

PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT

For the Year Ended December 31, 2015 OF THE CONDITION AND AFFAIRS OF THE

ACA Financial Guaranty Corporation

NAIC Group Code	0000,	0000	NAIC Company	Code2	2896	_Employer's ID N	√umber _	52-1474358	
(C	urrent Period)	(Prior Period)							
Organized under the Laws	of	Marylar	nd	, State of Do	micile or P	ort of Entry		Maryland	
Country of Domicile				United State	es				
Incorporated/Organized		06/25/1986		Commenced B	usiness _		10/31/19	986	
Statutory Home Office 7 Saint Paul Stree			eet, Suite 1660			Baltimore, N	ore, MD, USA 21202		
		(Street and	Number)			(City or Town, State	, Country and	d Zip Code)	
Main Administrative Office	6	300 Fifth Avenue, 2			ork, NY, US		2	212-375-2000	
Mail Address	600 Eif	(Street and Numb th Avenue, 2nd Flo	*	(City or Town	i, State, Counti	ry and Zip Code) New York, NY, U		de) (Telephone Number)	
Iviali Address		and Number or P.O. Box		,	(Ci	ity or Town, State, Cou			
Primary Location of Books	,		venue, 2nd Floor	N	,	IY, USA 10020	ili y ariu zip c	212-375-2000	
Timaly Education of Books			t and Number)			Country and Zip Code) (Are	a Code) (Telephone Number	
Internet Web Site Address				http://www.a	ca.com				
Statutory Statement Conta	ıct	Eugen	e Thomas Carew			212-3	375-2041		
•	_		(Name)			(Area Code) (Telepho	one Number)	(Extension)	
	ecarew@aca.					212-375-2100			
	(E-Mail Address	5)				(Fax Number)			
			OFFIC	CERS					
Name		Title		I	Name			Title	
Steven Joseph Berko		President an		Carl Bene	edict McCa	rthy, S	Secretary a	and General Counsel	
Sean Thomas Leona	<u>rd #</u> ,	Treasurer ar	id CFO						
Steven Joseph Berko	owitz	DIF John Raymond	RECTORS O		EES oseph Cap	lan	Roger Da	ale Cunningham	
Bradley Irving Die		Kevin John		Sharon Fayb				cichard Schuler #	
Anne Gram Shea	n								
State of	New York		ss						
County of	New York		55						
The officers of this reporting e above, all of the herein descrit that this statement, together w liabilities and of the condition a and have been completed in a may differ; or, (2) that state rul knowledge and belief, respect when required, that is an exact regulators in lieu of or in additi	ped assets were to with related exhibited and affairs of the accordance with the les or regulations ively. Furthermore toopy (except for	he absolute property s, schedules and exp said reporting entity a ne NAIC Annual State require differences in e, the scope of this at formatting difference	of the said reporting of lanations therein con as of the reporting perment Instructions and reporting not related testation by the description.	entity, free and clea tained, annexed or iod stated above, a d Accounting Practi to accounting prac ribed officers also in	ar from any li referred to, and of its inco ices and Pro ctices and pro ncludes the r	ens or claims thered is a full and true state ome and deductions cedures manual exc ocedures, according related correspondir	on, except a tement of all therefrom to cept to the e to the best of electronic	is herein stated, and Il the assets and for the period ended, extent that: (1) state law t of their information, c filing with the NAIC,	
Steven Josep	oh Berkowitz		Carl Benedic	ct McCarthy		Sear	n Thomas	Leonard	
President	and CEO		Secretary and G	eneral Counsel	,		easurer an		
Subscribed and sworn to bet this		February, 2016	_		b. If no: 1. State the 2. Date file	n original filing? e amendment numb ed of pages attached	er	Yes [X] No []	
Luis Lozada, Notary Public 1/14/2017	0		_						

ASSETS

			Current Year		Prior Year
		1	2	3	4
				Net Admitted Assets	Net Admitted
		Assets	Nonadmitted Assets	(Cols. 1 - 2)	Assets
1.	Bonds (Schedule D)	320,613,543		320,613,543	364,588,427
2.	Stocks (Schedule D):				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less				
	\$0 encumbrances)				
	4.2 Properties held for the production of income				
	(less \$				
	4.3 Properties held for sale (less				
	\$0 encumbrances)				
5.	Cash (\$2,167,843 , Schedule E-Part 1), cash equivalents				
	(\$0 , Schedule E-Part 2) and short-term				
	investments (\$3,914,323 , Schedule DA)	6,082,166		6,082,166	4,040,018
6.	Contract loans (including \$0 premium notes)				
7.	Derivatives (Schedule DB)		i	i i	
8.	Other invested assets (Schedule BA)			i i	
9.	Receivables for securities	· · · · · · · · · · · · · · · · · · ·		10 450	
10.	Securities lending reinvested collateral assets (Schedule DL)			i i	
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)				368.628.445
13.	Title plants less \$,	., ,,,	
	only)				
14.	Investment income due and accrued				
15.	Premiums and considerations:	2,000,040		2,000,040	
10.	15.1 Uncollected premiums and agents' balances in the course of				
	collection				
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$				
	but unbilled premiums)				
	15.3 Accrued retrospective premiums (\$0) and				
	contracts subject to redetermination (\$				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers				
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	32,242,985	32,242,985		
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				32,587
21.	Furniture and equipment, including health care delivery assets				
	(\$	6,214	6,214		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care (\$				
25.	Aggregate write-ins for other-than-invested assets			i i	2,031
26.	Total assets excluding Separate Accounts, Segregated Accounts and				,
	Protected Cell Accounts (Lines 12 to 25)	363,779,619	33,761,989	330,017,630	370,865,469
27.	From Separate Accounts, Segregated Accounts and Protected		, , , , , ,	, ,,,,,	,,
1	Cell Accounts				
28.	Total (Lines 26 and 27)	363,779,619	33,761,989	330,017,630	370,865,469
	S OF WRITE-INS	550,770,010	30,701,000	330,017,000	5. 5,000,400
1101.					
1101.					
1102.					
	Summary of romaining write ine for Line 11 from everylow nage				
1198.	Summary of remaining write-ins for Line 11 from overflow page		†	<u> </u>	
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	4 000 000	1 000 000		
2501.	Salvage Recoverable		i e		
2502.	Prepaid Expenses.		376,741		
2503.	Security Deposit.	· ·	53,267		0.004
2598.	Summary of remaining write-ins for Line 25 from overflow page			· I	2,031
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,724,131	1,430,008	1,294,123	2,031

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	110,964,787	105,551,542
	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)		
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including \$		
	Net deferred tax liability.		
	Borrowed money \$		
	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of		
	\$0 and including warranty reserves of \$		
	health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health		
	Service Act)	74,262,678	92,643,742
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including \$		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	82,783	83,260
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes \$		
	Aggregate write-ins for liabilities		
	Total liabilities excluding protected cell liabilities (Lines 1 through 25)		
	Protected cell liabilities		
	Total liabilities (Lines 26 and 27)		
	Aggregate write-ins for special surplus funds		
	Common capital stock		
	Preferred capital stock		
	·		
	Surplus notes		
	Gross paid in and contributed surplus		
	Unassigned funds (surplus)		
	Less treasury stock, at cost:	(007,000,001)	(012,011,011)
00.	36.1		
	36.2		
37			66,902,126
	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	330,017,630	370,865,469
	Totals (Page 2, Line 28, Col. 3) LS OF WRITE-INS	330,017,030	370,000,409
		05 005 550	05 005 550
	Contingency Reserve.		
	Collateral Deposit		842,000
	Other Payables	·	
	Summary of remaining write-ins for Line 25 from overflow page		00 707 005
	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	96,769,092	96,767,895
2902.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	STATEMENT OF INCOME	1	2
		Current Year	Prior Year
1.	UNDERWRITING INCOME Premiums earned (Part 1, Line 35, Column 4)	18.443.504	27,021,082
	DEDUCTIONS:		
	Losses incurred (Part 2, Line 35, Column 7)		
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,322,956	2,029,047
	Other underwriting expenses incurred (Part 3, Line 25, Column 2) Aggregate write-ins for underwriting deductions		
		58,781,158	
	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(40,337,654)	(33, 387, 020)
	INVESTMENT INCOME		
9	Net investment income earned (Exhibit of Net Investment Income, Line 17)	12 659 628	15 314 305
10.	Net realized capital gains (losses) less capital gains tax of \$	2,203,449	495,010
11.	Net investment gain (loss) (Lines 9 + 10)	14,863,077	15,809,315
	OTHER INCOME		
12	Not goin (loss) from agental or promism belonges obarged off (amount recovered 0		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income		3,305,000
	Total other income (Lines 12 through 14)		3,305,000
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(25,474,577)	(14 272 705)
17	(Lines 8 + 11 + 15)	(25,474,577)	(14,272,705)
	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		
	(Line 16 minus Line 17)	(25, 474, 577)	(14,272,705)
19.	Federal and foreign income taxes incurred		
20.	Net income (Line 18 minus Line 19) (to Line 22)	(25,474,577)	(14,272,705)
	CAPITAL AND SURPLUS ACCOUNT		
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	66,902,126	89,047,048
	Net income (from Line 20)		
	Net transfers (to) from Protected Cell accounts		
	Change in net unrealized capital gains or (losses) less capital gains tax of \$		
	Change in net unrealized foreign exchange capital gain (loss)		
∠0. 27	Change in net deferred income tax	(232,170)	(2 254 020)
	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
	Change in surplus notes		
	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.2 Transferred from surplus (Stock Dividend)		
33	32.3 Transferred to surplus		
33.	Surplus adjustments: 33.1 Paid in		
	33.3 Transferred from capital		
34.	·		
	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		(7.064.412)
	Aggregate write-ins for gains and losses in surplus	(28,396)	(7,964,113)
	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(25,736,477) 41,165,649	(22,144,922) 66,902,126
	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) LS OF WRITE-INS	41,100,048	00,302,120
	20 01 WKI12-III0		
	Summary of remaining write-ins for Line 5 from overflow page		
	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		005 000
	Surveillance Consent Fees		i i
	Other income.		3,100,000
	Summary of remaining write-ins for Line 14 from overflow page		
	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		3,305,000
	Prior Period Adjustment		
	,		
l	Summary of remaining write-ins for Line 37 from overflow page		(7.004.440)
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(28,396)	(7,964,113)

CASH FLOW

		1	2
		Current Year	Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	62,440	61,969
2.	Net investment income		17, 269, 044
3.	Miscellaneous income		3,305,000
4.	Total (Lines 1 through 3)	14,514,580	20,636,013
5.	Benefit and loss related payments	42,488,693	19,671,259
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	12,767,383	19,588,496
	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$	196,144	
	Total (Lines 5 through 9)		39,259,755
	Net cash from operations (Line 4 minus Line 10)		(18,623,742
	Cash from investments		1 / /
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	179,711,116	220,242,854
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate	1	
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	I I	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)		220,242,854
	Cost of investments acquired (long-term only):		
	13.1 Bonds	135.237.954	205.430.637
	13.2 Stocks	i i	
	13.3 Mortgage loans	1	
	13.4 Real estate	I I	
	13.5 Other invested assets	1 1	
	13.6 Miscellaneous applications	1 40 004	
	13.7 Total investments acquired (Lines 13.1 to 13.6)		205,430,637
	Net increase (decrease) in contract loans and premium notes		, ,
	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		14.812.217
	Cash from Financing and Miscellaneous Sources	11,100,020	11,012,211
16	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	i i	
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	1 1	
	16.6 Other cash provided (applied).		(298,862
	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	<u> </u>	(298.862
•••	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	(1,110,100)	(200,002
18	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,042,149	(4,110,387
	Cash, cash equivalents and short-term investments:	2,072,173	
	19.1 Beginning of year	4 ,040 ,017	8,150,404
	19.2 End of year (Line 18 plus Line 19.1)	6.082.166	4.040.017
	19.2 Etitu ot year (Little 10 pius Little 19.1)	0,002,100	4,040,0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	170011110	EIVIIUIVIS EARIN			
		1 Net Premiums Written per	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's		4 Premiums Earned During Year
-	Line of Business	Column 6, Part 1B	Part 1	Part 1A	(Cols. 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty	62,440	92,643,742	74,262,678	18,443,504
11.1	Medical professional liability-occurrence				
11.2	Medical professional liability-claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability-occurrence				
	•				
17.2	Other liability-claims-made				
17.3	Excess workers' compensation				
18.1	Products liability-occurrence				
18.2	Products liability-claims-made				
19.1,19.	2 Private passenger auto liability				
19.3,19.	4 Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	•				
	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance-nonproportional assumed property				
32.	Reinsurance-nonproportional assumed liability				
33.	Reinsurance-nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	62,440	92,643,742	74,262,678	18,443,504
DETAILS (DF WRITE-INS		_		
3401.					
3402.					
3403.					
3498.	Sum. of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	<u>I</u>	<u> </u>	<u> </u>	<u> </u>

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4			
1.	Fire								
2.	Allied lines								
3.	Farmowners multiple peril								
4.	Homeowners multiple peril								
5.	Commercial multiple peril								
6.	Mortgage guaranty								
8.	Ocean marine								
9.	Inland marine								
10.	Financial guaranty		74,262,678			74,262,678			
11.1	Medical professional liability-occurrence								
11.2	Medical professional liability-claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health								
16.	Workers' compensation								
17.1	Other liability-occurrence								
17.2	Other liability-claims-made								
17.3	Excess workers' compensation								
18.1	Products liability-occurrence								
18.2	Products liability-claims-made								
	2 Private passenger auto liability								
21.	4 Commercial auto liability								
	Auto physical damage								
22.	Aircraft (all perils)								
	Fidelity								
24.	Surety								
26.	Burglary and theft								
27.	Boiler and machinery								
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance-nonproportional assumed property								
32.	Reinsurance-nonproportional assumed liability								
33.	Reinsurance-nonproportional assumed financial lines								
34.	Aggregate write-ins for other lines of business								
35.	TOTALS		74,262,678			74,262,678			
36.	Accrued retrospective premiums based on experier	nce				,,			
37.	Earned but unbilled premiums								
38.	Balance (Sum of Lines 35 through 37)					74,262,678			
	OF WRITE-INS					17,202,010			
3401.	OF WRITE-INS								
3402.					·····				
3403.									
3403. 3498.	Sum. of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

⁽a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

		1		nce Assumed	Reinsurar	Reinsurance Ceded		
		Direct Business	2 From	3 From	4 To	5 To	Net Premiums Written Cols.	
	Line of Business	(a)	Affiliates	Non-Affiliates	Affiliates	Non-Affiliates	1+2+3-4-5	
1.	Fire						-	
2.	Allied lines							
3.	Farmowners multiple peril							
4.	Homeowners multiple peril							
5.	Commercial multiple peril							
6.	Mortgage guaranty							
8.	Ocean marine							
9.	Inland marine							
10.	Financial guaranty	62,440						
11.1	Medical professional liability-occurrence							
11.2	Medical professional liability-claims-made							
12.	Earthquake							
13.	Group accident and health							
14.	Credit accident and health (group and individual)							
15.	Other accident and health						-	
16.	Workers' compensation							
17.1	Other liability-occurrence							
17.2								
17.3	Excess workers' compensation							
18.1	Products liability-occurrence							
18.2	Products liability-claims-							
19.1,19	.2 Private passenger auto							
19.3,19	.4 Commercial auto liability							
21.	Auto physical damage							
22.	Aircraft (all perils)							
23.	Fidelity							
24.	Surety	i i						
26.	Burglary and theft							
20. 27.	• .							
	Boiler and machinery							
28.	Credit							
29.	International							
30.	Warranty							
31.	Reinsurance- nonproportional assumed property	xxx						
32.	Reinsurance- nonproportional assumed liability	VVV						
33.	Reinsurance- nonproportional assumed							
34.	financial lines							
35.	TOTALS	62,440					62,440	
		02,440					02,440	
3401.	G OF WRITE-INS							
3402.								
3403.								
3498.	Sum. of remaining write- ins for Line 34 from overflow page							
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)							

If yes: 1. The amount of such installment premiums \$62,440	
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$	62,440

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [X] No []

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

			PART 2 - LOSSES PAID AND INCURRED						
				Less Salvage		5	6	7	8
	Line of Business	1 2 Reinsurance National State of Business Line of Business Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)	
1.	Fire								
2.	Allied lines								
3.	Farmowners multiple peril								
4.	Homeowners multiple peril								
5.	Commercial multiple peril								
6.	Mortgage guaranty								
8.	Ocean marine								
9.	Inland marine								
10.	Financial guaranty	42,488,693			42,488,693	110,964,787	105,551,542	47,901,938	259.7
11.1	Medical professional liability-occurrence								
11.2	Medical professional liability-claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health								
16.	Workers' compensation								
17.1	Other liability-occurrence								
17.2	Other liability-claims-made								
17.3	Excess workers' compensation								
18.1	Products liability-occurrence								
18.2	Products liability-claims-made								
	9.2 Private passenger auto liability								
	9.4 Commercial auto liability								
21.	Auto physical damage								
22.	Aircraft (all perils)								
23.	Fidelity								
24.	Surety Burglary and theft								
26. 27.	Boiler and machinery								
28.	•								
20. 29.	Credit								
29. 30.	Warranty								
30. 31.	Reinsurance-nonproportional assumed property	XXX							
32.	Reinsurance-nonproportional assumed liability	XXX							
33.	Reinsurance-nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
3 4 .	TOTALS	42,488,693			42,488,693	110,964,787	105,551,542	47.901.938	259.7
	S OF WRITE-INS	42,400,033			42,400,000	110,304,707	100,001,042	47,301,330	200.1
3401.	5 OF WINTE-ING								
3402.									
3403.									
3498.	Sum. of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

		PART 2A	- UNPAID LOS	SSES AND LOSS	ADJUSTMENT	EXPENSES				
			Report	ed Losses		11	ncurred But Not Reporte	ed	8	9
		1	2	3	4 Net Losses Excl.	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 +5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				(222					,
2.	Allied lines			1					1	
	Farmowners multiple peril									
	Homeowners multiple peril									
5.	Commercial multiple peril									
6.	Mortgage guaranty									
	Ocean marine									
9.	Inland marine					• • • • • • • • • • • • • • • • • • • •				
	Financial quaranty	110,964,787			110.964.787				110,964,787	3.866.000
11.1	Medical professional liability-occurrence				110,304,707		1		10,004,707	
11.2	Medical professional liability-claims-made								· ·	
12.							†		·	
13.	Earthquake Group accident and health								(a)	
13.	Group accident and health (construction)								(a)	
	Credit accident and health (group and individual)								(0)	
	Other accident and health						·		(a)	
	Workers' compensation						†			
	Other liability-occurrence									
	Other liability-claims-made									
	Excess workers' compensation									
18.1	Products liability-occurrence						ļ			
18.2	Products liability-claims-made						ļ			
19.1,19.2	Private passenger auto liability									
19.3,19.4	Commercial auto liability									
21.	Auto physical damage									
22.	Aircraft (all perils)									
23.	Fidelity			1			1		1	
24.	Surety			1					1	
	Burglary and theft									
	Boiler and machinery									
28.	Credit									
29.	International									
	Warranty									
31.	Reinsurance-nonproportional assumed property	XXX				XXX	<u> </u>	1	<u> </u>	
32.	Reinsurance-nonproportional assumed liability	XXX				XXX	1			
	Reinsurance-nonproportional assumed financial lines	XXX				XXX	†		-	
	Aggregate write-ins for other lines of business						†		-	
	TOTALS	110.964.787			110.964.787				110.964.787	3.866.000
	DF WRITE-INS	110,304,707			110,304,707		 		110,304,767	3,000,000
				+			<u> </u>	 	+	
				+			 		+	
3403.					ļ	ļ	 	 	+	ļ
3498.	Sum. of remaining write-ins for Line 34 from overflow page					ļ	 	 	+	ļ
	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)								1	

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	PARI 3		2	2	1 4
		1 Loss Adjustment Expenses	Other Underwriting Expenses	3 Investment Expenses	4 Total
1.	Claim adjustment services:	Ехрепзез	Ехрепзез	Ехрепзез	Total
	1.1 Direct	1,322,956			1,322,956
	1.2 Reinsurance assumed				
	1.3 Reinsurance ceded				
	1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1.322.956			1.322.956
2.	Commission and brokerage:	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	2.1 Direct, excluding contingent				
	Reinsurance assumed, excluding contingent				
	2.3 Reinsurance ceded, excluding contingent				
	2.4 Contingent-direct				
	2.5 Contingent-reinsurance assumed				1
	2.6 Contingent-reinsurance ceded				
	2.7 Policy and membership fees				
	2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)				
2					
	Allowances to manager and agents				1
	Advertising		i i		i
	Surveys and underwriting reports				
	Audit of assureds' records				
8.	Salary and related items:		4 040 400		4 040 400
	8.1 Salaries				
	8.2 Payroll taxes				
	Employee relations and welfare		· ·		
	Insurance		· ·		541,894
	Directors' fees		i i		596,722
12.	Travel and travel items		·		
	Rent and rent items				569,867
	Equipment				77,920
15.	Cost or depreciation of EDP equipment and software		105,548		105,548
16.	Printing and stationery		42,163		42,163
17.	Postage, telephone and telegraph, exchange and express		79,894		79,894
18.	Legal and auditing		1,202,486	496,884	1,699,370
19.	Totals (Lines 3 to 18)		8,835,820	496,884	9,332,704
20.	Taxes, licenses and fees:				
	20.1 State and local insurance taxes deducting guaranty association				
	credits of \$		2,277		2,277
	20.2 Insurance department licenses and fees		249,827		249,827
	20.3 Gross guaranty association assessments				
	20.4 All other (excluding federal and foreign income and real estate)				
	20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		252,104		252, 104
21.	Real estate expenses				
	Real estate taxes				
23.	Reimbursements by uninsured plans				
24.	Aggregate write-ins for miscellaneous expenses		468,340		468,340
25.	Total expenses incurred		9,556,264	106 881	(a)11,376,104
	Less unpaid expenses-current year			82,100	I '
	Add unpaid expenses-prior year			93,697	
	Amounts receivable relating to uninsured plans, prior year				-
	Amounts receivable relating to uninsured plans, current year	0.004.053	40,000,000	500 404	40 500 000
	TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,021,956	10,989,932	508,481	13,520,369
	LS OF WRITE-INS				
	Consulting Expenses.				467 , 817
2402.	Miscellaneous Expenses		523		
2403.					
2498.	Summary of remaining write-ins for Line 24 from overflow page				
2499.	Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		468,340		468,340

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

EXHIBIT OF NET INVESTMENT INCOME

	EXHIBIT OF RET INVESTMENT IN	1 1	2
		Collected	Earned
		During Year	During Year
1.	U.S. Government bonds	(a)1,291,389	1,230,022
1.1	Bonds exempt from U.S. tax	(a)1,190,136	1,189,206
1.2	Other bonds (unaffiliated)		8,487,251
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate		
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments		33
7.	Derivative instruments		0.045.000
8.	Other invested assets	2,245,000	2,245,000
9.	Aggregate write-ins for investment income	40 000 004	5,000
10.	Total gross investment income		13,156,513
11.	Investment expenses		(g)496,884
12.	Investment taxes, licenses and fees, excluding federal income taxes		
13.	Interest expense		
14.	Depreciation on real estate and other invested assets		
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		
17.	Net investment income (Line 10 minus Line 16)	T	12,659,628
1	LS OF WRITE-INS		
0901.	Consent Solicitation Payment		5,000
0902.			
0903.			
	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	5,000	5,000
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Inclu	udes \$879,050 accrual of discount less \$2,490,016 amortization of premium and less \$	212.942 paid for accrued	d interest on purchases.
	udes \$accrual of discount less \$amortization of premium and less \$		
(c) Inclu	udes \$accrual of discount less \$amortization of premium and less \$	paid for accrued	d interest on purchases.
	udes \$for company's occupancy of its own buildings; and excludes \$for company's occupancy of its		•
	udes \$amortization of premium and less \$amortization of premium and less \$	paid for accrued	d interest on purchases.
	udes \$accrual of discount less \$amortization of premium.		
	udes \$investment expenses and \$investment taxes, licenses and fees, exc	cluding federal income taxes	, attributable to
	regated and Separate Accounts.		
	udes \$interest on surplus notes and \$interest on capital notes.		
(i) Inclu	udes \$depreciation on real estate and \$depreciation on other invested asse	ets.	

EXHIBIT OF CAPITAL GAINS (LOSSES)

	EVUIDIT	OF CAPIT	AL GAIN	O (LUSSE	.J	
		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Unrealized Capital	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(199,992)		(199,992)		
1.1	Bonds exempt from U.S. tax	169,518		169,518	(94,207)	
1.2	Other bonds (unaffiliated)	2,233,924		2,233,924		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets				(478)	
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	2,203,449		2,203,449	(94,685)	
DETAI	LS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9					

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)	Nonadmitted 7 issets	Nonadmitted 7 33ct3	(001. 2 001. 1)
	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and			
	short-term investments (Schedule DA)			
6.	Contract loans			
	Derivatives (Schedule DB).			
i	Other invested assets (Schedule BA)			
	Receivables for securities			
i	Securities lending reinvested collateral assets (Schedule DL)			
	Aggregate write-ins for invested assets			
i	Subtotals, cash and invested assets (Lines 1 to 11)			
1	Title plants (for Title insurers only).			
	Investment income due and accrued			
İ	Premiums and considerations:			
13.	15.1 Uncollected premiums and agents' balances in the course of			
	collection			
	15.2 Deferred premiums, agents' balances and installments booked but deferred			
	and not yet due			
40	15.3 Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
4.7	16.3 Other amounts receivable under reinsurance contracts			
	Amounts receivable relating to uninsured plans			
i	Current federal and foreign income tax recoverable and interest thereon			
	Net deferred tax asset			232,170
l	Guaranty funds receivable or on deposit			
	Electronic data processing equipment and software			40 540
	Furniture and equipment, including health care delivery assets			
i	Net adjustment in assets and liabilities due to foreign exchange rates			
	Receivables from parent, subsidiaries and affiliates			
i	Health care and other amounts receivable	i		
	Aggregate write-ins for other-than-invested assets	1 ,430 ,008	1 ,247 ,165	(182,843)
26.	Total assets excluding Separate Accounts, Segregated Accounts and			
	Protected Cell Accounts (Lines 12 to 25)	33,761,989 [33,855,340	93,351
	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	33,761,989	33,855,340	93,351
DETAII	LS OF WRITE-INS			
1101.				
1102.				
i				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Salvage Recoverable	1,000,000	1,000,000	
2502.	Prepaid Expenses	376,741	193,898	(182,843)
2503.	Security Deposit	53,267	53,267	
i	Summary of remaining write-ins for Line 25 from overflow page			
	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,430,008	1,247,165	(182,843)

NOTES TO FINANCIAL STATEMENTS

1. Basis of Accounting, Use of Estimates, and Summary of Significant Accounting Policies:

A. Basis of Accounting

ACA Financial Guaranty Corporation ("ACA" or the "Company", a Maryland domiciled financial guaranty insurance company – see Note 21.C.(4) for a description of financial guaranty insurance) prepares its statutory basis financial statements in accordance with accounting practices prescribed or permitted by the Maryland Insurance Administration (the "MIA"). The MIA recognizes only statutory accounting practices prescribed or permitted by the State of Maryland for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Maryland. The state has adopted certain prescribed accounting practices that differ with those found in NAIC SAP. The Maryland Insurance Commissioner has the right to permit other specific practices which deviate from prescribed practices.

There are no differences between amounts reported in the accompanying financial statements, which are prepared as prescribed or permitted by the MIA, and NAIC SAP.

In connection with ACA's Restructuring Transactions and Global Settlement Agreement in 2008 (see Note 21.C.(2)), the Company made a cash payment and issued non-interest bearing surplus notes with a principal amount of \$1 billion to settle counterparty claims. Due to the unique nature of the transaction, and in consultation with the MIA, the Company recorded the issuance of surplus notes with a fully offsetting contra account. This accounting treatment has resulted in a net balance of \$0 reported as surplus notes. Payment of principal, or any other distributions, on the surplus notes may not be recognized until approved by the MIA. Upon the MIA's approval, unassigned funds (surplus) and the contra account will be adjusted to reflect the amount approved. Upon payment, the principal amount of the surplus notes would be reduced by the amount of such payment. No payments have been made under the surplus notes.

B. Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the MIA requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from estimates and those differences may be material.

C. Summary of Significant Accounting Policies

(1) Premiums charged in connection with the issuance of the Company's guaranties are received either upfront or in installments. Such premiums are recognized as written when due. Installment premiums written are earned ratably over the installment period, generally one year or less, which is consistent with the expiration of the underlying risk or amortization of the underlying insured principal. Upfront premiums written are earned based on the proportion of principal and interest scheduled to be paid on the underlying insured obligation during the period, as compared to the total amount of principal and interest to be paid over the contractual life of the insured debt obligation. When a full loss on a guaranteed obligation is reflected in the financial statements and no further variability exists as to the measurement of the loss, the remaining unearned premiums are recognized as earned since the Company is no longer exposed to insurance risk. Unearned premiums, net of prepaid reinsurance premiums, represent the unearned portion of upfront and installment premiums written

In addition, when an insured issue is retired early, is called by the issuer or is, in substance, paid in advance through a refunding accomplished by placing U.S. Government securities in escrow (hereafter referred to collectively as "Refundings"), the remaining unearned premium revenue relating to such insured issue is earned at that time since there is no longer risk to the Company. For the years ended December 31, 2015 and 2014, the Company recorded earned premiums of \$15.4 million and 21.6 million, respectively, related to Refundings.

- (2) Short-term investments are stated at amortized cost.
- (3) Bonds and loan-backed securities assigned an NAIC Designation of 1 or 2 are valued at cost, adjusted for amortization of any premium, or accretion of any discount, which is calculated using the constant yield method. Bonds and loan-backed securities assigned an NAIC rating of 3 or lower are valued at the lower of amortized cost (adjusted for amortization of any premium, or accretion of any discount, which is calculated using the constant yield method) or fair value. The prospective method is used to value loan-backed securities. Commencing January 1, 2013, the Company employs Clearwater Analytics, LLC ("Clearwater") as its third party investment accounting service provider. Clearwater uses Bloomberg L.P. as the source to determine prepayment assumptions. Prior to January 1, 2013, the Company employed State Street Global Services as its third party investment accounting service provider. The following table summarizes the carrying amount of the Company's long-term and short-term bonds and loan-backed securities by NAIC Designation at December 31, 2015.

NAIC Designation 1	\$ 232,549,664
NAIC Designation 2	77,952,127
NAIC Designation 3	2,609,774
NAIC Designation 4	-
NAIC Designation 5	9,714,936
NAIC Designation 6	1,701,365
Total	\$ 324,527,866

Realized capital gains and losses on the sale of investments are determined on the basis of specific identification and are included in net income. Decreases in the fair value of bond and stock investments below their carrying value which are determined to be "other than temporary" are reflected as realized capital losses and are recorded in the Statement of Income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) whether the decline is attributable to credit related or interest rate related factors, 2) whether the decline is substantial; 3) the amount of time that the fair value has been continuously less than cost; 4) the financial condition and near-term prospects of the issuer; and 5) the Company's ability and intent to retain the investment for a period of time sufficient to allow for an anticipated recovery in value. For the years ended December 31, 2015 and 2014, the Company recorded "other than temporary" adjustments of \$0 million and \$1.7 million, respectively.

NOTES TO FINANCIAL STATEMENTS

Net investment income includes interest and dividends received and accrued on investments. It also includes amortization of any purchase premium or discount using the constant yield method, adjusted prospectively for any change in estimated yield to maturity. Investment income is recognized when earned. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made, while investment income greater than 90 days past due is non-admitted and charged directly to surplus. Net investment income is reduced by investment management expenses.

- (4) The Company has no investments in common stock or other similar equity interests, other than the common stock or other similar equity interests of subsidiary, controlled or affiliated insurance and non-insurance entities. See (7) below.
- (5) The Company has two preferred stock holdings with a carrying value of zero at December 31, 2015.
- (6) The Company has no investments in mortgage loans.
- (7) Investments in the common stocks or other similar equity interests of its subsidiary, controlled or affiliated insurance or non-insurance entities are accounted for and reported in accordance with the equity method as prescribed by SSAP No. 97, "Investments in Subsidiary, Controlled and Affiliated Entities", and valued in accordance with section 3(ii)(D) of the NAIC Valuations Securities manual. Changes in the carrying value of such investments are reflected as unrealized capital gains or losses in capital and surplus. Dividends received from such investments are reported in investment income. ACA Services derives its earnings from its wholly owned subsidiary, ACA Management. ACA Management receives management fees on asset management contracts which were sold on a forward revenue sharing basis in connection with the termination of the company's prior CDO/CLO asset management business. Management fees have declined substantially and will continue to decrease as the assets underlying managed deals run-off or are called and terminated. For the years ended December 31, 2015 and 2014, investment income includes dividends received from ACA Service, L.L.C. relating to its share of fees from certain managed CDO's of 2.2 million and \$3.3 million, respectively. See Note 6 below.
- (8) The Company has no investments in joint ventures.
- (9) The Company has no investments in derivatives.
- (10) The Company has no premium deficiencies.
- (11) The Company records a loss with respect to an insurance guaranty upon a payment default by the issuer of the insured obligation (a payment default is generally considered the incident which gives rise to a claim under the Company's insurance policies and triggers loss recognition relating to the incident). The Company's liability for losses (also known as "loss reserves" "reserves for unpaid losses", "case reserves", or "case basis reserves"), reported on the accompanying Statement of Assets, Liabilities, Surplus and Other Funds, represents the best estimate of the present value of the Company's ultimate claim payments under the policy, net of its best estimate of the present value of any recoveries from salvage and subrogation rights under the policy, remaining unpaid at the balance sheet date. Loss adjustment expenses ("LAE") are recorded by the Company in regard to insurance guaranties when costs are incurred or expected to be incurred to remediate probable losses under its policies. Accordingly, LAE may be recorded on policies for which claims have been paid or losses have been recognized, as well as on policies where no claim payments have been made or losses have been recorded but may be incurred in the future. LAE represents the estimated ultimate cost of remediating losses or potential losses under policies. The Company does not discount LAE.

Losses on the Company's insurance guaranties and related case reserves are determined using cash flow models to estimate the net present value of the anticipated shortfall between (i) scheduled payments on the insured obligation and (ii) anticipated cash flow from the obligor or the collateral supporting the obligation and other anticipated recoveries or cash flows. A number of quantitative and qualitative factors are considered when determining whether the Company will incur a loss and the amount of any case reserve. These factors may include the creditworthiness of the underlying issuer of the insured obligation, whether the obligation is secured or unsecured, the projected cash flow or market value of any assets that collateralize or secure the insured obligation, and the historical and projected recoveries from such assets. Other factors that may affect the actual ultimate loss include the state of the economy, market conditions for municipal bond issuance, changes in interest rates, rates of inflation, willingness of the obligor or sponsor to honor its commitments and the salvage values of specific collateral. Such factors and management's assessment thereof will be subject to the specific facts and circumstances associated with the specific insured transaction being considered for loss recognition. Losses and related case reserves are discounted at a rate reflecting the average rate of return on the Company's admitted assets. Recognition of losses and related case reserves requires the use and exercise of significant judgment by management, including estimates regarding the amount and timing of a loss on an insured obligation. Actual experience may, and likely will, differ from those estimates and such difference may be material due to the fact that the ultimate dispositions of claims are subject to the outcome of events that have not yet occurred, are difficult to predict, and, in certain cases, will occur over many years in the future. Examples of these events include changes in the level of interest rates, credit deterioration of guaranteed obligations, changes in the value of specific assets supporting guaranteed obligations, and changes in the expected timing of claims payments and recoveries, and the amounts of expected claims payments and recoveries. Any estimate of future costs is subject to the inherent limitation on the Company's ability to predict the aggregate course of future events. It should therefore be expected that the actual emergence of losses and LAE will vary, perhaps materially, from any estimate.

Reference should be made to Note 21.C.(1) for further information regarding the Company's accounting policy for loss recognition on its in-force insurance guaranties, as well as in regard to losses expected to be incurred by the Company on its insurance guaranties which have not yet been recorded in the accompanying Statement of Assets, Liabilities, Surplus and Other Funds because a payment default by the issuer of the insured obligation has not yet occurred.

(12) A statutorily mandated contingency reserve is established net of reinsurance by an appropriation of unassigned surplus and is reflected in "Aggregate write-ins for liabilities" in the Statement of Assets, Liabilities, Surplus and Other Funds. This reserve is calculated as the greater of a prescribed percentage applied to original insured principal or 50% of premiums written, net of ceded reinsurance. The prescribed percentage varies by the type of business. Once the reserve is calculated, as described above, it is incrementally recognized in the financial statements over a prescribed time period based on type of business. Under SSAP 60, contributions to the contingency reserve may be discontinued if the total contingency reserve already recorded exceeds a calculated amount based upon unpaid principal guaranteed and prescribed percentages by bond category. The Company's established contingency reserve is in excess of this calculated amount. The Company has discontinued its contributions in the fourth quarter of 2014. Reductions in the contingency reserve may be recognized

NOTES TO FINANCIAL STATEMENTS

under certain stipulated conditions, subject to the approval of the Maryland Insurance Commissioner. In May 2015, the Company requested the Commissioner's approval to release contingency reserve equal to the amount in excess of the calculated maximum amount at December 31, 2014. The MIA denied the request.

- (13) There has been no change to the Company's capitalization policy.
- (14) The Company has no pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

Not applicable.

3. BUSINESS COMBINATION AND GOODWILL

The Company was not party to any business combinations and has not recorded any goodwill.

4. DISCONTINUED OPERATIONS

The Company had no discontinued operations.

5. INVESTMENTS

A. Mortgage Loans

The Company had no investments in mortgage loans or mezzanine real estate loans as of December 31, 2015 and December 31, 2014.

B. Debt Restructuring

As a result of claims paid under certain of its insurance policies, the Company has received salvage in the form of investment securities. Such investment securities represent restructured debt issued in place of that originally guaranteed by the Company. The Company has recorded such investment securities at fair value at the date received. The aggregate carrying value of such restructured debt at December 31, 2015 and December 31, 2014 was \$1.6 million and \$1.5 million, respectively. The Company has no other restructured debt and has not been a party to a troubled debt restructuring by virtue of its ownership of its invested assets.

C. Reverse Mortgages

The Company does not invest in reverse mortgages.

