	40	479	06/23/1995	12/15/2018
36201N-AD-2	GNMA POOL #587804				1	7,905	.106.8290	8,193	7,669	7,965	.0	6	.0	.0	4.500	3.858	MON	29	345	05/22/2003	06/15/2018
36200A-6U-8	GNMA POOL #595883				1	70,729	.106.3500	72,974	68,617	71,065	.0	(12)	.0	.0	4.500	3.910	MON	257	3,088	08/19/2009	05/15/2018
36200A-6Z-7	GNMA POOL #595888				1	52,607	.106.1890	54,195	51,036	52,766	.0	(4)	.0	.0	4.500	3.947	MON	191	2,297	05/22/2003	06/15/2018
36225A-FR-6	GNMA POOL #780176				1	252,195	.114.3060	266,074	232,773	249,033	.0	(403)	.0	.0	10.000	6.282	MON	1,940	23,277	05/26/1995	03/15/2021
362216-SV-4	GNMA POOL #905932				1	19,977	.112.7440	20,804	18,275	18,802	.0	(105)	.0	.0	10.250	9.241	MON	156	1,873	10/07/1996	02/15/2016
0299999	- Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities					565,225	.XXX	589,843	526,651	554,700	.0	(1,301)	.0	.0	.XXX	.XXX	.XXX	3,809	45,708	.XXX	.XXX
0399999	- Total - U.S. Government Bonds					56,614,762	.XXX	54,134,493	52,901,651	53,560,022	.0	(1,137,842)	.0	.0	.XXX	.XXX	.XXX	518,755	1,893,708	.XXX	.XXX
31359M-F4-0	FANNIE MAE				1	4,484,340	.100.5000	4,522,500	4,500,000	4,499,377	.0	4,925	.0	.0	4.500	4.667	FA	76,500	202,500	10/16/2007	02/15/2011
31359M-PF-4	FANNIE MAE				1	5,909,965	.106.3020	5,846,610	5,500,000	5,730,535	.0	(131,763)	.0	.0	4.375	1.876	MS	70,851	240,625	08/19/2009	09/15/2012
3133XE-CU-1	FEDERAL HOME LOAN BANK				1	4,501,818	.100.5510	4,524,795	4,500,000	4,500,077	.0	(570)	.0	.0	4.625	4.665	FA	76,891	208,125	10/16/2007	02/18/2011
3133XT-S4-9	FEDERAL HOME LOAN BANK				1	6,512,025	.101.9270	6,625,255	6,500,000	6,506,306	.0	(4,197)	.0	.0	1.875	1.816	JD	3,724	121,875	08/19/2009	06/20/2012
31344A-JT-2	FREDDIE MAC				1	4,401,860	.105.5000	4,220,000	4,000,000	4,175,308	.0	(166,200)	.0	.0	5.750	1.489	JJ	106,056	230,000	08/19/2009	01/15/2012
31344A-QD-9	FREDDIE MAC				1	4,379,240	.106.9260	4,277,040	4,000,000	4,203,266	.0	(129,159)	.0	.0	5.125	1.771	JJ	94,528	205,000	08/19/2009	07/15/2012
31344A-VJ-0	FREDDIE MAC				1	4,517,514	.100.1890	4,508,505	4,500,000	4,500,276	.0	(5,645)	.0	.0	4.750	4.673	JJ	96,781	213,750	10/16/2007	01/18/2011
2599999	- Total Bonds - U.S. Special Revenue - Issuer Obligations					34,706,762	.XXX	34,524,705	33,500,000	34,115,145	.0	(432,609)	.0	.0	.XXX	.XXX	.XXX	525,330	1,421,875	.XXX	.XXX
3199999	- Total - U.S. Special Revenue Bonds					34,706,762	.XXX	34,524,705	33,500,000	34,115,145	.0	(432,609)	.0	.0	.XXX	.XXX	.XXX	525,330	1,421,875	.XXX	.XXX
88579E-AD-7	3M COMPANY				1	544,510	.107.3640	536,820	500,000	540,041	.0	(4,469)	.0	.0	4.650	0.529	JD	1,033	11,625	10/12/2010	12/15/2012
020002-AN-1	ALLSTATE CORP				1	536,276	.105.4480	527,240	500,000	529,484	.0	(6,792)	.0	.0	6.125	0.838	FA	11,569	2,756	10/12/2010	02/15/2012
03523T-AL-2	ANHEUSER-BUSCH INBEV WOR				1	518,925	.103.2020	516,010	500,000	516,765	.0	(2,160)	.0	.0	3.000	1.105	AO	3,167	7,500	10/07/2010	10/15/2012
037735-CF-2	APPALACHIAN POWER CO				1	421,993	.101.1260	419,673	415,000	415,574	.0	(2,212)	.0	.0	5.550	5.052	AO	5,758	23,033	12/13/2007	04/01/2011
