

RELIANCE INSURANCE COMPANY (IN LIQUIDATION)
SPECIAL PURPOSE STATEMENTS OF ASSETS AND LIABILITIES - UNAUDITED
(In Millions)

ASSETS	June 30, 2016	December 31, 2015
Short and intermediate duration investments	\$ 1,824.5	\$ 2,096.0
Investments held for secured creditors	2.3	2.4
Investments held for uncovered claimants	16.7	16.5
Invested assets excluding affiliates	1,843.5	2,114.9
Investments in affiliates	43.6	52.0
Total invested assets	1,887.1	2,166.9
Premium balances	12.9	13.3
Reinsurance receivable	18.7	14.8
Reinsurance recoverables	37.3	43.8
Early access advances to guaranty associations	2,585.9	2,594.1
Other assets	17.9	18.3
Total Assets	4,559.8	4,851.2
LIABILITIES		
Secured Creditors - Funds held	36.2	40.4
Class (a) liabilities		
Liquidator expenses incurred since liquidation	1,269.5	1,251.6
Liquidator expenses paid since liquidation	(1,269.5)	(1,251.6)
Liquidator expenses - unpaid	-	-
Guaranty association expenses - submitted	370.7	363.1
Guaranty association expenses - paid	350.3	350.1
Guaranty association expenses - unpaid	20.4	13.0
Other class (a) liabilities	24.3	8.0
Total class (a) liabilities	44.7	21.0
Class (b) liabilities		
Guaranty association paid losses	3,197.9	3,166.5
Guaranty association reported reserves	962.9	963.0
Notices of determination issued	1,105.0	1,097.3
Gross distribution calculation	(700.6)	(416.1)
Reduction for aggregate policies	2.4	33.5
Asset distribution payments	(698.2)	(382.6)
All other estimated reserves	861.7	983.0
Total class (b) liabilities	5,429.3	5,827.2
Class (c) liabilities	-	-
Class (d) liabilities	-	-
Class (e) liabilities		
Notices of determination issued	149.3	149.0
Losses and reserves on assumed business	743.8	764.7
Other class (e) liabilities	4.8	5.2
Total class (e) liabilities	897.9	918.9
Class (f) liabilities	-	-
Class (g) liabilities - Notices of determination issued	32.8	32.8
Class (h) liabilities	-	-
Class (i) liabilities	-	-
Total liabilities	6,440.9	6,840.3
Net deficit	(\$1,881.1)	(\$1,989.1)

The special purpose statement of assets and liabilities of Reliance Insurance Company (in Liquidation) is prepared on a unique financial reporting basis, in that, the statement does not fully reflect the effect of the company's liquidation. The liquidation process will result in the realization of amounts on transfer or disposition of assets and in the satisfaction of liabilities at amounts substantially different than those reflected in the accompanying statement of assets and liabilities. The statement does not include any adjustment that might result from the outcome of the uncertainties related to the liquidation, future administration expenses, and various potential exposures, recoveries or benefits. The special purpose statement of assets and liabilities is not intended to be in conformity with, and will vary significantly from generally accepted accounting principles and statutory accounting practices for a property and casualty insurance company as prescribed by the NAIC.

See accompanying notes.