D. Loan-Backed Securities

- (1) Prepayment assumptions are derived from an average of those forecast by a number of Wall Street dealers as tabulated by Bloomberg L.P. and referred to as Bloomberg consensus estimates.
- (2) During the year ended December 31, 2015, the Company did not recognize any other than temporary impairment charges on loan-backed securities.
- (3) N/A
- (4) The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous loss position for 12 months or longer at December 31, 2015 is \$7.3 million and \$0.2 million, respectively. The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous unrealized loss position for less than 12 months at December 31, 2015 is \$99.7 million and \$0.8 million, respectively. All of the securities discussed above are rated investment grade by at least one nationally recognized statistical ratings organization and have excess credit coverage within each structure and projected cash flows from the underlying collateral that are expected to be sufficient to pay principal and interest.
- (5) None

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has not used repurchase agreements and has not engaged in any securities lending transactions.

F. Real Estate

The Company has no real estate investments.

G. Investments in Low-Income Housing Tax Credits

The Company has no low-income housing tax credit investments.

H. Restricted Assets

The following table summarizes the Company's restricted assets:

				Gross Restricted	l				Perce	entage
			Current Year							
	1	2	3	4	5	6	7	8	9	10
Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted As sets
 On deposit with states 	\$ 4,817,907	\$ -	\$ -	\$ -	\$ 4,817,907	\$ 4,837,217	\$ (19,310)	\$ 4,817,907	1.32%	1.46%
n. Other restricted assets	53,267	-	-	-	53,267	53,267	-	-	0.00%	0.00%
 Total restricted assets 	\$ 4,871,174	\$ -	\$ -	\$ -	\$ 4,871,174	\$ 4,890,484	\$ (19,310)	\$ 4,817,907	1.32%	1.46%

NOTES TO FINANCIAL STATEMENTS

I. Working Capital Finance Investments

The Company has no working capital investments.

J. Offsetting and Netting of Assets and Liabilities

The Company has no offsetting or netting of assets and liabilities related to derivatives, repurchases, reverse repurchases, and securities borrowing or securities lending.

K. Structured Notes

The following table summarizes the Company's structured notes:

				Mortgage-
				Referenced
CUSIP			Book/Adjusted	Security
Identification	Actual Cost	Fair Value	Carrying Value	(YES/NO)
1248MBAJ4	\$ 939,706	\$ 1,199,427	\$ 939,706	YES
31359S2G4	88,556	99,735	85,067	YES
Total	\$ 1,028,263	\$ 1,299,163	\$ 1,024,774	

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

As of December 31, 2015 and December 31, 2014, the Company held an investment in ACA Service L.L.C., ("ACA Service"). The carrying value of such investment as of December 31, 2015 and December 31, 2014 was zero.

On April 1, 2011, the Company formed Tactical Risk Management LLC ("TRM") a wholly owned subsidiary. The Company has committed to capitalize TRM with up to \$100 thousand. The Company's equity in TRM has been non-admitted as of December 31, 2015 and December 31, 2014.

7. INVESTMENT INCOME

See Note 1.C. (3) above.

8. DERIVATIVE INSTRUMENTS

The Company has not purchased or sold any derivative financial instruments for hedging or other purposes.

9. INCOME TAXES

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1)	DTA/DTL Components		dinary		2015 Capital		Total		Ordinary		2014	Total		Ordinary	Change		T 1
	Description	Ore	dinary		Capitai		1 otai		Ordinary		Capital	1 otai	_	Ordinary	Capital		Total
(a)	Gross deferred tax assets		18,247,501		-	s	118,247,502	\$	108,371,481 \$	s	524,452 \$	108,895,933	s	9,876,021 S		451) \$	9,351,570
(b)	Statutory valuation allowance adjustment		84,673,557)				(84,673,557)	_	(74,797,536)		(524,452)	(75,321,988)	_	(9,876,021)	524,	151	(9,351,570)
(c)	Adjusted gross deferred tax assets		33,573,944		-		33,573,945		33,573,945		-	33,573,945				-	
(d)	Adjusted gross deferred tax assets nonadmitted	(:	32,242,985)		-		(32,242,985)		(32,475,155)		-	(32,475,155)		232,170		-	232,170
(e)	Sub-total admitted adjusted gross deferred tax asset		1,330,959		-		1,330,960		1,098,790		-	1,098,790		232,170		-	232,170
(f)	Gross deferred tax liabilities		(1,330,959))	-		(1,330,959)		(1,098,790)		-	(1,098,790)		(232,170)		-	(232,170)
(g)	Net admitted deferred tax asset	\$	-	\$	-	S	0		S	S	- S		\$	- S		- S	
(2)																	
(2)	Admission calculation components: Description	Oro	dinary		2015 Capital		Total		Ordinary		2014 Capital	Total		Ordinary	Change Capital		Total
(2)	•	Oro	dinary				Total		Ordinary			Total		Ordinary			Total
(2) (a)	Description	Ore	dinary -	s		s	Total -	s	Ordinary			Total	s	Ordinary - \$	Capital	- s	Total
	Description Admission calculation under ¶11.a¶11.c.	Orc		s	Capital	s	Total -	s	Ordinary - \$			Total _	s	Ordinary - \$	Capital	- s	Total -
(a)	Description Admission calculation under ¶11.a.¶11.c. Federal income taxes paid in prior years recoverable through loss carrybacks.	Orc		s	Capital	s	Total -	s	Ordinary - \$			Total -	s	Ordinary - \$	Capital	- s	Total -
(a)	Description Admission calculation under ¶11.a. ¶11.c. Federal income taxes paid in prior years recoverable through loss carrybacks. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets)	Ore \$		s	Capital -	s	Total -	s	Ordinary - \$			Total -	s	Ordinary - \$	Capital	- \$ -	Total -
(a) (b)	Description Admission calculation under ¶11.a.¶11.e. Federal income taxes paid in prior years recoverable through loss carrybacks. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from a, above) after application of the threshold limitation (the lesser of b.i. and b.ii. below.)	s		s	Capital -	s	-	s	Ordinary - \$	s s		Total	s	Ordinary - \$ N/A	Capital		Total
(a) (b)	Description Admission calculation under ¶11.a.¶11.c. Federal income taxes paid in prior years recoverable through loss carrybacks. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from a, above) after application of the threshold limitation. (the lesser of b.i. and b.ii. below) Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	s	-	s	Capital -	s	-	s	- s -	s s	- S	Total	s	- \$ -	Capital		Total
(a) (b) (i) (ii)	Description Admission calculation under ¶11.a. ¶11.c. Federal income taxes paid in prior years recoverable through loss carrybacks. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from a, above) after app lication of the threshold limitation. (the lesser of b.i. and b.ii. below.) Adjusted gross deferred tax assets expected to be realized following the balance sheet date. Adjusted gross deferred tax assets allowed per limitation in threshold.	s	-	S	Capital -	\$	-	s	- s -	s s	- S	Total	s	- \$ -	Capital N/A		Total
(a) (b) (i) (ii)	Description Admission calculation under ¶11.a.¶11.c. Federal income taxes paid in prior years recoverable through loss carrybacks. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from a, above) after application of the threshold limitation. (the lesser of b.i. and b.ii. below.) Adjusted gross deferred tax assets apprected to be realized following the balance sheet data. Adjusted gross deferred tax assets allowed per limitation threshold. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a, and b, above)	s	- - - N/A	s	Capital N/A	s	- - - -	s	- \$	s s	- \$		s	- \$	Capital N/A	-	

(3) Used in ¶11.b. (Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From a, above) After Application of the Threshold Limitation. (The Lesser of b.i. and b.ii.) b.i. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. b.ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.)

 (a)
 Applicable ratio for realization limitation threshold table
 2015
 2014

 (a)
 Applicable ratio for realization limitation threshold table
 65.05%
 79.03%

(4) Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs:

(-)			2015			2014	
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b)	Admitted adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c)	Do TPS include a reinsurance strategy? Yes or No.		No			No	

B. Temporary differences for which a DTL has not been established:

There are no temporary differences for which deferred tax liabilities are not recognized.

C. Significant components of income taxes incurred.

(1) Current income taxes incurred consist of the following major components:

	Description	2015	2014	
(a)	Current federal income tax expense	\$ - \$	-	
(b)	Foreign Income tax expense	-	-	
(c)	Subtotal	 -	-	
(d)	Tax expense on realized capital gains	524,452	780,079	
(e)	Utilization of capital loss carry forwards	(524,452)	(780,079)	
(f)	Other, including prior year underaccrual	164,748	-	
(g)	Federal and foreign income taxes incurred	\$ 164,748 \$	-	

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2)	DTAs Resulting From Book/Tax Differences In	D	ecember 31, 2015	De	ecember 31, 2014	Change
(a) (1) (2)	Ordinary Loss Reserve Discounting Unearned premiums	\$	5,537,510 2,530,298	\$	6,061,344 \$ 3,173,635	(523,834) (643,337)
(3) (4) (5)	Policy holder reserves Investments Deferred acquisition costs		- - -		- - -	-
(6) (7)	Policyholder dividends accrued Fixed assets		-		- -	- -
(8) (9) (10)	Compensation and benefit accruals Pension accruals Nonadmitted assets		- -		- - -	- -
(11) (12) (13)	Net operating loss carry forward Tax credit carry forward Contingency Reserve		75,825,788 779,960 33,573,945		64,947,344 615,212 33,573,945	10,878,444 164,748
(14)	Other (separately disclose items >5%)		-		-	0.077.022
(99) (b) (c)	Subtotal - Gross ordinary DTAs Statutory valuation adjustment adjustment - ordinary Nonadmitted ordinary DTAs		118,247,502 (84,673,557) (32,242,985)		108,371,481 (74,797,536) (32,475,155)	9,876,022 (9,876,022) 232,170
(d)	Admitted ordinary DTAs	\$	1,330,960	\$	1,098,790 \$	232,170
(e) (1) (2) (3)	Capital Investments Net capital loss carry forward Real estate	\$	- - -	\$	- \$ 524,452	- (524,451) -
(4) (5)	Other (separately disclose items >5%) Unrealized capital losses		- -		- -	- -
(99) (f) (g)	Gross capital DTAs Statutory valuation adjustment - capital Nonadmitted capital DTAs		- - -		524,452 (524,452)	(524,452) 524,452
(h)	Admitted capital DTAs	\$	-	\$	- \$	<u>-</u>
(i)	Admitted DTAs	\$	1,330,960	\$	1,098,790 \$	232,170
(3)	DTLs Resulting From Book/Tax Differences In	D	ecember 31, 2015	De	ecember 31, 2014	Change
(a) (1) (2) (3)	Ordinary Investments Fixed assets Deferred and uncollected premiums	\$	- (157,148) -	\$	- \$ (53,478)	- (103,670) -
(4) (5)	Policy holder reserves/salvage and subrogation Other (separately disclose items >5%)		-		- -	- -
(99)	Ordinary DTLs	\$	(157,148)	\$	(53,478) \$	(103,670)
(b) (1) (2)	Capital Investments Real estate Other (separately disclose items >5%)	\$	(1,173,812)	\$	(1,045,312) \$	(128,500)
(3) (4)	Unrealized capital gains		<u>-</u>			<u>-</u>
	Capital DTLs	\$	(1,173,812)		(1,045,312) \$	(128,500)
(c) (4)	DTLs Net deferred tax assets/liabilities	<u>\$</u> \$	(1,330,960)	\$ \$	(1,098,790) \$	(232,170)
` '						

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual S tatement):

	D	December 31, 2015		ber 31, 14	Bal. Sheet Change
Total deferred tax assets Total deferred tax liabilities	\$	118,247,502 (1,330,959)		,895,933 \$,098,790)	9,351,569 (232,170)
Net deferred tax assets/liabilities Statutory valuation allowance adjustment (*see explanation below)		116,916,542 (84,673,557)	107	(,797,143 (,321,988)	9,119,399
Net deferred tax assets/liabilities after SVA	\$	32,242,985		,475,155	(9,351,569) (232,170)
Tax effect of unrealized gains/(losses) Statutory valuation allowance adjustment allocated to unrealized (+)					-
Change in net deferred income tax charge				\$	(232,170)

*Statutory valuation allowance

The Company does not forecast enough taxable income in future tax years in order to recover the deferred tax assets. As a result, a full valuation allowance is being utilized against deferred tax assets.

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains / losses.

Statutory Rate

The significant items causing this difference are as follows:

Description	·	Amount	35.00% Tax Effect	Effective Tax Rate
Income Before Taxes (including all realized capital losses)	\$	(25,474,574) \$	(8,916,101)	35.00%
Tax-Exempt Interest		(1,184,281)	(414,498)	1.63%
Equity in Affiliates		(10,129)	(3,545)	0.01%
Proration		177,642	62,175	-0.24%
Meals & Entertainment, Lobbying Expenses, Etc.		6,019	2,107	-0.01%
Statutory Valuation Allowance Adjustment		26,718,768	9,351,570	-36.71%
Change in Contingency Reserve		-	-	0.00%
Prior Year True-up		900,606	315,212	-1.24%
Total	\$	1,134,051 \$	396,920	-1.56%
Federal income taxed incurred expense			164,748.10	-0.65%
Change in net deferred income tax benefit			232,170	-0.91%
Total statutory income taxes		\$	396,918	-1.56%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

The Company has net operating loss carry forwards of: \$ 216,645,109 expiring through the calendar year 2035

The Company had capital loss carry forwards of: \$ -

The Company has an AMT credit carry forward of: \$ 779,960 which does not expire.

The Company's net operating and capital loss carry forwards are limited in its aggregate under Section 382 of the Internal Revenue Code. See Note 21C. This limitation amounted to \$5,340,000 and is reflected in the statutory valuation allowance determination.

Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Available from tax year	Ordin	nary	Ca	pital	Total	
2013	\$	-	\$	- \$	-	_
2014		-		-	-	
2015		-		-	-	
Total	\$	-	\$	- \$	-	

Deposits admitted under IRC § 6603

None

The Company's Net operating and capital loss carryforwards are limited in its aggregate under Section 382 of the Internal Revenue Code. See Notes 21C. This limitation is reflected in the statutory valuation allowance determination.

F. Income tax loss contingencies

N/A

G. The Company's federal income tax return is consolidated with the following entities:

In November 2015, the Internal Revenue Service ("IRS") concluded its examination of income tax returns for ACA through 2008 tax year. No material adjustments arose as a result of the audit in relation to the financial position or results of operations of the Company for the tax years that were examined. As of December 31, 2015, no material adjustments are expected for tax years for which the statute of limitations remains open.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

- A. & B. There were no material transactions with parent, affiliates or other related parties in 2015 or 2014. The Company purchased ACA insured bonds from a surplus note holder. See Footnote 25.
- C. Not applicable.
- D. The Company has \$83 thousand net payable to subsidiaries at December 31, 2015 and December 31, 2014.
- E. Except as discussed in Note 6, the Company has no guaranties or undertakings for the benefit of an affiliate or related party.
- F. The Company has no material management or service contract with any related parties.
- G. The Company's majority common shareholder, ACA Holding, L.L.C. ("ACAH"), a Delaware holding company, held a 76.6% share in the common shares of the Company. The minority shareholder, KPR Ltd. ("KPR"), a Cayman Island company and a wholly-owned subsidiary of ACAH, held the remaining 23.4% share in the common shares of the Company. Each of ACAH and KPR are wholly-owned by Manifold Capital Corp. ("ACACH"), formerly ACA Capital Holdings, Inc., a Delaware corporation. Effective at the closing of the restructuring transaction entered into on August 8, 2008, ACACH and its wholly owned subsidiaries disclaimed control over the Company. This disclaimer of control was approved by the MIA. See Note 21.C.(2) for a discussion of the restructuring transaction.
- H. The Company's majority common shareholder and ultimate parent, ACAH and ACACH, respectively, are not owned directly or indirectly via any of the Company's downstream subsidiaries or controlled or affiliated entities. See Note 21.C.(2) for information regarding the ownership structure of the Company following the closing of its restructuring transaction that took place on August 8, 2008. See Note 21.C.(2) for a discussion of the restructuring transaction.
- I. The Company holds no investment in any subsidiary, controlled or affiliated entity that exceeds 10% of its admitted assets.
- J. The Company did not impair any subsidiary, controlled or affiliated entity in 2015 or 2014.
- K. Not applicable.

NOTES TO FINANCIAL STATEMENTS

- L. The Company does not hold an investment in a downstream noninsurance holding company.
- M. Not applicable.
- N. Not applicable.

11. DEBT

- A. As of December 31, 2015 and December 31, 2014, the Company had no capital notes or other debt.
- B. As of December 31, 2015 and December 31, 2014, the Company had no Federal Home Loan Bank (FHLB) Agreements.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. The Company has no Defined Benefit Plan.
- B. The Company sponsors a qualified defined contribution plan, which covers all full-time employees of the Company as of their start date with the Company. Eligible participants may contribute a percentage of their salary, subject to IRS limitations. The Company's contributions to the plan are based on a fixed percentage of employees' contributions subject to IRS limitations. At December 31, 2015 and December 31, 2014, the fair values of plan assets were \$5.9 million and \$6.5 million, respectively. For the years ended December 31, 2015 and 2014, the Company recognized expense in the amount of \$181.5 thousand and \$297.6 thousand for the defined contribution plan, respectively.
- C. The Company has no Multi-employer Plan.
- D. The Company has no Consolidated/Holding Company Plan.
- E. & F. The Company provides postemployment benefits to its employees. The benefits include severance and continuation of benefits, such as healthcare, for terminated employees. Amounts are reflected in the financial statements, as Employee Relations and Welfare expenses, when it is probable that the employee will be entitled to the benefit and the amount can be reasonably estimated.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATION

- (1) The Company has 1,000,000 shares of common stock authorized, issued and outstanding with a par value of \$15.00 per share. See Note 10.G.
- (2) The Company has no preferred stock outstanding.
- (3) As part of the Company's restructuring discussed in Note 21.C.(2) below, the MIA Order restricts the Company from paying dividends without the prior approval of the Commissioner.
- (4) No dividends were paid in 2015 or 2014.
- (5) The Company had negative earned surplus at December 31, 2015 and December 31, 2014; therefore no dividends can be paid in 2015 pursuant to Maryland Insurance Law. Negative earned surplus represents the amount reported in the Statement of "Assets, Liabilities, Surplus and Other Funds" under the line item entitled, "Unassigned funds (surplus)".
- (6) There are no restrictions on unassigned surplus.
- (7) The Company is not a mutual company.
- (8) The Company holds no stock for special purposes.
- (9) The Company holds no special surplus funds.
- (10) The portion of unassigned surplus represented by cumulative unrealized capital losses is \$120,777.
- (11) The following table sets forth certain information regarding the Company's surplus notes:

Date Issued	Interest Rate	Par Value (Face Value of Notes)	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
8/8/2008	no stated rate	\$1,000,000,000	-	-	-	-	Within 30 days after the expiration, commutation or bulk reinsurance of the last insurance policy issued by the Company

As part of the restructuring transaction which took place on August 8, 2008, surplus notes with a face amount of \$1 billion were issued. See Note 21.C.(2) for a description of the notes. These notes were recorded in the surplus notes section of the balance sheet along with an offsetting entry to a contra account (see Note 1.A.). All payments made under the surplus notes require advance approval of the MIA.

The Surplus Notes provide that, on or before July 15, 2013 and on every anniversary thereafter, ACA, as obligor, shall seek regulatory approval from the MIA to make a payment on the Surplus Notes to the holders thereof. On July 10, 2014, ACA made the aforementioned request to the MIA. On July 21, 2014, the Company was advised by the MIA that it had denied the Company's request.

(12) & (13) The Company has not gone through any quasi-reorganization.

NOTES TO FINANCIAL STATEMENTS

14. CONTINGENCIES

A. Contingency Commitments

The Company has no contingent commitments.

B. Assessments

The Company has no assessments other than those arising in the normal course of business. Such assessments are not material.

C. Gain Contingencies

Except for that discussed below, the Company has no gain contingencies.

- On January 6, 2011, the Company commenced a lawsuit against Goldman, Sachs & Co. ("Goldman") in the Supreme Court of the State of New York, County of New York (the "Lawsuit"). The Lawsuit seeks compensatory damages against Goldman in the amount of at least \$30 million and punitive damages in the amount of at least \$90 million in connection with the development of a structured finance product, a synthetic collateralized debt obligation called ABACUS 2007-AC1 ("ABACUS"). On April 25, 2011, the Company filed its First Amended Complaint. On June 3, 2011, Goldman moved to dismiss the First Amended Complaint. On April 23, 2012, the Court issued an order denying Goldman's motion to dismiss ACA's fraud claims and granting Goldman's motion to dismiss ACA's unjust enrichment claim (the "Order"). On May 29, 2012, Goldman served notice of its intent to appeal the Order. Also on May 29, 2012, Goldman served its answer, asserting counterclaims for breach of contract and fraudulent inducement, together with a third-party complaint against ACA Management LLC ("ACAM"), asserting claims for breach of contract, unjust enrichment and indemnification. Goldman does not specify the amount of damages it seeks. Oral arguments were heard on Goldman's appeal of the Order on January 2, 2013. Also on January 2, 2013, the Company filed for leave to amend its First Amended Complaint to add Paulson & Co. ("Paulson") as an additional defendant, incorporating new allegations of fraud against both parties. On January 30, 2013 the Court granted ACA's motion for leave to file a second amended complaint. On January 31, 2013 the Company filed its Second Amended Complaint. The Second Amended Complaint adds Paulson as an additional defendant and alleges that Paulson and Goldman conspired to fraudulently induce the Company to provide financial guaranty insurance for ABACUS by deceiving ACA into believing that Paulson was to be the equity investor in the product. On March 18, 2013 Paulson moved to dismiss the Second Amended Complaint. On April 17, 2013 Goldman answered the Second Amended Complaint. On May 14, 2013, the Appellate Division of the Supreme Court of the State of New York ordered the dismissal of ACA's legal action against Goldman. The decision reversed the lower court's order of April 23, 2012 denying Goldman's motion to dismiss. Following a motion for reargument with the Supreme Court that was denied December 17, 2013, ACA filed a motion for leave to appeal the decision to the Court of Appeals, which motion was fully briefed as of February 14, 2014. All lower court action was stayed pending that motion. On May 2, 2014, the Appellate Division granted ACA's motion for leave to appeal. Briefing began in July 2014 and oral arguments took place on March 26, 2015. On May 7, 2015, the Court of Appeals issued its decision reversing the dismissal by the Appellate Division. On August 18, 2015 the Appellate Division remanded the case to the Supreme Court. ACA's motion to dismiss Goldman's counterclaims against it and its third-party complaint against ACAM has been briefed, as has Paulson's motion to dismiss the ACA's claims against it. Oral argument on such motions is scheduled for March 2016. The various parties continue to seek discovery to the extent not yet obtained. The Company intends to vigorously pursue its claims, and defend those asserted against it, in this case.
- As a result of actions taken by the trustee in one particular ACA insured transaction, ACA expects to ultimately recognize salvage and subrogation recoveries in excess of its expected aggregate claim payments on the transaction. As a result, as of December 31, 2015, ACA expects to recognize a gain aggregating approximately \$13.2 million on a net present value basis, with recoveries expected to begin decades in the future. In addition, ACA was negotiating a settlement agreement with one of its former insurance carriers which was finalized in 2014, resulting in payments to ACA with respect to claims for coverage for certain investigations and lawsuits. Pursuant to ACA's accounting policy, any estimated gains must be deferred and recognized only when the actual receipts of such recoveries occur, or in the case of losses related to ACA's own insurance policies, they exceed the cumulative amounts paid out pursuant to claims. Accordingly, no assurance can be given that any or all expected recoveries will be received or that the amount of actual recoveries will not differ materially from that expected.
- D. Claims Related Extra-Contractual Obligations and Bad Faith Contingency Losses Stemming from Lawsuits

No losses were paid or incurred on claims related extra-contractual obligations and bad faith contingency losses stemming from lawsuits during the period of this statement.

Set forth below are descriptions of lawsuits where the Company is currently defending itself which could possibly result in loss payments.

The Company was one of several defendants in a lawsuit in the Superior Court of the State of California (Los Angeles County) brought in December 2008 by Retirement Housing Foundation and several affiliates relating to the plaintiffs' issuance of auction-rate securities insured by the Company. The plaintiffs allege that the Company's insurance of securities backed by sub-prime mortgages was not financially responsible and was contrary to the Company's statement about its investment practices, and that when the Company's credit rating was downgraded from "A" to "CCC" after the collapse of the sub-prime market in December 2007, the plaintiffs were forced to refinance their securities. On December 18, 2014, the court granted summary judgment in favor of the Company. Plaintiffs filed notice of appeal on March 19, 2015 and filed their opening appellate brief on October 6, 2015. The appeal was fully briefed as of February 2016 and oral arguments are expected by the end of 2016. The other defendants reached confidential settlements with Retirement Housing Foundation. The Company believes that the issues raised in Plaintiffs' appeal are without merit and intends to defend itself vigorously.

The Company (specifically, ACA Management, LLC) is one of many defendants in an action pending in New Mexico First Judicial District Court, in Santa Fe, filed in 2008 by Frank Foy on behalf of the State of New Mexico. The complaint alleges that Vanderbilt Capital Advisors (and certain affiliates) engaged in an unlawful "pay to play" scheme with various New Mexico state officials, causing two New Mexico state agencies to purchase certain worthless CDO investments, including some with which the Company was allegedly connected. The complaint seeks compensatory damages in excess of \$90 million, plus interest and civil penalties which the plaintiffs assert raise the claim to several hundred million dollars under certain New Mexico statutes, including the Fraud Against Taxpayers Act ("FATA"). Further, the complaint seeks to

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impose joint and several liability on all defendants. In April 2010, the then-presiding judge ruled that the retroactive nature of FATA was unconstitutional. The ruling was affirmed by the New Mexico Court of Appeals. However, on June 25, 2015, the Supreme Court of the State of New Mexico reversed and held that FATA is constitutional. The New Mexico Supreme Court also consolidated multiple related cases and reassigned the consolidated proceeding to a new district judge. Briefing by the various parties currently is focused on the New Mexico Attorney General's motion to dismiss and Vanderbilt's motion to confirm its settlement with the Attorney General. If either motion is granted, it is likely the Company will be dismissed from the suit. Early in the proceeding, ACA moved to dismiss the complaint for lack of personal jurisdiction and the then-presiding judge deferred ruling on the Company's jurisdictional motion pending jurisdictional discovery. The Company's jurisdictional motion remains pending while the other motions are adjudicated. To the extent activity directly involving the Company resumes in the case, the Company intends to continue to defend itself vigorously.

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position or the results of operations of the Company.

Also, see Note 14.C. discussion of the Goldman Lawsuit for a description of the potential loss related to the counter-claims filed by Goldman.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

15. LEASES

- A. Lessee Operating Lease
 - (1) ACA subleases office space at 600 Fifth Avenue with a lease termination date of September 29, 2016. The Company's rental expense for the years ended December 31, 2015 and 2014 was \$546.6 thousand.
 - (2) At January 1, 2016, the minimum future lease payments under the lease are as follows (dollars in thousands):

Year Ending	Opera	ating
December 31,	Lease	S
2016		479
Total	\$	479

B. Lessor Leases

Not applicable.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENT WITH CONCENTRATION OF CREDIT RISK

Except for that discussed below, the Company has no financial instruments with off-balance sheet risk.

While the Company establishes reserves for losses on obligations which are in default as to payment (see Note 1.C.(11) and Note 21.C.(1)), the risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed (see description of financial guaranty insurance in Note 21.C.(4)). The tables below reflect certain information regarding the Company's in-force par exposure at December 31, 2015 and December 31, 2014:

		December	31, 2015		December	31, 2014
	N	et Par	% of Net Par	No	et Par	% of Net Par
(\$ in millions)	Outs	standing	Outstanding	Outs	tanding	Outstanding
Tax-exempt obligations:						
Healthcare	\$	172	7.7%	\$	203	7.5%
Tax backed		210	9.4%		276	10.2%
Higher education		468	20.9%		575	21.2%
Long-term care		116	5.2%		139	5.1%
General obligations		624	27.9%		732	27.0%
Utilities		55	2.5%		63	2.3%
Transportation		185	8.3%		191	7.0%
Housing		64	2.9%		118	4.3%
Not for Profit		194	8.7%		260	9.6%
Other		146	6.5%		152	5.6%
Total municipal obligations		2,234	99.7%		2,709	99.8%
Taxable obligations						
Other		6	0.3%		6	0.2%
Total	\$	2,240	100.0%	\$	2,715	100.0%

For the year ended December 31, 2015, the Company reported a decrease in insured net par outstanding of \$475 million, of which \$394 million was attributable to Refundings, including early retirement due to cancellation (See Note 1.C.(1)).

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			Decembe	er 31, 2015		Decembe	er 31, 2014
	PAR EXPOSURE BY STATE	ľ	Net Par	% of Net Par]	Net Par	% of Net Par
(\$ in millions)		Outst	anding	Outstanding	Outst	anding	Outstanding
New York		\$	510	22.8%	\$	548	20.2%
California			403	18.0%		490	18.1%
Massachusetts			109	4.9%		190	7.0%
Florida			123	5.5%		175	6.5%
Washington			92	4.1%		100	3.7%
Other states			997	44.6%		1,206	44.5%
	Total municipal obligations	\$	2,234	100.0%	\$	2,709	100.0%

NET PAR OUTSTANDING BY MATURITY

	Decemb	per 31, 2015
(\$ in millions)	N	et Par
Terms of Maturity	Outs	standing
0 to 5 years	\$	456
5 to 10 years		634
10 to 15 years		562
15 to 20 years		469
20 and above		119
Total	\$	2,240

17. SALES, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. The Company had no transfer of receivables reported as sales.
- B. The Company had no transfer and servicing of financial assets.
- C. The Company had no wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

- A. The Company has no Administrative Services Only (ASO) plan.
- B. The Company has no Administrative Services Contract (ASC) plan.
- C. The Company has no Medicare or other similarly structured cost based retirement contract.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company has no direct premium written through or produced by managing general agents or third party administrators.

20. FAIR VALUE MEASUREMENT

- A. Inputs used for Assets and Liabilities Measured at Fair Value
 - (1) Assets measured at fair value on a non-recurring basis:

December 31, 2015											
Security Type	Level 1	Level 2	Level 3	Grand Total							
Bonds	\$ -	\$ 3,287,902	\$ -	\$ 3,287,902							
Total	\$ -	\$ 3,287,902	\$ -	\$ 3,287,902							

December 31, 2014												
Security Type Level 1				Level 2		Level 3	Grand Total					
Bonds	\$	-	\$	193,078	\$	-	\$	193,078				
Total	\$	-	\$	193,078	\$	-	\$	193,078				

(2) Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Not applicable

- (3) The Company's policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value.
- (4) In accordance with SSAP 100, the valuation techniques used in measuring fair values are based on the following:
 - Level 1: Fair value measurements that are quoted prices (unadjusted) in active markets that the Company has the ability to access for identical assets or liabilities.
 - Level 2: Fair value measurements, based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets

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and liabilities in active markets, and inputs other than quoted prices that are observable at commonly quoted intervals.

Level 3: Fair value measurements, based on certain inputs which are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(5) Derivative Fair Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The tables below reflect the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries). The fair values are also categorized into the three-level fair value hierarchy as described above.

	December 31, 2015													
Type of Financial Instrument]	Fair Value Admi		mitted Value	ted Value Level 1		Level 2		Level 3			Practicable arrying		
Bonds	\$	323,515,344	\$	320,613,543	\$	-	\$	323,515,344	\$	-	\$	-		
Cash & Short-Term Investments		6,082,166		6,082,166		2,167,843		3,914,323		-		-		
Total	\$	329,597,510	\$	326,695,708	\$	2,167,843	\$	327,429,667	\$	-	\$	-		

	December 31, 2014														
Type of Financial Instrument		Fair Value	Ad	lmitted Value		Level 1	Level 1 Level 2			Level 3		Practicable arrying			
Bonds	\$	378,436,211	\$	364,588,427	\$	-	\$	378,436,211	\$	-	\$	-			
Cash & Short-Term Investments		4,040,017		4,040,017		2,408,925		1,631,092		-		-			
Total	\$	382,476,228	\$	368,628,444	\$	2,408,925	\$	380,067,303	\$	-	\$	-			

D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not applicable

21. OTHER ITEMS

A. Extraordinary items

The Company had no extraordinary items during 2015 and 2014.

B. Troubled Debt Restructurings: Debtors

The Company had no troubled debt restructurings during 2015 and 2014. See also Note 5.B.

- C. Other Disclosures
 - (1) Description of Significant Risks and Uncertainties
- As discussed in Note 1.C. (11), ACA recognizes losses and establishes related loss reserves on bond obligations it has insured upon the initial payment default by the issuer of such bond obligations (under the Company's accounting policy, the initial payment default is generally considered the incident which gives rise to a claim and triggers loss recognition relating to the incident). The loss recognized by ACA upon a payment default represents the Company's best estimate of its ultimate loss over the life of the policy, discounted to reflect the time value of money. However, ACA has policies inforce upon which it believes that it is probable that payment defaults will occur in the future. Such expected future losses (hereafter referred to as "Off-Balance Sheet Losses") are not recorded by the Company in the accompanying Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2015 and December 31, 2014 because a payment default has not yet occurred. With consideration of the inherent uncertainty of estimating losses discussed further below, the Company's estimate of its ultimate Off-Balance Sheet Losses ranged from \$40 million to \$60 million at December 31, 2015, on a discounted basis (see also Note 25). Accordingly, the Company believes it will incur material losses in the future which will materially adversely affect its policyholders' surplus. Notwithstanding the de-recognition of contingency reserves that may be approved by the Maryland Insurance Commissioner in the future, no assurance can be given that the recognition of such losses in the future will not cause the Company to fail to comply with its regulatory required minimum policyholders' surplus requirement of \$750,000. However, the Company believes that its policyholders' surplus will be in excess of the required minimum policyholders' surplus over the twelve months succeeding the date of the accompanying statement of Assets, Liabilities, Surplus and Other Funds and, that it has sufficient liquidity resources to satisfy its financial obligations as they come due for the foreseeable future.
- The Company is materially exposed to risks associated with deterioration in the tax exempt bond market through its insurance guaranties (see Note 16), as well as to the economy generally. The extent and duration of any future deterioration in the tax exempt bond market is unknown, as is the effect, if any, on potential claim payments and the ultimate amount of losses the Company may incur on obligations it has guaranteed. As discussed in Note 36, the Company classifies its insured in-force portfolio in one of four credit quality categories. As noted therein, as of December 31, 2015, the Company

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had insured obligations with outstanding principal totaling \$375.9 million classified in Category 4, which means that it either has paid claims on such exposures or expects to pay claims on such exposures in the future. In addition, as of such date, the Company had insured obligations with outstanding principal totaling \$208.1 million classified in Category 3, which means those credits have materially violated financial and operational covenants and require remedial action to avoid further performance deterioration. As discussed in Note 16, the risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed. No assurance can be provided that further deterioration in ACA's insured guaranties will not occur resulting in a further migration of insured exposure to categories 3 and 4 or that ACA will not incur losses that may be materially in excess of what it currently estimates.

- Losses incurred and reserves for losses are reported by the Company net of estimated recoveries from salvage and subrogation. Estimated salvage and subrogation are a material component of the Company's incurred losses and reserves for losses (both on-balance sheet and off-balance sheet). Pursuant to the Company's policies of insurance, should the Company pay a claim under a policy, subrogation rights enable the Company to pursue the obligor for recovery of all claims paid or losses incurred. In other cases, the Company may be assigned the rights to certain salvage as reimbursement for any claims paid or losses incurred. An important characteristic to recognize with respect to estimated salvage and subrogation recoveries is that such estimates are subject to both timing and credit risk. In many instances the timing of such recoveries is expected to occur significantly later than the associated claim payments the Company is trying to recover. In addition, in regard to subrogation, credit risk exists with respect to the obligor's ability to ultimately honor the insurer's claim for recoveries, and in respect of salvage, risk exists as to whether such salvage will ultimately be sufficient to recover all of the insurer's claims for recoveries. No assurance can be provided that estimated salvage and subrogation recoveries will be fully collected and any uncollected amount may be material to the Company's financial position and results of operations.
- Establishment of case basis reserves for unpaid losses and loss adjustment expenses on the Company's insured guaranties requires the use and exercise of significant judgment by management, including estimates regarding the severity of loss and the amount and timing of claim payments and recoveries on a guaranteed obligation. Case basis reserves reflect management's best estimate of the present value of the Company's ultimate loss and not the worst possible outcome. Actual experience may, and likely will, differ from those estimates and such difference may be material due to the fact that the ultimate dispositions of claims are subject to the outcome of events that have not yet occurred and, in certain cases, will occur over many years in the future. Examples of these events include changes in the level of interest rates, credit deterioration of guaranteed obligations, changes in the value of specific assets supporting guaranteed obligations, willingness of the obligor or sponsor to honor its commitments, changes in the expected timing of claims payments and recoveries, and changes in the amounts of expected claims payments and recoveries. Both qualitative and quantitative factors are used in making such estimates. Each quarter, in connection with the preparation of its financial statements, the Company reevaluates all such estimates. Changes in these estimates may be material and may result in material changes in the Company's policyholders' surplus. Any estimate of future costs is subject to the inherent limitation on management's ability to predict the aggregate course of future events. It should, therefore, be expected that the actual emergence of losses and claims will vary, perhaps materially, from any estimate. The risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed (see Note 16).
- The Company is involved in a number of legal proceedings, both as plaintiff and defendant, as well as regulatory inquiries and investigations. Management cannot predict the outcomes of these proceedings and other contingencies with certainty. In addition, it is not possible to predict whether additional suits will be filed or whether additional inquiries or investigations will be commenced. The outcome of some of these proceedings and other contingencies could require the Company to take or refrain from taking actions which could have a material adverse effect on its business, financial position or cash flows or could require the Company to pay (or fail to receive) substantial amounts of money. Additionally, prosecuting and defending these lawsuits and proceedings has caused the Company to incur significant expenses. The Company expects to continue to incur significant expenses in this regard in the near term. In addition, such expenses may continue to be significant beyond the near term and may cause diversion of resources from other matters. See Notes 14.C. and 14.D.
- ACA has experienced and likely will continue to experience substantial tax losses in the conduct of its business.