05252A-AL-5	AUST & NZ BANKING GROUP 144A				1	439,670	.101.1630	445,117	440,000	439,774	.0	104	.0	.0	2.400	2.441	JJ	4,987	5,221	01/06/2010	01/11/2013
06849T-AA-6	BARRICK GOLD FINANCE CO				1	557,725	.111.9680	559,840	500,000	541,688	.0	(14,600)	.0	.0	6.125	2.921	MS	9,017	30,625	11/25/2009	09/15/2013
055451-AD-0	BHP BILLITON FIN USA LTD				1	318,768	.105.1510	315,453	300,000	315,823	.0	(2,945)	.0	.0	5.125	0.858	MS	3,929	0	10/07/2010	03/29/2012
055451-AA-6	BHP FINANCE USA LTD				1	134,899	.107.6880	134,610	125,000	131,815	.0	(2,864)	.0	.0	4.800	2.354	AO	1,267	6,000	12/03/2009	04/15/2013
14912L-3N-9	CATERPILLAR FIN SERV CRP				1	675,500	.106.8950	668,094	625,000	665,813	.0	(9,687)	.0	.0	4.850	1.419	JD	2,021	15,156	07/13/2010	12/07/2012
92344S-AN-0	CELLCO PART/VERI WIRELESS				1	663,944	.104.7250	654,531	625,000	652,296	.0	(11,647)	.0	.0	5.250	1.185	FA	13,672	16,406	07/13/2010	02/01/2012
166751-AK-3	CHEVRON CORP				1	651,513	.103.2640	645,400	625,000	644,033	.0	(7,479)	.0	.0	3.450	0.836	MS	7,068	10,781	07/14/2010	03/03/2012
172967-DH-1	CITIGROUP INC				1	223,792	.100.4700	226,058	225,000	224,945	.0	440	.0	.0	5.125	5.401	FA	4,388	11,531	04/04/2008	02/14/2011
172967-EQ-0	CITIGROUP INC				1	720,015	.106.9000	721,575	675,000	714,469	.0	(5,547)	.0	.0	5.500	2.852	AO	8,250	18,563	09/02/2010	04/11/2013
191098-AE-2	COCA COLA BOTTLE CO				1	536,830	.106.4470	532,235	500,000	523,979	.0	(12,378)	.0	.0	5.000	2.381	MN	3,194	25,000	12/17/2009	11/15/2012
22160K-AB-1	COSTCO WHOLESALE				1	671,625	.105.3690	658,556	625,000	659,012	.0	(12,613)	.0	.0	5.300	0.759	MS	9,753	16,563	07/19/2010	03/15/2012
233888-AD-8	DCAT 2008-A A3A				1	102,221	.100.3700	102,612	102,234	102,141	.0	(26)	.0	.0	3.700	3.742	MON	11	3,818	02/13/2008	06/08/2012
260543-BZ-5	DOW CHEMICAL CO/THE				1	393,758	.105.4360	392,222	372,000	390,412	.0	(3,346)	.0	.0	4.850	1.751	FA	6,816	0	09/13/2010	08/15/2012
26442E-AB-6	DUKE ENERGY OHIO INC				1	194,967	.102.0150	198,929	195,000	194,976	.0	9	.0	.0	2.100	2.116	JD	182	4,072	12/14/2009	05/15/2013
29379V-AE-3	ENTERPRISE PRODUCTS OPER				1	369,751	.104.8390	366,937	350,000	367,241	.0	(2,509)	.0	.0	4.600	1.448	FA	6,708	0	10/07/2010	08/01/2012
302182-AC-4	EXPRESS SCRIPTS INC				1	492,968</															

ANNUAL STATEMENT FOR THE YEAR 2010 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	Maturity
459200-GT-2	IBM CORP.				1	995,910	99.3710	993,710	1,000,000	996,454	0	544	0	0	1.000	1.142	FA	4,056	0	08/02/2010	08/05/2013
46115H-AA-5	INTESA SANPAOLO SPA 144A				1	499,365	96.4930	482,465	500,000	499,410	0	45	0	0	3.625	3.686	FA	6,998	0	08/04/2010	08/12/2015
24422E-QM-4	JOHN DEERE CAPITAL CORP.				1	678,825	107.7620	673,513	625,000	668,612	0	(10,213)	0	0	4.950	1.338	JD	1,203	15,469	07/13/2010	12/17/2012
50075N-AH-7	KRAFT FOODS				1	198,910	107.0540	195,909	183,000	196,151	0	(2,759)	0	0	6.250	1.127	JD	953	5,719	09/13/2010	06/01/2012
539830-AS-8	LOCKHEED MARTIN CORP.				1	538,770	105.9670	529,835	500,000	535,096	0	(3,674)	0	0	4.121	0.898	MS	6,124	0	10/07/2010	03/14/2013
57629W-BH-2	MASSMUTUAL GLOBAL FUNDING 144A				1	524,200	103.1970	515,985	500,000	521,071	0	(3,129)	0	0	3.625	0.869	JJ	8,307	0	10/08/2010	07/16/2012
594918-AF-1	MICROSOFT CORP.				1	993,358	99.4020	989,050	995,000	993,499	0	141	0	0	0.875	0.933	MS	2,273	0	09/22/2010	09/27/2013
637432-LT-0	NATIONAL RURAL UTIL COOP.				1	642,900	102.7710	642,319	625,000	639,102	0	(3,798)	0	0	2.625	1.290	MS	4,785	8,203	07/13/2010	09/16/2012
64952W-AJ-2	NEW YORK LIFE GLOBAL FDG 144A				1	662,979	107.4720	655,579	610,000	652,213	0	(10,765)	0	0	5.250	1.334	AO	6,672	16,013	07/14/2010	10/16/2012
666807-AT-9	NORTHROP GRUMMAN				1	697,210	100.7380	654,797	650,000	651,951	0	(15,425)	0	0	7.125	4.709	FA	17,496	46,313	12/04/2007	02/15/2011
69371R-J7-2	PACCAR FINANCIAL CORP.				1	524,349	101.7830	524,182	515,000	523,275	0	(1,074)	0	0	1.950	1.124	JD	391	5,021	10/12/2010	12/17/2012
71343P-AE-1	PEPSIAMERICAS INC.				1	544,285	107.5800	537,900	500,000	538,623	0	(5,662)	0	0	5.750	0.823	JJ	12,059	0	10/07/2010	07/31/2012
72650R-AV-4	PLAINS ALL AMER PIPELINE				1	521,010	104.2700	521,350	500,000	512,842	0	(7,434)	0	0	4.250	2.683	MS	7,083	23,493	11/25/2009	09/01/2012
69352J-AC-1	PPL ENERGY				1	298,719	104.7710	288,120	275,000	285,461	0	(12,343)	0	0	6.400	1.792	MN	2,933	17,600	12/04/2009	11/01/2011
74005P-AX-2	PRAXAIR INC				1	629,244	101.9810	642,480	630,000	629,452	0	208	0	0	2.125	2.173	JD	532	12,272	01/11/2010	06/14/2013
744320-BH-7	PRUDENTIAL FINANCIAL INC.				1	365,177	103.5110	362,289	350,000	363,440	0	(1,738)	0	0	3.625	1.352	MS	3,665	0	10/12/2010	09/17/2012
69362B-AM-4	PSEG POWER				1	399,211	107.9680	388,685	360,000	382,375	0	(15,329)	0	0	6.950	2.475	JD	2,085	25,020	11/25/2009	06/01/2012
77509N-AH-6	ROGERS COMMUNICATIONS INC.				1	395,308	111.0000	388,500	350,000	391,436	0	(3,871)	0	0	6.250	1.338	JD	972	10,938	10/07/2010	06/15/2013
786514-BF-5	SAFeway INC.				1	543,065	107.3600	536,800	500,000	537,698	0	(5,367)	0	0	5.800	1.102	FA	10,956	0	10/07/2010	08/15/2012
78445A-AA-4	SLMA 2008-4 A1				1	338,658	100.0690	338,891	338,658	338,658	0	0	0	0	0.968	0.538	JAJO	820	3,480	04/11/2008	07/25/2013
844741-AV-0	SOUTHWEST AIRLINES				1	619,790	104.8470	613,355	585,000	614,070	0	(5,720)	0	0	6.500	2.177	MS	12,675	0	10/07/2010	03/01/2012
855030-AK-8	STAPLES INC				1	432,000	101.6900	406,760	400,000	406,101	0	(24,108)	0	0	7.750	1.631	AO	7,750	31,000	12/04/2009	04/01/2011
87612E-AM-8	TARGET CORP.				1	671,325	106.8550	667,844	625,000	664,089	0	(7,236)	0	0	4.000	1.405	JD	1,111	12,500	07/14/2010	06/15/2013
88166B-AB-6	TEVA PHARMA FIN III LLC				1	628,719	100.8240	630,150	625,000	627,828	0	(891)	0	0	1.500	1.189	JD	417	4,609	07/14/2010	06/15/2012
191216-AN-0	THE COCA-COLA CO.				1	624,706	98.8270	617,669	625,000	624,719	0	12	0	0	0.750	0.767	MN	599	0	11/04/2010	11/15/2013
88732J-AG-3	TIME WARNER CABLE INC				1	535,855	106.0770	530,385	500,000	529,943	0	(5,912)	0	0	5.400	1.365	JJ	13,425	0	09/13/2010	07/02/2012
92345N-AA-8	VERIZON VIRGINIA INC.				1	373,776	105.3850	368,848	350,000	370,460	0	(3,316)	0	0	4.625	1.916	MS	4,766	8,094	08/19/2010	03/15/2013