Section 382 of the Internal Revenue Code ("Section 382") contains rules that limit the ability of a corporation that experiences an "ownership change" to utilize its net operating loss carryforwards ("NOLs") and certain built-in losses recognized in periods following the ownership change. An ownership change is generally any change in ownership of more than 50 percentage points of a corporation's stock over a rolling 3-year period. Accordingly, the aggregate ownership change ("Aggregate Ownership Change") at any particular date represents the summation of the amount of ownership change resulting from all transactions in a corporation's stock occurring during the three year period ended on such date. These rules generally operate by focusing on ownership changes among shareholders owning directly or indirectly 5% or more of the stock of a corporation or any change in ownership arising from a new issuance of stock by the corporation. For purposes of the aforementioned test, ACA's surplus notes are considered stock and ACA's surplus note holders are considered shareholders.

Under Section 382, the transfer of ACA's surplus notes can cause an ownership change that would limit ACA's ability to utilize its NOLs and recognize certain built-in losses. Depending on the resulting limitation, a significant portion of ACA's NOLs could be deferred or could expire before ACA would be able to use them to offset positive taxable income in current or future tax periods.

ACA experienced an ownership change for purposes of Section 382 in 2014. As a consequence of the ownership change, ACA's ability to use its NOLs will be limited on an annual basis.

(2) Restructuring Transaction

As a result of adverse developments in the credit markets generally and the mortgage market specifically that began in the second half of 2007 and continued to deepen in 2008 and thereafter, the Company experienced material adverse effects on its business, results of operations, and financial condition, which resulted in significant downgrades of the Company's financial strength ratings by Standard & Poor's Ratings Services ("S&P") and, ultimately, a restructuring of the Company to avoid a regulatory proceeding (the "Restructuring Transaction"). The Restructuring Transaction, which was consummated on August 8, 2008, was comprised of three main components (see also Note 10.G.).

The first component of the Restructuring Transaction consisted of a Global Settlement Agreement whereby insured credit swap counterparties' claims were settled in consideration for a cash payment of approximately \$209 million and surplus notes with a face value of approximately \$950 million. In the aggregate \$1 billion face amount of surplus notes were issued

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in connection with the Restructuring Transaction. Of such amount, the aforementioned insured credit swap counterparties' received \$950 million as previously discussed and the balance of \$50 million was issued to ACACH. While certain of the surplus notes issued to the insured credit swap counterparties were issued to be non-voting at the request of certain of such counterparties, the surplus notes issued to the counterparties, in the aggregate, represent a 100% voting interest in the Company. The surplus notes issued to ACACH are all non-voting.

The second component of the Restructuring Transaction provided for the settlement of a \$100 million medium term note guaranteed by the Company. This obligation was settled by a cash payment of approximately \$48 million to the note holders in 2008 and the relinquishment by the Company of investments in CDO equity with an estimated value of \$2.5 million. Of the total cash settlement, approximately \$32 million was paid out of a cash collateral account supporting the issued note while the remaining amount of approximately \$16 million was funded by cash from the Company and its other subsidiaries.

The third component of the Restructuring Transaction centered on the Intercompany Agreement which treated ACACH and its non-ACA FG subsidiaries as one sub-group and ACA FG and its subsidiary as a separate sub-group. By its terms, the Intercompany Agreement provided for the cancellation of a previously issued intercompany surplus note as well as intercompany balances between the Company's sub-group and the ACACH sub-group. It also provided for a global release of liability among the two sub-groups. In general, the release discharges the entities from any and all actions, cause of action, suits, debts, liens, contracts, rights and other legal obligations against each other, except those provided for in the Intercompany Agreement.

Subsequent to the closing of the Restructuring Transaction, the Company is required to and has operated under an order issued by the MIA, Case No.: MIA: 2008-08-011 dated August 7, 2008 (the "Order"). The Order provides, among other things, that the Company operate as a run-off company. In connection with the Order, following the Restructuring Transaction, the Company wound down all subsidiaries no longer necessary for the conduct of its ongoing business, including 73 special purpose entities created for the insured credit swap and CDO asset management businesses.

(3) Description of the Company's On-Going Strategic Plan

Management is actively seeking to (i) remediate deteriorated insured exposures to minimize claim payments, maximize recoveries and mitigate ultimate losses, (ii) increase the Company's capital, surplus, liquidity and claims paying resources, (iii) realize maximum value from various legal proceedings described in Note 14.C. and from any other rights and remedies the Company may have, and (iv) take other actions to enhance its financial position (hereafter collectively referred to as "Strategic Actions"). In regard to the Strategic Actions, the Company is actively pursuing or exploring a number of options available to it to enhance the Company's policyholders' surplus or liquidity position or address other challenges that the Company faces. The Company has taken steps to reduce operating expenses and expects to take further steps in the future as the insured portfolio and remediation activities decrease. ACA's Board conducted a strategic review of the Company's finances and operations in 2014, including exploration of a sale or reinsurance assumption and outsourcing management of the Company's operations. The sale and reinsurance assumption efforts were not successful and there are no present efforts to sell the Company. Although competitive outsourcing proposals were received from other financial guaranty companies and other third parties, the Company ultimately decided that the expense reduction plan developed in late 2014 was the most optimal path forward. No assurances can be given that the Company will be successful in completing any of the aforementioned actions. Furthermore, certain of the Strategic Actions contemplated by the Company may be outside the ordinary course of the Company's operations or its control and may require consents or approvals of parties outside of the Company, including the MIA.

(4) Description of Financial Guaranty Insurance

Financial guaranty insurance provides an unconditional and irrevocable guaranty to the holder of a valid debt obligation with an enforceable guaranty of full and timely payment of the guaranteed principal and interest thereon when due. Financial guaranty insurance adds another potential source of repayment of principal and interest for an investor, namely the credit quality of the financial guarantor. Generally, in the event of any default on an insured debt obligation, payments made pursuant to the applicable insurance policy may not be accelerated by the holder of the insured debt obligation without the approval of the insurer. While the holder of such an insured debt obligation continues to receive guaranteed payments of principal and interest on schedule, as if no default had occurred, and each subsequent purchaser of the obligation generally receives the benefit of such guaranty, the insurer normally retains the option to pay the debt obligation in full at any time. Also, the insurer generally has recourse against the issuer of the defaulted obligation and/or any related collateral for amounts paid under the terms of the insurance policy as well as pursuant to general rights of subrogation. The issuer of an insured debt obligation generally pays the premium for financial guaranty insurance, either in full at the inception of the policy, as is the case in most public finance transactions, or in periodic installments funded by the cash flow generated by related pledged collateral, as is the case in most structured finance and international transactions. Typically, premium rates paid by an issuer are stated as a percentage of the total principal (in the case of structured finance and international transactions) or principal and interest (in the case of public finance transactions) of the insured obligation. Premiums are almost always non-refundable and are invested upon receipt. See Note 1.C.(1) for a description of NAIC SAP for premium revenue recognition.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable Tax Credits

The Company had no state transferable credits.

- F. Subprime Exposure Related Risk
 - (1) Except for one insured securitization of manufactured housing mortgages, as of December 31, 2015 and December 31, 2014, the Company had no exposure to subprime mortgages among its in-force guaranties. With the exception of the aforementioned securitization, all other subprime mortgage exposure of the Company was extinguished in the Global Settlement Agreement described in Note 21.C.(2). The remaining par exposure relating to the manufactured housing mortgage securitization was \$4.4 million and \$4.6 million at December 31, 2015 and December 31, 2014, respectively. The Company has a loss reserve against this exposure in the amount of \$1.5 million and \$1.3 million at December 31, 2015 and December 31, 2014, respectively.

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- (2) The Company has no investments consisting of direct exposure to subprime-mortgages.
- (3) The Company has the following indirect exposures to sub-prime mortgages included in its investment portfolio at December 31, 2015:

	1	2	3		4
	Actual Cost	Book/Adjusted	Fair Value		Other Than
		Carrying Value			Temporary
		(excluding		In	npairment Losses
		interest)			Recognized
a. Residential mortgage backed securities	\$ 13,575,905	\$ 13,818,459	\$ 14,242,942	\$	-
b. Commercial mortgage backed securities					
c. Collateralized debt obligations					
d. Structured securities	16,173,079	16,169,663	16,112,004		-
e. Equity investment in SCAs					
f. Other assets					
g. Total	\$ 29,748,984	\$ 29,988,122	\$ 30,354,946	\$	-

(4) As stated in F. (1) above, the Company has an outstanding loss reserve in the amount of \$1.5 million:

	Losses Paid in the Current Year		s Incurred in the Current Year	eserves at End of irrent Period	IBNR Reserves at End of Current Period		
a. Mortgage guaranty coverage	\$ -	\$	-	\$ -	\$	-	
b. Financial guaranty coverage	-		212,263	1,488,863		-	
c. Other lines	-		-	1		-	
d. Total	\$ -	\$	212,263	\$ 1,488,863	\$	-	

G. Insurance-linked Securities

Not applicable.

22. EVENTS SUBSEQUENT

The Company reviewed all transactions and other matters that have occurred from January 1, 2016 through February 11, 2016 (the date the financial statements were available to be issued) to assess whether such transactions and matters qualify as "subsequent events" and require adjustment to or disclosure in the financial statements as of and for the year ended December 31, 2015. Based on the aforementioned review, no matters came to management's attention that would require adjustment to or disclosure in the financial statements.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses paid and unpaid, including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceed 3% of the Company's policyholder surplus.

B. Reinsurance Recoverable in Dispute

The Company has no reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

	Assu	med	Ceded		Net	
	Reinsurance		Reinsurance			
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other	4,081,899	-	-	-	4,081,899	-
Total	\$ 4,081,899	\$ -	\$ -	\$ -	\$ 4,081,899	\$ -

Direct Unearned Premium Reserve: \$70,180,779

There are no contingent commission or profit sharing arrangements.

D. Uncollectible Reinsurance

The Company has no uncollectible reinsurance balances.

E. Commutation of Ceded Reinsurance

The Company had no commutations of ceded reinsurance in 2015.

F. Retroactive Reinsurance

The Company has no retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

NOTES TO FINANCIAL STATEMENTS

The Company did not account for any reinsurance as deposits.

- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company has not entered into any retrospectively rated contracts or contracts subject to redetermination, including any provisions of the Affordable Care Act

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

For the year ended December 31, 2015, the Company recorded a net provision for losses incurred of \$47.9 million, which consisted of \$5.0 million of net adverse loss development on accident years prior to 2015 ("prior accident year claims") and \$42.9 million losses incurred relating to the current accident year. The Company reflects loss remediation bond buybacks as loss payments and reflects a corresponding modeled reduction to estimated future losses. Loss remediation bond purchases may relate to policies where case basis reserves have already been established in the statutory financial statements or for policies related to Off-Balance Sheet Losses. See footnote 21C(1). During the 2015 year, the Company purchased bonds for loss remediation purposes in the amount of \$33.3 million. The majority of the bond purchases made during the year were sold to the Company by a Surplus Note Holder. As of December 31, 2015, the Company's liability for unpaid losses was \$111.0 million, which related to twenty-six insured transactions, with a remaining aggregate in-force par outstanding of \$144.6 million represents the remaining maximum amount of par exposure subject to loss in regard to these twenty-six insured transactions. See Note 36A.(3) b for additional information regarding the Company's reserves for losses and loss adjustment expenses.

As discussed in Note 21.C.(1), the Company's estimate of its ultimate Off-Balance Sheet Losses at December 31, 2015 ranged from \$40 million to \$60 million. This range of Off-Balance Sheet Losses related to thirteen insured transactions, with a remaining aggregate in-force par outstanding of approximately \$77.8 million, excluding the aforementioned Off-Balance Sheet Losses.

For the year ended December 31, 2014, the Company recorded a net provision for losses incurred of \$41.9 million, which consisted of \$11.3 million of net adverse loss development relating to accident years prior to 2014 ("prior accident year claims") and \$30.6 million of losses incurred relating to the current accident year. As of December 31, 2014, the Company's liability for unpaid losses was \$105.6 million, which related to twenty-four insured transactions, with a remaining aggregate in-force par outstanding of \$135.3 million, excluding the aforementioned case reserves. The aggregate in-force par outstanding of \$135.3 million represents the remaining maximum amount of par exposure subject to loss in regard to these twenty-four insured transactions.

Refer to Note 1.C.(11) and Note 21.C.(1) for further information regarding the Company's reserves for losses and loss adjustment expenses.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company has no intercompany pooling arrangements.

27. STRUCTURED SETTLEMENTS

- A. The Company has not entered into any structured settlements for reserves no longer being carried.
- B. The Company does not hold any annuities under which the Company is the payee and the recorded asset balance due exceeds 1% of surplus.

28. HEALTH CARE RECEIVABLE

- A. The Company has no pharmaceutical rebate receivables as of December 31, 2015 and December 31, 2014.
- B. The Company has no risk sharing receivables as of December 31, 2015 and December 31, 2014.

29. PARTICIPATING POLICIES

The Company never issued participating policies.

30. PREMIUM DEFICIENCY RESERVE

The Company has no premium deficiency reserves. The Company includes anticipated investment income as a factor in the premium deficiency calculation.

31. HIGH DEDUCTIBLES ON UNPAID CLAIMS

The Company has no high deductibles on unpaid claims.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company's case reserves for unpaid losses are discounted on a non-tabular basis. The discount rate used at December 31, 2015 and December 31, 2014 was 3.07% and 3.12%, respectively. The discount rate is based on the average rate of return on the Company's admitted assets determined at the end of each year. The net amount of discount associated with the Company's loss reserves at December 31, 2015 was \$0.3 million. Loss adjustment expenses are not discounted.

33. ASBESTOS/ENVIRONMENTAL RESERVES

NOTES TO FINANCIAL STATEMENTS

The Company does not write this line of business and therefore has no asbestos/environmental reserves.

34. SUBSCRIBER SAVINGS ACCOUNTS

The Company has no subscriber savings accounts.

35. MULTIPLE PERIL CROP INSURANCE

The Company has never written this line of business.

36. FINANCIAL GUARANTY INSURANCE

A.

(1) a. The Company has not recorded unearned premiums related to installment payments.

Premiums charged in connection with the issuance of financial guaranty insurance are received either upfront at the inception of an insurance contract or in installments (usually monthly, quarterly, semi-annually or annually) over the life of the underlying insured obligation. All of the Company's remaining in-force business was written on an upfront basis with the exception of a de minimis amount of business written on an installment basis.

- b. + c. The Company has not recorded premiums receivable on installment contracts.
- (2) a. The amount of premium revenue that has been accelerated during the years ended December 31, 2015 and 2014 was \$15.4 million and \$21.6 million, respectively.
 - b. Schedule of the future expected earned premium revenue on contracts written on an upfront basis as of December 31, 2015:

1.

1st Quarter 2016	\$ 979,491
2nd Quarter 2016	962,541
3rd Quarter 2016	1,259,374
4th Quarter 2016	1,272,963
Year 2017	4,524,136
Year 2018	4,095,979
Year 2019	4,194,747
Year 2020	4,550,530
Subtotal	21,839,762
2021 through 2025	20,781,569
2026 through 2030	16,514,899
2031 through 2035	12,068,959
2036 through 2039	3,057,489
Total	\$ 74,262,677

2.

(3) Claim liability:

- a. The Company used a rate of 3.07% to discount the claim liability.
- b. Significant components of the change in the claim liability for the period:

Reserves for losses at December 31, 2014	\$ 105,551,542
Accretion of the discount	4,517,092
New reserves for defaults of insured contracts	27,991,958 (1)
Development on prior accident years reserves	(27,095,804) (2)
Change in deficiency reserves	-
Change in incurred but not reported claims	
Total change in reserves	5,413,246
Reserves for losses at December 31, 2015	\$ 110,964,788

- (1) Represents 2015 accident year loss development of \$42,882,159, less claim payments of \$14,890,201.
- (2) Represents favorable loss development of \$502,688 and claim payments of \$27,598,492.
- (4) The Company's credit quality classifications are:
 - a. Category 1: Fully Performing

Credits are fully performing. Covenants have been met, financial reporting is timely and complete, and there have been no significant negative deviations from expected performance.

Category 2: Watch

Credits are performing below expected levels. Some covenants have been violated, projected budget and/or cash flow has not been achieved, operating performance or financial position is weakened. Although operating results are below underwriting expectations, current and projected revenues are adequate to service debt.

NOTES TO FINANCIAL STATEMENTS

Category 3: Deteriorating

Credits show significant performance declines. Covenant violations are recurring and material; cashflow is significantly below projections, operating results are materially impaired. Corrective action is required to arrest credit deterioration and avert a longer-term risk of payment default.

Category 4: Paid or Expected Claim

Credits show material decline in creditworthiness and ability to pay. Operating results are increasingly negative, unreimbursed draws on debt service reserves have been made; payment defaults have occurred or are expected, and loss reserves have been established or are expected to be established in the financial statements.

b. Risk management activities are performed by ACA's portfolio management department. Portfolio analysts monitor all insured transactions in the portfolio to determine whether their financial performance is consistent with underwriting expectations and to identify any deterioration in the obligor's ability or willingness to pay insured debt service. Portfolio management staff are also responsible for recommending and undertaking remedial actions to prevent or mitigate losses.

All transactions in the insured portfolio are assigned one of four internal credit quality classifications that reflect the current and expected performance of the obligor. Credit quality classifications of insured transactions are reviewed and updated on a regular basis as analysts obtain more current financial and market information from the obligor, the trustee, or from public sources such as rating agencies and fixed income analysts. The frequency with which individual obligors are reviewed is based on ACA's judgment of potential performance volatility and varies according to credit classification, sector, geography, size of exposure, and exogenous events.

B. Schedule of insured financial obligations at the end of the period:

	Credit Quality Categories								
		1		2		3		4	 Total
Number of policies		116		42		16		36	 210
Remaining weighted-average contract period (in years)		11		9		9		11	11
Insured contractual payments outstanding:									
Principal	\$	1,309,506,897	\$	346,075,884	\$	208,072,909	\$	375,923,699	\$ 2,239,579,389
Interest		783,774,658		182,016,160		165,896,972		335,887,051	1,467,574,841
Total	\$ 2	2,093,281,555	\$	528,092,044	\$	373,969,882	\$	711,810,750	\$ 3,707,154,231
Gross claim and LAE liability	\$	-	\$	56,000	\$	323,000	\$	171,558,914	\$ 171,937,914
Less:									
Gross potential recoveries		-		-		-		57,419,501	57,419,501
Discount, net		-		-		-		(312,374)	(312,374)
Net claim and LAE liability	\$		\$	56,000	\$	323,000	\$	114,451,787	\$ 114,830,787
Unearned premium revenue	\$	27,353,909	\$	14,133,881	\$	9,482,807	\$	23,292,080	\$ 74,262,678
Claim and LAE liability reported in the balance sheet	\$	-	\$	56,000	\$	323,000	\$	114,451,787	\$ 114,830,787
Reinsurance recoverables	\$	-	\$	-	\$	-	\$	-	\$ -

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 which is an insurer?	of	Yes [[]] No [[X]
	If yes, complete Schedule Y, Parts 1, 1A and 2.					
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?	es [] No [[]] N/A [[X]
1.3	State Regulating?	MARVI	LAND			
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?] 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/	2012
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. The date should be the date of the examined balance sheet and not the date the report was completed or released.				12/31/	2012
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 the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance she date).	et			<u>0</u> 6/18/	2014
3.4	By what department or departments? MARYLAND INSURANCE ADMINISTRATION					
3.5		es [] No [] N/A	[X]
3.6	Have all of the recommendations within the latest financial examination report been complied with?	es [] No [[]	N/A [Χ]
4.1	During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or a combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for 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	ſ	1 No	[X]
	4.11 sales of new business?		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 affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured or any major line o		100	ι .	1 110	
	direct premiums) of: 4.21 sales of new business?		Yes	[] No	[X]
	4.22 renewals?		Yes	[] No	[X]
5.1	Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?		Yes	[]] No	[X]
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 h	20				
5.2	ceased to exist as a result of the merger or consolidation.	as				
J.Z		a 3				
J.Z	ceased to exist as a result of the merger or consolidation.					
5.2	ceased to exist as a result of the merger or consolidation. 1 Name of Entity NAIC Company Code State of Domicile					
5.2	ceased to exist as a result of the merger or consolidation. 1					
5.2	ceased to exist as a result of the merger or consolidation. 1 Name of Entity NAIC Company Code State of Domicile	as				
5.2	ceased to exist as a result of the merger or consolidation. 1 Name of Entity NAIC Company Code State of Domicile					
5.2	ceased to exist as a result of the merger or consolidation. 1 Name of Entity NAIC Company Code State of Domicile					
6.1	Ceased to exist as a result of the merger or consolidation. 1		Yes	ı	1 No	[X]
6.1	ceased to exist as a result of the merger or consolidation. 1		Yes]] No	[X]
6.1	Ceased to exist as a result of the merger or consolidation. 1		Yes			[X]
6.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? If yes,					. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? If yes, 7.21 State the percentage of foreign control	led 				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? If yes,	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,
6.1 6.2 7.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspend or revoked by any governmental entity during the reporting period? If yes, give full information Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? 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 manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).	 its				. ,

GENERAL INTERROGATORIES

8.1	Is the company a subsidiary of a bank holding company re	-				Yes [] No [X]
8.2	If response to 8.1 is yes, please identify the name of the ba	ank nolding company.					
8.3 8.4							
	1	2	3	4	5	6	7
	A CCU and a Manager	Location		000			
	Affiliate Name	(City, State)	FRB	OCC	FDIC	SEC	1
9.	What is the name and address of the independent certified Weiser Mazars LLP, 501 Office Center Drive, Suite 300						
10.1	Has the insurer been granted any exemptions to the prof requirements as allowed in Section 7H of the Annual Final law or regulation?					Yes [] No [X]
10.2	If the response to 10.1 is yes, provide information related t	to this exemption:					
	Has the insurer been granted any exemptions related to allowed for in Section 18A of the Model Regulation, or sub-	stantially similar state law or regulation?	inancial Repo	orting Model F	Regulation as	Yes [] No [X]
10.4	If the response to 10.3 is yes, provide information related t	to this exemption:					
	Has the reporting entity established an Audit Committee in If the response to 10.5 is no or n/a, please explain	compliance with the domiciliary state insu	urance laws?		Yes	[X] No [] N/A []
	What is the name, address and affiliation (officer/empl consulting firm) of the individual providing the statement of JOEL CHANSKY, MILLIMAN USA (ACTUARIAL CONSUDOES the reporting entity own any securities of a real estate	f actuarial opinion/certification? JLTANTS) 289 EDGEWATER DRIVE, WA	AKEFIELD, MA	A. 01880 tly?] No [X]
		12.12 Number of		. ,			
		12.13 Total book/a	adjusted carry	ing value	\$		
12.2	If yes, provide explanation						
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTI	NG ENTITIES ONLY:					
13.1	What changes have been made during the year in the Unit	ted States manager or the United States tr	rustees of the	reporting enti	ry?		
13.2	Does this statement contain all business transacted for the	e reporting entity through its United States	Branch on ris	ks wherever l	ocated?	Yes [] No []
13.3	Have there been any changes made to any of the trust ind	entures during the year?				Yes [] No []
	If answer to (13.3) is yes, has the domiciliary or entry state	- · ·			Yes	[] No [] N/A []
14.1	Are the senior officers (principal executive officer, princip similar functions) of the reporting entity subject to a code of the control of	of ethics, which includes the following stan	ndards?	•	_	Yes []	X] No []
	Honest and ethical conduct, including the ethical hand relationships;				l professional		
	b. Full, fair, accurate, timely and understandable disclosure.c. Compliance with applicable governmental laws, rules ar	· · · · ·	d by the repor	ting entity;			
	d. The prompt internal reporting of violations to an appropri	riate person or persons identified in the co	de; 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	d?				Yes [] No [X]
	If the response to 14.2 is yes, provide information related to					·	•
14.3	Have any provisions of the code of ethics been waived for	any of the specified officers?				Yes [] No [X]
	If the response to 14.3 is ves, provide the nature of any wa	•				(1 1 1 1 1

GENERAL INTERROGATORIES

Yes [] No [X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

	1	2		3		4		\neg	
	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstance	s That Can Trigger the Letter of Credit		Amoun	t		
		BOARD OF	DIRECTORS	3					
6.	Is the purchase or sale of all investments thereof?	of the reporting entity passed upon	either by the boa	rd of directors or a subordinate comm	ittee	Yes	[X]	No) [
17.	Does the reporting entity keep a complete thereof?	permanent record of the proceeding	gs of its board of	f directors and all subordinate commit	tees	Yes	[X]	No) [
18.	Has the reporting entity an established pro the part of any of its officers, directors, tru such person?					Yes	[X]	No]
		FINANCIAL							
9.	Has this statement been prepared using a baccounting Principles)?	pasis of accounting other than Statuto	ory Accounting Pri	nciples (e.g., Generally Accepted		Yes	[]	No	()
0.1	Total amount loaned during the year (inclus	ive of Separate Accounts, exclusive o	of policy loans):	20.11 To directors or other officers 20.12 To stockholders not officers 20.13 Trustees, supreme or grand					
n 2	Total amount of loans outstanding at the en	d of year (inclusive of Separate Acco	unte evolueive of	(Fraternal only)	\$				
J.Z	policy loans):	u or year (inclusive or Separate Acco	unts, exclusive of	20.21 To directors or other officers	•				
				20.22 To stockholders not officers 20.23 Trustees, supreme or grand (Fraternal only)	•				
1.1	Were any assets reported in this statement obligation being reported in the statement?	subject to a contractual obligation to	transfer to anothe	r party without the liability for such		Yes	[]	No) []
1.2	If yes, state the amount thereof at December	er 31 of the current year:	21.21 Rented fr		·				
			21.22 Borrowed 21.23 Leased from						
			21.24 Other		\$				
2.1	Does this statement include payments for a guaranty association assessments?	ssessments as described in the Annu	ual Statement Inst	ructions other than guaranty fund or		Yes	[]	No) []
2.2	If answer is yes:			paid as losses or risk adjustment					
			22.22 Amount p	paid as expenses nounts paid					
23.1	Does the reporting entity report any amount	s due from parent, subsidiaries or aff		•	·		[]		
3.2	If yes, indicate any amounts receivable from	n parent included in the Page 2 amou	nt:		\$				
		INVES.	TMENT						
	Were all the stocks, bonds and other securithe actual possession of the reporting entity	on said date? (other than securities			, in	Yes	[X]	No	[
4.02	If no, give full and complete information, rela	ating thereto							
4.03	For security lending programs, provide a whether collateral is carried on or off-balance				and				
	Does the company's security lending proglastructions?	·	nforming program	·	II Yes [\$				
	If answer to 24.04 is yes, report amount of or If answer to 24.04 is no, report amount of co				\$ \$				
4.07	Does your securities lending program requoutset of the contract?	uire 102% (domestic securities) and	105% (foreign s	ecurities) from the counterparty at the	Yes [] No	1	1 NA	. []
4.08	Does the reporting entity non-admit when the	e collateral received from the counte	rparty falls below	100%?	Yes [] No			
4.09	Does the reporting entity or the reporting conduct securities lending?	entity's securities lending agent utiliz	ze the Master Se	curities Lending Agreement (MSLA) to] No]] NA	. []
4.10	For the reporting entity's security lending pr	_	_	•	œ.				
		of reinvested collateral assets reportent sted/carrying value of reinvested coll			\$ \$				
	•	or securities lending reported on the I	-	,	\$				

GENERAL INTERROGATORIES

25.1	control of the report (Exclude securities	ting entity or has the reporting subject to Interrogatory 21.1	g entity solo and 24.03)	d or transferred any			rent year not exclusively under on contract that is currently in fo	rce?	s [X]	No []
25.2	If yes, state the am	ount thereof at December 31								
				ect to repurchase a				\$		
			-	ect to reverse repur	_			\$		
		25	5.23 Subje	ect to dollar repurch	nase agreements	S		\$		
		25	5.24 Subje	ect to reverse dollar	r repurchase ag	reements		\$		
		25	5.25 Place	ed under option agr	reements			\$		
					s restricted as to	sale – exclud	ding FHLB Capital Stock	\$		
		25	5.27 FHLE	3 Capital Stock				\$		
				eposit with states				\$		
				eposit with other re				\$		
			_	ged as collateral – e	_			\$		
		25	5.31 Pledg	ged as collateral to	FHLB – includin	ig assets bacl	king funding agreements	\$		
			5.32 Other	r				\$		
25.3	For category (25.26	i) provide the following:								
		1				2		3		
		Nature of Restriction				Description	on	Amou	nt	
				ı						
26.1	Does the reporting	entity have any hedging trans	actions rep	orted on Schedule	DB?			Yes	[] N	o [X]
26.2		ehensive description of the he ription with this statement.	edging prog	ram been made av	ailable to the do	omiciliary state	e?	Yes [] No	[] N/	A []
27.1	Were any preferred the issuer, convertil		f December	31 of the current y	ear mandatorily	convertible in	nto equity, or, at the option of	Yes	[] N	o [X]
27.2		ount thereof at December 31	of the curre	ent vear.				\$. ,	. ,
	•			•	1		ration of the state of the stat	•		
28.	entity's offices, vaul	Schedule E – Part 3 – Special ts or safety deposit boxes, we dial agreement with a qualifie Outsourcing of Critical Function	ere all stock d bank or tr	rs, bonds and other	r securities, own cordance with S	ed throughou ection 1, III –	ut the current year held General Examination	Yes	[X] N	0 []
28.01	For agreements that	t comply with the requiremen	ts of the NA	AIC Financial Cond	lition Examiners	Handbook, co	omplete the following:			
			1				2]		
		Name of	f Custodian	(s)	4005 000050		an's Address	-		
		US BANK, NATIONAL ASSOC	CIATION				, SUITE 517, WASHINGTON, DC			
		00 2/1111, 1111 1511/12 110000			20000					
28.02	For all agreements location and a com	that do not comply with the replete explanation:	equirements	s of the NAIC Finan	ncial Condition E	xaminers Ha	ndbook, provide the name,			
		1			2		3			
		Name(s)		Loca	tion(s)		Complete Explanation(s)			
		ny changes, including name cl		the custodian(s) ide	entified in 28.01	during the cu	irrent year?	Yes	[] N	o [X]
∠0.04	ıı yes, give tuli and	complete information relating	mereto:							
		1		2		3 Date of	4			
		Old Custodian		New Custodia	n	Change	Reason			

GENERAL INTERROGATORIES

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107038	JP MORGAN ASSET MANAGEMENT	245 PARK AVENUE, NEW YORK, NY 10167

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

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	324,527,866		2,901,801
30.2	Preferred Stocks			
30.3	Totals	324,527,866	327,429,667	2,901,801

- 30.4 Describe the sources or methods utilized in determining the fair values:
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

 Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

 Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

 Yes [X] No []
- 32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1	Amount of payments t	o trade associations, service organizations and statistical or rating bureaus, if any?	\$	116,977
33.2	List the name of the associations, service	de		
		1 Name	2 Amount Paid	
		STANDARD & POOR'S	\$	
34.1	Amount of payments f	for legal expenses, if any?	\$	1 , 116 , 164
34.2	List the name of the fi the period covered	ng		
		1 Name	2 Amount Paid	
		NONE AT 25% OR MORE	\$	
35.1	Amount of payments f	or expenditures in connection with matters before legislative bodies, officers or departments	s of government,	
	if any?		\$	
35.2		rm and the amount paid if any such payment represented 25% or more of the total payment gislative bodies, officers or departments of government during the period covered by this sta		on
		1	2	
		Name	Amount Paid	
			\\$	
			\$	
			s	

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supp	lement Insurance in force?			Yes [] No [X]
1.2	If yes, indicate premium earned on U. S. business only.			(
1.3	What portion of Item (1.2) is not reported on the Medical	re Supplement Insurance E	xperience Exhibit?		
	1.31 Reason for excluding				
1.4	Indicate amount of earned premium attributable to Cana	dian and/or Other Alien not	included in Item (1.2) above	9	<u> </u>
1.5	Indicate total incurred claims on all Medicare Supplement	nt insurance.			
1.6	Individual policies:				
		!	Most current three years:		
			1.61 Total premium earned	9	
			1.62 Total incurred claims	9	
			1.63 Number of covered lives		
		I	All years prior to most current three	years:	
			1.64 Total premium earned	9	
			1.65 Total incurred claims		<u></u>
			1.66 Number of covered lives		
1.7	Group policies:				
		!	Most current three years:		
			1.71 Total premium earned	9	
			1.72 Total incurred claims	9	
			1.73 Number of covered lives		
		,	All years prior to most current three	years:	
			1.74 Total premium earned		
			1.75 Total incurred claims	9	
			1.76 Number of covered lives		
_	Health Teat.				
2.	Health Test:				
			1	2	_
	2.4	December Normandan	Current Year	Prior Yea	
	2.1	Premium Numerator	\$		
	2.2	Premium Denominator	\$18,443,504	\$27,02	,
	2.3	Premium Ratio (2.1/2.2)			
		Reserve Numerator	\$		
	2.4		400 000 465	• 202.76	
	2.5	Reserve Denominator	\$189,093,465	\$202,76	0,284
			\$ 189,093,465	\$202,76	0,284
31	2.5 2.6	Reserve Denominator Reserve Ratio (2.4/2.5)			0,284
3.1	2.5 2.6 Does the reporting entity issue both participating and no	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies?			0,284
3.1 3.2	2.5 2.6	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:			0,284 Yes [] No [X]
	2.5 2.6 Does the reporting entity issue both participating and no	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:		\$	0,284 Yes [] No [X]
	2.5 2.6 Does the reporting entity issue both participating and no	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:	3.21 Participating policies	\$	0,284 Yes [] No [X]
3.24.	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:	3.21 Participating policies	\$\$	0,284 Yes [] No [X]
3.24.4.1	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:	3.21 Participating policies	\$\$	0,284 Yes [] No [X]
3.2 4. 4.1 4.2	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums written for Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on:	3.21 Participating policies	\$\$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
3.24.4.1	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: continue contingent liability of the participating policies?	3.21 Participating policies	\$. \$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
4. 4.1 4.2 4.3	2.5 2.6 Does the reporting entity issue both participating and no If yes, state the amount of calendar year premiums written for Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: continue contingent liability of the participating policies?	3.21 Participating policies	\$. \$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
4. 4.1 4.2 4.3	2.5 2.6 Does the reporting entity issue both participating and no lif yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid.	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: de contingent liability of the planting the year on deposit	3.21 Participating policies	\$. \$. \$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
4. 4.1 4.2 4.3 4.4 5.	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid. For Reciprocal Exchanges Only: Does the exchange appoint local agents?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: de contingent liability of the planting the year on deposit	3.21 Participating policies	\$. \$. \$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
4. 4.1 4.2 4.3 4.4	2.5 2.6 Does the reporting entity issue both participating and no lif yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid.	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: de contingent liability of the planting the year on deposit	3.21 Participating policies	\$.	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
4. 4.1 4.2 4.3 4.4 5.	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid. For Reciprocal Exchanges Only: Does the exchange appoint local agents?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: de contingent liability of the planting the year on deposit	3.21 Participating policies	\$\$\$	Yes [] No [X] Yes [] No []
4. 4.1 4.2 4.3 4.4 5.	2.5 2.6 Does the reporting entity issue both participating and no lf yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid. For Reciprocal Exchanges Only: Does the exchange appoint local agents?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: de contingent liability of the planting the year on deposit	3.21 Participating policies	\$\$\$	Yes [] No [X] Yes [] No [] Yes [] No [] Yes [] No []
3.2 4. 4.1 4.2 4.3 4.4 5. 5.1 5.2	2.5 2.6 Does the reporting entity issue both participating and no lif yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid. For Reciprocal Exchanges Only: Does the exchange appoint local agents? If yes, is the commission paid:	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: during the year on deposit compensation of the Attornoon	3.21 Participating policies	\$\$sssssss	Yes [] No [X] Yes [] No []
3.2 4. 4.1 4.2 4.3 4.4 5. 5.1 5.2	2.5 2.6 Does the reporting entity issue both participating and no lif yes, state the amount of calendar year premiums write. For Mutual reporting entities and Reciprocal Exchanges Does the reporting entity issue assessable policies? Does the reporting entity issue non-assessable policies? If assessable policies are issued, what is the extent of the Total amount of assessments paid or ordered to be paid. For Reciprocal Exchanges Only: Does the exchange appoint local agents?	Reserve Denominator Reserve Ratio (2.4/2.5) n-participating policies? en on: only: conly: during the year on deposit compensation of the Attornomerosit	3.21 Participating policies	\$\$sssssss	Yes [] No [X] Yes [] No []

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:			
	THE COMPANY IS A MONOLINE FINANCIAL GUARANTY INSURER AND AS SUCH DOES NOT WRITE WORKERS' COMPENSATION INSURANCE			
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: THE COMPANY IS IN RUNOFF AND NO LONGER EVALUATES ITS PROBABLE MAXIMUM LOSS EXPOSURE.			
6.3	What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?			
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [] No [X 1
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to	100 [] NO [Λ]
	hedge its exposure to unreinsured catastrophic loss ACCORDING TO SSAP 60, THE COMPANY IS REQUIRED TO ESTABLISH CONTINGENCY RESERVES AS A FINANCIAL GUARANTY INSURER. THESE RESERVES ARE ESTABLISHED IN ADDITION TO SPECIFIC CASE RESERVES ON FINANCIAL GUARANTY BUSINESS			
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)?] No [
7.2 7.3	If yes, indicate the number of reinsurance contracts containing such provisions			
8.1	provision(s)?	Yes [] No []
8.2	loss that may occur on this risk, or portion thereof, reinsured? If yes, give full information	Yes [] No [Х]
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 yearend surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:			
	(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;			
	(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;(c) Aggregate stop loss reinsurance coverage;			
	(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;			
	(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or			
	(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity	Yes [] No [X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:		, .	•
	(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or			
	(b) Twenty–five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [] No [Х]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of			
	income;			
	(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.			
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:			
	(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or			
0.5	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [] No [Х]
	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. 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 [Х]
	(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 [Х]
	(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 [Х]
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 [] N	o [] N/A	[X]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

	Has the reporting entity guaranteed policie If yes, give full information		•			Yes	[]	No [[X]
12.1	If the reporting entity recorded accrued ret the amount of corresponding liabilities rec 12.11 Unpaid losses.	trospective premiums on orded for:	insurance contracts on	Line 15.3 of the asset sche	edule, Page 2, state				
	12.12 Unpaid underwriting expe								
	Of the amount on Line 15.3, Page 2, state If the reporting entity underwrites commer accepted from its insureds covering unpai	the amount that is secur cial insurance risks, such	ed by letters of credit, co as workers' compensat	ollateral and other funds? ion, are premium notes or	promissory notes \$				
12.4	If yes, provide the range of interest rates of 12.41 From	charged under such notes	during the period cove	red by this statement:					%
12.5	Are letters of credit or collateral and other promissory notes taken by a reporting enti- losses under loss deductible features of co	funds received from insuity, or to secure any of the	reds being utilized by the reporting entity's repor	e reporting entity to secure ted direct unpaid loss rese	e premium notes or erves, including unpaid			No [
12.6	If yes, state the amount thereof at December 12.61 Letters of Credit								
	12.62 Collateral and other funds	3			\$				
	Largest net aggregate amount insured in a Does any reinsurance contract considered	I in the calculation of this	amount include an aggi		hout also including a	Yes			
13.3	reinstatement provision?	(excluding individual fac	ultative risk certificates,	but including facultative pr	rograms, automatic		. ,	No [
14.1 14.2	Is the company a cedant in a multiple ced. If yes, please describe the method of alloo	cating and recording reins	surance among the ceda	ints:		Yes	[]	No [[X]
14.3	If the answer to 14.1 is yes, are the method contracts?					Yes	[]	No [1
14.4 14.5	If the answer to 14.3 is no, are all the met If the answer to 14.4 is no, please explain	hods described in 14.2 er	ntirely contained in writte	en agreements?		Yes	[]	No [[]
15.1 15.2	Has the reporting entity guaranteed any fill fyes, give full information	nanced premium account	s?			Yes	[]	No [[X]
16.1	Does the reporting entity write any warran	ty business?				Yes	[]	No [Х]
	If yes, disclose the following information for	or each of the following ty	pes of warranty coverag	e:					
		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	Dire	5 ect Pro Earn	emium ed	ı
16.11	Home \$	\$	\$;	\$	\$			
16.12	Products \$	\$	\$		\$	\$			
	Automobile \$								
	Other* \$								

^{*} Disclose type of coverage:

GENERAL INTERROGATORIES PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1		uthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule		Yes []	No [X]
	Incurred but not reported losses on contracts in force prior t Schedule F – Part 5. Provide the following information for this	to July 1, 1984, and not subsequently renewed are exempt from inclusion exemption:	in			
	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	\$			
	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 [X]
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 [1	No [X]

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6. 2015 2014 2013 2012 2011 Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3) 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) 2. Property lines (Lines 1, 2, 9, 12, 21 & 26). Property and liability combined lines (Lines 3, 4, 5, 3. 8, 22 & 27). All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .62.440 .61.969 146.478 .61.957 308.978 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) 6. Total (Line 35) 62 440 ..61,969 .146,478 .61,957 .308,978 Net Premiums Written (Page 8, Part 1B, Col. 6) 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) All other lines 10. (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .62.440 .61.969 146.478 .61.957 308.978 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) ... 12. Total (Line 35) 62.440 61.969 ..146,478 61 957 .308,978 Statement of Income (Page 4) (30.070.051) 13. Net underwriting gain (loss) (Line 8) (40.337.654) (33.387.020)(28.755.025) (53.306.130) 17,612,295 15,809,315 20,747,946 19,629,803 Net investment gain (loss) (Line 11) 14,863,077 14. .3,305,000 .140,500 .7,415,322 Total other income (Line 15) .5,189,607 Dividends to policyholders (Line 17) 17. Federal and foreign income taxes incurred 18. Net income (Line 20) (25,474,577) ..(14,272,705) (9,181,605) (5,953,123) (26.261.005) Balance Sheet Lines (Pages 2 and 3) Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) 19. 330,017,630 .370,865,469 391,426,697 424,590,463 .448,171,431 20 Premiums and considerations (Page 2, Col. 3) 20.1 In course of collection (Line 15.1) 20.2 Deferred and not yet due (Line 15.2) 20.3 Accrued retrospective premiums (Line 15.3) Total liabilities excluding protected cell business (Page 3, Line 26) 288,851,981 303,963,343 302,379,649 315,396,543 330,856,668 Losses (Page 3, Line 1) 110,964,787 .105,551,542 .83,332,374 .78,234,876 .64,392,168 3 866 000 4 565 000 5 979 000 8 345 000 11 497 000 23 Loss adjustment expenses (Page 3, Line 3) 74,262,678 92,643,742 146,732,137 .174,425,586 119,602,855 24. Unearned premiums (Page 3, Line 9) 25. Capital paid up (Page 3, Lines 30 & 31). 15.000.000 15,000,000 15,000,000 15.000.000 .15,000,000 Surplus as regards policyholders (Page 3, Line 37) 41,165,649 .66,902,126 .89,047,048 109,193,920 .117,314,763 Cash Flow (Page 5) 27. Net cash from operations (Line 11). (40,937,640) (18,623,742) (33, 205, 407) (23,420,712)..(16,235,417) Risk-Based Capital Analysis 28. Total adjusted capital 29. Authorized control level risk-based capital Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0 Bonds (Line 1) .98.1 98.9 .97.9 .94.3 .97.1 Stocks (Lines 2.1 & 2.2) . 32. Mortgage loans on real estate (Lines 3.1 and 3.2) 33. Real estate (Lines 4.1, 4.2 & 4.3) Cash, cash equivalents and short-term investments 34. (Line 5) 19 1 1 2 1 5 7 29 Contract loans (Line 6) 35. Derivatives (Line 7)... 37. Other invested assets (Line 8) 38 Receivables for securities (Line 9). 0.0 0.0 Securities lending reinvested collateral assets (Line 39. 10). 40. Aggregate write-ins for invested assets (Line 11) 41. Cash, cash equivalents and invested assets (Line 12) 100.0 100.0 100.0 100.0 100.0 nvestments in Parent, Subsidiaries and Affiliates 42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1) Affiliated preferred stocks 43. (Sch. D, Summary, Line 18, Col. 1) Affiliated common stocks 44. (Sch. D, Summary, Line 24, Col. 1) Affiliated short-term investments (subtotals included 45. in Schedule DA Verification, Col. 5, Line 10). 46. Affiliated mortgage loans on real estate 47. All other affiliated ... 48. Total of above Lines 42 to 47 Total Investment in parent included in Lines 42 to 47 above. 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)

FIVE-YEAR HISTORICAL DATA

(Continued) 2012 2015 2014 2013 2011 Capital and Surplus Accounts (Page 4) .30.905 (37.566)189,856 .(141,733) .(94.685)51. Net unrealized capital gains (losses) (Line 24) 52. Dividends to stockholders (Line 35) Change in surplus as regards policyholders for the year (Line 38) (25,736,477) (22, 144, 922) (20, 146, 872) (8.120.843)10,113,646 Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2) 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) 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) ... 57. All other lines 42.488.693 19.671.260 30.402.600 16.414.559 16.477.959 (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) Nonproportional reinsurance lines (Lines 31, 32 & 33) 59. Total (Line 35) 42.488.693 19.671.260 30.402.600 16.414.559 16.477.959 Net Losses Paid (Page 9, Part 2, Col. 4) 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27). All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .42,488,693 19,671,260 .30,402,600 16,414,559 16,477,959 Nonproportional reinsurance lines (Lines 31, 32 & 33) 65. Total (Line 35) 42.488.693 19.671.260 .30.402.600 .16.414.559 16.477.959 Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0 100.0. .100.0 .100.0. 100.0. .100.0 66. Premiums earned (Line 1) .259.7 ..155.0 ...130.2 .109.0 208.2 67. Losses incurred (Line 2). .7.2 ...7 . 5 .10.8 ..3.4 .77.6 68. Loss expenses incurred (Line 3) .91.2 .51.8 .61.0 .69.3 .140.6 69. Other underwriting expenses incurred (Line 4) 70. Net underwriting gain (loss) (Line 8) (218.7)(123.6)(110.2)(103.6)(326.4)Other Percentages 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) 15,304.7 .21,274.6 12,803.9 .32,477.3 5,033.9 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .266.9 .162.5 141.0 .112.4 285.7 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) 0.2 0.1 0.2 0.1 0.3 One Year Loss Development (000 omitted) 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) (2,951).11.582 4.234 (5,345)(8,690)75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)(4.4)13.0 .3.9 .(4.6) .(8.1) Two Year Loss Development (000 omitted) Development in estimated losses and loss expense incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .12,171 .13,011 (10, 152) (9,664) .6,419 77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by 13.7 11.9 (8.7)(9.0)4.7 Page 4, Line 21, Col. 2 x 100.0)

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



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

	NAIC Group Code 0000		S IN THE STATE			ND LUSSES (Statut		OURING THE YEAR	2015			Company Code	22896
		Gross Premiums, Ir Membership Fees, Le and Premiums on 1 Direct Premiums	ess Return Premiums	3 Dividends Paid or Credited to Policyholders on	4 Direct Unearned Premium	5 Direct Losses Paid	6 Direct Losses	7	8 Direct Defense and Cost Containment Expense	9 Direct Defense and Cost Containment Expense	10 Direct Defense and Cost Containment Expense	11 Commissions and Brokerage	12 Taxes.
	Line of Business	Written	Earned	Direct Business	Reserves	(deducting salvage)	Incurred	Direct Losses Unpaid		Incurred	Unpaid	Expenses	Licenses and Fees
1.	Fire												
2.1	Allied lines												
2.2	Multiple peril crop												-
2.3	Federal flood					·····							-
2.4	Private crop					·····							-
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		40.000.540		70 400 770	40,400,004	47.004.000	440.004.707	0.004.057	4 000 057	0.000.000		400 707
10.	Financial guaranty		18,089,546		70 , 180 , 779	42,488,694	47 ,901 ,939	110,964,787	2,021,957	1,322,957	3,866,000		138,767
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												
	Medicare Title XVIII exempt from state taxes or fees												
15.7	All other A & H (b).												
	Federal Employees Health Benefits Plan 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					l							
22.	Aircraft (all perils)												
23.	Fidelity					ll							
24.	Surety												
26.	Burglary and theft												
27.	Boiler and machinery												
28.	Credit												
30.	Warranty												
34.	Aggregate write-ins for other lines of business												
35.	TOTAL (a)	62.441	18.089.546		70.180.779	42.488.694	47.901.939	110.964.787	2,021,957	1.322.957	3.866.000		138.767
	OF WRITE-INS	32,111	10,000,010		10,100,110	12, 100,001	,551,000	1.0,007,707	2,02.,007	1,022,001	3,000,000		.50,707
3401.	S			L									.
3402.													
3403.												•	
	Summary of remaining write-ins for Line 34 from overflow page							·	l				1
	Totals (Lines 3401 through 3403 Plus 3498) (Line 34 above)												
	inance and service charges not included in Lines 1 to 35 \$	1			1				l .		1		1

and number of persons insured under indemnity only products

⁽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

SCHEDULE F - PART 1

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

					Assumed Re		ecember 31, Curr	ent Year (000 Omi	tted)					
1	2	3	4	5		Reinsurance On		9	10	11	12	13	14	15
	İ				6	7	8				i		Amount of Assets	İ
					•	·	-						Pledged or Compensating Balances to	Amount of Assets
											Funds Held By or		Componenting	Pledged or
	NAIG				Daid Lassac and			0	A = =				Delegating	Collateral
	NAIC				Paid Losses and			Contingent	Assumed		Deposited With		Balances to	
ID	Company		Domiciliary	Assumed	Loss Adjustment	Known Case		Commissions	Premiums	Unearned	Reinsured	Letters of Credit	Secure Letters	Held in
Number	Code	Name of Reinsured	Jurisdiction	Premium	Expenses	Losses and LAE	Cols. 6 +7	Payable	Receivable	Premium	Companies	Posted	of Credit	Trust
13-3250292	18287	ASSURED GUAR MUNICIPAL CORP.	NY							4,082				
	•	•	•											
0999999 - To	otal Other U	.S. Unaffiliated Insurers								4,082				
	I													
	L													
	1													
	1													
	1													
	1													
	1													
	1													
	1													
	1													
	1													
	T													
	1	1												
	1				1									
	1													
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	1													
	†													
	1			-										
	4	1												
9999999 T	ntale									4,082				
0000000	otais			1	I	1		ı	1	4,002	i I		ı	1 1

Schedule F - Part 2

NONE

Schedule F - Part 3

NONE

Schedule F - Part 4

NONE

Schedule F - Part 5

NONE

Schedule F - Part 6 - Section 1

NONE

Schedule F - Part 6 - Section 2

NONE

Schedule F - Part 7

NONE

Schedule F - Part 8

SCHEDULE F - PART 9

Restatement of Balance Sheet to Identify Net C	Credit for Reinsurance		
	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
ASSETS (Page 2, Col. 3)			
Cash and invested assets (Line 12)	326 ,714 ,864		326 ,714 ,864
Premiums and considerations (Line 15)			
Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)			
4 Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets	3,302,766		3,302,766
Net amount recoverable from reinsurers		119,644	119,644
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	330,017,630	119,644	330 , 137 , 274
LIABILITIES (Page 3)			
Losses and loss adjustment expenses (Lines 1 through 3)	114,830,787		114,830,787
10. Taxes, expenses, and other obligations (Lines 4 through 8)	2,906,641		2,906,641
11. Unearned premiums (Line 9)	74,262,678		74,262,678
12. Advance premiums (Line 10)			
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)			
15. Funds held by company under reinsurance treaties (Line 13)			
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)			
18. Other liabilities	96,851,875	119,644	96,971,519
19. Total liabilities excluding protected cell business (Line 26)	288,851,981	119,644	288,971,625
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	41,165,649	XXX	41,165,649
22. Totals (Line 38)	330,017,630	119,644	330, 137, 274

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 - Health Claims

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES SCHEDULE P - PART 1 - SUMMARY

						(9	000 Omitted)					
		Pr	emiums Earn	ed			Loss	and Loss Ex	kpense Payme	ents			12
Ye	ars in	1	2	3			Defense		Adjusting	and Other	10	11	
	/hich				Loss Pa		Containmen	t Payments	Paym				Number of
	miums				4	5	6	7	8	9	Salvage	Total Net	Claims
1	Earned	<u>.</u>			5		5				and	Paid (Cols.	Reported
	Losses Incurred	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Subrogation Received	4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
VVCIC	incurred	Assumed	Ceded	(COIS. 1 - 2)	Assumed	Ceded	Assumed	Ceded	Assumed	Ceded	Received	7 + 6 - 9)	Assumed
1.	Prior	XXX	XXX	XXX									XXX
2.	2006			1									XXX
3.	2007	94 , 135	1,842	92,293	24,048								XXX
4.	2008	26,172	74	26,098	252,890		20 , 547				2,513	273,438	xxx
5.	2009	15,533	87	15,446	5,296		1,858				73	7 , 154	xxx
6.	2010	15,250	46	15,205	18,282		4,228				1,000	22,509	xxx
7.	2011	16,397	63	16,333	18,742		8,891				210	27,633	xxx
8.	2012	27,901	146	27 ,755									xxx
9.	2013	27 , 347	72	27 ,276	19,930		714					20,644	xxx
10.	2014	27 , 117	94	27 ,022	24,411		787					25 , 198	xxx
11.	2015	18,443		18,443	14,890		26					14,916	XXX
12.	Totals	XXX	XXX	XXX	394,433		43,595				4,017	438,028	XXX

		Losses	s Unpaid		Defense	e and Cost	Containment	Unpaid	Adjusting a		23	24	25
	Case	Basis	Bulk +	IBNR	Case	Basis	Bulk +	IBNR	21	22		Total	Number of
	Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrog- ation Anticipated	Net Losses and Expenses Unpaid	Claims Outstand- ing Direct and Assumed
1	1,512											1,512	XXX
2													xxx
3													xxx
4	10,774				35							10,809	xxx
5	13,445				165							13,610	xxx
6	(3,908)				149						10,070	(3,759)	xxx
7	18,974				1,031						27 , 194	20,005	xxx
8	23,396				229						6,674	23,625	xxx
9	9,013				122						2,727	9,135	xxx
10	3,662				750						10,755	4,412	xxx
11.	33,784				1,385							35,169	XXX
12.	110,652				3,866						57,419	114,518	XXX

		Total		Loss and L	oss Expense F	Percentage			34	Net Balar	nce Sheet
		Loss Expense			ed/Premiums E		Nontabula		Inter-		ter Discount
	26	27	28	29	30	31	32	33	Company	35	. 36
	Direct and			Direct and				Loss	Pooling Participation	Losses	Loss Expenses
	Assumed	Ceded	Net	Assumed	Ceded	Net	Loss	Expense	Percentage	Unpaid	Unpaid
1	XXX	XXX	XXX	XXX	XXX	XXX	23		xxx	1,489	
2	4,565		4 , 565	6.3		6.6					
3	24,062		24,062	25.6		26.1					
4	284,246		284,246	1,086.1		1,089.2	2,213			8,561	35
5	20,764		20,764	133.7		134 . 4	3,352			10,093	165
6	18,751		18,751	123.0		123.3	(6,686)			2,778	149
7	47,638		47 , 638	290.5		291.7	(4,151)			23 , 124	1,031
8	41,534		41,534	148 . 9		149 . 6	2,277			21 , 120	229
9	29,780		29,780	108.9		109.2	899		-	8,114	122
10	29,610		29,610	109.2		109.6	(4,031)			7 , 693	750
11.	50,086		50,086	271.6		271.6	5,792			27,992	1,385
12.	XXX	XXX	XXX	XXX	XXX	XXX	(312)		xxx	110,965	3,866

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.

SCHEDULE P - PART 2 - SUMMARY

	INC	URRED NET	LOSSES AN	D DEFENSE			NT EXPENSE	S REPORTE	O AT YEAR E	ND		
		111			(\$000 OI	MITTED)					DEVELO	PMENT
Years in Which	1	2	3	4	5	6	7	8	9	10	11	12
Losses Were Incurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior	(4,034)	891	5,429	3,595	415	462	(469)	(341)	(83)	142	225	484
2. 2006	331	124	1,124	4,364	5,465	4,565	4,565	4 , 565	4,565	4,565		
3. 2007	xxx	32,450	24,062	24,062	24,062	24,062	24,062	24 ,062	24,062	24,062		
4. 2008	xxx	XXX	284,664	291,505	290,580	291,230	290 , 400	285 , 173	285 , 174	284,246	(928)	(927)
5. 2009	xxx	XXX	xxx	13,363	19,528	22,988	23,215	21 ,426	20 , 474	20,764	290	(662)
6. 2010	xxx	XXX	xxx	XXX	28 ,722	16,775	17,336	17 ,834	18 , 141	18,751	610	917
7. 2011	xxx	XXX	xxx	xxx	xxx	43,464	39,093	40,676	50,902	47,638	(3,265)	6,962
8. 2012	xxx	XXX	xxx	XXX	xxx	XXX	29,662	38 ,703	37 ,640	41,534	3,894	2,831
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	xxx	27 ,212	30,017	29,780	(238)	2,567
10. 2014	xxx	XXX	xxx	XXX	xxx	XXX	xxx	xxx	33 , 150	29,610	(3,540)	xxx
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,086	XXX	XXX
										12. Totals	(2,951)	12,171

SCHEDULE P - PART 3 - SUMMARY

			3011			. / \ \ \ \ \	0		XI X I			
	CUMULAT	IVE PAID NE	T LOSSES AI	ND DEFENSE	AND COST OMIT		NT EXPENSE	ES REPORTE	D AT YEAR	END (\$000	11	12 Number of
Years in Which	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss	Claims Closed Without Loss
Incurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Payment	Payment
1. Prior	000	803	(741)	(1,370)	(1,370)	(1,370)	(1,370)	(1,370)	(1,370)	(1,370)	xxx	xxx
2. 2006	96	112	299	3 , 164	4,565	4,565	4 , 565	4,565	4,565	4,565	xxx	xxx
3. 2007	XXX	23,964	24,062	24,062	24,062	24,062	24,062	24,062	24,062	24,062	xxx	xxx
4. 2008	XXX	xxx	258 , 403	260,203	261,717	263,284	264 , 673	271,092	271,962	273,438	xxx	xxx
5. 2009	XXX	XXX	XXX	870	1,846	2,824	3,829	4,817	6,053	7 , 154	xxx	xxx
6. 2010	XXX	XXX	XXX	xxx	1,462	15,636	17 ,877	20,656	21,640	22,509	xxx	xxx
7. 2011	XXX	XXX	XXX	xxx	XXX	3,804	8,929	14,473	24,780	27,633	xxx	xxx
8. 2012	XXX	XXX	XXX	xxx	XXX	XXX	10,749	13,465	15,529	17,909	xxx	xxx
9. 2013	XXX	xxx	XXX	xxx	XXX	xxx	XXX	17 ,274	19,669	20,644	xxx	XXX
10. 2014	XXX	xxx	XXX	xxx	XXX	xxx	XXX	xxx	5,258	25 , 198	xxx	xxx
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,916	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

			CITED		- L \(\tilde{\ti	1 4 - 30		\ 		
Years in Which	BULK AND I	BNR RESERVE	S ON NET LOSS	SES AND DEFE	NSE AND COS	T CONTAINMEN	NT EXPENSES I	REPORTED AT	YEAR END (\$0	00 OMITTED)
Losses Were Incurred	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior										
2. 2006										
3. 2007	xxx									
4. 2008	xxx	xxx								
5. 2009	xxx	xxx	xxx			-				-
6. 2010	xxx	xxx	xxx	XXX		-				
7. 2011	xxx	xxx	xxx	XXX	xxx					-
8. 2012	xxx	xxx	xxx	XXX	xxx	xxx				-
9. 2013	xxx	xxx	xxx	XXX	xxx	xxx	xxx			
10. 2014	xxx	xxx	xxx	XXX	xxx	xxx	xxx	xxx		-
11. 2015	l xxx	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

Schedule P - Part 1E - Comm Multi Peril NONE

Schedule P - Part 1F - Med Pro Liab Occ NONE

Schedule P - Part 1F - Med Pro Liab Clm
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 NONE

Schedule P - Part 10 - Reinsurance NONE

Schedule P - Part 1P - Reinsurance NONE

Schedule P - Part 1R - Prod Liab Occur NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

SCHEDULE P-PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY (\$000 OMITTED)

Years in	Pi	emiums Earne	ed			Los	s and Loss Ex	kpense Payme	nts			12
Which Premiums	1	2	3	Loss Pa	ayments		and Cost	Adjusting Payn		10	11	
Were Earned and Losses Were	Direct and		Net	4 Direct and	5	6 Direct and	7	8 Direct and	9	Salvage and Subrogation	Total Net Paid (Cols. 4 - 5 + 6 - 7	Number of Claims Reported Direct and
Incurred	Assumed	Ceded	(Cols. 1 - 2)	Assumed	Ceded	Assumed	Ceded	Assumed	Ceded	Received	+ 8 - 9)	Assumed
			XXX27,022							122	9,654	xxx
3. 2015	18,443		18,443	14,890		26					14,916	xxx
4. Totals	XXX	XXX	xxx	47,393		2,376				122	49,768	XXX

		Losses	Unpaid		Defen	se and Cost (Containment U	Jnpaid	Adjusting Unj	and Other paid	23	24	25
	Case	Basis	Bulk +	· IBNR	Case	Basis	Bulk +	- IBNR	21	22	1		
	13	14	15	16	17	18	19	20			Salvage	Total Net Losses	Number of Claims
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	and Subrogation Anticipated	and Expenses Unpaid	Outstanding Direct and Assumed
1.	73,206				1,731						46,665	74,937	19
	0.000				750						40.755	4 440	_
2.	3,662				750						10 , 755	4,412	5
3.	33,784				1,385							35,169	2
4.	110,652				3,866						57,419	114,518	26

	Losses an	Total d Loss Expense	s Incurred		oss Expense Ped/Premiums E		Nontabula	r Discount	34 Inter-	Net Balar Reserves At	nce Sheet fter Discount
	26 Direct and	27	28	29 Direct and	30	31	32	33 Loss	Company Pooling Participation	35 Losses	36 Loss Expenses
Н	Assumed	Ceded	Net	Assumed	Ceded	Net	Loss	Expense	Percentage	Unpaid	Unpaid
1.	xxx	XXX	XXX	XXX	XXX	xxx	(2,074)		xxx	75,279	1,731
2.	29,610		29,610	109.2		109.6	(4,031)			7 ,693	750
3.	50,086		50,086	271.6		271.6	5,792			27,992	1,385
4.	XXX	XXX	XXX	XXX	XXX	XXX	(312)		XXX	110,965	3,866

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 - Section 1

NONE

Schedule P - Part 2F - Med Pro Liab Clm

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Other Liab Occur

NONE

Schedule P - Part 2H - Other Liab Claim

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

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

	INCURRED	NET LOSSES	S AND DEFEN	ISE AND CO	ST CONTAIN	MENT EXPE	NSES REPOR	RTED AT YEA	R END (\$000	OMITTED)	DEVELO	PMENT
Years in Which Losses Were	1	2	3	4	5	6	7	8	9	10	11	12
Incurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior												
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX) //						
6. 2010	XXX	XXX	XXX	xxx	AC	ノゖ゚		 				
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	xxx	xxx	xxx					
10. 2014	XXX	XXX	XXX	XXX	xxx	xxx	xxx	xxx				xxx
11. 2015	XXX	XXX	xxx	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
										12. Totals		

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

ЭСП	DULE	P - P	ARI ZR	- 9EC	IION	2 - PK	סטטכ	19 LIA	DILIII	- CLA	I IVI 2-IVI	ADE
1. Prior						-						
2. 2006												
3. 2007	xxx											
4. 2008	xxx	XXX										
5. 2009	xxx	XXX	XXX									
6. 2010	xxx	XXX	XXX	XXX.	\ ()/\						
7. 2011	xxx	XXX	XXX	xxx	xxx			•				
8. 2012	xxx	XXX	XXX	XXX	xxx	xxx						
9. 2013	xxx	XXX	XXX	XXX	xxx	xxx	xxx					
10. 2014	xxx	XXX	XXX	XXX	xxx	xxx	xxx	xxx				XXX
11. 2015	xxx	xxx	XXX	XXX	xxx	xxx	xxx	xxx	xxx		xxx	XXX
										12. Totals		

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

1. Prior	xxx	xxx	xxx	xxx	xxx	xxx	xxx	90,277	101,859	102,448	589	12,171
						xxx						
3. 2015	xxx	XXX	XXX	XXX	XXX	xxx	XXX	XXX	XXX	50,086		xxx
										4. Totals	(2,951)	

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX. <u></u>	XXX	XXX	XXX					
2. 2014		XXX	XXX	xxx				~~~				***
3. 2015	XXX	XXX	XXX	XXX		ノバヽ		XXX	XXX		XXX	XXX
0. 2013	XXX	7000		XXX	XXX	XXX	XXX	XXX	XXX		- AAA	XXX
										Totals		

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Med Pro Liab Occ

NONE

Schedule P - Part 3F - Med Pro Liab Clm

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

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 30 NONE

Schedule P - Part 3P NONE

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

	CUMUI	LATIVE PAID	NET LOSSES	S AND DEFE	NSE AND CO	ST CONTAIN	MENT EXPE	NSES REPO	RTED AT YEA	AR END	11	12
					(\$000 O	MITTED)					1	Number of
Years in Which	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss	Claims Closed Without Loss
Incurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Payment	Payment
1. Prior	000						-					
2. 2006												
3. 2007	XXX			······				•				
4. 2008	XXX	xxx	-				<u> </u>					
5. 2009	XXX	xxx	xxx		A			<u> </u> 				
6. 2010	XXX	XXX	xxx	XXX								
7. 2011	XXX	XXX	xxx	XXX	XXX							
8. 2012	XXX	xxx	xxx	XXX	XXX	XXX						
9. 2013	XXX	xxx	xxx	xxx	xxx	xxx	xxx	-				
10. 2014	XXX	xxx	xxx	XXX	XXX	XXX	xxx	xxx				
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

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

OOIIL	DOLL	1 1/	(1	OLU	11011	<u> </u>	ODGG	I O LIA	DILIII	- OL	VIIVIO-IV	
1. Prior	000											
2. 2006									-			
3. 2007	xxx											
4. 2008	xxx	xxx										
5. 2009	xxx	xxx	xxx			71		•				
6. 2010	xxx	xxx	xxx	xxx	V	ノリ						
7. 2011	xxx	xxx	xxx	xxx	xxx							
8. 2012	xxx	xxx	xxx	xxx	xxx	xxx						
9. 2013	xxx	xxx	xxx	xxx	xxx	xxx	xxx					
10. 2014	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx				
11. 2015	xxx	XXX	xxx	XXX	XXX	xxx	xxx	xxx	XXX			

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

1.	Prior	XXX	XXX	XXX	XXX	XXX	xxx	XXX	000	17,857	27 ,511	XXX	XXX
2.	2014	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	5,258	25 , 198	XXX	XXX
3.	2015	XXX	xxx	XXX	xxx	XXX	xxx	xxx	xxx	xxx	14,916	xxx	xxx

SCHEDULE P - PART 3T - WARRANTY

Ī	1. Prior	XXX	XXX	xxx	xxx	xx	XX	XX	000			
	2. 2014	XXX	xxx	xxx	xxx	N _{XX}	XXX					
	3. 2015	XXX	xxx	xxx	XXX	XXX	XXX	XXX	XXX	xxx		

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 - Med Pro Liab Occ

NONE

Schedule P - Part 4F - Med Pro Liab Clm

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 41

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 40 NONE

Schedule P - Part 4P NONE

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

	BULK AND I	BNR RESERVE	S ON NET LOS	SES AND DEFE	NSE AND COS	T CONTAINMEN	IT EXPENSES I	REPORTED AT	YEAR END (\$00	00 OMITTED)
Years in Which	1	2	3	4	5	6	7	8	9	10
Losses Were Incurred	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ou	2000				2010			20.0		20.0
1. Prior										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	XXX		- N						
F 2000	VVV	XXX	VVV							
5. 2009		XXX				Y			-	
6. 2010	XXX	xxx	xxx	xxx						
7. 2011	XXX	XXX	XXX	XXX	XXX				-	
8. 2012	XXX	XXX	xxx	xxx	xxx	XXX				
9. 2013	XXX	XXX	xxx	XXX	xxx	XXX	XXX			
10 2014	YYY	XXX	YYY	YYY	YYY	YYY	xxx	YYY		
10. 2014										
11. 2015	XXX	XXX	xxx	xxx	xxx	xxx	XXX	XXX	xxx	

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

1. Prio	r									
2. 2006	3									
3. 2007	7xxx									
4. 2008	3XXX	xxx								
5. 2009	9xxx	XXX	xxx	NI/						
6. 2010	oxxx	xxx	xxx							
7. 2011	1XXX	xxx	xxx	xxx	xxx					
8. 2012	2XXX	xxx	xxx	xxx	xxx	xxx				
9. 2013	3xxx	xxx	xxx	xxx	xxx	xxx	xxx			
10. 2014	4XXX	xxx	xxx	xxx	xxx	xxx	xxx	xxx		
11. 2015	5 XXX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	

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

1. Prior	xxx	XXX	xxx	xxx	xxx	XXX	xxx			
2. 2014		xxx	xxx	xxx	xxx	xxx	xxx	xxx		
3. 2015	XXX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	

SCHEDULE P - PART 4T - WARRANTY

								-		
1. Prior	xxx	XXX	xxx	N.XXI			xxx			
	xxx	XXX	xxx		XX			xxx		
3. 2015	xxx	xxx	xxx	xxx	XXX	xxx	xxx	xxx	xxx	

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A NONE

Schedule P - Part 5F- SN2A NONE

Schedule P - Part 5F- SN3A NONE

Schedule P - Part 5F- SN1B NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

Schedule P - Part 5R- SN1A

NONE

Schedule P - Part 5R- SN2A

NONE

Schedule P - Part 5R- SN3A

NONE

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

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

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 60 - SN1

NONE

Schedule P - Part 60 - 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 - PRIMARY LOSS SENSITIVE CONTRACTS (\$000 OMITTED)

SECT	•

		1	2	3	4	5	6
	Schedule P - Part 1	Total Net Losses and Expenses Unpaid	Net Losses and Expenses Unpaid on Loss Sensitive Contracts	Loss Sensitive as Percentage of Total	Total Net Premiums Written	Net Premiums Written on Loss Sensitive Contacts	Loss Sensitive as Percentage of Total
1.	Homeowners/Farmowners						
	Private Passenger Auto Liability/Medical						
3.	,						
4.	Workers' Compensation						
5.	Commercial Multiple Peril						
6.	Medical Professional Liability-Occurrence						
7.	Medical Professional Liability -Claims- Made						
8.	Special Liability						
9.	Other Liability-Occurrence						
10.	Other Liability-Claims-Made						
11.	Special Property						
12.	Auto Physical Damage						
13.	Fidelity/Surety						
14.	Other						
15.	International						
16.	Reinsurance-Nonproportional Assumed Property	xxx	XXX	xxx	xxx	xxx	XXX
17.	Reinsurance-Nonproportional Assumed Liability	xxx	XXX	xxx	xxx	xxx	XXX
18.	Reinsurance-Nonproportional Assumed Financial Lines	xxx	XXX	xxx	xxx	xxx	xxx
19.	Products Liability-Occurrence					ļ	
20.	Products Liability-Claims-Made						
	Financial Guaranty/Mortgage Guaranty Warranty	114,831			62		
	Totals	114,831			62		

SECTION 2

OLOTION 2											
		INCURRED LC	SSES AND DEI	FENSE AND CC	ST CONTAINM	ENT EXPENSE	S REPORTED A	T YEAR END (\$000 OMITTED)		
Years in	1	2	3	4	5	6	7	8	9	10	
Which											
Policies	2000	2007	2000	2000	2040	2011	2040	2042	2011	2045	
Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1. Prior											
2. 2006											
3 2007	YYY										
4. 2008	XXX	XXX									
5. 2009	XXX	XXX	XXX			NL					
6. 2010	XXX	XXX	XXX	XXX							
7. 2011	XXX	YYY	xxx	YYY	xxx						
			i								
8. 2012	XXX	XXX	XXX	XXX		XXX					
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2014	XXX	xxx	xxx	xxx	xxx	XXX	xxx	XXX			
11. 2015	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx		

	BULK AND II	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)										
Years in Which	1	2	3	4	5	6	7	8	9	10		
Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior				-								
2. 2006								-				
3. 2007	xxx							-				
4. 2008	xxx	xxx			L	\						
5. 2009	xxx	xxx	xxx			'						
6. 2010	xxx	xxx	xxx	xxx								
7. 2011	xxx	xxx	xxx	xxx	xxx							
8. 2012	xxx	xxx	xxx	XXX	xxx	XXX						
9. 2013	xxx	XXX	XXX	xxx	xxx	xxx	XXX					
10. 2014	xxx	xxx	xxx	xxx	xxx	XXX	xxx	xxx				
11. 2015	l xxx	XXX	XXX	l xxx	XXX	XXX	XXX	XXX	XXX			

SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (continued) SECTION 4

			NET	EARNED PREM	IUMS REPORT	ED AT YEAR E	ND (\$000 OMIT	TED)		
Years in	1	2	3	4	5	6	7	8	9	10
Which Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior										
2. 2006										
3. 2007	xxx									
4. 2008	xxx	xxx		R-I						
5. 2009	xxx	xxx	xxx	17(
6. 2010	xxx	xxx	xxx	xxx						
7. 2011	xxx	xxx	xxx	xxx	xxx					
8. 2012	xxx	xxx	xxx	xxx	xxx	xxx				
9. 2013	xxx	xxx	xxx	xxx	xxx	xxx	xxx			
10. 2014	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	xxx	XXX	

	T N	ET RESERVE F	OR PREMIUM A	DJUSTMENTS	AND ACCRUE	RETROSPEC	TIVE PREMIUMS	S AT YEAR EN	O (\$000 OMITTE	D)
Years in	1	2	3	4	5	6	7	8	9	10
Which Policies	1				0040	0044	0040	2010		0045
Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior										
1. FIIOI										
2. 2006										
3. 2007	xxx									
4 0000	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	2007								
1	1	XXX				 				
5. 2009	XXX	xxx	XXX							
				1 4 /						
6. 2010	xxx	XXX	XXX	XXX						
7. 2011	. XXX	XXX	XXX	XXX	XXX				-	
8 2012	XXX	XXX	xxx	xxx	xxx	XXX				
0. 2012	7000	7000								
9. 2013	xxx	xxx	xxx	xxx	xxx	xxx	xxx			
10. 2014	. XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-	
11. 2015	XXX	XXX	xxx	xxx	xxx	XXX	xxx	XXX	XXX	

SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (\$000 OMITTED)

SECTION 1			
	SECT	ION	1

		1	2	3	4	5	6
		Total Net Losses	Net Losses and Expenses Unpaid	Loss Sensitive	Total Net	Net Premiums	Loss Sensitive
	Schedule P - Part 1	and Expenses Unpaid	on Loss Sensitive Contracts	as Percentage of Total	Premiums Written	Written on Loss Sensitive Contacts	as Percentage of Total
1	Homeowners/Farmowners						
i	Private Passenger Auto Liability/Medical						
	Commercial Auto/Truck Liability/Medical						
i	Workers' Compensation						
	Commercial Multiple Peril						
l	Medical Professional Liability-Occurrence						
i	Medical Professional Liability - Claims-						
	Made						
8.	Special Liability						
9.	Other Liability-Occurrence						
10.	Other Liability-Claims-made					+	
11.	Special Property						
12.	Auto Physical Damage					+	
13.	Fidelity/Surety						
14.	Other						
15.	International						
16.	Reinsurance-Nonproportional Assumed Property						
17.	Reinsurance-Nonproportional Assumed Liability						
18.	Reinsurance-Nonproportional Assumed Financial Lines						
19.	Products Liability-Occurrence					ļ	
	Products Liability-Claims-Made						
21.	Financial Guaranty/Mortgage Guaranty	114,831			62		
22.	Warranty						
23.	Totals	114,831			62		

SECTION 2

					020110112						
	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
Years in	1	2	3	4	5	6	7	8	9	10	
Which Policies											
Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1. Prior							,				
2. 2006											
3. 2007	XXX										
4. 2008	XXX	xxx			11						
5. 2009	XXX	xxx	xxx			N L					
6. 2010	XXX	XXX	xxx	xxx							
7. 2011	XXX	xxx	xxx	xxx	xxx						
8. 2012	XXX	xxx	xxx	xxx	xxx	xxx					
9. 2013	XXX	XXX	xxx	xxx	XXX	xxx	xxx				
10. 2014	XXX	xxx	xxx	xxx	XXX	xxx	xxx	XXX			
11. 2015	XXX	xxx	xxx	xxx	XXX	xxx	xxx	xxx	xxx		

				020110110						
BULK AND IN	NCURRED BUT	NOT REPORTE	D RESERVES F	OR LOSSES A	ND DEFENSE A	ND COST CON	TAINMENT EX	PENSES AT YE	AR END (\$000	
OMITTED)										
1	2	3	4	5	6	7	8	9	10	
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
XXX										
xxx	XXX				(
	YYY	YYY								
ļXXX	XXX	XXX	XXX							
XXX	XXX	XXX	XXX	XXX						
XXX	XXX	XXX	XXX	xxx	XXX					
			1			2001				
ļXXX	XXX			XXX	XXX	XXX				
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
l _{xxx}	XXX	XXX	l xxx	xxx	xxx	XXX	xxx	XXX		
	1 2006 XXX XXX XXX XXX XXX XXX XXX XXX XXX	1 2 2006 2007 XXX XXX XXX XXX XXX XXX XXX	1 2 3 2006 2007 2008 XXX XXX XXX XXX XXX XXX	1 2 3 4 2006 2007 2008 2009 XXX XXX XXX XXX XXX XXX XXX XXX	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES A OMIT 1 2 3 4 5 2006 2007 2008 2009 2010 XXX XXX XXX XXX XXX XXX XXX	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE A OMITTED) 1	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CON OMITTED) 1	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXFORMITTED) 1 2 3 4 5 6 7 8 2006 2007 2008 2009 2010 2011 2012 2013 XXX XXX XXX XXX XXX XXX XXX	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR OMITTED) 1 2 3 4 5 6 7 8 9 2006 2007 2008 2009 2010 2011 2012 2013 2014 XXX.	

SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (continued)

SECT	\cap N A	

					OLUTION T						
	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)										
Years in	1	2	3	4	5	6	7	8	9	10	
Which Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1. Prior											
2. 2006											
3. 2007	XXX										
4. 2008	XXX	xxx									
5. 2009	XXX	xxx	xxx			N L					
6. 2010	XXX	XXX	XXX	xxx							
7. 2011	XXX	xxx	xxx	xxx	xxx						
8. 2012	XXX	XXX	xxx	xxx	xxx						
9. 2013	XXX	XXX	xxx	xxx	xxx	XXX	xxx				
10. 2014	XXX	XXX	xxx	xxx	xxx	XXX	xxx	xxx			
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

SECTION 5

					SECTION 5						
	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)										
Years in	1	2	3	4	5	6	7	8	9	10	
Which Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1. Prior											
2. 2006											
3. 2007	XXX										
4. 2008	xxx	XXX									
5. 2009	XXX	XXX	xxx			N L					
6. 2010	XXX	XXX	xxx	xxx							
7. 2011	XXX	XXX	xxx	xxx	XXX						
8. 2012	XXX	XXX	xxx	xxx	XXX	xxx					
9. 2013	XXX	XXX	xxx	xxx	XXX	xxx	xxx				
10. 2014	xxx	XXX	xxx	xxx	XXX	xxx	xxx	xxx			
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

SECTION 6

					SECTION 6						
	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)										
Years in	1	2	3	4	5	6	7	8	9	10	
Which Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1. Prior											
2. 2006											
3. 2007	XXX										
4. 2008	XXX	XXX									
5. 2009	XXX	XXX	xxx			NL					
6. 2010	XXX	XXX	xxx	xxx							
7. 2011	XXX	XXX	xxx	XXX	XXX						
8. 2012	XXX	XXX	xxx	xxx	XXX	XXX					
9. 2013	XXX	XXX	xxx	xxx	XXX	xxx	xxx				
10. 2014	XXX	xxx	xxx	xxx	XXX	xxx	xxx	XXX	ļ		
11. 2015	XXX	XXX	xxx	xxx	XXX	XXX	xxx	XXX	XXX		

					SECTION /					
RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)										
Years in	1	2	3	4	5	6	7	8	9	10
Which Policies Were Issued	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	2000	2007	2006	2009	2010	2011	2012	2013	2014	2015
1. Prior										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	xxx								
5. 2009	XXX	xxx	xxx			NL				
6. 2010	XXX	xxx	xxx	xxx						
7. 2011	XXX	xxx	xxx	xxx	XXX					
8. 2012	XXX	XXX	xxx	xxx	XXX	XXX	ļ			
9. 2013	XXX	XXX	xxx	xxx	XXX	XXX	xxx			
10. 2014	XXX	xxx	xxx	xxx	XXX	xxx	xxx	XXX		
11 2015	VVV	VVV			VVV	VVV	VVV	VVV	VVV	

COUEDINE DINTERPOCATORIES

	SCHEDULE I	PINTERROGAT	ORIES									
1.	The following questions relate to yet-to-be-issued Extended Reporting Professional Liability Claims Made insurance policies. EREs provided	Endorsements (EREs) arising from Defor reasons other than DDR are not to	eath, Disability, or Retirement (DDR) probe included.	ovisior	ıs in N	1edio	cal					
1.1	Does the company issue Medical Professional Liability Claims Made in reporting endorsement, or "ERE") benefits in the event of Death, Disab	nsurance policies that provide tail (also pility, or Retirement (DDR) at a reduce	known as an extended d charge or at no additional	Yes	r	7 N	lo [X					
	cost? 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 dollars)?	ve), as reported, explicitly or not, elsew	here in this statement (in									
13	Does the company report any DDR reserve as Unearned Premium Re	serve ner SSAP #65?	*				lo [X					
	Does the company report any DDR reserve as loss or loss adjustment	·			•	•	lo [X					
	If the company reports DDR reserve as Unearned Premium Reserve,	does that amount match the figure on	the Underwriting and		•	•	٠	•				
	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 expensions where these reserves are reported in Schedule P:	se reserve, please complete the follow	ing table corresponding to									
		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid										
	Years in Which Premiums Were Earned and Losses Were Incurred	1 Section 1: Occurrence	2 Section 2: Claims-Made									
	1.601 Prior											
	1.602 2006											
	1.603 2007 1.604 2008		1	1								
	1.605 2009											
	1.606 2010											
	1.607 2011		1	i								
	1.608 2012	•	1	i e								
	1.609 2013											
	1.610 2014											
	1.611 2015			-								
	1.612 Totals			1								
2.	The definition of allocated loss adjustment expenses (ALAE effective January 1, 1998. This change in definition applies "Defense and Cost Containment" and "Adjusting and Other"	to both paid and unpaid expenses. A	re these expenses (now reported as		[X] N	lo [
3.	The Adjusting and Other expense payments and reserves sithe number of claims reported, closed and outstanding in the companies in a group or a pool, the Adjusting and Other exight and the claim counts. For reinsurers, Adjusting and Other expense incurred by reinsurers, or Adjusting and Other expense should be allocated by a reasibelow. Are they so reported in this Statement?:	nose years. When allocating Adjusting pense should be allocated in the same expense assumed should be reported in those situations where suitable claim	and Other expense between e percentage used for the loss amounts according to the reinsurance contract. m count information is not available,		[X] N	lo [
4.	Do any lines in Schedule P include reserves that are reported net of such discounts on Page 10?	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?										
	If yes, proper disclosure must be made in the Notes to Fina be reported in Schedule P - Part 1, Columns 32 and 33.	ncial Statements, as specified in the Ir	istructions. Also, the discounts must									
	Schedule P must be completed gross of non-tabular discou examination upon request.	nting. Work papers relating to discour	nt calculations must be available for									
	Discounting is allowed only if expressly permitted by the sta	ate 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 claimar If not the same in all years, explain in Interrogatory 7.	nt. (indicate which)										
7.		nificant events, coverage, retention or		Yes]] N	lo [X					

7.2

An extended statement may be attached.

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

1. Ala 2. Ala 3. Ari 4. Ari 5. Ca 6. Co 7. Co 8. De 9. Dis 10. Fld 11. Ge 12. Ha 13. Ida 14. Illin 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 22. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi 26. Mi 26. Mi	laska // rizona // rkansas // california // colorado // connecticut // celaware // celaware // celaware // celaware // celawari // dawaii // daho // linois // diana // cansas // centucky // ouisiana // daine //	AZ AR CA CO CT DC FL GA HI ID ID IN KS KY	Active Status L L L L L L L L L L L L L L L L L L L	2 Direct Premiums Written	3 Direct Premiums Earned 728, 294 44, 547 225, 784 49,003 3,699, 372 264, 521 43, 538 645, 936	or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Service Charges Not Included in Premiums	Purchasing Groups (Included in Col. 2)
2. Ala 3. Ari 4. Ari 5. Ca 6. Co 7. Co 8. De 9. Dis 10. Fic 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. lov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	laska // rizona // rizona // rkansas // california // colorado // connecticut // celaware // celaware // celaware // ceorgia // dawaii // dawaii // daho // linois // diana // centucky // ouisiana // daine // daire // da	AK AZ AR CO CT DE DC FL GA HI ID IN IN KS KY									l .
3. Ari 4. Arl 5. Ca 6. Co 7. Co 8. De 9. Dis 10. Flo 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. lov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	rizona	AZ AR CA CO CT DC FL GA HI ID ID IN KS KY			225,784 49,003 3,699,372 264,521 43,538		2 //86 212		11		[
4. Arl 5. Ca 6. Cc 7. Cc 8. De 9. Dis 10. Flc 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. lov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Ma 24. Mi 25. Mi 26. Mi	rkansas	AR CA CO CT DC FL GA HI ID IN KS KY			3,699,372 264,521 43,538		2 486 212				
5. Ca 6. Cc 7. Cc 8. De 9. Dis 10. Flc 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. lov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Ma 24. Mi 25. Mi 26. Mi	california colorado connecticut connecticu	CACOCOCOCOCOCOCO	L		3,699,372 264,521 43,538		L . TUU . L L	5,196,392	16,250,601		
7. Co 8. De 9. Dis 10. Flo 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Mi 24. Mi 25. Mi 26. Mi	connecticut	CT DE DC FL GA HI ID IN IA KS KY	L		43,538		15,723,112	33,059,853	39,439,972		
8. De 9. Dis 10. Flo 11. Ge 12. Ha 13. Ida 14. Illin 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Mi 25. Mi 26. Mi 26. Mi	pelaware	DE DC FL GA HI ID ID IN IN KS KY	LLLLLL			I					
9. Dis 10. Flo 11. Ge 12. Ha 13. Ida 14. Illii 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 22. Mi 23. Mi 24. Mi 25. Mi	oist. Columbia	DC FL GA HI ID IL IN KS KY	L L L						·		
10. Flo	lorida	GA HI ID IL IN IA KS KY	L L		162,818						
12. Ha 13. Ida 14. Illir 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	lawaii daho daho daho daho daha daha daha daha	HI ID IL IN IA KS KY	L		3,991,258		792,804	15,173	(3,382,905)		
13. Ida 14. Illii 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	daho dinois dinois diana diana diana diana diana diansas dientucky disiana diane diana dia	D L N A KS KY	L		228,081		1,211,245	236,015	9,299,496		
14. Illin 15. Inc 16. Iov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	linois ndiana bwa lansas lentucky ouisiana	L N A KS KY	····								
16. lov 17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi	owa Jansasl Jentuckyl ouisianal Mainel	A KS KY	LL		1,597,608		17,665,652	7 , 358 , 771	12,791,576		
17. Ka 18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi	ansasl entuckyl ouisianal lainel	KS KY	L		3,585						
18. Ke 19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	entuckyl ouisianal lainel	ΚY	<u>L</u>								
19. Lo 20. Ma 21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	ouisianal Iainel	· · · · · · · · · · · · · · · · · · ·	<u>L</u>	• • • • • • • • • • • • • • • • • • • •							
21. Ma 22. Ma 23. Mi 24. Mi 25. Mi 26. Mi		LA	L	10,625	97,366		603,791	252,884	5,578,215		
22. Ma 23. Mi 24. Mi 25. Mi 26. Mi	farylandl	МЕ	L								
23. Mi 24. Mi 25. Mi 26. Mi		MD	<u>-</u>		525,221		21,447	7,805	524,868		
24. Mi 25. Mi 26. Mi	lassachusetts l lichiganl		<u>L</u>		635,824		21,441	7 ,000			
26. Mi		MN	L	1,336	154,045		436.943	317 , 139	5, 104, 749		
1		MS	L		71,672		1,468,397	(16,442)	8,561,268		
21. IVIC		МО МТ	<u>-</u>	6,480	47,331		223,593	41,640	1,006,967		
28 Ne	lebraska l		····								
29. Ne	levada l	NV	L								
	lew Hampshire I		L	44,000 .	186,069						
	lew Jerseyl lew Mexicol		<u>L</u>		80,676						
		NY	····		1,467,822		254,833	152,726	1,815,890		
34. No	lo.Carolina I	NC	Ē		13,365						
	lo.Dakota l		<u>L</u>		332,806						
		OH OK	<u>L</u>		49,974				<u> </u>		
		OR	····		63.956						
39. Pe	ennsylvanial	PA	L		170,221						
	thode Island I		<u>Ļ</u>		16,919		000 040	400.050			
		SC	Ļ		9,146 160.415		602,619	463,850	962,289		
		TN	L		100,413						
		тх	L		1,443,143		332,208	407 , 588	4,514,784		
	Itah!		<u>L</u>								
	ermont irginia		<u>-</u>		13,317		665,838	408,545	8,497,017		
	Vashington\		ī		59,868		,500,600	, 007.	, 701 ,011		
49. We	Vest Virginia	WV	L								
	Visconsin		 		40,088			<u> </u>	<u> </u>	<u> </u>	ļ
	Vyoming .merican Samoa	WY AS	L								İ
	Guam		L.		169,821						
55. U.	uerto Ricol J.S. Virgin Islands	l	L		39,061						
56. No	Iorthern Mariana slands I	MP	N								
	anada	CAN.	N								
	ggregate other	οт	xxx								1
59. To		اا	(a) 54	62,441	18,089,546		42,488,694	47,901,939	110,964,787		
	OF WRITE-INS		xxx								
58002		ı	XXX								
	of romaining		XXX								
wr	Sum. of remaining		xxx							1	1
58999. To thr (Li	vrite-ins for Line 58 rom overflow page		V V \L								

⁽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.

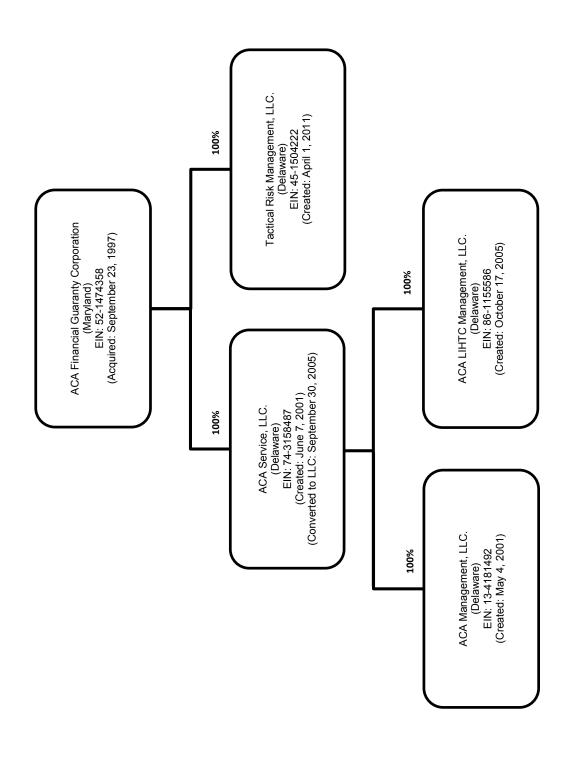
Written premium is allocated to states and other jurisdictions by using the state or jurisdiction of the obligor. In the case of a secondary market deal it is allocated the state or jurisdiction where the trustee is located

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

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

			ted By States and Terri	Direct Bu	siness Only		
States, Etc.		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	6 Totals
1. Alabama							
2. Alaska							
	AZ						
4. Arkansas	AR						
5. California							
6. Colorado	CO						
7. Connecticut							
8. Delaware	DE DC						
District of Columbia 10. Florida							
11. Georgia							
12. Hawaii							
13. Idaho							
14. Illinois	IL						
15. Indiana							
16. lowa					1		
17. Kansas							
18. Kentucky			-				
19. Louisiana	LA						
20. Maine							
21. Maryland							
22. Massachusetts							
23. Michigan							
24. Minnesota							
25. Mississippi							
26. Missouri							
27. Montana							
28. Nebraska							
29. Nevada							
30. New Hampshire							
31. New Jersey							
32. New Mexico							
33. New York							
34. North Carolina							
35. North Dakota							
36. Ohio							
37. Oklahoma							
38. Oregon							
39. Pennsylvania	-						
40. Rhode Island							
41. South Carolina							
42. South Dakota							
43. Tennessee	TN						
44. Texas	TX						
45. Utah	TU						
46. Vermont	VT						
47. Virginia	VA						
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming							
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. US Virgin Islands							
56. Northern Mariana Islands							
57. Canada	CAN						
58. Aggregate Other Alien	TO						
59. Totals						1	

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY **PART 1 - ORGANIZATIONAL CHART**



SCHEDULE Y PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
														1
														1
														+
														1

Asterisk	Explanation

86

SCHEDULE Y

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

1 NAIC Company	2	3	4 Shareholder	5 Canital	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other	Incurred in Connection with Guarantees or Undertakings for the	8 Management	9 Income/ (Disbursements) Incurred Under Reinsurance	10	Any Other Material Activity Not in the Ordinary Course of the Insurer's	12	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit
Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Dividends	Capital Contributions	Investments	Benefit of any Affiliate(s)	Agreements and Service Contracts	Agreements	*	Business	Totals	Taken/(Liability)
22896	52-1474358 74-3158487	ACA Financial Guaranty Corporation	2,245,000								2,245,000	
	74-3158487	ACA Service L.L.C	(2,245,000)								(2,245,000)	 I
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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.

	MARCH FILING	RESPONSES
1.	Will an actuarial opinion be filed by March 1?	YES
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	SEE EXPLANATION
3.	Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	WAIVED
4.	Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	WAIVED
	APRIL FILING	
5.	Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
6.	Will Management's Discussion and Analysis be filed by April 1?	YES
7.	Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
	MAY FILING	
8.	Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	
	JUNE FILING	
9.		YES
40	MELLA CONTROL OF A	VEC
10.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
11.	Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES
	The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.	
	MARCH EILING	
12.	MARCH FILING Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	N0
13.	Will the Financial Guaranty Insurance Exhibit be filed by March 1?	YES
14.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	N0
15.	Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	NO
16.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	N0
17.	Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	N0
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?	N0
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?	N0
24.	Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	N0
25.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	N0
26.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	N0
27.		NO

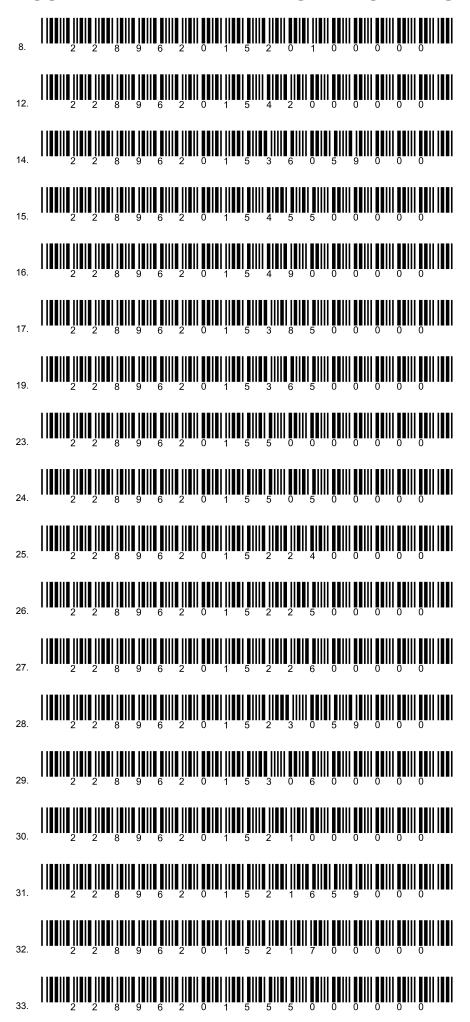
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

APRIL FILING

28.	Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	N0
29.	Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
30.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	NO
31.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	NO
32.	Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
33.	Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?	NO
	AUGUST FILING	
34.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	SEE EXPLANATION
Expla	ination:	
2. No	t required by domicile state	
12.		
14.		
15.		
16.		
17.		
18. T	he Company has all "No" answers on Interrogatory 9, indicating that there is nothing to report.	
19.		
22. T	he Company does not have any exceptions to report.	
23.		
24.		
25.		
26.		
27 .		
28.		
29.		
30.		
31.		
32.		
33.		
34. T	he Company falls below the premium threshold, therefore is exempt from this requirement.	
Bar C	ode:	



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES



OVERFLOW PAGE FOR WRITE-INS

P002 Additional Aggregate Lines for Page 2 Line 25.

ASSETS - ASSETS				
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 – 2)	Net Admitted Assets
2504. Other Assets	1,369		1,369	2,031
2505.				
2506.				
2597 Summary of remaining write-ins for Line 25 from page 2	1 360		1 360	2 031

SUMMARY INVESTMENT SCHEDULE

	Gross Inves			Admitted Assets		
	Holding 1	gs 2	3	in the Annual S	Statement 5	6
Investment Categories	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3+4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities 1.2 U.S. government agency obligations (excluding mortgage-backed securities):		1.775	5 ,799 ,256		5,799,256	1.775
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies	85,067	0.026	85,067		85,067	0.026
Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.: 1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations	17 ,877 ,052	5.470	17 ,877 ,052		17 ,877 ,052	5.472
1.44 Industrial development and similar obligations	560,862	0.172	560,862		560,862	0.172
Mortgage-backed securities (includes residential and commercial MBS): 1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	40.329.815	12.341	40.329.815		40.329.815	12.344
1.512 Issued or guaranteed by FNMA and FHLMC	32,353.880	9.900	32,353,880		32,353,880	9.903
1.513 All other						
VA	13 487 885	4 127	13,487,885		13.487.885	4 128
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						
1.523 All other	31,745,445	9.714	31,745,445		31,745,445	9.717
Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	146 481 821	44 823	146 481 821		146 481 821	44 835
2.2 Unaffiliated non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks: 3.21 Affiliated		i				
3.22 Unaffiliated 3.3 Publicly traded equity securities (excluding preferred stocks): 3.31 Affiliated	-					
3.4 Other equity securities:						
3.41 Affiliated		1				
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		i				
4. Mortgage loans: 4.1 Construction and land development						
4.2 Agricultural		1				
4.3 Single family residential properties						
4.4 Multifamily residential properties		1				
4.5 Commercial loans		1				
4.6 Mezzanine real estate loans	-	·				
5. Real estate investments:						
5.1 Property occupied by company 5.2 Property held for production of income (including)	-	 				
\$0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$0						
property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives		i				
Receivables for securities					19 , 156	
9. Securities Lending (Line 10, Asset Page reinvested collateral)						
10. Cash, cash equivalents and short-term investments		1	6,082,166		6,082,166	1.862
11. Other invested assets		0.025				
12. Total invested assets	326,797,647	100.000	326,714,865		326,714,865	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

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

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

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

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1	Book/adjusted carrying value, December 31 of prior year
2	Cost of acquired:
	2.1 Actual cost at time of acquisition (Part 2, Column 8)
3.	Capitalized deferred interest and other:
٥.	3.1 Totals, Part 1, Column 16
	3.2 Totals, Part 3, Column 12
4	Accrual of discount
5.	Unrealized valuation increase (decrease):
٥.	5.1 Totals, Part 1, Column 13
	5.2 Totals, Part 3, Column 9
6	Total gain (loss) on disposals, Part 3, Column 19
7.	Deduct amounts received on disposals, Part 3, Column 16.
8.	Deduct amortization of premium and depreciation.
9.	Total foreign exchange change in book/adjusted carrying value:
•	9.1 Totals, Part 1, Column 17
	9.2 Totals, Part 3, Column 14.
10.	Deduct current year's other-than-temporary impairment recognized:
	10.1 Totals, Part 1, Column 15
	10.2 Totals, Part 3, Column 11
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)
12.	Deduct total nonadmitted amounts
13.	Statement value at end of current period (Line 11 minus Line 12)

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year.	364,588,427
2.	Book/adjusted carrying value, December 31 of prior year	135,237,954
3.	Accrual of discount.	879.050
4.		
	4.1 Part 1, Column 12 (5	94,207)
	4.2 Part 2, Section 1, Column 15.	
	4.3 Part 2 Section 2 Column 13	
	4.4 Part 4, Column 11 Total gain (loss) on disposals, Part 4, Column 19 Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 Deduct amortization of premium.	(94,207)
5.	Total gain (loss) on disposals, Part 4, Column 19	2,203,449
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7	179,711,116
7.	Deduct amortization of premium	2,490,016
8.	Total foreign exchange change in book/adjusted carrying value:	
	8.1 Part 1, Column 15	
	8.2 Part 2, Section 1, Column 19	
	8.3 Part 2, Section 2, Column 16	
_	8.4 Part 4, Column 15	
9.	Deduct current year's other-than-temporary impairment recognized:	
	9.1 Part 1, Column 14	
	9.2 Part 2, Section 1, Column 17	
	9.3 Part 2, Section 2, Column 14	
10	9.4 Part 4, Cournin 13	220 612 542
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9). Deduct total nonadmitted amounts	
11.	Statement value at end of current period (Line 10 minus Line 11).	320 613 543
14.	Statement value at end of current period (Line 10 minus Line 11)	

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks **OWNED** December 31 of Current Year 3 Book/Adjusted Carrying Value Description Fair Value **Actual Cost** Par Value of Bonds BONDS .46,563,169 .46,946,765 .46,683,820 .44,520,439 United States Governments 2. Canada (Including all obligations guaranteed Other Countries by governments) 46,563,169 46.946.765 46.683.820 44,520,439 4. Totals U.S. States, Territories and Possessions (Direct and guaranteed) Totals U.S. Political Subdivisions of States, Territories 50,000 and Possessions (Direct and guaranteed) 6. Totals 44,612 49,489 44,125 U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions Totals 63,930,648 66,698,523 63,109,705 114,694,262 8. United States 178 227 266 .178.086.626 178 602 357 .183.570.131 Industrial and Miscellaneous and 9. Canada 1.525.000 .1,493,894 1.525.000 1.525.000 Hybrid Securities (unaffiliated) 10. Other Countries 30,322,848 30,240,047 30,538,827 50,800,673 Totals 210,075,114 209,820,568 210,666,183 235,895,804 11. Parent, Subsidiaries and Affiliates 12. Totals 320,613,543 323,515,344 320,503,834 395,160,505 13. **Total Bonds** PREFERRED STOCKS United States 14. Industrial and Miscellaneous (unaffiliated) 15. Canada 16. Other Countries 17. Totals Parent, Subsidiaries and Affiliates 18. Totals **Total Preferred Stocks** COMMON STOCKS United States Industrial and Miscellaneous (unaffiliated) 21. Canada Other Countries 23. Totals Parent, Subsidiaries and Affiliates Totals 24. 25. **Total Common Stocks**

323,515,344

320,503,834

320,613,543

26.

Total Stocks

Total Bonds and Stocks

SCHEDULE D - PART 1A - SECTION 1

			rity Distribution of All Bon				Types of Issues and Na				
NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments	1 Todi of Ecos	Tours	10 1 0 0 1 0	Tillough 20 Tours	OVCI 20 TCGIS	Total Gallent Teal	70 OF EITIC 3.7	T HOT T CUI	1 Hor real	Traded	(u)
1.1 NAIC 1	12,385,182	28,821,132	9.271.178			50.477.492	15.6	64.345.761	17.6	50.477.492	
1.2 NAIC 2	12,000,102	20,021,102									
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 Totals	12,385,182	28,821,132	9,271,178			50,477,492	15.6	64,345,761	17.6	50,477,492	
2. All Other Governments	,,,,,,	1,1 , 1	., , .			, , -		. , , .		, , -	
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 Totals											
3. U.S. States, Territories and Poss	sessions, etc., Guaranteed										
3.1 NAIC 1	I i										
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 Totals											
4. U.S. Political Subdivisions of Sta	tes, Territories and Possess	sions, Guaranteed									
4.1 NAIC 1				44,612		44,612	0.0			44,612	
4.2 NAIC 2											
4.3 NAIC 3											
4.4 NAIC 4											
4.5 NAIC 5								44,406	0.0		
4.6 NAIC 6											
4.7 Totals				44,612		44,612	0.0	44,406	0.0	44,612	
5. U.S. Special Revenue & Special	Assessment Obligations, et	c., Non-Guaranteed				·					
5.1 NAIC 1	10,553,161	33,264,880	2,481,875			46,299,916	14.3	51,213,791	14.0	46,299,916	
5.2 NAIC 2	1,469,347	85,049		2,050,262		3,604,658	1.1	3,445,823	0.9	3,604,658	
5.3 NAIC 3		139,565		946,761	1,523,449	2,609,774	0.8	84,523	0.0	2,609,774	
5.4 NAIC 4							ļ				
5.5 NAIC 5	6,834,635	2,267,602		612,698		9,714,936	3.0	12, 151, 418	3.3	9,564,936	150,000
5.6 NAIC 6	170,165	291,127	148,293	585,475	506,305	1,701,365	0.5	1,553,691	0.4	1,701,365	
5.7 Totals	19,027,308	36,048,223	2,630,168	4,195,195	2,029,753	63,930,648	19.7	68,449,246	18.7	63,780,648	150,000

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

	1	2	3	<u>4</u>	5	Carrying values by Majo	7	8	9	10	11
	'	Over 1 Year Through 5	Over 5 Years Through	Over 10 Years	3		Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately Placed
NAIC Designation	1 Year or Less	Years	10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 9.7	Prior Year	Prior Year	Traded	(a)
6. Industrial and Miscellaneous (unaffilia	ated)			_							
6.1 NAIC 1	58 , 414 , 524	51,464,024	18,178,969	493,552	3,000,000	131,551,069	40.5	168 , 132 , 897		112,251,988	19,299,081
6.2 NAIC 2		27 , 151 , 802	30,957,528	3,150,677		74,347,469	22.9	60,044,806	16.4	66,950,197	7 ,397 ,273
6.3 NAIC 3											
6.4 NAIC 4											
6.5 NAIC 5											
6.6 NAIC 6								936,289	0.3		
6.7 Totals	71,501,986	78,615,826	49,136,497	3,644,229	3,000,000	205,898,539	63.4	229,113,992	62.6	179, 202, 185	26,696,354
7. Hybrid Securities											
7.1 NAIC 1		4, 176, 575				4,176,575	1.3	4 , 266 , 115	1.2	4,176,575	
7.2 NAIC 2											
7.3 NAIC 3											
7.4 NAIC 4											
7.5 NAIC 5											
7.6 NAIC 6											
7.7 Totals		4,176,575				4,176,575	1.3	4,266,115	1.2	4,176,575	
8. Parent, Subsidiaries and Affiliates	S										
8.1 NAIC 1											
8.2 NAIC 2											
8.3 NAIC 3											
8.4 NAIC 4											
8.5 NAIC 5											
8.6 NAIC 6											
8.7 Totals											

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 NAÍC Designations Over 10 Years Over 1 Year Through Over 5 Years Through Col. 6 as a Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Over 20 Years **Total Current Year** % of Line 9.7 NAIC Designation 1 Year or Less 5 Years 10 Years Through 20 Years Prior Year Prior Year Traded (a) 9. Total Bonds Current Year 9.1 NAIC 1 .81,352,867 .117,726,611 .29,932,022 .538, 164 ..3,000,000 232,549,664 XXX .213,250,583 19,299,081 9.2 NAIC 2 .14,556,809 .27,236,851 .30,957,528 5,200,939 ..77,952,127 24.0 XXX XXX ..70,554,855 .7,397,273 9.3 NAIC 3 ...139,565 ..946.761 1.523.449 ..2,609,774 0.8 XXX XXX .2,609,774 XXX 9.4 NAIC 4 XXX .2,267,602 .6.834.635 .9.714.936 .3.0 ..9.564.936 .150.000 .612.698 XXX _XXX_ 9.5 NAIC 5 170,165 9.6 NAIC 6 291.127 148.293 585.475 506.305 1.701.365 0.5 XXX XXX 1.701.365 .61,037,843 5,029,753 (b .324 , 527 , 866 .100.0 XXX 9.7 Totals .102,914,476 .147 ,661 ,756 7,884,037 XXX .297,681,512 26,846,354 9.8 Line 9.7 as a % of Col. 6 31.7 45.5 18.8 2.4 1.5 100.0 XXX XXX XXX 91.7 8.3 10. Total Bonds Prior Year .60.420.328 .156.260.108 .58.178.899 .11.998.675 ...1.100.553 XXX. XXX .287 .958 .563 .78.6 .280 .214 .959 10.1 NAIC 1 .7.743.605 5.803.978 40.299.607 24.398 XXX 63,490,629 57.052.259 10.2 NAIC 2 17.362.646 XXX 17 3 6.438.370 84.523 84.523 .84.523 XXX XXX 0.0 10.3 NAIC 3 10.4 NAIC 4 XXX XXX 2.188.882 7.649.202 831.115 .526.625 XXX XXX 12.195.824 12.045.824 150.000 10.5 NAIC 5 64.509 464.579 827.693 674.454 2,489,981 2,489,981 10.6 NAIC 6 458.746 XXX XXX 0.7 13.504.244 3,110,322 XXX. 366,219,520 351,887,545 14,331,975 .68,477,697 .204 ,758 ,019 76,369,238 XXX 100.0 10.7 Totals 10.8 Line 10.7 as a % of Col. 8 18.7 55.9 20.9 3.7 0.8 XXX XXX 100.0 XXX 96.1 3.9 11. Total Publicly Traded Bonds .453.724 213.250.583 ..65.7 .213.250.583 11.1 NAIC 1 .76.648.936 .107.933.091 .28.214.832 280.214.959 .76.5 XXX. 11.2 NAIC 2 ..11,277,292 .25,825,981 ..28,909,909 .4,541,673 ..70,554,855 .21.7 .57,052,259 .15.6 ..70,554,855 XXX 11.3 NAIC 3 ...139,565 .946,761 ...1.523.449 ...2,609,774 8.0... ..84,523 ..0.0 ..2,609,774 XXX. XXX. 11.4 NAIC 4 6.684.635 2.267.602 612.698 9.564.936 2.9 12.045.824 9.564.936 3.3 XXX. 11.5 NAIC 5 291,127 148.293 585.475 1.701.365 0.5 2.489.981 0.7 170.165 506.305 1.701.365 XXX 11.6 NAIC 6 136.457.366 .57,273,034 . 140 . 331 2.029.753 297.681.512 91.7 351.887.545 96.1 297.681.512 XXX 11.7 Totals 45.8 XXX XXX XXX 11.8 Line 11.7 as a % of Col. 6 31.8 19.2 2.4 0.7 100.0 XXX 100.0 11.9 Line 11.7 as a % of Line 9.7, Col. 29.2 42.0 17.6 2.2 0.6 91.7 XXX XXX XXX 91.7 XXX 6, Section 9 12. Total Privately Placed Bonds 12.1 NAIC 1 4,703,930 9,793,520 1.717.190 84.441 3.000.000 .19,299,081 .5.9 .7,743,605 2.1 XXX 19,299,081 1,410,871 7,397,273 6,438,370 12.2 NAIC 2 .3,279,517 .2,047,619 .659.266 .2.3 XXX .7,397,273 1.8 12.3 NAIC 3 XXX. 12.4 NAIC 4 XXX. .150.000 0.0 12.5 NAIC 5 150.000 0.0. 150.000 XXX. 150.000 XXX 12.6 NAIC 6 8.133.448 14.331.975 12.7 Totals 11.204.390 3.764.809 743.706 3.000.000 26.846.354 8.3 3 9 XXX 26.846.354 12.8 Line 12.7 as a % of Col. 6 30.3 41.7 14.0 2.8 11.2 100.0 XXX XXX XXX XXX .100.0 12.9 Line 12.7 as a % of Line 9.7. Col 2.5 0.2 0.9 8.3 XXX XXX XXX XXX 8.3 6, Section 9 (a) Includes \$26,696,354 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(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 5 \$, NAIC 5 \$, NAIC 5 \$, NAIC 6 \$, NAIC