931142-CW-1	WAL MART STORES INC				1	996,570	98.4950	984,950	1,000,000	996,777	0	207	0	0	0.750	0.868	AO	1,375	0	10/18/2010	10/25/2013
25468P-BX-3	WALT DISNEY COMPANY				1	679,556	106.5260	665,788	625,000	664,126	0	(15,430)	0	0	6.375	0.969	MS	13,281	19,922	07/14/2010	03/01/2012
94973V-AJ-6	WELLPOINT INC				1	675,422	100.1250	650,813	650,000	650,868	0	(22,057)	0	0	5.000	1.571	JJ	14,986	32,500	11/20/2009	01/15/2011
03674B-AC-8	WELLPOINT INC. / ANTHEM				1	442,196	108.5730	434,292	400,000	425,265	0	(15,408)	0	0	6.800	2.718	FA	11,333	27,200	11/25/2009	08/01/2012
980236-AC-7	WOODSIDE FINANCE LTD 144A				1	214,106	103.2010	206,402	200,000	204,954	0	(8,328)	0	0	6.700	2.416	FA	5,583	13,400	11/25/2009	08/01/2011
984121-BS-1	XEROX CORPORATION				1	534,085	105.6820	528,410	500,000	529,174	0	(4,911)	0	0	5.500	1.205	MN	3,514	13,750	10/07/2010	05/15/2012
3299999	- Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					30,965,641	XXX	30,636,004	29,490,891	30,568,998	0	(350,088)	0	0	XXX	XXX	XXX	330,144	623,008	XXX	XXX
3899999	- Total - Industrial and Miscellaneous Bonds (Unaffiliated)					30,965,641	XXX	30,636,004	29,490,891	30,568,998	0	(350,088)	0	0	XXX	XXX	XXX	330,144	623,008	XXX	XXX
7799999	- Total - Issuer Obligations					120,721,940	XXX	118,705,359	115,365,891	117,689,464	0	(1,919,238)	0	0	XXX	XXX	XXX	1,370,420	3,892,883	XXX	XXX
7899999	- Total - Single Class Mortgage-Backed/Asset-Backed Securities					565,225	XXX	569,843	526,651	554,700	0	(1,301)	0	0	XXX	XXX	XXX	3,809	45,708	XXX	XXX
8399999	Totals					121,287,165	XXX	119,295,202	115,892,542	118,244,165	0	(1,920,539)	0	0	XXX	XXX	XXX	1,374,229	3,938,591	XXX	XXX

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Schedule D - Part 2 - Section 1

**NONE**

Schedule D - Part 2 - Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2010 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
88579E-AD-7	3M COMPANY		10/12/2010	Undefined		544,510	500,000	7,750
020002-AN-1	ALLSTATE CORP		10/12/2010	Undefined		536,276	500,000	6,482
03523T-AL-2	ANHEUSER-BUSCH INBEV WOR		10/07/2010	Undefined		518,925	500,000	7,417
05252A-AL-5	AUST & NZ BANKING GROUP 144A		01/06/2010	Undefined		439,670	440,000	.0
055451-AD-0	BHP BILLITON FIN USA LTD		10/07/2010	Undefined		318,768	300,000	598
14912L-3N-9	CATERPILLAR FIN SERV CRP		07/13/2010	Undefined		675,500	625,000	3,284
92344S-AN-0	CELLCO PART/VERI WIRELESS		07/13/2010	Undefined		663,944	625,000	15,039
166751-AK-3	CHEVRON CORP		07/14/2010	Undefined		651,513	625,000	8,146
172967-EQ-0	CITIGROUP INC		09/02/2010	Undefined		720,015	675,000	15,175
22160K-AB-1	COSTCO WHOLESALE		07/19/2010	Undefined		671,625	625,000	11,686
260543-BZ-5	DOW CHEMICAL CO/THE		09/13/2010	Undefined		393,758	372,000	1,554
29379V-AE-3	ENTERPRISE PRODUCTS OPER		10/07/2010	Undefined		369,751	350,000	3,220
36962G-4Q-4	GENERAL ELEC CAP CORP		09/13/2010	Undefined		698,943	700,000	.0
370334-AS-3	GENERAL MILLS		10/07/2010	Undefined		374,777	350,000	3,383
38141G-DQ-4	GOLDMAN SACHS GROUP INC		09/01/2010	Undefined		1,009,655	930,000	19,259
05571A-AB-1	GROUPE BPCE 144A		09/29/2010	Undefined		634,562	635,000	.0
428236-AU-7	HEWLETT-PACKARD CO		07/14/2010	Undefined		658,500	625,000	10,699
459200-GT-2	IBM CORP		08/02/2010	Undefined		995,910	1,000,000	.0
46115H-AA-5	INTESA SANPAOLO SPA 144A		08/04/2010	Undefined		499,365	500,000	.0
24422E-QM-4	JOHN DEERE CAPITAL CORP		07/13/2010	Undefined		678,825	625,000	2,492
50075N-AH-7	KRAFT FOODS		09/13/2010	Undefined		543,470	500,000	9,115
539830-AS-8	LOCKHEED MARTIN CORP		10/07/2010	Undefined		538,770	500,000	1,660
57629W-BH-2	MASSMUTUAL GLOBAL FUNDING 144A		10/08/2010	Undefined		524,200	500,000	4,481
594918-AF-1	MICROSOFT CORP		09/22/2010	Undefined		993,358	995,000	.0
637432-LT-0	NATIONAL RURAL UTIL COOP		07/13/2010	Undefined		642,900	625,000	5,469
64952W-AJ-2	NEW YORK LIFE GLOBAL FDG 144A		07/14/2010	Undefined		662,979	610,000	8,273
69371R-J7-2	PACCAR FINANCIAL CORP		10/12/2010	Undefined		524,349	515,000	2,390
71343P-AE-1	PEPSIAMERICAS INC		10/07/2010	Undefined		544,285	500,000	5,830
74005P-AX-2	PRAXAIR INC		01/11/2010	Undefined		629,244	630,000	.0
744320-BH-7	PRUDENTIAL FINANCIAL INC		10/12/2010	Undefined		365,177	350,000	971
77509N-AH-6	ROGERS COMMUNICATIONS INC		10/07/2010	Undefined		395,308	350,000	7,170
786514-BF-5	SAFEWAY INC		10/07/2010	Undefined		543,065	500,000	4,672
844741-AV-0	SOUTHWEST AIRLINES		10/07/2010	Undefined		619,790	585,000	4,436
87612E-AM-8	TARGET CORP		07/14/2010	Undefined		671,325	625,000	2,361
88166B-AB-6	TEVA PHARMA FIN III LLC		07/14/2010	Undefined		628,719	625,000	807
191216-AN-0	THE COCA-COLA CO		11/04/2010	Undefined		624,706	625,000	.0
88732J-AG-3	TIME WARNER CABLE INC		09/13/2010	Undefined		535,855	500,000	5,550
92345N-AA-8	VERIZON VIRGINIA INC		08/19/2010	Undefined		373,776	350,000	7,149
931142-CW-1	WAL MART STORES INC		10/18/2010	Undefined		996,570	1,000,000	.0
25468P-BX-3	WALT DISNEY COMPANY		07/14/2010	Undefined		679,556	625,000	15,273
984121-BS-1	XEROX CORPORATION		10/07/2010	Undefined		534,085	500,000	11,306
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)					24,626,276	23,512,000	213,097
8399997	Total - Bonds - Part 3					24,626,276	23,512,000	213,097
8399998	Total - Bonds - Part 5					2,689,707	2,525,000	34,977
8399999	Total - Bonds					27,315,983	26,037,000	248,074
8999998	Total - Preferred Stocks - Part 5					.0	XXX	.0
8999999	Total - Preferred Stocks					.0	XXX	.0
9799998	Total - Common Stocks - Part 5					.0	XXX	.0
9799999	Total - Common Stocks					.0	XXX	.0
9899999	Total - Preferred and Common Stocks					.0	XXX	.0
9999999	Totals					27,315,983	XXX	248,074

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**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
36215N-TV-6	GNMA POOL #140164		12/15/2010	PRINCIPAL RECEIPT		1,063	1,063	1,160	1,130	.0	(67)	.0	(67)	.0	1,063	.0	.0	.0	.0	59	03/15/2016
36215N-3T-9	GNMA POOL #140410		12/15/2010	PRINCIPAL RECEIPT		469	469	512	490	.0	(21)	.0	(21)	.0	469	.0	.0	.0	.0	26	03/15/2016