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31	, At Book/Adjusted Carryin	ng Values by Major Ty	pe and Subtype of Issues
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	Maturity Distribution	on of All Bonds Ow	ned December 31, A	t Book/Adjusted Ca	rrying Values by Ma	ajor Type and Subty	pe of Issues				
	1	2	3	4	5	6	7	8	9	10	11
		Over 1 Year	Over 5 Years	Over 10 Years		Total Current	Col. 6 as a %	Total from Col 6	% From Col.	Total Publicly	Total Privately
Distribution by Type	1 Year or Less	Through 5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Year	of Line 9.5	Prior Year	7 Prior Year	Traded	Placed
1. U.S. Governments	3,914,323	19,966	5,779,291			9,713,579	3.0	7,437,038	2.0	9.713.579	
1.1 Issuer Obligations	8,470,859	28,801,166	3.491.887			9,713,379	12.6	56,908,723	15.5	40.763.913	
1.2 Residential Mortgage-Backed Securities	0,470,009	20,001,100	3,491,007			40,703,913	12.0	30,900,723	10.0	40,703,913	
1.3 Commercial Mortgage-Backed Securities											
Other Loan-Backed and Structured Securities Totals	12.385.182	28,821,132	9.271.178			50.477.492	15.6	64,345,761	17.6	50,477,492	
1.5 Totals 2. All Other Governments	12,300,102	20,021,132	9,211,110			30,477,492	10.0	04,343,701	17.0	30,477,492	
2. All Other Governments 2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities.											
2.5 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations				44,612		44,612	0.0	44 ,406	0.0	44,612	
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 Totals				44,612		44,612	0.0	44,406	0.0	44,612	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed	0 474 447	3,590,525	440 000	2 724 204	0 000 750	47 070 070		47 COO EEE	4.8	47 000 070	150,000
5.1 Issuer Obligations	8,474,147 10,543,054	3, 590, 525	148,293 2,447,343	3,731,261	2,029,753	17,973,979 45,407,667	5.5 14.0	17,600,555 50,287,523	13.7	17,823,979 45,407,667	150 , 000
5.2 Residential Mortgage-Backed Securities	10,343,034	32,417,271	2,447,343			43,407,007	14.0	30 , 207 , 323	13.7	43,407,007	
5.3 Commercial Mortgage-Backed Securities	10,107	40,428	34,532	463,935		549,002	0.2	561,169	0.2	549.002	
5.4 Other Loan-Backed and Structured Securities	19,027,308	36,048,223	2,630,168	4, 195, 195	2,029,753	63,930,648	19.7	68,449,246	18.7	63,780,648	150,000
5.5 Totals	19,027,300	30,040,223	2,030,100	4, 190, 190	2,029,733	03,930,040	19.7	00,449,240	10.7	03,700,040	130,000
Industrial and Miscellaneous Issuer Obligations	24,820,734	51,119,717	44,942,278	3,235,118	3,000,000	127 , 117 , 847	39.2	136, 185, 387	37.2	106,521,318	20,596,530
6.2 Residential Mortgage-Backed Securities	2,378,844	6,686,577	1,731,021	210,379		11,006,821	3.4	8,914,989	2.4	11,006,821	20,000,000
6.3 Commercial Mortgage-Backed Securities	17.601.944	6.479.198	1,813,368			25.894.511	8.0	55,317,673	15.1	25,894,511	
6.4 Other Loan-Backed and Structured Securities	26,700,464	14,330,333	649,829	198,733		41,879,360	12.9	28,695,942	7.8	35,779,535	6,099,824
6.5 Totals	71,501,986	78,615,826	49.136.497	3,644,229	3,000,000	205,898,539	63.4	229.113.992	62.6	179,202,185	26,696,354
7. Hybrid Securities	71,001,000	70,010,020	70,100,401	0,077,220	5,000,000	200,000,000	00.4	220,110,002	02.0	110,202,100	20,000,004
7.1 Issuer Obligations		4.176.575				4.176.575	1.3	4.266.115	1.2	4,176,575	
7.2 Residential Mortgage-Backed Securities.											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals		4,176,575				4,176,575	1.3	4,266,115	1.2	4,176,575	
8. Parent, Subsidiaries and Affiliates		, , -				, , :		, , ,		, , ,	
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

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															
	1 2 3 4 5 6 7 8 9 10 11														
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	"	1	10 Total Publicly Traded	11 Total Privately Placed				
9. Total Bonds Current Year	I Teal Of Less	Tillough 5 rears	Through to rears	Tillough 20 Tears	Over 20 Tears	Current rear	Of Life 9.5	Filoriteal	FIIOI Teal	Traueu	Flaceu				
9.1 Issuer Obligations		58,906,783	50,869,862	7,010,990	.5,029,753	159.026.593	49.0	XXX	l xxx	138,280,063	20,746,530				
9.2 Residential Mortgage-Backed Securities	21.392.757	67.905.014	7.670.251	210.379		97 . 178 . 401	29.9	XXX	XXX	97 . 178 . 401	20,140,000				
9.3 Commercial Mortgage-Backed Securities	17,601,944	6,479,198	1,813,368	210,070		25.894.511	8.0	XXX	I XXX	25.894.511					
9.4 Other Loan-Backed and Structured Securities	26,710,571	14,370,761	684,361	662.668		42,428,362	13.1	XXX	XXX	36,328,537	6,099,824				
9.5 Totals	102,914,476	147,661,756		7,884,037	5,029,753	324,527,866	100.0	XXX	XXX	297,681,512	26,846,354				
9.6 Lines 9.5 as a % Col. 6	31.7	45.5	18.8	2.4	1.5	100.0	XXX	XXX	XXX	91.7	8.3				
10. Total Bonds Prior Year					-					-					
10.1 Issuer Obligations	10 , 718 , 699	109,777,175	42,132,725	895 , 133	2,009,769	XXX	xxx	165,533,501	45.2	152,201,446	13,332,055				
10.2 Residential Mortgage-Backed Securities	18,,000,,771	60,444,008	25,600,033	10,965,869	1,100,553	XXX	XXX	116,111,235	31.7	116,111,235					
10.3 Commercial Mortgage-Backed Securities	33,035,034	14,695,173	7 , 587 , 466			XXX	XXX	55,317,673	15.1	55,317,673					
10.4 Other Loan-Backed and Structured Securities	6,723,193	19,841,663	1,049,014	1,643,241		XXX	XXX	29,257,111	8.0	28, 257, 191	999,920				
10.5 Totals	68,477,697	204,758,019	76,369,238	13,504,244	3,110,322	XXX.	XXX	366,219,520	100.0	351,887,545	14,331,975				
10.6 Line 10.5 as a % of Col. 8	18.7	55.9	20.9	3.7	0.8	XXX	XXX	100.0	XXX	96.1	3.9				
11. Total Publicly Traded Bonds															
11.1 Issuer Obligations	33,735,631	49,142,342	47, 105, 053	6,267,284	2,029,753	138,280,063	42.6	152,201,446	41.6	138,280,063	XXX				
11.2 Residential Mortgage-Backed Securities	21,392,757	67 ,905 ,014	7,670,251	210,379		97 , 178 , 401	29.9	116,111,235	31.7	97 , 178 , 401	XXX				
11.3 Commercial Mortgage-Backed Securities.	17,601,944	6,479,198	1,813,368			25,894,511	8.0	55, 317, 673	15.1	25,894,511	XXX				
11.4 Other Loan-Backed and Structured Securities	22,050,697	12,930,812	684,361	662,668		36,328,537	11.2	28,257,191	7.7	36,328,537	XXX				
11.5 Totals	94,781,029	136 , 457 , 366	57,273,034	7,140,331	2,029,753	297,681,512	91.7	351,887,545		297 ,681 ,512	XXX				
11.6 Line 11.5 as a % of Col. 6	31.8	45.8	19.2	2.4	0.7	100.0	XXX	XXX	XXX	100.0	XXX				
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	29.2	42.0	17.6	2.2	0.6	91.7	XXX	XXX	XXX	91.7	XXX				
12. Total Privately Placed Bonds															
12.1 Issuer Obligations	3,473,573	9,764,441	3,764,809	743,706	3,000,000	20,746,530	6.4	13,332,055	3.6	XXX	20,746,530				
12.2 Residential Mortgage-Backed Securities			ļ			-	ļ	ļ	·	XXX					
12.3 Commercial Mortgage-Backed Securities	4 050 075	4 400 050		-	l				ļ	XXX	0.000.001				
12.4 Other Loan-Backed and Structured Securities	4,659,875	1,439,950	0.704.000	740 700		6,099,824	1.9	999,920	0.3	XXX	6,099,824				
12.5 Totals	8,133,448	11,204,390		743,706	3,000,000	26,846,354	8.3			XXX	26,846,354				
12.6 Line 12.5 as a % of Col. 6	30.3	41.7	14.0	2.8	11.2	100.0	XXX	XXX	XXX	XXX	100.0				
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	2.5	3.5	1.2	0.2	0.9	8.3	XXX	XXX	XXX	XXX	8.3				

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investm	nents				
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
Book/adjusted carrying value, December 31 of prior year	1,631,093	1,631,093			
Cost of short-term investments acquired	171,186,271	171,186,271			
3. Accrual of discount					
Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
Deduct consideration received on disposals	168,903,041	168,903,041			
7. Deduct amortization of premium					
Total foreign exchange change in book/adjusted carrying value	-				
Deduct current year's other-than-temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,914,323	3,914,323			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	3,914,323	3,914,323			

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

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification Between Yrs

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

4699999 Totals

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE ACA Financial Guaranty Corporation

1	18	19 20
CUSIP Identification Name or Description Code City State General Partner Gedevelopment Promissory Note Redevelopment Name or Service, LLC. New York. New York. New York. Name of Vendor or General Partner State General Risk Management, LLC. Name of Vendor or Designand Actual Fair Less Cost Value Carrying Value Valuation or Temporary Value Unrealized Valuation or Temporary Value Unrealized Valuation or Temporary Value Unrealized Deferred Interest and Other Than-Temporary Value Unrealized Deferred Interest and Other Strategy Change in General Partner Recognized Change in B./A.C.V. City of Vancouver Countour Qualuation or Temporary Value Encumbrances (Decrease) Accretion Recognized Change in B./A.C.V. City of Vancouver Redevelopment Auth Other Service, LLC. New York.		
CUSIP Identification Name or Description Code City State General Partner Redevel opment Promissory Note		
Redevelopment Promissory Note	Investment Income	Commitment for Percental of Investment Ownersh
.000000-00-0. Service, LLC. New York NY ACA Service, LLC		
000000-00-0 Tactical Risk Management, LLC. New York NV LLC. 04/01/2011 100,000 82,782 (478)	2,245,000	100.00
A399999 - Any Other Class of Assets - Affiliated 26,110,780 82,782 (478)		100.00
	2,245,000	
		+
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		+
		+
		+
	1	
4499999 - Subtotals - Unaffiliated		
4499999 - Subtotals - Unaffiliated 26,110,780 82,782 (478)		XXX

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Showing All Lo	ng-Term BONDS O	iwnad Dacamhar 3°	1 of Current Vear

									Showing All L	ong-Term BON	IDS Owned Dece	ember 31 of Current	Year								
1	2		Cod		6	7		Value	10	11	Cł	nange in Book / Adjust	ed Carrying Value				Intere				ites
		3	4 F o r e:	5			Rate Used	9		Book/	12 Unrealized	13	14 Current Year's Other Than	Total Foreign Exchange	16	17	18	19 Admitted	20 Amount	21	Stated
CUSIP			g	Bond	NAIC	Actual	to Obtain Fair	Fair	Par	Adjusted Carrying	Valuation Increase/	Current Year's (Amortization)/	Temporary Impairment	Change In	Rate	Effective Rate	When	Amount Due &	Rec. During		Contractual Maturity
Identification		Code		CHAR	Designation	Cost	Value	Value	Value	Value	(Decrease)	Accretion	Recognized	B./A.C.V.	of	of	Paid	Accrued	Year	Acquired	Date
912828 -RR - 3		SD SD				3,753,675	100 . 2930 98 . 3630	3,745,944	3,735,000	3,746,762 2,032,529		(1,873) (4,831)			2.000 1.750	1 .943 1 .482	MN	12,395 4,519	71,950 35,000	02/10/2012 07/18/2012	11/15/2021
912828-SV-3 912828-VE-7	US TREASURY N/B	SD			1	2,048,906	99.4880	1,967,260 19,898	2,000,000	19.966		(4,031)			1.000	1.072	MN	17	200	06/07/2013	05/15/2022 05/31/2018
	Bonds - U.S. Governments - Iss		igati	ons		5,822,512	XXX	5,733,101	5,755,000	5,799,256		(6,689)			XXX	XXX	XXX	16,932	107, 150	XXX	XXX
36179M-K8-2 36179Q-6P-1				2		1,030,908 9,913,785	106.8000 104.3990	1,025,238 9,801,614	959,961 9,388,609	1,032,767 9,900,099		1,400			4.000	1.900 2.438	MON	3,200 27,383	38,398	12/16/2014	08/20/2042 03/20/2045
36179Q-6P-1				2 2	1 1	13,445,670	104.3990	13,291,571	12,731,512	9,900,099		(35,788)		+	3.500 3.500	2.438	MON	37 . 134	219,068 297,069	04/09/2015 04/09/2015	04/20/2045
36179R-NX-3	GNMA POOL II MA3106			2	1	9,441,197	106.3470	9,434,555	8,871,482	9,418,158		(23,040)			4.000	2.495	MON	29,572	88,715	09/16/2015	09/20/2045
	GNMA POOL 595037			2	ļ <u>1</u>	2,621	113.4650	2,888	2,545	2,600		(6)			6.000	5.240	MON	13	153	11/04/2003	10/15/2032
36200A - CW - 7 36200E - TY - 7	. GNMA POOL 595085			2 2	1		115 . 4070 112 . 1770	52,721	45,682 106,391	46,848		(40) (440)			6.000 6.000	5.053 5.446	MON	228532	2,741	11/04/2003	10/15/2032 12/15/2033
36200M-AT-0	. GNMA POOL 604018			2	1	757,033	113.9780	838,546	735,709	750,871		(1,999)			5.500	4.754	MON	3,372	40,464	04/22/2003	02/15/2033
36200M-EN-9 36200Q-2R-4				2	1		115 .4470 115 .5010	23,357	20,232	20,805		(96) (152)			6.000 6.000	4.992 5.190	MON	101 165	1,214	11/04/2003 11/04/2003	03/15/2033 02/15/2032
36200Q-2K-4	GNMA POOL 570142			2 2	1 1	15,008	115.3010	16,790	14,576	14,927		(39)			6.000	5.116	MON	73	875	11/04/2003	12/15/2031
36200R-XT-4	. GNMA POOL 570490			2	11	1,593	112.2150	1,736	1,547	1,580		(5)			6.000	5.230	MON	8	93	11/04/2003	12/15/2031
36200S-US-7 36201A-PF-9				2	·		112 . 1910 115 . 0600	859 4,706	765 4,090			(23)			6.000 6.000	4 . 457 5 . 207	MON	4 20	46 245	11/04/2003 11/04/2003	11/15/2031 01/15/2032
36201D-AX-0				2	1	47,782	115.5020	53,598	46,404	47,321		(137)			6.000	5.284	MON	232	2.784	11/04/2003	08/15/2032
36201E-AG-5	. GNMA POOL 580607			2	1	10,751	115 . 4990	12,059	10,441	10,662		(38)			6.000	5.230	MON	52	626	11/04/2003	02/15/2033
	. GNMA POOL 581506		-	2	<u>1</u>	1,614 4,930	115.0300 112.1770	1,803 5,371	1,567 4,788	1,617 4,905		(12)			6.000 6.000	4 .876 5 .140	MON	8 24	94 287	11/04/2003 11/04/2003	04/15/2033
	GNMA POOL 429788			2	11	16,894	112.1770	18,405	16,407	16,901		(24)			6.000	4.924	MON	82	984	11/04/2003	12/15/2033
36210J-HW-1	GNMA POOL 493545			2	11	2,214	113.4150	2,439	2,150	2,188		(8)			6.000	5.337	MON	11	129	11/04/2003	03/15/2031
36213F -U4 - 3 36213R - 2A - 4				2		958 292,627	112 . 1770 109 . 5800	1,044 319,029	931 291,138	946 291,723		(4) (151)			6.000 5.000	5.378 4.916	MON	5 1,213	56	11/04/2003 02/13/2004	06/15/2033 02/15/2034
	GNMA POOL 562442			2	1	156,787	111.2590	169,823	152,637	154,918		(546)			5.500	4.978	MON	700		01/16/2004	01/15/2034
36213T-GW-7	. GNMA POOL 563713			2	11	36,453	115 . 4540	40,873	35,402	36,131		(130)			6.000	5.253	MON	177	2, 124	11/04/2003	01/15/2033
36213U-EZ-9 36213V-GN-2				2		2,130 1,400	112 . 1970 114 . 9340	2,321 1,563	2,068 1,360	2,122 1,395		(11)			6.000 6.000	5.076 5.041	MON	10	124 82	11/04/2003 11/04/2003	12/15/2031 09/15/2032
36290X-PM-6				2	11	14,874	112.1770	16,204	14,445	14,936		20			6.000	4.747	MON	72	867	11/04/2003	09/15/2033
36290X -PT - 1	. GNMA POOL 620634		.	2		41,409	112.1770	45,112	40,215	40,839		(165)			6.000	5.447	MON	201	2,413	11/04/2003	09/15/2033
36290Y - IN - 8 36291C - PV - 1	. GNMA POOL 621657			2	11	1,849 6,787	112 . 1770 112 . 9140	2,015 7,443	1,796 6,591	1,818 6,724		(6)			6.000 6.000	5.574 5.277	MON		108	11/04/2003 11/04/2003	12/15/2033 12/15/2033
	GNMA POOL 625604.			2	11	7,612	113 . 4600	8,387	7,392	7,563		(35)			6.000	5.163	MON	37	444	11/04/2003	12/15/2033
	. GNMA POOL 625620			2	ļ	1,708	115 .4750	1,915	1,658	1,696		(4)			6.000	5.199	MON	8	100	11/04/2003	12/15/2033
36296X-H8-0 38376W-6C-4				2 2	11	441,563 441,563	112 .9640 104 .4050	5,420,356 431,863	4,798,304 413,642	4,940,131		(8,042) (2,219)			5.500 4.500	4 . 546 1 . 561	MON	21,992 1,551	263,907	12/18/2008 10/30/2013	01/15/2039 02/20/2038
	Bonds - U.S. Governments - Res	sidentia	l Mor	t gage -Bacl	ked			,		,		, , ,									2000
0500000	Securities					40,861,308	XXX	41,213,664	38,765,439	40,763,913		(85,447)			XXX	XXX	XXX	128,229	1,014,533	XXX	XXX
0599999 - 661765-AQ-0	Bonds - U.S. Governments - Sub NORTH RANGE METRO DISTR 1	btotals	- 0.5	. Governm	ents 1	46,683,820 44,125	XXX 98.9770	46,946,765 49,489	44,520,439 50,000	46,563,169 44,612		(92, 137) 206			4.500	XXX 5.525	JD	145,161	1,121,683	XXX 07/18/2013	XXX 12/15/2031
	Bonds - U.S. Political Subdivi	isions o	f Sta	tes. Terr	itories and	44,120		409		44,012		200			4.000		,JD	100		0102013	12/ 13/2031
	Possessions (Direct and Guar	ranteed)	- Is	suer Obli	gations	44,125	XXX	49,489	50,000	44,612		206			XXX	XXX	XXX	100	2,250	XXX	XXX
2499999 -	Bonds - U.S. Political Subdivi																				
	Possessions (Direct and Guar Political Subdivisions of St	ranteed) tates T	- SU errit	DIOIAIS - ories and	· U.S. I Possessions																
	(Direct and Guaranteed)			and		44,125	XXX	49,489	50,000	44,612		206			XXX	XXX	XXX	100	2,250	XXX	XXX
	ATL GA STD HSG REV ADA/CAU			1	6Z				95,000								JJ			09/12/2014	07/01/2024
	. ATL GA STD HSG REV ADA/CAU ATL GA STD HSG REV ADA/CAU			1 1	6Z 6Z				310,000								JJ			11/20/2015 10/14/2014	07/01/2036 07/01/2036
13033W-A9-4	. CA INFRA ECON CABS SERIES A	<u>@</u>		1	6Z	1	ļ		50,000								N/A			09/30/2015	12/01/2020
13033W-B3-6		<u>.</u>	-	1	6*			ļ	50,000								N/A			09/30/2015	12/01/2022
13033W-B4-4 13033W-B5-1	. CA INFRA ECON CABS SERIES A . CA INFRA ECON CABS SERIES A	@		1 1	6Z6*	†····			75,000								N/A			09/30/2015 09/30/2015	12/01/2023 12/01/2024
13033W-B6-9	. CA INFRA ECON CABS SERIES A			1	6*				2,595,000								N/A			11/20/2015	12/01/2025
13078S-AG-3	. CA HLTH MTN SHADOWS SERIES B.		II.	11	.L5*	4,792,500	100.0150	5,400,810	5,400,000	4.835.257		21.514		1	5.000	6.049	JJ	135.000	270,000	12/11/2013	07/01/2031

										 		mber 31 of Current								1	
1	2			des	6	7		Value	10	11		ange in Book / Adjust					Interes			Da	
		3	4 F o r e i	5			8 Rate Used to Obtain	9		Book/ Adjusted	12 Unrealized Valuation	13 Current Year's	14 Current Year's Other Than Temporary	Total Foreign Exchange Change	16	17 Effective	18	19 Admitted Amount	20 Amount Rec.	21	22 Stated Contractual
CUSIP Identification		Code	g e n	Bond CHAR	NAIC Designation	Actual Cost	Fair Value	Fair Value	Par Value	Carrying Value	Increase/ (Decrease)	(Amortization)/ Accretion	Impairment Recognized	In B./A.C.V.	Rate of	Rate of	When Paid	Due & Accrued	During Year	Acquired	Maturity Date
20786L -CS-8		·		ļ	6*	8,500	92.5000	23 , 125	25,000	10,290		830			5.250	22.190	JJ	656	1,313	07/15/2011	01/01/2023
20786L-CW-9 20786L-CY-5		@		1	6Z 6Z		 		750,000 100.000								N/A N/A			05/12/2015 05/12/2015	01/01/2021 01/01/2026
20786L-DD-0					6*	53,925	99.2400	71,358	71,904	71,358	2,996	.7,976				12.113	N/A			05/24/2011	01/01/2026
20786L -DE -8		ŏ			6*	64,606	79.9900	77,815	97,281	77,815	(5,764)	9,674				12.244	N/A			05/24/2011	01/01/2017
20786L -DF -5		<u>ő</u>			6*	60,858	67.9900	73,095	107,509	73,095	(9,443)	9,993				13.211	N/A			05/24/2011	01/01/2018
20786L-DG-3		@			6*	59,459	59.9900	70,212	117,040	70,212	(10,400)	9,420				12.821	N/A			05/24/2011	01/01/2019
20786L - DH - 1				·	6* 6*	59,648	54.9900	70,004	127,304	70,004	(8,531)	8,809				12.102	N/A			05/24/2011	01/01/2020
20786L -DJ -7 20786L -DK -4		W			6*	64,041 60,051	46 .9900 41 .9900	70,954	150,999 159,679	70,954	(12,771) (12,513)	9,229 8,711				11.848 11.912	N/A			05/24/2011 05/24/2011	01/01/2021 01/01/2022
20786L -DS -7		Ŏ		11	6*	423.512	26.3600	783,618	2,972,754	548.643	(12,010)	54.987				10.845	N/A			06/12/2012	01/01/2032
20786L -DT -5	CONNECTOR 2000 CABS A1	<u>@</u>		1	6*	309,738	10 . 4900	523,665	4,992,039	393,605		36,568				9.993	N/A			06/12/2012	01/01/2042
20786L -DU - 2		@		ļ	6*	70,018	1.4000	92,868	6,633,432	91,771	(2,151)	10,597				12.337	N/A			06/12/2012	07/22/2051
20786L -DV -0 20786L -DW -8				1	6* 6*	24,227 14,760	2.9900 0.4900	38,554	1,289,434 4,510,180	36,832	(4,330) (437)	7,947 2,982				22 .653 15 .609	N/A N/A			06/12/2012	01/01/2032
254839-P8-0				13	3FE	140,000	99.6890	22,100	140.000	139.565	(437)				4.751	4.746	MN	1.109	3.267	06/12/2012 06/30/2015	07/22/2051
	DC REV - FRIENDSHIP ACAD PCS.			13	3FE	950.000	99.6590	946,761	950.000	946.761	(3,240)				5.001	5.000	MN	7.918	23,357	06/30/2015	05/01/2027
254839-Q2-2	DC REV - FRIENDSHIP ACAD PCS			13	3FE	1,550,000	98.2870	1,523,449	1,550,000	1,523,449	(26,552)				5.126	5.125	MN	13,242	39,078	06/30/2015	05/01/2037
254839-VV-2				ļ	5*	89,775	100.0180	90,016	90,000			5			6 . 450	6.471	MN	968	5 , 805	07/22/2014	11/01/2034
453419-AT-0				ļ <u>1</u>	4FE				250,000								MN			01/11/2011	05/01/2019
453419-BX-0 453419-CB-7				1	67 68		 		10,000						5.050		MN			01/20/2011 07/21/2015	05/01/2024 05/01/2032
52480R-CF-5				1	6Z				175,955								FA			08/01/2014	02/01/2044
52480R-CG-3				13	6Z		I		43,655								MAT			08/01/2014	02/01/2044
52480R-CH-1					6Z		ļ		131,405								FA			08/01/2014	02/01/2044
541589-BN-6				ļ <u>1</u>	6FE				7,160,000						5.500		JJ			07/15/2015	01/01/2025
541589-BT-3 541589-BZ-9				1	6FE				1,625,000 10,640,000						5.500 5.500		JJ			07/15/2015	01/01/2030 01/01/2036
544566-AP-7				1	6*				285,000						5.000		JJ JD			07/15/2015 08/01/2013	12/01/2027
546279-RG-7				11	6*		İ		50,000								MS			12/14/2011	09/01/2018
546279-RJ-1				1	6*				100,000								MS			10/30/2013	09/01/2027
	LA GOV BATON RGE ST HSG-SER A	Ų		11	6*	ļ	ļ		1,190,000								MS			04/24/2015	09/01/2035
546279-XE-5 57583R-FT-7		·		1	6* 5*		100 . 1160	100 , 116 275 , 666	100,000	98,808		87 650			4.850 5.125	5.000 5.713	A0 JD	1,213 1,174	4,850	05/16/2014	04/01/2026
57583R-GK-5				1	2FE	1.467.500	100.2420	1.504.440	1.500.000	1.469.347		847			5.000	5.164	MS	25.000	75,000	09/20/2013 12/10/2013	03/01/2036
57583R-HP-3				11	5*	972,130	100.9410	1,009,410	1,000,000	975,852		1,583			5.000	5.292	JJ	25,000	50,000	07/31/2013	01/01/2027
57583R-HQ-1				1	5*	1,188,925	100.7460	1,314,735	1,305,000	1, 194,823		2,666			5.000	5.694	JJ	32,625	65,250	11/07/2013	01/01/2037
57585K - JG - 4				ļ	5*	150,000	100 . 1950	150,293	150,000	150,000					6 . 450	6 . 448		3,225	9,675	07/10/2014	03/01/2020
60535R-AH-1 64971C-F4-1		+		11	6* 6*	 	 		20,000					+	5.300		JD			10/27/2015	12/01/2028
665588-ND-7				1	b^ 5*	96.625	100.5800	100,580	1,855,000 100.000	96.927		128			5.700 4.625	4.909	JD FA	1.927	4.625	01/26/2012 07/30/2013	06/15/2027 08/01/2031
682462-JX-5				1 1	5*	47,500	100.0150	50,008	50,000	47,635		126			4.625	5.086	MS	681	2,313	09/17/2014	09/15/2030
685624-AR-9	ORCHARD TX HGR ED NYOS SER A			1	5Z	96,000	96.8880	96,888	100,000	96,097		97			4.875	5.380	FA	1,842		08/31/2015	02/15/2026
717868-CB-7	PHILA PA REDEV BEECH SERIES A	4		11	5*	1,424,235	100 . 1240	1,501,860	1,500,000	1,428,659		1,909			5.500	5.914	JJ	41,250	82,500	08/27/2013	07/01/2035
717903-D6-2		·		ļ <u>1</u>	2FE	84,000	101.4860	106,560	105,000	85,049	/50.0	526			5.000	6.824	JJ	2,625	5,250	12/06/2013	07/01/2034
72177M-BX-4 723161-FK-6				11	5Z 5*	53,100 23,875	87 .7780 103 . 1960	52,667	60,000	52,667	(504)	71 784			5.000 4.750	6.345 6.327	MN AO	500 297	1,500 1,188	10/20/2015 07/18/2013	05/01/2028
745181-M7-9		+			1FE	864,165	106.0830	795,623	750,000	807,181		(21,775)		†	6.000	2.820	AU	22,500	45,000	04/23/2013	07/01/2031
745272-DG-6		SD		1	2FE	2,048,113	82.3430	1,795,077	2,180,000	2,050,262		2,148		1	5.000	5.545	FA	45,417	45,000	12/22/2015	08/01/2032
802576-AJ-7	SANTA ROSA FL BAY BRIDGE AUTH	@			6*				1,535,000	,,							N/A			12/10/1997	07/01/2012
802576-AL-2		l. @		ļ	6Z	 	ļ		1,635,000								N/A			12/24/2015	07/01/2014
864768-ND-4				ļ <u>1</u>	6Z 6*		ł		55,000		(134)	134			5.000		JD			11/19/2015	06/01/2036
882385-AC-1	TX ST HSG TEMPLE JR COLLEGE A TX ST HSG TEMPLE JR COLLEGE A	4		11	6*	†	 	ļ	60,000 105,000		 						MS	 		05/19/2011 03/24/2011	09/01/2022 09/01/2027
	TX ST HSG TEMPLE JR COLLEGE A	1		1	6*	İ	İ		140.000								MS			04/29/2011	09/01/2033

SCHEDULE D - PART 1

									Showing All L	ong-Term BOI	NDS Owned Dece	ember 31 of Current	Year								
1	2		Cod	es	6	7	Fair	Value	10	11		ange in Book / Adjust					Intere	st		Da	ites
01.0.0		3	4 F o r e i	5	NA:0	A.: 1	Rate Used to Obtain	9		Book/ Adjusted	12 Unrealized Valuation	13 Current Year's	14 Current Year's Other Than Temporary	Total Foreign Exchange Change	16	17 Effective	18	Admitted Amount	Amount Rec.	21	Stated Contractual
CUSIP Identification	Description	Code	g n	Bond CHAR	NAIC Designation	Actual Cost	Fair Value	Fair Value	Par Value	Carrying Value	Increase/ (Decrease)	(Amortization)/ Accretion	Impairment Recognized	In B./A.C.V.	Rate of	Rate of	When Paid	Due & Accrued	During Year	Acquired	Maturity Date
	Bonds - U.S. Special Revenue a					Cost	value	value	value	value	(Decrease)	Accretion	Recognized	B./A.C.V.	OI	OI	Palu	Accided	Teal	Acquired	Date
2000000	and all Non-Guaranteed Oblig																				
	Authorities of Governments a																				
007111	Issuer Obligations					17,667,572	XXX	18,964,739	70,095,570	17,973,979	(94,207)	189,204			XXX	XXX	XXX	364,168	749,064	XXX	XXX
30711X-AC-8 3128MJ-XF-2				23	111	1,978,674	100 . 1540	1,981,721	1,978,674	1,978,674		553		-	1.821	1.828 2.928	MON	400 14,211	36,203	01/14/2014 12/30/2015	01/25/2024 11/01/2045
31387C-M3-2				22	1	6,700	113.3610	7,389	6,518	6,639		(13)			7.000	6.303		38	412	03/06/2002	09/01/2031
3138WD-T4-3	_FNMA POOL AS4170			2	1	8,605,040	105.8550	8,523,850	8,052,383	8,584,611		(20, 429)			4.000	2.545	MON	26,841	322,095	12/31/2014	12/01/2044
3138Y6-MM-3.				2 2	ļ <u>1</u>	11,246,791	109.9990	11,139,954	10,506,417	11,194,699		(49,347)			4.000	2.558		35,021	420,257	12/16/2014	12/01/2044
31393W-K4-0. 31394D-JJ-0.				2 2	1	3,394,676	109.9990	4,140,385	3,764,020 4,279,758	3,629,120		(3,753)			5.000 5.000	6.089 6.148	MON	15,683 17,832	188,201	06/07/2007 06/07/2007	07/15/2033 04/25/2035
31394Y - KX - 1				2	11	931,817	105.0570	987,581	940,043	936,725					5.000	5.217	MON	3,917	47,002	11/08/2004	05/15/2019
31395J-W5-1.	FHLMC 2888 HG.			2	1	2,306,357	109.0230	2,652,908	2,433,347	2,392,772		(147)			5.000	5.484	MON	10,139	121,667	11/02/2004	11/15/2034
31402D-F7-0				2	ļ <u>1</u>	2,373,000	113.9270	2,616,212	2,296,394	2,370,271		591			6.000	4.920		11,482	137,784	01/20/2005	08/01/2034
31405R - AR - 7. 31407U - EK - 9.				2	11	1,982,539 207,558	112.7300	2,201,041	1,952,489 210,252	1,987,019 206,405		384		-	5.500 5.500	4.969 5.996	MON	8,949 964	107,387	11/09/2004 10/27/2005	10/01/2034 11/01/2035
31418B-VG-8				2	† <u>'</u>	3.506.479	103.2490	3.474.242	3.364.916	3.503.353		(3, 126)			3.500	2.811	MON	9.814	29.443	09/29/2015	10/01/2045
	Bonds - U.S. Special Revenue a	nd Spec	ial As	ssessment	Obligations																
	and all Non-Guaranteed Oblig	at ions	of Age	encies and	t																
	Authorities of Governments a Residential Mortgage-Backed			itical Sub	odivisions -	44.889.739	XXX	47,169,063	44,048,401	45,407,667		(70,758)			XXX	XXX	XXX	155,292	1,636,003	XXX	XXX
	FNMA WHOLE LOAN NW 2001-W1	Securit	res			44,009,739	۸۸۸	47,109,003	44,040,401	45,407,007		(70,730)			۸۸۸	۸۸۸	777	100,292	1,030,003	۸۸۸	۸۸۸
31359S-2G-4 40064U-AP-7	_ AF6		R	23 11	1 5*		116 .9350 99 .9970	99,735 986	85,291 465,000	85,067 463,935		(224)			6.902 4.500	5.855 4.527	MON	491 5,231	5,887 5,925	02/20/2004 10/15/2014	07/25/2031 10/01/2026
2899999 -	Bonds - U.S. Special Revenue a																				
	and all Non-Guaranteed Oblig Authorities of Governments a	ations	of Age	encies and	diviciono																
	Other Loan-Backed and Struct	ured Se	Curit	iticai sur	outvisions -	552.394	XXX	564.721	550.291	549.002		(146)			XXX	XXX	XXX	5.722	26.812	XXX	XXX
3199999 -	Bonds - U.S. Special Revenue a				Obligations	002,004	AAA	004,721	000,201	040,002		(140)			AAA	AAA	AAA	0,122	20,012	AAA	AAA
	and all Non-Guaranteed Oblig	ations	of Age	encies and	ď																
	Authorities of Governments a																				
	Subtotals - U.S. Special Rev Obligations and all Non-Guar	enue an	oblia	cial Asses	Agoncies of																
	Governments and Their Politi				Agencies of	63,109,705	XXX	66,698,523	114,694,262	63.930.648	(94.207)	118,300			XXX	XXX	XXX	525,182	2.411.879	l xxx	l xxx
6AMCD9-1K-4.	BANK OF HAWAII	SD			1FE	50,000	100.0000	50,000	50,000	50,000	(01,201)				0.150	0.150	N/A	39		06/30/2015	06/30/2017
00206R-AW-2.					2FE	1,996,360	100.6090	2,012,180	2,000,000	1,999,716		752			2.950	2.989	MN	7,539	59,000	04/26/2011	05/15/2016
009088-AB-1. 009090-AB-7.			-	2	1FE 2FE	525,000	100.3150	526,654	525,000	525,000				+	4 . 125 3 . 875	4.125 3.874		1,023 1,410	18.299	12/01/2015	06/15/2029
009090-AB-7.			!	∠	2 2	2,214,000	103.7500	2,075,000	2.000.000	2,088,018		(68,845)		·	5.625	2.038		28,125	18,299	03/11/2015	04/01/2024
00912X-AP-9	AIR LEASE CORPORATION				2FE	800,400	98.2500	786,000	800,000	800,252		(120)			2.125	2.109	JJ	7,839	14,119	10/10/2014	01/15/2018
020002-AV-3.			.	13	2FE	531,875	101.0000	505,000	500,000	519,652		(12,223)			6 . 125	3.172	MN	3,913	30,625	02/19/2015	05/15/2067
023770-AB-6 02377B-AC-0	AMERICAN AIRLINES 15-1 B PTT AMERICAN AIRLINES 15-2 B PTT			2	2FE2FE	1,342,707	97 .7500 99 .0000	1,485,000	1,333,117	1,341,951 1,500,000		(756)	ļ	-	3.700 4.400	3.546 4.310	MN MS.	8,221 17,783	30,828	03/03/2015	11/01/2024
025816-AU-3	AMERICAN AIRLINES 15-2 B PII	·		13	2FE	1,500,000	100.7500	1,485,000	1.500,000	1.513.899		(4,851)	l	·	6.800	5.351	MS			09/10/2015 10/01/2015	03/22/2025 09/01/2066
0258M0-DH-9				3	1FE	1,000,000	100.7300	1,000,170	1,000,000	1,000,000					0.833	0.844	JAJ0	1,482	7,851	07/24/2013	07/29/2016
0258M0-DQ-9.	. AMERICAN EXPRESS CREDIT CORP.		<u>.</u>	3	1FE	3,000,000	97 .8290	2,934,870	3,000,000	3,000,000					0.852	0.863	FMAN	3,264	23,101	08/12/2014	08/15/2019
02687Q-BC-1.	. AMERICAN INERNATIONAL GROUP				2FE	399,636	103.2080	412,832	400,000	399,963		44			5.600	5.612	A0	4,542	22,400	10/13/2006	10/18/2016
031162-AZ-3 037833-AK-6					2FE 1FE	997,770 1.997.340	110 . 2480 97 . 4370	1,102,480	1,000,000 2,000,000	999,190 1.997.987		234 248	·	·	5.700 2.400	5.729 2.415		23,750 7,733	57,000 48,000	01/13/2009 04/30/2013	02/01/2019 05/03/2023
038222-AH-8.		1		1	1FE	2,498,250	99.8850	2,497,125	2.500,000	2,498,340		246			2.400	2.640		1 , 7 33	40 , 000	09/21/2015	10/01/2020
055451-AW-8	BHP BILLITON FINANCE LTD		R	1	1FE	3,000,000	97 .8750	2,936,250	3,000,000	3,000,000					6.250	6.250	AO	37,500		10/14/2015	10/19/2075
05565Q-DA-3			R		1FE	1,500,000	96.8400	1,452,600	1,500,000	1,500,000					3.506	3.506		15,193	26,295	03/12/2015	03/17/2025
05578D-AA-0. 06050T-JN-3			R	3	1FE 1FE	505,370	100 .2670 99 .9540	501,335	500,000	500,664		(2,108)			1.570	1.168	JAJ0	1,461	7,661	10/01/2013	04/25/2016
060501 - JN - 3. 06051G - EH - 8		+		J	2FE	2,019,050	109.2550	2,498,850 4,370,200	2,500,000	2,449,618 3,989,598		110,780 1,648		·	0.792 5.000	5.335 5.056		935 26,667	14,285	09/10/2010 05/10/2011	06/15/2016 05/13/2021
06051G-EU-9.					2FE	471,143	98.4330	467,557	475,000	472,140		355		1	3.300	3.397	JJ	7,402	15,675	02/13/2013	01/11/2023
	BRITISH TELECOMMUNICATIONS	1	R		2FE	2,183,460		2,156,460	2,000,000	2,066,569		(30,651)			5.950	4.228	JJ	54,872	119,000	12/05/2011	01/15/2018