36215N-3U-6	GNMA POOL #140411		12/15/2010	PRINCIPAL RECEIPT		954	954	1,041	1,010	.0	(57)	.0	(57)	.0	954	.0	.0	.0	.0	51	04/15/2016
36215U-VT-2	GNMA POOL #145626		12/15/2010	PRINCIPAL RECEIPT		4,913	4,913	5,361	5,211	.0	(298)	.0	(298)	.0	4,913	.0	.0	.0	.0	274	02/15/2016
36215W-BR-4	GNMA POOL #146848		03/15/2010	PRINCIPAL RECEIPT		474	474	517	492	.0	(18)	.0	(18)	.0	474	.0	.0	.0	.0	8	02/15/2016
362151-AU-6	GNMA POOL #150419		12/15/2010	PRINCIPAL RECEIPT		1,068	1,068	1,168	1,138	.0	(70)	.0	(70)	.0	1,068	.0	.0	.0	.0	59	02/15/2016
362153-ED-6	GNMA POOL #152332		12/15/2010	PRINCIPAL RECEIPT		4,682	4,682	5,109	4,850	.0	(168)	.0	(168)	.0	4,682	.0	.0	.0	.0	258	03/15/2016
362159-P2-5	GNMA POOL #158041		12/15/2010	PRINCIPAL RECEIPT		999	999	1,090	1,038	.0	(39)	.0	(39)	.0	999	.0	.0	.0	.0	55	04/15/2016
36217C-SU-1	GNMA POOL #189631		12/15/2010	PRINCIPAL RECEIPT		732	732	799	765	.0	(33)	.0	(33)	.0	732	.0	.0	.0	.0	40	08/15/2017
36218W-MD-0	GNMA POOL #234456		12/15/2010	PRINCIPAL RECEIPT		5,177	5,177	5,650	5,472	.0	(294)	.0	(294)	.0	5,177	.0	.0	.0	.0	285	11/15/2018
36219S-Z5-1	GNMA POOL #258264		12/15/2010	PRINCIPAL RECEIPT		1,319	1,319	1,439	1,380	.0	(61)	.0	(61)	.0	1,319	.0	.0	.0	.0	75	12/15/2018
36219U-4W-1	GNMA POOL #260137		06/15/2010	PRINCIPAL RECEIPT		1,329	1,329	1,421	1,293	.0	36	.0	36	.0	1,329	.0	.0	.0	.0	38	08/15/2018
362201-AD-2	GNMA POOL #587804		12/15/2010	PRINCIPAL RECEIPT		1,982	1,982	2,043	2,057	.0	(75)	.0	(75)	.0	1,982	.0	.0	.0	.0	49	06/15/2018
36220A-6U-8	GNMA POOL #595883		12/15/2010	PRINCIPAL RECEIPT		8,478	8,478	8,739	8,782	.0	(304)	.0	(304)	.0	8,478	.0	.0	.0	.0	208	05/15/2018
36220A-6Z-7	GNMA POOL #595888		12/15/2010	PRINCIPAL RECEIPT		6,978	6,978	7,193	7,215	.0	(237)	.0	(237)	.0	6,978	.0	.0	.0	.0	172	06/15/2018
36225A-FR-6	GNMA POOL #780176		12/15/2010	PRINCIPAL RECEIPT		43,880	43,880	47,541	47,021	.0	(3,141)	.0	(3,141)	.0	43,880	.0	.0	.0	.0	1,867	03/15/2021
36221G-SV-4	GNMA POOL #905932		12/15/2010	PRINCIPAL RECEIPT		5,147	5,147	5,627	5,326	.0	(178)	.0	(178)	.0	5,147	.0	.0	.0	.0	290	02/15/2016
912828-EX-4	US TREASURY NT/BD		10/12/2010	Undefined		1,245,289	1,225,000	1,279,072	1,248,403	.0	(15,603)	.0	(15,603)	.0	1,232,800	.0	12,489	12,489	61,673	02/28/2011	
0399999	- Bonds - U.S. Governments					1,334,933	1,314,644	1,375,339	1,343,071	.0	(20,627)	.0	(20,627)	.0	1,322,444	.0	12,489	12,489	65,486	XXX	
060505-BU-7	BANK OF AMERICA CORP		08/01/2010	MATURITY		500,000	500,000	504,840	501,296	.0	(1,296)	.0	(1,296)	.0	500,000	.0	.0	.0	.0	22,500	08/01/2010
097014-AC-8	BOEING CAP CORP		09/27/2010	MATURITY		420,000	420,000	452,579	431,720	.0	(11,720)	.0	(11,720)	.0	420,000	.0	.0	.0	.0	30,975	09/27/2010
111021-AD-3	BRITISH TELECOM PLC		12/15/2010	MATURITY		450,000	450,000	486,914	465,690	.0	(15,690)	.0	(15,690)	.0	450,000	.0	.0	.0	.0	41,625	12/15/2010
172967-DH-1	CITIGROUP INC		09/02/2010	Undefined		534,629	525,000	522,181	523,845	.0	680	.0	680	.0	524,526	.0	10,103	10,103	10,103	10,103	02/14/2011
20030N-AA-9	COMCAST CORP		01/15/2010	MATURITY		500,000	500,000	512,320	500,293	.0	(293)	.0	(293)	.0	500,000	.0	.0	.0	.0	14,625	01/15/2010