SCHEDULE D - PART 1

											ember 31 of Current			•						
1	2		des	6	7		Value	10	11		nange in Book / Adjust					Interes			Da	
		3 4 F o r	5			8	9			12	13	14 Current Year's Other	15 Total Foreign	16	17	18	19	20	21	22
		e i				Rate Used to Obtain			Book/ Adjusted	Unrealized Valuation	Current Year's	Than Temporary	Exchange Change		Effective		Admitted Amount	Amount Rec.		Stated Contractual
CUSIP Identification	Description	g Code n	Bond CHAR	NAIC Designation	Actual Cost	Fair Value	Fair Value	Par Value	Carrying Value	Increase/ (Decrease)	(Amortization)/ Accretion	Impairment Recognized	In B./A.C.V.	Rate of	Rate of	When Paid	Due & Accrued	During Year	Acquired	Maturity Date
	CITIGROUP INC.			2FE	1,992,380	103.3460	2,066,920	2,000,00		(=======)	904			5.500	5.550	FA	41,556	110,000	02/05/2007	02/15/2017
172967-EM-9	CITIGROUP INC			2FE	2,987,160	107 . 7200	3,231,600	3,000,00			1,482			6.125	6 . 183	MN	20,417	183,750	11/14/2007	11/21/2017
	CITIGROUP INC	ļ	3	2FE	500,000	99.5010	497,505	500,00						0.852	0.863	FMAN	544	3,868	08/07/2014	08/14/2017
198280-AC-3 2027A0-HR-3	COLUMBIA PIPELINE GROUP, INC COMMONWEALTH BANK OF AUSTRALI	n	11	2FE	648,830	97.3710	632,912	650,00			136 16			3.300	3.339	JD	1,788	11,261	05/19/2015	06/01/2020
205887 -BR -2	CONAGRA FOODS INC		1	1FE 2FE.	1,496,895 1,449,561	99 . 1620 96 . 2030	1,487,430 1,392,057	1,500,00 1,447,00	01,496,911 L 01,448,890 L		(239)			4.500 3.200	4.526 3.179	JD	4,125 20,065	46,304	12/02/2015 01/29/2013	12/09/2025 01/25/2023
21079U-AA-3	CONTINENTAL AIRLINES 2009-2		2	1FE	817,790	112.7000	812,026	720,52			(11,378)			7.250	4.574	MN	7,400	52,238	05/23/2012	05/10/2021
	RABOBANK NEDERLAND.	R		1FE	999,130	102.2230	1,022,230	1,000,00			180			3.375	3.394	JJ	15,188	33,750	01/11/2012	01/19/2017
	DAIMLER FINANCE N AMERICA LLC.	R		1FE	998,250	101 . 1950	1,011,950	1,000,00			360			2.950	2.988	JJ	13,931	29 , 500	01/04/2012	01/11/2017
25459H-BF-1 257375-AG-0	DIRECTV HOLDINGS LLC			2FE	4,053,700 599,772	100 .6320	4,025,280 599,352	4,000,00			(5,321)			3.800 2.500	3.630	MS	44,756	152,000 15,292	09/26/2012	03/15/2022
	DOMINION GAS HOLDINGS LLC E.I. DU PONT DE NEMOURS	·····		1FE 1FE	549,772	99 .8920 103 .7350	571,580	551,00			45 227			5.250	2.508 5.295	JD JD	667 1,286	15,292	12/03/2014 12/12/2006	12/15/2019 12/15/2016
	ELECTRICITE DE FRANCE SA	R	1	1FE	1,685,635	98.4450	1,673,565	1,700,00			593			2.350	2.531	AO	8,656	20,320	10/07/2015	10/13/2020
	ERP OPERATING LP		1	1FE	944,775	98.8830	939,389	950,00			292			3.375	3.440	JD	2,672	17 , 545	05/11/2015	06/01/2025
	EPR PROPERTIES		11	2FE	996,380	95.0620	950,620	1,000,00			252			4.500	4 . 545	A0	11,250	24,375	03/09/2015	04/01/2025
	EATON CORPORATION	R		2FE	1,993,280	96.7640	1,935,280	2,000,00			630			2.750	2.789	MN	9,014	55,000	11/14/2012	11/02/2022
29273R-AH-2 30219G-AE-8	ENERGY TRANSFER PARTNERS LP EXPRESS SCRIPTS HOLDING CO			2FE 2FE	2,298,240 1,288,911	105 . 1540 107 . 2260	2,103,080 1,393,938	2,000,00 1,300,00			(49 , 146) 1 , 028			6.700 4.750	3.913 4.859	JJ	67,000 7,890	134,000 61,750	06/05/2012 11/14/2011	07/01/2018 11/15/2021
	FIRST HORIZON NATIONAL CORP		1	2FE	1,995,160	99.1320	1.982.640	2.000.00			173			3.500	3.551	JD	11.861	01,730	10/26/2015	12/15/2020
345397 - WA - 7	FORD MOTOR CREDIT CO LLC			2FE	3.000.000	101.1100	3,033,300	3,000,00			170			3.984	3.984	JD	5,312	119,520	06/14/2012	06/15/2016
35671D-BD-6	FREEPORT-MCMORAN INC			2FE	1,464,060	78.0000	1,170,000	1,500,00	01,473,919		9,859			2.375	3.199	MS	10,490	35,625	02/12/2015	03/15/2018
35671D-BK-0	FREEPORT-MCMORAN INC			2FE	749,505	85.2500	639,375	750,00			162			2.300	2.323	MN	2,252	17 , 250	11/10/2014	11/14/2017
38141E-A2-5	GOLDMAN SACHS GROUP INC			1FE	1,814,443	114.4260	2,116,881	1,850,00	01,835,940		3,842			7.500	7.779	FA	52,417	138,750	01/29/2009	02/15/2019
38141G-EG-5 38141G-FG-4	GOLDMAN SACHS GROUP INC GOLDMAN SACHS GROUP INC		3	1FE	1,857,800 1,525,986	99 .9060 107 .6980	1,998,120 1,507,772	2,000,00 1,400,00			26,388 (17,849)			1.036 5.950	2.369 4.506	MJSD	575 37 .716	14,761	09/10/2010 08/18/2010	03/22/2016 01/18/2018
	GOLDMAN SACHS GROUP INC.			1FE	1,004,290	107 .0360	1,011,360	1,400,00			(394)			3.625	3.573	JJ.	16,010	36,250	02/13/2013	01/22/2023
	HCP INC.			2FE	1,992,020	100.1410	2,002,820	2,000,00			1,705			3.750	3.838	FA	31,250	75,000	01/19/2011	02/01/2016
40414L-AP-4	HCP INC		1	2FE	1, 194, 924	99 . 5380	1, 194, 456	1,200,00			54			4.000	4.070	JD	4,000		11/23/2015	12/01/2022
	HSBC HOLDINGS PLC	R		1FE	1,995,660	111.1760	2,223,520	2,000,00			413		ļ	5.100	5.128	A0	24,367	102,000	03/29/2011	04/05/2021
	HSBC HOLDINGS PLC HSBC FINANCE CORP		2	2FE 1FE	1,487,700 1,898,700	99 .2410 99 .8210	1,488,615 998,210	1,500,00			368 18,279			4.250 0.844	4.352 2.710	FA	23,552 727	7 . 154	08/10/2015 09/10/2010	08/18/2025 06/01/2016
	HARRIS CORP		1	2FE	350,000	98.1070	343,375	350,00			10,279			2.700	2.700	AO	1,680	4,725	04/22/2015	04/27/2020
459200-GM-7	IBM CORP.			1FE	996,280	115.2700	1,152,700	1.000.00			413			7.625	7 .679	AO	16.097	76,250	10/09/2008	10/15/2018
	KIMCO REALTY CORP		11	2FE	1,886,073	96.8180	1,839,542	1,900,00			1,260			3.125	3.211	JD	4,948	59,375	05/14/2013	06/01/2023
49456B-AE-1	KINDER MORGAN INC.		11	2FE	2,501,077	92.5510	2,313,775	2,500,00			(215)			3.050	3.040	JD	6,354	77,309	12/04/2014	12/01/2019
	METLIFE GLOBAL FUNDING I MORGAN STANLEY		2	1FE	2,498,200	99.7570	2,493,925	2,500,00			46 8,809			1.950	1.975	JD	3,792	7 202	11/23/2015	12/03/2018
	MORGAN STANLEY			1FE 1FE	967,370 3,822,595	99 .7940 103 .5820	997,940 3,625,370	1,000,00			(113,108)			0.765 4.750	1.667 1.422	JAJO MS	1,573 45,719	7 , 202	01/30/2013 05/22/2014	10/18/2016 03/22/2017
	MORGAN STANLEY			2FE	2,491,000	97.0580	2,426,450	2,500,00			412			3.950	3.988	AO	18,653	49,375	04/20/2015	04/23/2027
65557C-AR-4	NORDEA BANK AB	R		1FE	2,992,860	99.4070	2,982,210	3,000,00	02,993,253		393			2.500	2.551	MS	21,667		09/09/2015	09/17/2020
68268N-AJ-2	ONEOK PARTNERS LP	ļ	ļ <u>1</u>	2FE	1,344,276	81.1120	1,095,012	1,350,00			523		ļ	3.375	3.425	A0	11,391	45,563	09/10/2012	10/01/2022
68268N-AN-3	ONEOK PARTNERS LP		11	2FE	1,142,515	95.0530	1,083,604	1,140,00			(369)		ł	3.800	3.751	MS	12,755	21,058	03/18/2015	03/15/2020
	PEACHTREE CORNERS FUND TRUST STATE STREET CORP.	····		2FE 1FE	2,000,000 1,148,137	99 .2780 98 .8200	1,985,560 1,136,430	2,000,00			170			3.976 3.100	3.976 3.119	FA	30,041	32,692 35,650	03/10/2015 05/08/2013	02/15/2025 05/15/2023
86765B-AR-0	ENERGY TRANSFER EQUITY LP		1	2FE	1, 146, 137	96.9070	1,130,430	2,000,00			170		1	4.400	4.421	AO	10,756		11/12/2015	04/01/2021
87233Q-AB-4	TC PIPELINES LP.		1	2FE	1,493,640	87 .8260	1,317,390	1,500,00	01,494,055		415			4.375	4 . 428	MS	19,688	32,813	03/10/2015	03/13/2025
	TRANSURBAN FINANCE COMPANY	R	11	2FE	659 , 168	98.3340	653,921	665,00			98			4 . 125	4.229	FA	4,496		10/27/2015	02/02/2026
	MUFG UNION BANK NA	R	3	1FE	1,000,000	99.9990	999,990	1,000,00			4 000			1.353	1.378	MJSD	113	10,527	09/19/2013	09/26/2016
92276M-AY-1 92343V-BL-7	VENTAS REALTY LP/CAPITAL CORP VERIZON COMMUNICATIONS	·····]	2FE 2FE	1,492,335	103.9560 100.6120	1,559,340 402,448	1,500,00 400.00			1,068			4.000 2.042	4.084 2.080	AO	10 , 167	60,000 7,355	04/12/2012 09/11/2013	04/30/2019 09/15/2016
92857W-BC-3	VODAFONE GROUP PLC	R		2FE	1,990,740	93.7090	1,874,180	2,000,00			853		t	2.950	3.004	FA	21.633		02/11/2013	02/19/2023
	WPP FINANCE 2010	R		2FE	497,860	100.3440	501,720	500,00	0498,443		202			3.625	3.678	MS	5,740	18,125	01/29/2013	09/07/2022
942683-AF-0	ACTAVIS INC	R	11	2FE	1,363,519	98.3150	1,351,831	1,375,00	01,366,841		1,060			3.250	3.349	AO	11,172	44,688	09/27/2012	10/01/2022
	WEINGARTEN REALTY INVESTORS		11	2FE	992,330	97 .0470	970,470	1,000,00			417		ļ	3.850	3.943	JD	3,208	21,068	05/07/2015	06/01/2025
	WELLS FARGO & COMPANY			1FE	3,675,352	100.2360	3,683,673	3,675,00	03,675,271		(33)		ļ	3.450	3.449	FA	48,602	126,788	02/13/2013	02/13/2023
	WELLS FARGO BANK NAXSTRATA FINANCE CANADA	D		1FE 2FE	1,766,980 3,290,600	99 .9350 99 .6250	1,998,700 2,988,750	2,000,00			53,091 (100,109)		t	0.571 5.800	3.240 2.335	FMAN	1,461	9,739	11/22/2011 04/15/2014	05/16/2016 11/15/2016
3041/E-AD-0	ASINATA FINANCE CANADA			ZFE		JC20. BE			. U09,041 ما u		(100,109)		 		∠.ააე	IVIIV	ZZ,Z33	114,000	V4/ 10/ZU14	L11/10/2010

Showing All Lor	og Torm BONDS	Owned December 3	21 of Current Voor

								Showing All L	ong-Term BOI	NDS Owned Dece	ember 31 of Current	Year								
1	2	С	odes	6	7	Fair	Value	10	11	Cl	nange in Book / Adjust	ted Carrying Value				Interes	st		Da	ates
		3 4 F o r				8 Rate Used	9		Book/	12 Unrealized	13	14 Current Year's Other Than	Total Foreign Exchange	16	17	18	19 Admitted	20 Amount	21	22 Stated
CUSIP		i g		NAIC	Actual	to Obtain Fair	Fair	Par	Adjusted Carrying	Valuation Increase/	Current Year's (Amortization)/	Temporary Impairment	Change In	Rate	Effective Rate	When	Amount Due &	Rec. During		Contractual Maturity
Identification	Description Bonds - Industrial and Miscell	Code n		Designation - Issuer	n Cost	Value	Value	Value	Value	(Decrease)	Accretion	Recognized	B./A.C.V.	of	of	Paid	Accrued	Year	Acquired	Date
3299999 -	Obligations	aneous (on	iai i i i i ateu,) - ISSUEI	127.074.748	XXX	126,931,142	126,706,636	127 . 117 . 847		(166,939)			XXX	XXX	XXX	1,159,984	3,535,360	l xxx	XXX
004375-BL-4			23	1FM	789,665		788,611	792,016	790,606					1.621	2.071	MON	143	11,197	01/14/2014	10/25/2034
040104-GC-9		ļ	23	1FM	906,168	92.6500	910,714	982,962	910,223		4,055			0.941	2.341	MON	103	6,498	02/05/2015	03/25/2034
07384M-7C-0		····	23	1FM	787,373	100 . 1990	786,482	784,920	787,705		332			2.720	2.311	MON	1,779	15,463	03/09/2015	03/25/2035
17307G-CU-0 362341-RX-9		 	23	1FM 1FM		96 . 2150	797 , 491 688 , 352	828,863 673,758	784,225		13,652 362			0.801 2.806	3.972 2.356	MON	74 1,576	4,789 13,487	01/19/2011 04/17/2015	12/25/2033
45254N-JG-3			23	1FM	1,123,561	94.2330	1,169,907	1,241,504	1,160,994		14,234			1.141	2.941	MON	157	11,476	09/27/2010	10/25/2034
589929-Y3-6	. MERRILL LYNCH MLCC 2003-E A1		23	1FM	111,805	95.5680	112,104	117,303	112,001		196			1.042	2.540	MON	20	793	03/02/2015	10/25/2028
61744C-EA-0		ļ	23	1FM	681,734	91.2570	674,167	738,757	691,546					1.351	2.439	MON	111	7,663	11/04/2014	04/25/2034
64352V - JY -8 68400X - BH - 2			23	1FM 1FM	797,551 718,391	99.2580 91.3710	790,645 695,524	796,556 761,209	797,481 719,251		(48) 861			1.121	1.265 1.952	MON	99 85	7,201 4,013	07/18/2014 04/22/2015	03/25/2035 06/25/2033
759950-BG-2			23	1FM	414,941	90.8300	538,415	592,772	462,554		11,347			1.151	5.767	MON	76	5.540	05/02/2011	12/25/2033
81744Y - AA - 4			23	1FM	3,108,154		2,952,957	3,169,565	3,114,044		2,391			2.325	2.590		6,141	73,692	05/14/2013	04/27/2043
3399999 -	Bonds - Industrial and Miscell) -			10.00= 000							V	W****			40	V	VV
OFOFOE ALL 4	Residential Mortgage-Backed	Securities		454	10,868,990	XXX	10,905,369	11,480,186	11,006,821		55,441			XXX	XXX	XXX	10,364	161,811	XXX	XXX
05950E-AH-1 07387J-AG-1	BANC OF AMERICA CMT 2006 2 AJ. BEAR STEARNS CMS 2006 PWR12	 	23	1FM 1FM	1,085,086 508,125	100 . 1670 100 . 7700	1,046,745 503,850	1,045,000 500.000	1,075,547		(9,538) (2,178)			5.869 5.752	4 . 195 2 . 062	MON	5,111 2,397	30,833	06/04/2015 11/13/2015	05/10/2045 09/11/2038
07388L -AG-5	BEAR STEARNS CMS 2006 PWR13	†···-	23	1FM	3,281,250		3,065,250	3.000,000	3.071.797		(121,035)			5.582	1.469		13.955	167 . 460	04/02/2014	09/11/2041
07388Q-AG-4	. BEAR STEARNS CMS 2006 PWR17		23	1FM	3,825,000	105.1910	3,576,494	3,400,000	3,608,226		(124,799)			5.882	2.024	MON	16,665	200,538	04/02/2014	06/11/2050
	GS MORTGAGE SEC CORP 2006 GG8	ļ	2	1FM	1,085,391	101.9980	1,019,980	1,000,000	1,035,183		(32, 183)			5.591	1.725	MON	4,659	55,910	07/15/2014	11/10/2039
46625Y-P6-4 50179M-AH-4		 	23	1FM 1FM		99.9780 100.6200	471,994 603,720	472,097 600.000	474,253		(12,893) (6,476)			5.475 5.452	1 . 130 1 . 353	MON	2,154 1,817	23,752	01/14/2015 08/06/2014	04/15/2043
60687U-AG-2		 	23	1FM	2,553,516	101.0260	2,525,650	2,500,000	2,535,214		(18,302)			5.889	2.359	MON	12,268	32,712	10/08/2015	09/15/2039 06/12/2046
61750C-AH-0	MORGAN STANLEY CAP 2006 HQ9	l	23	1FM	1,074,688	101.4330	1,014,330	1,000,000	1,046,393		(12,581)			5.793	0.940	MON	4,828	57.930	07/28/2014	07/12/2044
61750W-AX-1	. MORGAN STANLEY CAP 2006 IQ12		2	1FM	876,968	101.7740	887,707	872,233	870,884		(685)			5.332	5.315	MON	3,876	47 ,852	12/14/2006	12/15/2043
61761A - AZ - 1		ļ	2	1FM	4,650,814	101.5230	4,629,449	4,560,000	4,627,710		(1,616)		ļ	3.176	2.916	MON	12,069	144,826	07/13/2012	08/15/2045
92890N-AU-3 92976B-DX-7			223	1FM	2,972,277 2,622,350	98.7640	2,864,156 2,511,273	2,900,000 2,513,560	2,950,756 2,519,336		(7,384) (93,383)			2.875 5.515	2.589 1.762	MON	6,948 11,552	83,375	11/30/2012 11/19/2014	12/15/2045 01/15/2045
			2	1FM	955,658	101.3660	963,943	950,953	2,519,330		(197)			5.308	5.168	MON	4.206	50,023	12/13/2006	11/15/2048
	Bonds - Industrial and Miscell	aneous (Un	naffiliated		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			200,000			(101)						.,200			17 107 20 10
	Commercial Mortgage-Backed S			,	26,614,688	XXX	25,684,540	25,313,844	25,894,511		(443,250)			XXX	XXX	XXX	102,504	1,061,899	XXX	XXX
98935V - AA - 3_	ABS-ZENITH 2004-1A C	E	23	6*				5,000,000						3.252		MJSD			12/21/2004	12/06/2039
000809-AD-5 00083M-AG-6			23	6FE 6FE				326,593 7.011.800						3.571		JAJO FMAN			11/13/2012	07/10/2039 05/07/2047
00083M-AH-4			23			-		6.818.146						1.999 2.685		FMAN			02/07/2014 09/19/2014	05/07/2047
00083M-AJ-0	. ACA ABS LTD 2007-3A 144A		23	6FE				6,404,135						3.185		FMAN			09/12/2014	05/07/2047
03063X-AF-2	. AMERICREDIT AUTO REC 2012-4		2	1FE	1,999,063	100 . 1770	2,003,540	2,000,000	1,999,788		264			1.930	1.954	MON	2,466	38,600	09/19/2013	08/08/2018
		ļ	2	1FE	826,887	100.0340	820,279	820,000	820,350		(2,594)			1.590	1 . 180	MON	579	13,038	08/22/2013	02/15/2017
073879-MC-9 1248MB-AJ-4		····	23	1FM 1FM	1,884,189 939,706	96.3530 73.1560	1,886,205 1,199,427	1,957,599 1,639,547	1,897,113		(58,093)			1.322 4.501	1.741 10.028	MON	287 6 . 150	21,635	08/09/2012 02/26/2007	08/25/2044 02/25/2037
126671-R4-0			23	1FM	110,903	100.0140	168,914	168,890	110,903					5.413	10.026	MON			01/26/2005	01/25/2034
126671-UU-8_	COUNTRYWIDE ABC 2003-BC1	ļ	23	1FM	813,700	92.2210	963,302	1,044,558	894,852		18,155			1.222	5.279	MON	142	11,534	05/26/2011	03/25/2033
139738-AD-0		ļ	2	1FE	2,999,939	99.5240	2,985,720	3,000,000	2,999,317		(623)			1.730	1.749	MON	1,586	30,275	05/13/2015	09/20/2019
13975E-AF-0 13975G-AF-5		 	2	1FE1FE	2,135,658 2,539,063	99.9070 100.8400	2,128,019 2,521,000	2,130,000 2,500,000	2,131,687 2,539,631		(3,039) (3,039)		†	1.740 2.840	1.622 2.073	MON	1,132 2,169	37,062	06/12/2014 09/15/2015	10/22/2018 04/22/2019
13975K-AC-3		†	2	1FE	1,499,613	99.5010	1,492,515	1,500,000	1,499,680				1	1.610	1.629	MON		23,007	01/22/2015	06/20/2019
14041N-EP-2	.[CAPITAL ONE MULTI AST 2014-A2		2	1FE	999,952	99.9710	999,710	1,000,000	999,980		16			1.260	1.265	MON	560	12,600	04/03/2014	01/15/2020
24702K - AD - 8.		ļ	2	1FE	999,898	99.6710	996,710	1,000,000	999,970		50			1.360	1.369	MON	340	13,600	07/15/2014	06/22/2020
24703B-AD-7		ļ	2	1FE	1,099,870		1,091,497	1,100,000	1,099,908		38			1.810	1.822	MON	498	13,273	04/15/2015	03/23/2020
	DISCOVER CARD EX NOTE 2014-A3. DRIVE AUTO RECEIVE TR 2015-DA	····	2	1FE	999,744 3,999,939	99.8890 99.5730	998,890 3,982,920	1,000,000	999,887		86			1.220 2.590	1.232 2.605	MON	542 4,604	12,200	04/28/2014 09/23/2015	10/15/2019 12/15/2019
32027N-PG-0		····	23	1FM	1,992,500	98.9100	1,978,200	2,000,000	1,995,633		3.133		1	1.996	2.005	MON	444	32.915	02/09/2015	01/25/2035
32113C-BH-2	FIRST NATL MASTER NT 2015-1 A		23	1FE	1,500,000	100.2000	1,503,000	1,500,000	1,500,000					0.974	0.978	MON	690	3,612	09/10/2015	09/15/2020
34528Q-CV-4_		ļ	2	1FE	1,799,618	100 . 1640	1,802,952	1,800,000	1,799,908		128		ļ	1.500	1.512	MON	1,200	27,000	09/10/2013	09/15/2018
		ļ	223	1FE 1FE	900,070	99.7980 99.8370	898 , 182 174 , 715	900,000 175.000	900,029		(41) 263			1.160	1 . 156 2 . 078	MON MON	464 . 65	6,960	04/20/2015	08/15/2017
30 139J - CT -5	. GE CAPITAL CREDIT CARD 2012-3	4	Z3		174,221	J	1/4,/15	1/0,000	1/4,083		203	ļ	4	0.780	Z.U/8	IVIUIV		1,269	03/28/2014	03/16/2020

Chauring All Lan	a Torm PONDS	Owned December 3:	1 of Current Voor

									Showing All L	ong-Term BON		mber 31 of Current									
1	2		Cod	des	6	7	Fair	Value	10	11	Ch	ange in Book / Adjust	ed Carrying Value				Intere	est		Da	ates
		3	4 F o r	5			8 Rate Used	9		Book/	12 Unrealized	13	14 Current Year's Other Than	15 Total Foreign Exchange	16	17	18	19 Admitted	20 Amount	21	22 Stated
			i				to Obtain			Adjusted	Valuation	Current Year's	Temporary	Change		Effective		Amount	Rec.		Contractual
CUSIP			g	Bond	NAIC	Actual	Fair	Fair	Par	Carrying	Increase/	(Amortization)/	Impairment	In	Rate	Rate	When		During		Maturity
Identification		Code	n		Designation		Value	Value	Value	Value	(Decrease)	Accretion	Recognized	B./A.C.V.	of	of	Paid	Accrued	Year	Acquired	Date
36242D - NT - 6.	GS AMP 2004-0PT A4.			23	1FM	594,028	97 . 1890	595,953	613,190	596,199		1,263			1.322	1.726		90	6,793	03/12/2014	11/25/2034
47787W-AD-1. 71085P-BM-4				23	1FE 1FM	1,999,487 841.895	98 .8500 100 .0260	1,977,000 854,938	2,000,000 854.716	1,999,532 851,289		45 4.571			1.780 1.292	1.794 1.880		1,582 123	9,493 9,208	09/01/2015 08/22/2013	06/15/2022 01/25/2035
		†		2	11FE	999.805	99.8290	998,290	1.000.000	999,614		(236)			1.450	1.520		644	14.500	06/11/2014	05/15/2019
83611M-GS-1	SOUNDVIEW HOME 2005-0PT3 A4			23	1FM	124,598	99.8690	130,793	130,965	130,815		1,061			0.722	1.209	MON	11	650	09/28/2011	11/25/2035
	SYNCHRONY CC MASTER 2014-1 A	1		2	1FE	4.498.752	99.6800	4,485,600	4,500,000	4.499.209		411			1.610	1.625	MON	3,220	72,450	11/14/2014	11/16/2020
87165L-AP-6.	SYNCHRONY CC MASTER 2015-3 A			2	1FE	1,499,798	99 . 2050	1,488,075	1,500,000	1,499,816		18			1.740	1.751	MON	1,160	5,438	09/25/2015	09/15/2021
98160Q-AD-4.				2	1FE	999,863	99.5970	995,970	1,000,000	999,914		43			1 . 140	1 . 147	MON	507	11,400	10/22/2014	01/15/2020
3599999 -	Bonds - Industrial and Miscella	aneous	(Unaf	ffiliated)	- Other																
	Loan-Backed and Structured Se	ecuriti	ies			41,772,757	XXX	42,122,316	68,395,138	41,879,360		(34,438)			XXX	XXX	XXX	32,755	555,513	XXX	XXX
3899999 -	Bonds - Industrial and Miscella				- Subtotals	206.331.183	XXX	205.643.368	231.895.804	205.898.539		(589.186)			XXX	XXX	XXX	1.305.607	5.314.583	XXX	XXX
2000000 201 4	 Industrial and Miscellaneous GENERAL ELECTRIC CAPITAL CORP. 		allill		I1FE	,,	104.4300	,,	4,000,000	4,176,575		()						, ,	255,000	10/08/2014	
	Bonds - Hybrid Securities - Iss		Ligat	13	IFE	4.335,000	XXX XXX	4,177,200	4.000.000	4.176.575		(89,540) (89,540)			6.375 XXX	3.900 XXX	MN	32,583	255,000	XXX	11/15/2067 XXX
	Bonds - Hybrid Securities - Iss				rition	4,335,000	XXX	4,177,200	4,000,000	4,176,575		(89,540)			XXX	XXX	XXX	32,583	255,000	XXX	XXX
7700000 -	Bonds - Total Bonds - Subtotals	e - lee	s - IIy	hliastion	111103	154.943.957	XXX	155.855.671	206,607,206	155,112,270	(94,207)	(73.758)			XXX	XXX	XXX	1,573,767	4.648.824	XXX	XXX
7899999 -	Bonds - Total Bonds - Subtotals	s - Res	sident	tial Morto	ane-Backed	104,040,001	AAA	100,000,011	200,007,200	100,112,270	(34,201)	(73,730)			AAA	AAA	AAA	1,070,707	4,040,024	AAA	AAA
7000000	Securities Securities	5 1100	o i doiit	crai mortge	адо Баокоа	96,620,037	XXX	99,288,096	94,294,026	97,178,401		(100,764)			XXX	XXX	XXX	293,885	2,812,347	XXX	XXX
7999999 -	Bonds - Total Bonds - Subtotals Securities	s - Con	mmerci	ial Mortgaç	ge-Backed	26,614,688	XXX	25,684,540	25,313,844	25,894,511		(443.250)			XXX	XXX	XXX	102.504	1,061,899	XXX	XXX
8099999 -	Bonds - Total Bonds - Subtotals	s - Oth	her Lo	oan-Backed	and			.,,		, ,		1 - 7 7						,,,,			
	Structured Securities					42,325,151	XXX	42,687,038	68,945,429	42,428,361		(34,584)			XXX	XXX	XXX	38,477	582,325	XXX	XXX
																					
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8399999	Subtotals - Total Bonds					320,503,834	XXX	323.515.344	395,160,505	320.613.543	(94, 207)	(652, 356)			XXX	XXX	XXX	2,008,633	9.105.395	l xxx	XXX

SCHEDULE D - PART 2 - SECTION 1

								Shov	wing All PRE	FERRED S	FOCKS Owne	ed December 31	of Current Year							
1	2	Co	des	5	6	7	8	Fair '	Value	11		Dividends			Change in E	Book/Adjusted Carryin	g Value		20	21
		3	4		Des		Dools!	9 Rate Per Share	10		12	13	14	15	16	17 Current Year's	18 Total	19 Total Foreign		
				Number	Par Value	Rate	Book/ Adjusted	Used to Obtain			Declared	Amount Received	Nonadmitted Declared	Unrealized Valuation	Current Year's	Other-Than- Temporary	Change In	Exchange Change	NAIC	
CUSIP	Description	0-4-		Of	Per	Per Share	Carrying	Fair	Fair	Actual	but	During	But	Increase/	(Amortization)	Impairment	B./A.C.V.	In D (A C) (Desig-	Date
Identification 00080T-20-8	Description CD0 - ACA ABS 2002-1 LTD	Code	Foreign		Share	Snare	Value	Value	Value	Cost	Unpaid	Year	Unpaid	(Decrease)	Accretion	Recognized	(15+16-17)	B./A.C.V.	nation P6UZ	Acquired06/29/2002
000808-20-4	CDO - ACA ABS 2002-1 LTD		R	2,000,000.000	0.75					-	†								P6UZ	11/13/2012
000000-20-4	GDO - AGA ABO 2004-1 L1D	• • • • • • • • • • • • • • • • • • • •	V	10 ,000 ,000 .000	1,000.00						†	1	l) 002	11/13/2012
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8999999 Total	Preferred Stocks						1	l xxx	1	1	1	1	I		1	1	I	1	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2 Showing all COMMON STOCKS Owned December 31 of Current Year

						Show	ing all COMMO	ON STOCKS	Jwned December	31 of Current Year	•						
1	2	Co	odes	5	6	Fair Va	alue	9		Dividends			Change in Book/A	djusted Carrying Value	!	17	18
QUQID		3	4	Number	Book / Adjusted Carrying	7 Rate per Share Used To Obtain	8	A-6I	10	Amount	12 Nonadmitted	13 Unrealized Valuation	14 Current Year's Other-Than- Temporary	15 Total Change in	16 Total Foreign Exchange	NAIC Market	Data
CUSIP Identification	Description	Cada	Faraian	Number of	Value	Fair Value	Fair Value	Actual	Declared	Received During Year	Declared	Increase/	Impairment	B./A.C.V.	Change in B./A.C.V.	Indicator	Date
identification	Description	Code	Foreign	Shares	value	value	value	Cost	but Unpaid	During Year	But Unpaid	(Decrease)	Recognized	(13-14)	B./A.C.V.	(a)	Acquired
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	al Common Stocks					XXX										XXX	XXX
9899999 Tota	al Preferred and Common Stocks					XXX										XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues , the total \$ value (included in Column 8) of all such issues \$

				nowing All Long-Term Bonds and Stocks ACQUIRED During Current				
1	2	3	4	5	6	7	8	9
CUSIP					Number of	Actual		Paid for Accrued
Identification	Description	Foreign	Date Acquired	Name of Vendor	Shares of Stock	Cost	Par Value	Interest and Dividends
36179Q-6P-1	GNMA POOL II MA2678.	roreign	04/09/2015	MORGAN STANLEY & CO LLC.	XXX	10.799.037	10,226,966	20,880
36179R-BX-6	GNMA POOL II MA2754		04/09/2015	GOLDMAN SACHS	XXX	14,257,266	13,500,000	27,563
36179R-NX-3	GNMA POOL II MA3106.		<u>09/16/2015</u>	DAIWA CAPITAL MARKETS AMERICA	XXX	9,577,969	9,000,000	20,000
0599999 - Bonds - L 04777L - AC - 0	J.S. Governments TATL GA STD HSG REV ADA/CAU		11/05/0015	MADIONIC	XXX	34,634,272	32,726,966 100,000	68,443
13033W-A9-4	CA INFRA ECON CABS SERIES A		11/25/2015 10/05/2015	VARIOUSNATIONAL FINANCIAL SERVICES CO	XXX		100,000	
13033W-B3-6	CA INFRA ECON CABS SERIES A.		10/.05/.2015	VARIOUS.	XXX			
13033W-B4-4	CA INFRA ECON CABS SERIES A		10/.05/.2015	NATIONAL FINANCIAL SERVICES CO.	XXX		150,000	
13033W-B5-1 13033W-B6-9	CA INFRA ECON CABS SERIES A		10/05/2015	VARIOUS NATIONAL FINANCIAL SERVICES CO	XXX		240,000 2,660,000	
20786L -CW-9	CONNECTOR 2000 CABS B.		11/.25/.2015 05/.12/.2015	VARIOUS.	XXX		750,000	
20786L - CY - 5	CONNECTOR 2000 CABS B		05/12/2015	VARIOUS	XXX		100,000	
254839 -P8 -0	DC REV - FRIENDSHIP ACAD PCS		06/30/2015	BAIRD (ROBERT W.) & CO. INC	XXX	140,000	140,000	1,142
254839-P9-8 254839-Q2-2	DC REV - FRIENDSHIP ACAD PCS		06/30/2015	BAIRD (ROBERT W.) & CO. INC	XXX	950,000	950,000 1.550.000	8,181
3128MJ-XF-2	FHLMC G08677		06/30/2015 12/30/2015	BANC OF AMERICA SECURITIES LLC.	XXX	1,550,000 4,500,330	4,263,190	13,697 14,211
31418B-VG-8	FNMA POOL 2414		09/29/2015	BANC OF AMERICA SECURITIES LLC	XXX	3,543,039	3,400,000	9,586
453419-CB-7	INDEP CTY AR HYDRO SUB SER B.		08/Q1/2015	VARIOUS	XXX		100,000	
541589-BN-6 541589-BT-3	LOMBARD FACS 1ST TIER SER A-2		07./20/2015	VARIOUS.	XXXXXX		7,160,000	
541589-B1-3 541589-BZ-9	LOMBARD FACS 1ST TIER SER A-2		08/.01/2015 08/.01/2015	VARIOUSVARIOUS	XXX		1,625,000 10,640,000	
546279 -RK -8.	LA GOV BATON RGE ST HSG-SER A		04/24/2015	NATIONAL FINANCIAL SERVICES. LLC	XXX		255,000	
60535R-AH-1	MS HOME MS VALLEY ST HSG 8A		11/.02/.2015	VAR LOUS.	XXX		20,000	
685624-AR-9	ORCHARD TX HGR ED NYOS SER A		08/31/2015	NORTHLAND SECURITIES, INC.	XXX.	96,000	100,000	244
72177M-BX-4 745272-DG-6	PIMA CTY AZ INDL BELL CANYON PR ENVIR POLYTECH UNIV SER A		10/20/2015 12/22/2015	MS HOWELLS & CO MS HOWELLS & CO.	XXX	53,100 2,048,113	60,000 2,180,000	1,433
864768-ND-4	SUFFOLK CTY NY-DOWLING COLL SER A		11/19/2015	NORTHLAND SECURITIES, INC.	XXX	2,040,110		
					XXX		1,635,000	
3199999 - Bonds -	U.S. Special Revenue and Special Assessment and all	Non-Guaranteed Obligation	ns of Agencies and	NAKTOUS. Authorities of Governments and Their Political Subdivisions		12,880,583	38,333,190	79,107
6AMCD9-1K-4 009088-AB-1	BANK OF HAWAII		07./01/2015 12/01/2015	ADJUSTMENT MORGAN STANLEY.	XXXXXX			
009090-AB-7	AIR CANADA 2015-2A FIT		03/11/2015	MORGAN STANLEY	XXX	1,000,000	1,000,000	
020002-AV-3	ALLSTATE CORPORATION		02/19/2015	BARCLAYS CAPITAL INC FIXED INC.	XXX	531,875	500,000	8,422
023770-AB-6	AMERICAN AIRLINES 15-1 B PTT		03/03/2015	VAR LOUS.	XXX	1,400,000	1,390,000	
02377B-AC-0 025816-AU-3	AMERICAN AIRLINES 15-2 B PTT AMERICAN EXPRESS COMPANY		09/10/2015 10/01/2015	MORGAN STANLEY WELLS FARGO SECURITIES LLC	XXX	1,500,000 1,518,750	1,500,000 1,500,000	9,917
038222-AH-8	APPLIED MATERIALS INC.		09/.21/.2015	MITSUBISHI UFJ SECURITIES (USA), INC	XXX	2,498,250	2,500,000	9,917
040104-GC-9	ARGENT SECURITIES INC 2004-W4		02/.05/2015	GOLDMAN SACHS	XXX	906,168	982,962	282
055451-AW-8	BHP BILLITON FINANCE LTD.	R.	10/.14/.2015	GOLDMAN, SACHS & CO.	XXX	3,000,000	3,000,000	
05565Q-DA-3	BP CAPITAL MARKETS PLC	R	03/12/2015	BARCLAYS CAPITAL INC FIXED INC.	XXXXXX	1,500,000	1,500,000	4 220
05950E-AH-1 07384M-7C-0	BEAR STERNS ARM TR 2005-2 A1.		06/.04/2015 03/.09/2015	DEUTSCHE BANK SECURITIES, INC STIFEL NICOLAUS & CO	XXX	1,085,086 941,371	1,045,000	1,338 769
07387J-AG-1	BEAR STEARNS CMS 2006 PWR12		11/.13/.2015	BARCLAYS CAPITAL INC FIXED INC.	XXX	508,125	500,000	1,402
139738-AD-0	CAPITAL AUTO REC TR 2015-2 A3.		05/.13/2015	BARCLAYS CAPITAL INC FIXED INC.	XXX	2,999,939	3,000,000	
13975G-AF-5 13975K-AC-3	CAPITAL AUTO REC TR 2014-1		09/15/2015 01/22/2015	CITIGROUP GLOBAL MARKETS INC	XXX	2,539,063	2,500,000 1,500,000	5,522
13975K-AC-3	COLUMBIA PIPELINE GROUP, INC.		05/.19/2015	SCOTIA CAPITAL USA INC.	XXX	1,499,613 648,830		
2027A0-HR-3	COMMONWEALTH BANK AUSTRALI	R	12/02/2015	GOLDMAN, SACHS & CO.	XXX	1,496,895	1,500,000	
24703B-AD-7	DELL EQUIP FINANCE 2015-1.		04/.15/2015	MLPFS INC FIXED INCOME.	XXX	1,099,870	1,100,000	
26207W-AE-5	DRIVE AUTO RECEIVE TR 2015-DA ELECTRICITE DE FRANCE SA		09/23/2015	RBC CAPITAL MARKETS	XXX	3,999,939	4,000,000 1,700,000	
268317 - AN - 4 26884A - BD - 4	ERP OPERATING LP.		10/.07/.2015 05/.11/.2015	MITSUBISHI UFJ SECURITIES (USA), INC	XXX	1,685,635 944,775	950,000	
26884U-AB-5	EPR PROPERTIES		03/09/2015	CITIGROUP GLOBAL MARKETS INC.	XXX	996,380	1,000,000	
32027N-PG-0	FIRST FRANKLIN 2004-FFH4 M5.		02/09/2015	DEUTSCHE BANK SECURITIES, INC.	XXX	1,992,500	2,000,000	1,646
320517-AB-1	FIRST HORIZON NATIONAL CORP		10/.26/.2015	MORGAN STANLEY & CO LLC	XXX	1,995,160	2,000,000	
32113C-BH-2 34530J-AF-3	FIRST NATL MASTER NT 2015-1 A FORD CREDIT AUTO LEASE 2014-A		09/.10/.2015 04/.20/.2015	RBC CAPITAL MARKETS CITIGROUP GLOBAL MARKETS INC	XXXXXX	1,500,000 900,070	1,500,000 900,000	727
35671D-BD-6	FREEPORT-MCMORAN INC.		02/12/2015	BARCLAYS CAPITAL INC FIXED INC	XXX	1,464,060	1,500,000	232 15,141
362341-RX-9	GSR MORT LOAN TR 2005-AR6 2A1		05/01/2015	SOUTHWEST SECURITIES.	XXX	840,953		1,397
40414L-AP-4	HCP INC.			BANC OF AMERICA SECURITIES LLC.	XXX	1,194,924	1,200,000	
404280 - AU - 3	HSBC HOLDINGS PLC.	R	08/.10/2015	HSBC SECURITIES INC	XXX	1,487,700	1,500,000	