20825U-AB-0	CONOCO FUNDING COMPANY		08/03/2010	Undefined		106,902	100,000	109,751	109,335	.0	(3,053)	.0	(3,053)	.0	106,282	.0	619	619	5,080	10/15/2011	
22541L-BH-5	CREDIT SUISSE FB USA INC		08/15/2010	MATURITY		625,000	625,000	622,125	624,332	.0	668	.0	668	.0	625,000	.0	.0	.0	.0	30,469	08/15/2010
233888-AD-8	DCAT 2008-A ASA		12/08/2010	PRINCIPAL RECEIPT		424,169	424,169	424,118	423,895	.0	274	.0	274	.0	424,169	.0	.0	.0	.0	8,126	06/08/2012
25156P-AB-9	DEUTSCHE TELEKOM FINANCE GROUP		06/15/2010	MATURITY		645,000	645,000	685,029	655,286	.0	(10,286)	.0	(10,286)	.0	645,000	.0	.0	.0	.0	27,413	06/15/2010
26138E-AL-3	DR. PEPPER SNAPPLE GROUP		11/04/2010	Undefined		144,032	140,000	139,948	139,949	.0	14	.0	14	.0	139,963	.0	4,069	4,069	2,906	12/21/2012	
293791-AU-3	ENTERPRISE PRODUCTS OPER		06/01/2010	MATURITY		500,000	500,000	498,720	499,713	.0	287	.0	287	.0	500,000	.0	.0	.0	.0	12,375	06/01/2010
368710-AE-9	GENENTECH INC USA		07/15/2010	MATURITY		500,000	500,000	508,970	502,307	.0	(2,307)	.0	(2,307)	.0	500,000	.0	.0	.0	.0	22,000	07/15/2010
369550-AL-2	GENERAL DYNAMICS CORP		08/15/2010	MATURITY		625,000	625,000	616,856	623,110	.0	1,890	.0	1,890	.0	625,000	.0	.0	.0	.0	28,125	08/15/2010
369626-K7-8	GENERAL ELEC CAP CORP		09/13/2010	MATURITY		500,000	500,000	487,705	495,497	.0	4,503	.0	4,503	.0	500,000	.0	.0	.0	.0	21,250	09/13/2010
369626-VS-0	GENERAL ELEC CAP CORP		11/15/2010	MATURITY		500,000	500,000	538,305	513,574	.0	(13,574)	.0	(13,574)	.0	500,000	.0	.0	.0	.0	34,375	11/15/2010
381416-AZ-7	GOLDMAN SACHS		09/01/2010	Undefined		255,680	250,000	263,270	255,291	.0	(3,360)	.0	(3,360)	.0	251,930	.0	3,750	3,750	19,670	01/15/2011	
38143U-BE-0	GOLDMAN SACHS GROUP LP		06/15/2010	MATURITY		385,000	385,000	379,414	383,991	.0	1,009	.0	1,009	.0	385,000	.0	.0	.0	.0	8,663	06/15/2010
406216-AR-2	HALLIBURTON COMPANY		10/15/2010	MATURITY		500,000	500,000	518,290	506,069	.0	(6,069)	.0	(6,069)	.0	500,000	.0	.0	.0	.0	27,500	10/15/2010
438516-AK-2	HONEYWELL INTERNATIONAL		03/01/2010	MATURITY		325,000	325,000	345,371	327,276	.0	(2,276)	.0	(2,276)	.0	325,000	.0	.0	.0	.0	12,188	03/01/2010
708130-AA-7	JC PENNY CORP INC		03/01/2010	MATURITY		325,000	325,000	335,615	326,212	.0	(1,212)	.0	(1,212)	.0	325,000	.0	.0	.0	.0	13,000	03/01/2010
50075N-AH-7	KRAFT FOODS		12/29/2010	Undefined		341,606	317,000	344,560	.0	4,691	.0	4,691	.0	339,869	.0	1,737	1,737	11,447	06/01/2012		
585055-AG-1	MEDTRONIC INC		09/15/2010	MATURITY		650,000	650,000	660,602	653,465	.0	(3,465)	.0	(3,465)	.0	650,000	.0	.0	.0	.0	28,438	09/15/2010
585510-CG-3	MELLON FUNDING CORP		02/15/2010	MATURITY		500,000	500,000	518,725	501,588	.0	(1,588)	.0	(1,588)	.0	500,000	.0	.0	.0	.0	15,938	02/15/2010
59018Y-VV-0	MERRILL LYNCH & CO		08/04/2010	MATURITY		650,000	650,000	635,765	645,517	.0	4,483	.0	4,483	.0	650,000	.0	.0	.0	.0	31,135	08/04/2010
61746S-BC-2	MORGAN STANLEY		01/15/2010	MATURITY		500,000	500,000	501,495	500,033	.0	(33)	.0	(33)	.0	500,000	.0	.0	.0	.0	10,000	01/15/2010
654740-AA-7	NISSAN MOTOR ACCEPTANCE 144A		03/08/2010	MATURITY		650,000	650,000	639,535	648,800	.0	1,200	.0	1,200	.0	650,000	.0	.0	.0	.0	15,031	03/08/2010
64032L-AA-9	NSLT 2008-3 A1		11/25/2010	PRINCIPAL RECEIPT		308,620	308,620	308,620	308,620	.0	.0	.0	.0	.0	308,620	.0	.0	.0	.0	1,984	11/25/2010
718507-B0-8	PHILLIPS PETROLEUM COMPANY		05/25/2010	MATURITY		500,000	500,000	550,605	510,093	.0	(10,093)	.0	(10,093)	.0	500,000	.0	.0	.0	.0	21,875	05/25/2010
783876-AS-2	SBC COMMUNICATIONS		11/15/2010	MATURITY		500,000	500,000	500,110	507,115	.0	(7,115)	.0	(7,115)	.0	500,000	.0	.0	.0	.0	26,500	11/15/2010
816851-AB-5	SEMPRA ENERGY		03/01/2010	MATURITY		325,000	325,000	341,621	326,816	.0	(1,816)	.0	(1,816)	.0	325,000	.0	.0	.0	.0	12,919	03/01/2010
78445A-AA-4	SLMA 2008-4 A1		10/25/2010	PRINCIPAL RECEIPT		355,165	355,165	355,165	355,165	.0	.0	.0	.0	.0	355,165	.0	.0	.0	.0	2,250	07/25/2013
87612E-AB-2	TARGET CORP		01/25/2010	Undefined		467,800	450,000	484,686	459,950	.0	(1,060)	.0	(1,060)	.0	458,890	.0	8,910	8,910	15,000		

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership**

**SCHEDULE D - PART 4**

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

1 CUSIP Identi- fication	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B/A. C.V.						
9999999	Totals					23,318,574	XXX	23,788,185	20,374,518	0	(153,587)	0	(153,587)	0	23,255,198	0	63,376	63,376	920,404	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2010 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.						
26138E-AL-3	DR. PEPPER SNAPPLE GROUP		10/12/2010	Undefined	11/04/2010	Undefined	275,000	283,432	282,920	283,199	0	(233)	0	(233)	0	0	(279)	(279)	2,477	2,046	
532457-BD-9	ELI LILLY & CO		07/14/2010	Undefined	08/30/2010	Undefined	625,000	652,244	651,719	650,138	0	(2,106)	0	(2,106)	0	0	1,581	1,581	10,847	8,197	
487836-AZ-1	KELLOGG CO		10/07/2010	Undefined	10/15/2010	Undefined	500,000	544,010	543,220	543,561	0	(449)	0	(449)	0	0	(341)	(341)	9,752	9,253	
717081-CZ-4	PFIZER INC		07/14/2010	Undefined	08/18/2010	Undefined	625,000	662,206	660,490	660,201	0	(2,005)	0	(2,005)	0	0	289	289	12,216	9,580	
98385X-AK-2	XTO ENERGY INC		10/07/2010	Undefined	12/17/2010	Undefined	500,000	547,815	541,715	542,722	0	(5,093)	0	(5,093)	0	0	(1,007)	(1,007)	11,144	5,900	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)							2,525,000	2,689,707	2,680,064	2,679,820	0	(9,887)	0	(9,887)	0	0	244	244	46,437	34,977
8399998	Subtotal Bonds							2,525,000	2,689,707	2,680,064	2,679,820	0	(9,887)	0	(9,887)	0	0	244	244	46,437	34,977
9999999	Totals								2,689,707	2,680,064	2,679,820	0	(9,887)	0	(9,887)	0	0	244	244	46,437	34,977

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**SCHEDULE D - PART 6 - SECTION 1**

**Valuation of Shares of Subsidiary, Controlled or Affiliated Companies**

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
<b>NONE</b>									
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
<b>NONE</b>					
0399999 Total				XXX	XXX



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**