SCHEDULE D - PART 3

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

CUSIP Identification Description Foreign Date Acquired Shares of Shock Cost Par Value Part of Account	1	2	3	4	nowing All Long-Term Bonds and Stocks ACQUIRED During Current Year 5	6	7 1	8	
Destrictation	'		"	7	j –		'	0	j j
Description Description Foreign Date Acquired Name of Vendor Shares of Stock Cost Par Value Interest and Divided 14/367-6-14. Mills 10/36 20/36/16 20/	CLISIP					Number of	Actual		Paid for Accrued
### 1987-4-9-1 HORSE CORP MORN STREET XXX 350,000 359,00		Description	Foreign	Date Acquired	Name of Vendor			Par Value	
Access-Free			1 Oreign						Interest and Dividends
### 1999-467 JAHN EDBE ONDER TRIST 2015-6 0.9017/2015 REC (PFTIAL MARCETS) 1.909-467 2.000.000 ### 1999-467 1.909-461 1.909-467 1.90		IDM COMM MODE TO 2006 LDDG AA					2 278 888	າ າດາ າຣດ	6.655
Sendy-7-3-6 WERFILL LYUM-RLC 2007-E-41, 637(27):915 SE SENGERIES ILC XXX 190, 68 599 96		I JUNI DEEDE OWNED TOLICT 2015 D		00/01/2015	INDICAN STANLLI			2 000 000	0,033
56976-901 M. CPF CORP FOUND M. CPF CORP M. CPF C									30
PRINCIPATION PRIN	50217G_RO_1	METI I E GLORAL FUNDING I							
6791-179-12 MICROS METALLET DATA 2015 MICROS STALET DATA 2015 MICROS METALLET DATA 2015									5.488
BOSSTY-AR- MOREA DAM, AB R D0/09/2015 DREDT SUISS SCIURTIES (USA) XXX 2,90 60 3,000,000					MARCAN STANIEV				
626994-M-3, 006KP PRTNERS LP			R		CREDIT SHISSE SECHRITIES (HSA)				
6840X-98-9-2. DF (AF MRT LDAN 003-3.41 D4/22/2015 CREDIT CREDIT CREDIT CREDITS D48,87.32 T7440W-AT-7 FRANKFER COMPRIST NU D155 D10 2.000 000 D10 000 D		ONEOK PARTNERS IP			VARIOUS		1 1/2 515	1 140 000	253
Application Application		OPT ONE MORT LOAN OO3-3 A1			CITIGROUP GLOBAL MARKETS INC				200
BRYGRE-NR-0 DERKY TRANSFER EQUITY LP			l		CREDIT SUISSE SECURITIES (USA)		2 000 000	2 000 000	
87161-4P-6. SYNOHROW CW MSTER 2015-3 A. 0.02152/2015. BARCLARS CAPITAL INC FLED INC. XXX 1.499.798 1.500.000 B9400P-4E-3 TRANSJERBN FINANCE COMPANY R. 10727/2015 SCLDMM, SNCHS & 0.03.102.2015 SCLDMM, SNCHS & 0.000 D. 3899999 - Bonds - Industrial and Miscel larecous (Uniform Company Com							1 998 100	2 000 000	
872330-A8-4 TC PIFELINES IP 0.03/10/216 BW/SARTRIST CAPITAL MARKETS	87165L-AP-6	SYNCHRONY CC MASTER 2015-3 A			BARCLAYS CAPITAL INC FIXED INC				
89400P-4E-3 TRANSJERBA FININKE COMPANY R 107(27)(210.5 SQLDMAN, SACHS & CO. XXX				03/10/2015	BNY/SUNTRUST CAPITAL MARKETS			1 500 000	
September Sept	89400P-AF-3	TRANSURBAN FINANCE COMPANY	R	10/27/2015	GOLDMAN SACHS & CO			665,000	
1899999 - Bonds - Vibratial and Wiscellaneous (Inaffiliated) 172,210,824 17,193,682 189999 - Bonds - Subtotals - Bonds - Part 3 119,725,679 143,253,619 189999 - Bonds - Subtotals - Bonds - Bon									
8399997 - Bonds - Subtotals - Bonds - Part 3					MEECO 178800				58.496
8389999 - Bonds - Summary Item Trom Part 5 for Bonds 115.512,275 69.239.553 8389999 - Bonds - Subtotals - Bonds 135.237,954 212,493.372 7						+			206,045
839999 - Bonds - Subtotals - Bonds - 135,237,954 212,493,372 3						+			
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	9999999 Totals		1	1			135,237,954	XXX	212,942

Showing all Long-Term Bonds and Stocks SOLD , REDEEMED or Otherwise DISPOSED OF During Curi	ant Voor

					Showing al	Long-Term I	Bonds and S	tocks SOLD, F	REDEEMED o			Ouring Current `	Year						
1	2 3	3 4	5	6	7	8	9	10		Change in E	Book/Adjusted Ca	arrying Value		16	17	18	19	20	21
		=							11	12	13	14	15						1 1
											0			Do-de/				Donal	1
								Prior Year	Unrealized		Current Year's Other-Than-		Total Foreign	Book/ Adjusted	Foreign			Bond Interest/Stock	Stated
CUSIP		i		Number of				Book/Adjusted	Valuation	Current Year	Temporary	Total Change in	Exchange	Carrying Value	Exchange Gain		Total Gain	Dividends	Contractual
Identi- fication	Description r	Disposal Date	Name of Purchaser	Shares of Stock	Consideration	Par Value	Actual Cost	Carrying Value	Increase/ (Decrease)	(Amortization)/	Impairment	B/A. C.V. (11+12-13)	Change in B/A, C.V.	at Disposal Date	(Loss) on Disposal	(Loss) on Disposal	(Loss) on Disposal	Received During Year	Maturity Date
36179M-K8-2	GNMA POOL II MAO319.	12/21/2015	DIRECT	Stock	307,957	307,957	330,717	330,864	(Decrease)	Accretion (22,907)	Recognized	(22,907)	B/A. C.V.	307,957	Disposai	Disposal	Disposai	6,449	08/20/2042
36179Q-6P-1 36179Q-RZ-6	. GNMA POOL II MA2678	12/21/2015 04/20/2015	DIRECTVARIOUS		838,357	838,357 10,933,470	885,253 11,739,813	11,730,488		(46,896) (79,146)		(46,896) (79,146)				(49,446)	(49,446)	12,005	03/20/2045
36179Q-T5-0	GNMA POOL II MA2372	04/20/2015	VARIOUS.		14,842,877	13,970,961	15,012,235	14,998,264		(91,576)		(91,576)		14,906,688		(63,811)	(63,811)	215,164	11/20/2044
36179Q-WF-4_ 36179R-BX-6_	GNMA POOL II MA2446	09/20/201512/21/2015	VARIOUS DIRECT		15,263,655 768,488	14,500,000 768,488	15,578,438 811,595	15,574,197		(222,117)		(222,117) (43,107)		15,352,080 768,488		(88,425)	(88,425)	399,409	
36179R-NX-3_	GNMA POOL II MA3106	12/21/2015	DIRECT		128,518	128,518	136,772			(8,253)		(8,253)		128,518				1,015	09/20/2045
36200A-BE-8 36200A-CW-7	GNMA POOL 595037	12/15/2015 12/15/2015	DIRECT		926	926 28,022	954 28,854	948		(22)		(22)		926		 		33	10/15/2032
36200E-TY-7	GNMA POOL 599167	12/15/2015	DIRECT		3,267	3,267	3,363	3,331		(64)		(64)		3,267				106	12/15/2033
	GNMA POOL 604018	12/15/2015 12/15/2015	DIRECT		206,525	206,525	212,511	211,342		(4,817) (124)		(4,817) (124)		206,525		 		6,262	02/15/2033
36200Q-2R-4		12/15/2015	DIRECT		5,165	5, 165	5,319	5,302		(137)		(137)		5,165				172	02/15/2032
	GNMA POOL 570142	12/15/2015 12/15/2015	DIRECT		3,539	3,539 287	3,644			(95)		(95)						124 15	12/15/2031
36200S-US-7	GNMA POOL 571293	12/15/2015	DIRECT		946	946	974	982		(36)		(36)		946				25	11/15/2031
	GNMA POOL 577422	12/15/2015 12/15/2015	DIRECT		269	269 11,977	277	276		(7)		(7)						8 288	01/15/2032
	. GNMA POOL 580607	12/15/2015	DIRECT		1,901	1,901	1,958	1,948		(47)		(47)		1,901 57		ļ		48	02/15/2033
36201Y-FD-3	GNMA POOL 606864	12/15/2015 12/15/2015	DIRECT		2.407	2,407	2,479	2,470		(2)		(2)		2.407				120	04/15/2033
	GNMA POOL 429788	12/15/2015 12/15/2015	DIRECT			8,978 105	9,244	9,262		(284)		(284)				ł		347	12/15/2033
	GNMA POOL 493343.	12/15/2015	DIRECT		48	48	50	49		(2)		(1)		48				2	06/15/2033
	. GNMA POOL 562469	12/15/2015 12/15/2015	DIRECT		174,549	174,549 4,866	175,442	174,990 4,956		(442)		(442)		174,549 4,866		ł		6,776 146	02/15/2034
36213T-GW-7	. GNMA POOL 563713	12/15/2015	DIRECT		4,866	6,455	6,646	6,611		(90) (157)		(90) (157)		6,455				233	01/15/2033
36213U-EZ-9	GNMA POOL 564552	12/15/2015 12/15/2015	DIRECT							(2)		(2)				ł		2	12/15/2031
36290X-PM-6		12/15/2015	DIRECT		12,513	12,513	12,885	12,921		(408)		(408)		12,513				283	09/15/2033
	GNMA POOL 620634	12/15/2015 12/15/2015	DIRECT		1,383	1,383	1,424	1,410 52		(27)		(27)		1,383 51	ļ	ł		45	09/15/2033
36291C-PV-1_	GNMA POOL 624236	12/15/2015	DIRECT		2,428	2,428	2,500	2,481		(53)		(53)		2,428				59	12/15/2033
36291E-AD-3 36291E-AV-3	. GNMA POOL 625604	12/15/2015 12/15/2015.	DIRECT	-	1,028 472	1,028 472	1,058 486	1,056		(29)		(29)		1,028 472		ł		53	12/15/2033
36296X-H8-0	GNMA POOL 704155.	12/15/2015	DIRECT		1,596,343	1,596,343	1.645.730	1,646,203		(49,860)		(49,860)		1,596,343				47,414	01/15/2039
	GNMA GNR 2008-6 EC	08/20/2015	DIRECT	-	2,222,607 1,578,355	2,222,607 1,578,355	2,355,963 1,737,423	2,227,066 1,601,199		(4,459)		(4,459)		2,222,607 1,578,355		 			08/20/2032
38376W-6C-4	GNMA GNR 2010-33 LN	12/21/2015	DIRECT		247,834	247,834	264,563	261,419		(13,585)		(13,585)		247,834				5,941	02/20/2038
	Bonds - U.S. Governments ANDALUSIA-OPP ARPT AUTH SERIES A	12/15/2015	VARIOUS	1	49,879,251 1,810,000	47,575,254 1,810,000	50,990,739	48,860,014		(612,701)		(612,701) 50,317		50,080,933		(201,682)	(201,682)	938,397 118,404	XXX 08/01/2026
13078S-AG-3_	CA HLTH MTN SHADOWS SERIES B.	07/01/2015	VARIOUS.		215,000	215,000	190,813	191,658		207		207		191,866		23,134	23,134	8,000	07/01/2031
20786L -DC -2 20786L -DV -0	CONNECTOR 2000 CABS A	01/01/2015 01/01/2015	MATURITYREDEMPTION	-	64,509	64 , 509 59 , 601	54,410 745	64,509		1		<u> </u>				13.886	13.886		01/01/2015
245589-BK-1	DELANO CMNTY-REF-A.	04/01/2015	VARIOUS		106,050	105,000		99,875		5,125		5,125		105,000		1,050	1,050	2,625	09/01/2038
30711X-AC-8 31359S-2G-4	CONNECTICUT AVE 2014-C01 M1	12/25/2015	VARIOUS.	<u> </u>		622,846 12,021	622,846	622,846				<u> </u>		622,846		<u> </u>		6,189 393	01/25/2024
	FNMA POOL 580078	12/28/2015	VARIOUS.		360	360	370	367		(7)		(7)		L360		ļ			09/01/2031
3138XU-VB-5_		12/28/2015 05/25/2015	DIRECTVARIOUS.		1,297,617 5,355,355	1,297,617 5,023,546	1,386,677 5,375,194	5,374,562		(89,059)		(89,059) (18,341)		1,297,617 5,356,221		(866)	(866)		12/01/2044
3138Y6-MM-3 31393W-K4-0	FNMA POOL AX4863	12/28/2015 12/15/2015.	DIRECT		1,293,583	1,293,583 1,235,980	1,384,740 1,114,699	1,384,402 1,192,915		(90,819) 43,065		(90,819) 43,065		1,293,583 1,235,980		ļ		32,917 39,639	12/01/2044
31394D-JJ-0	FNMA POOL 2005-29 QE	12/28/2015	DIRECT		720,242	720,242	647,880	692,018		28,224		28,224		720,242		ļ		25,914	04/25/2035
	FHLMC 2791 UG. FHLMC 2888 HG.	12/15/2015	DIRECT		518,715 566,653	518,715 566,653	514, 177 537, 081	516,605 557,239		2,110 9,414		2,110 9,414		518,715 566,653		ł		13,803 20,829	05/15/2019
31402D-F7-0	FNMA POOL 725690	12/28/2015	DIRECT		601,753	601,753	621,827	620,957		(19, 204)		(19,204)		601,753		İ		18,777	08/01/2034
31405R-AR-7 31407U-EK-9	FNMA POOL 796616	12/28/2015 12/28/2015	DIRECT	ļ	376,578	376,578 85,549	382,374	383,164		(6,586) (1,394	ļ	(6,586)		376,578 85,549	ļ	 		6,030 1,877	10/01/2034
31418B-VG-8_	FNMA POOL 2414	12/28/2015	DIRECT		35,084	35,084	36,560			(1,476)		(1,476)		35,084		1		213	10/01/2045
490236-BD-7 490236-BH-8.	KENT CTY DE STD HSG REF SERIES A	01/20/2015	REDEMPTION.		150,000	150,000 400,000	143,625 320,000	143,793		23		23		143,816 323,000		6,184 77,000	6,184 77,000	4 , 146	07/01/2025
515847-AZ-4	LANGSTON OK DEV LANGSTON UNIV	08/24/2015	REDEMPTION		2,000,000	2,000,000	1,950,000	1,952,925		1,320		1,320		1,954,245		45,755	45,755	81,388	05/01/2030
		05/20/2015_	REDEMPTION	tions of	25,000	25,000	24,375	24,398		6		6		24,404		596	596	955	02/15/2036
	Agencies and Authorities of Governm	ents and Their I	Political Subdivisions		17,507,786	17,219,637	17,259,490	17,386,715		(84,140)		(84,140)		17,339,134		168,652	168,652	486,761	XXX
004375-BL-4 023770-AB-6	ACCREDITED MORT LOAN 2004-3	10/01/2015 11/03/2015	VARIOUS		123,961	123,961	123,593	123,620				342		123,961 .56,884		<u> </u>		824	10/25/2034
05531F-AS-2		07/15/2015			1,904,370	1,900,000	1,897,245	1,897,282		303		303		1,897,585		6,785	6,785	28,189	

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1	2 3	3 4	5	6	'	8	9	10		Change in E	Book/Adjusted Ca	rrying value	1	16	17	18	19	20	21
	F	:							11	12	13	14	15						
		2									Current Year's			Book/				Bond	
	· ·	•						Prior Year	Unrealized		Other-Than-		Total Foreign	Adjusted	Foreign			Interest/Stock	Stated
CUSIP		Diamagal		Number of				Book/Adjusted	Valuation	Current Year	Temporary	Total Change in	Exchange	Carrying Value			Total Gain	Dividends	Contractual
Identi- fication	Description n	Disposal Date	Name of Purchaser	Shares of Stock	Consideration	Par Value	Actual Cost	Carrying Value	Increase/ (Decrease)	(Amortization)/ Accretion	Impairment Recognized	B/A. C.V. (11+12-13)	Change in B/A, C.V.	at Disposal Date	(Loss) on Disposal	(Loss) on Disposal	(Loss) on Disposal	Received During Year	Maturity Date
05565Q-CT-3	BP CAPITAL MARKETS PLC	203/12/2015	RBC CAPITAL MARKETS	Otook	1,068,204	1,060,000	1,060,000	1,060,000	(Decircuse)	71001011011	rtcoognized	(117.12.10)	Dirt. 0.V.	1,060,000			8,204	9,873	01/15/2020.
05574L - XG - 8 05578D - AE - 2	BNP PARIBAS	R09/17/2015 R 06/03/2015	BNP PARIBAS SECURITIES PERSHING LLC		2,495,900 3,019,560	2,500,000 3,000,000	2,499,425 3,013,200	2,499,575 3,009,497		135 (1,885)		135 (1,885)		2,499,710 3,007,612		(3,810)	(3,810)	34,470 39,813	
05947U-M2-1	BANC OF AMERICA COMM MORT 2005-2 A5	02/10/2015	DIRECT		2,089,391	2,089,391	2,053,724	2,085,587		3,803		3,803		2,089,391				15,385	07/10/2043.
06051G-EU-9 06738E-AD-7	BANK OF AMERICA CORP	12/01/2015 R05/18/2015	CITIGROUP GLOBAL MARKETS		526,906	525,000 700,000	520,737 697,536	521,447 697,602		362		362			ļ		5,097 10,881	24,207	
06739G-AE-9	BARCLAYS BANK PLC	210/23/2015	CITIGROUP GLOBAL MARKETS		1,080,640	1,000,000	1,113,680	1,107,690		(29,590)		(29,590)		1,078,101		2,539	2,539	54,450	12/04/2017
07383F-7W-2 07384M-7C-0	BEAR STEARNS COMM MTG 2005-PWR8 A4 BEAR STERNS ARM TRUST 2005-2 A1	12/01/2015	DIRECT		4,553,120	4,553,120 153,518	4,467,571	4,544,293						4,553,120 153,518				61,315	
073879-MC-9	BEAR STEARNS ABS BSABS 20	12/01/2015	VARTOUS	İ	178,261	178,262	171,577	178,044		(400)		(460)		178,262				1,691 783	03/25/2035
07387B-AH-6 07387B-CL-5	BEAR STEARNS COMM MORT 2005-PWR9 A4	07/11/2015	DIRECT			786,145	790,461					752 4.247							09/11/2042.
09774X-AK-8	BEAR STEARNS COMM MORT BSCMS 2005-T BOMBARDIER CAP MORT SE 1998-B M1	10/01/2015	VARTOUS.	İ	2.401.536	3,867,116	1, 178, 045	936,289				4,247				1.589.919	1.589.919	267 .264	
1248MB-AJ-4	C-BASS 2007-CB2 A2C	12/28/2015	DIRECT		147 , 177	147,177	84,354	84,354		62,822		62,822		147 , 177				3,255	02/25/2037
12513E-AG-9 12613S-AC-6	CITIGROUP DEUTSCHE BANK 2005-CD1 A4 CNH EQUIPMENT TRUST 2013-C A3	09/01/2015	VARIOUS BONY/TORONTO DOMINION SEC	<u> </u>	2,339,791	2,339,791 2,000,000	2,341,794 1,999,769	1,999,896		3,449 19		3,449		2,339,791 1,999,915		2,585	2,585	63,327 4,987	07/15/2044 08/15/2018
126171-AF-4	COMM MORTG PASS-THRU COMM 2005-C6	07/10/2015	DIRECT		5, 180, 693	5, 180, 693	5,206,242	5,180,425		268		268		5, 180, 693				96,324	06/10/2044
126671-R4-0 126671-UU-8	COUNTRYWIDE ABC 2003-5 MF	12/28/2015	DIRECT VARIOUS		57,025 140,495	57 , 025 140 , 495	37,446	37,446		19,579 22,578		19,579 22,578						1 , 169 919	
17275R-AQ-5	CISCO SYSTEMS INC.	02/05/2015	U.S. BANK		502,253	500,000	500,000	500,000									2,253	723	303/01/2019
17275R-AT-9 17307G-CU-0	CISCO SYSTEMS INC	02/09/2015 12/28/2015	VARIOUS		3,016,147	3,000,000 262,390	2,999,820 238,633	2,999,869 243,937		18.454				2,999,875 262,390		16,272	16,272	14,083 817	303/03/2017 12/25/2033
191216-AK-6	COCA-COLA CO/THE	03/30/2015	CALLS.		5,284,993	4,750,000	4,742,923	4,747,628		187		187		4,747,815		537 , 177	537 , 177	95,297	11/15/2017
20271R-AE-0 2027AO-GW-3	COMMONWEALTH BANK AUSTRALIA	R03/13/2015 R09/10/2015	HSBC SECURITIES INC	 	2,999,160 1,002,777	3,000,000 1,000,000	2,994,810	2,996,183 1,000,000		336		336	ļ				2,640 2,777	16,875	
21079U-AA-3	CONTINENTAL AIRLINES 2009-2	11/10/2015	DIRECT.			54,132	61,440			(5,360)		(5,360)				2,777		2,953	05/10/2021
224044-BH-9 254683-BJ-3	COX COMMUNICATIONS INC	10/01/2015	MATURITY		1,500,000	1,500,000	1,512,420	1,501,028		(1,028) 28		(1,028) 28				1.076	1.076	82,500 4,311	10/01/2015
263534-BQ-1	E.I. DU PONT DE NEMOURS	04/24/2015	TENDER/PURCHASE OFFER		482,679	449,000	447,446	448,630		59		59		448,688		33,991	33,991	8,709	12/15/2016
36228C-VU-4 362341-RX-9	GS MORT SEC CORP 2005-GG4 A4A	03/10/2015	DIRECTVARIOUS		3,176,552	3,176,552 164,605	3, 136, 473 165, 125	3,171,681		4,871		4,871 (519)		3,176,552 164,605				19,572	207/10/2039 309/25/2035
44890Q-AC-7	HYUNDAI AUTO REC. TRUST 2013-C A3	03/12/2015	BONY/TORONTO DOMINION SEC		601.055	600,000	599.893	599,953		(519) 		(319)				1,092	1,092	1,481	
45254N-JG-3 46115H-AN-7	IMPAC CMB TRUST 2004-5 1A1	12/28/2015	VARIOUS	ļ	318,544	318,544	288,282	294,234		24,310		24,310		318,544		(3.084)	(3.084)	1,635	
46115L-VG-0	INTESA SANPAOLO SPA	R 10/14/2015 R 10/27/2015	GOLDMAN, SACHS & CO.		651,016	650,000	656,793	654,915		(5,158)		(5,158) (3,185)		651,730		(714)	(3,064)	11,307	
46625Y-P6-4 500255-AP-9	JPM COMM MORT TR 2006 LDP6 A4	12/15/2015 05/18/2015	DIRECT.		1,831,153	1,831,153	1,889,521	2 205 542		(58,368)		(58,368)		1,831,153		0.470	6 470	70,062	
505597-AC-8	KOHLS CORPORATION		WELLS FARGO WELLS FARGO SECURITIES LLC.		3,343,290	3,000,000	3,473,520	3,385,512		(48,392)		(48,392)		3,337,120		6,170 (12,183)	6,170		
585055-BF-2	MEDTRONIC INC	R07/15/2015	MLPFS INC FIXED INCOME		1,001,250	1,000,000	998,990	998,997		84		84		999,081		2,169	2,169	15,000	03/15/2020
589929-Y3-6 59022H-NC-2	MERRILL LYNCH MLCC 2003-E A1	12/28/2015	DIRECT		3.539.525	19,613	18,694	3.535.330		919 4 . 196		919 4,196							10/25/2028 01/12/2044
60688X-AJ-9	MIZUHO BANK LTD	207/15/2015	WELLS FARGO		1,000,480	1,000,000	998,570	998,696		251		251		998,948		1,532	1,532	13,742	09/25/2017
617451-FL-8 61746S-BQ-1	MORGAN STANLEY CAP 2006-HQ8 A4 MORGAN STANLEY	12/14/2015	DIRECTMATURITY		3,783,108	3,783,108 1,000,000	4,065,215 920,520	3,908,222 980,237		(125,115) 19,763		(125,115) 19,763		3,783,108				150 ,406 7 ,523	
61747Y-DT-9	MORGAN STANLEY	04/20/2015	BNP PARIBAS		2,657,100	2,500,000	2,728,925	2,672,831		(23,597)		(23,597)		2,649,234		7,866	7,866	69,601	03/22/2017
61750W-AX-1 628530-AL-1	MORGAN STANLEY CAP 2006 IQ12 A4	12/15/2015 R08/01/2015	DIRECT VARIOUS	 	64,435	64,435	64,785	64,386 2,141,530			····		····	64,435		(78,760)	(78,760)	2,161 241,260	12/15/2043
68383N-AA-1	OPTEUM MORT ACCEPT OPMAC 2005-1	01/26/2015	DIRECT		45,212	45,212	43,054	45,173		39		39					(10,100)	30	02/25/2035
68400X-BH-2 6AMCD9-1K-4	OPT ONE MORT LOAN 003-3 A1	12/28/2015 07/29/2015	VARIOUSMATURITY				63,725 .50,000	50,000		3,798	····	3,798	ļ			+		215 75	06/25/2033 06/30/2015
71085P-BM-4	PEOPLES CHOICE HOME 2005-1 M3.	12/28/2015	VARIOUS.		582,527	582,527	573,790	577,076		5,452		5,452							01/25/2035
74153W-CE-7 759950-BG-2	PRICOA GLOBAL FUNDING 1	09/01/2015	BNY/MIZUHO SECURITIES USA VARIOUS		1,743,473	1,750,000 41,938	1,748,775 29,357	1,748,923		273 10,016		273 .10,016		1,749,197 41,938		(5,724)	(5,724)	24,675	
76112B-PB-0	RESIDENTIAL ASSET MTG RAMP 2005-RS4	09/25/2015	DIRECT		1,212,434	1,212,434	1, 130, 595	1,198,451		13,983		13,983		1,212,434				3,021	04/25/2035
81744Y-AA-4 83611M-GS-1	SEQUOIA MORTGAGE 2013-4 A1	12/28/2015	VAR10US			432,185 487,631	423,812 463,925	424,289		7,896		7,896						5,380	04/27/2043
87165B-AA-1	SOUNDVIEW HOME 2005-0PT3 A4	12/28/2015 07/15/2015	VARIOUS BANK OF NEW YORK/NATIXIS			500,000	499,565	499,620		4,512 77		4,512 77		499,697			428	1,290 8,724	08/15/2017
87165B-AB-9	SYNCHRONY FINANCIAL	05/18/2015	MERRILL LYNCH PIERCE FEN		714,168	700,000	709,233	709,122		(709)		(709) 1,844				5,755	5,755	16,217	08/15/2019
90261X-HC-9 90331H-MJ-9	UBS AG STAMFORD CT	R11/23/2015 09/11/2015	VARIOUS	<u> </u>	2,494,890	2,500,000 500,000	2,491,950 500,000	2,492,952 500,000		1,844	<u> </u>	1,844	<u> </u>			(1,950)	(1,950)	37,030	
92343V-BN-3	VERIZON COMMUNICATIONS	10/01/2015	BARCLAYS CAPITAL INC FIXED.		921,453	909,000	908,300	908,595		179		179		908,774		12,680	12,680	24,051	09/15/2016
92343V-CA-0 928668-AH-5	VERIZON COMMUNICATIONS	11/13/2015	DEUTSCHE BANK SECURITIES BNP PARIBAS			500,000	506,297 997,760	505,526 997,809		(1,090) 229		(1,090) 229		504,437		(6,562) 4,822	(6,562)	4,892 16,061	
92936M-AC-1	WPP FINANCE 2010	R12/02/2015	SCOTIA CAPITAL USA INC		1,531,695	1,500,000	1,493,580	1,494,725				563		1,495,288					09/07/2022
92976B-BN-1 92976B-DX-7	WACHOVIA BANK CMT 2005-C22 A4 WACHOVIA BANK CMT 2006 C23 AJ	09/17/2015	DIRECT		3,611,076	3,611,076 486,440	3,629,020 507,494	3,611,331		(255) (19,190)	····	(255) (19,190)	ļ	3,611,076		+		119 , 189 26 , 827	
92978P-AE-9	WACHOVIA BANK CMT 2006 C29 A4	12/17/2015	DIRECT			22,309	22,419	22,295		14		14						609	11/15/2048
	Bonds - Industrial and Miscellaneous (U Bonds - Subtotals - Bonds - Part 4	naffiliated)	·		96,775,974	93,119,909	95,320,784	92,488,740		(261,491)		(261,491)		94,575,600		2,200,373	2,200,373 2,167,344	2,320,123	XXX
039999/ - E	punus - Subtotais - Bonds - Part 4				164,163,011	157,914,800	163,571,013	158,735,470		(958, 332)	I	(958, 332)	l	161,995,667	1	2,167,344	2,107,344	3,745,281	XXX

Showing all Long-Term Bonds and Stocks SOLD. REDEEMED or Otherwise DI	SPOSED OF During Current Vear

1 2 3 4 5 6 7 8 9 10 Change in Deskription 1 1 2 13		Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year																		
Custom C	1	2 :	3 4	5	6	7	8	9	10 Change in Book/Adjusted Carrying Value						16	17	18	19	20	21
Companies Prior Paris Pr			F							11	12	13	14	15						
Spinster Spinster	Identi-	Description			Shares of	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying	Valuation Increase/	(Amortization)/	Other-Than- Temporary Impairment	B/A. C.V.	Exchange Change in	Adjusted Carrying Value at	Exchange Gain (Loss) on	(Loss) on	(Loss) on	Interest/Stock Dividends Received	Contractual Maturity
		Bonds - Summary item from Part 5 for Bo	onds	•	•	15,548,104	69,239,553	15,512,275		, ,	(277)	Ĭ	(277)		15,511,999	· ·	36,106	36,106	73,559	XXX
	8399999 - 1	Bonds - Subtotals - Bonds				179,711,116	227, 154, 353	179,083,289	158,735,470		(958,609)		(958,609)		177,507,666		2,203,449	2,203,449	3,818,840	XXX
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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 5

						Showing	all Long-Term B	onds and Sto	cks ACQUIRED D	Ouring Year and	d Fully DISPOS	SED OF During C	urrent Year							
1	2	3	4	5	6	7	8	9	10	11	1 Change in Book/Adjusted Carrying Value				17	18	19	20	21	
		F o					Par Value			Book/	12	13	14 Current Year's	15	16					Paid for
CUSIF		e i g	Date		Disposal		(Bonds) or Number of Shares			Adjusted Carrying Value at	Unrealized Valuation Increase/	Current Year's (Amortization)/	Other Than	Total Change In B./A. C.V.	Total Foreign Exchange Change in	Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss)	Interest and Dividends Received	Accrued Interest and
Identifica		n	Acquired	Name of Vendor	Date	Name of Purchaser	(Stocks)		Consideration	Disposal	(Decrease)	Accretion	Recognized	(12 + 13 - 14)	B./A. C.V.	Disposal	Disposal	on Disposal	During Year	Dividends
	7 US TREASURY N/B.		07/31/2015	VARIOUS	10/08/2015	VAR I OUS	7,800,000	7,808,938	7,809,771	7,808,082		(856)		(856)			1,690	1,690	12,341	6,896
	9 - Bonds - U.S. Governments		1 00/44/0045	IVAD LOUIO	00/00/0045	AD ILIOTMENT	7,800,000	7,808,938	7,809,771	7,808,082		(856)		(856)			1,690	1,690	12,341	6,896
	6 CA INFRA ECON CABS SERIES A	+	02/11/2015	VARIOUS.	06/08/2015 06/08/2015	ADJUSTMENT	1,230,000		·····				+	†		†				
13033W-B9	3. CA INFRA ECON CABS SERIES A.	1	05/15/2015	VARIOUS	06/08/2015	ADJUSTMENT	25,250,000													
13033W-C2	7. CA INFRA ECON CABS SERIES A	11	05/15/2015	VARIOUS.	06/08/2015	ADJUSTMENT	26.274.553													
	1 MS HOME MS VALLEY ST HSG 8A	-+	08/12/2015		09/25/2015	ADJUSTMENT	100,000 775,000		ł			-								
	7 MS HOME MS VALLEY ST HSG 8A 9 - Bonds - U.S. Special Revenue a	. 	08/20/2015				//5,000													<u> </u>
31999	Authorities of Governments a				eed Obligation	is of Agencies and	53.729.553													'
00507U-AP	6 ACTAVIS FUNDING SCS		03/03/2015	WELLS FARGO	09/12/2015	HSBC SECURITIES INC	950,000	949,953	954,703	949,957		5		5			4,745	4,745	14,488	
151020 - AR	5 CELGENE CORP		08/03/2015	DEUTSCHE BANK SECURITIES, INCCREDIT SUISSE SECURITIES	11/23/2015	MORG STANLEY	1,210,000	1,206,721	1,224,980	1,206,844		123		123			18,136	18,136	12,529	
22546Q-AV	9 CREDIT SUISSE NEW YORK	R	04/24/2015	(USA)BARCLAYS CAPITAL INC FIXED	11/23/2015	GOLDMAN, SACHS & CO	1,100,000	1,098,790	1,095,281	1,099,019		229		229			(3,738)	(3,738)	10,804	
	8 EXELON GENERATION CO LLC		01/08/2015	INC		BNY CAPITAL MARKETS, INC.	450,000	449,915	454,730	449,927		12		12			4,803	4,803	9,698	
98956P-AJ	6. FIDELITY NATIONAL INFORM			MLPFS INC FIXED INCOME	07/15/2015 07/15/2015	GOLDMAN, SACHS & CO MLPFS INC FIXED INCOME	2,000,000	1,999,160	2,009,560 1,999,080	1,999,180		20 191		20 191			10,380 89	10,380	4,275 9,425	
	9 - Bonds - Industrial and Miscellan	eous	(Unaffiliated)	<u> </u>			7,710,000	7,703,338	7,738,333	7,703,917		579		579	-	-	34,416	34,416	61,219	0.000
63999	8 - Bonds - Subtotals - Bonds	$\overline{}$	1	I			69,239,553	15,512,275	15,548,104	15,511,999		(277)		(277)			36,106	36,106	73,559	6,896
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								45 540 075	45 540 404	45 544 000		(077)		(077)			20, 100	20. 400	70 550	0.000
999999	9 Totals							15,512,275	15,548,104	15,511,999		(277)		(277)			36,106	36,106	73,559	6,896

SCHEDULE D - PART 6 - SECTION 1

1	2	3	4	5	6	liated Companies 7	8	Stock of Such Con	nnany Owner
'	2	3	4	٥	0	'	0	by Insurer on Sta	tement Date
				NAIC				9	10
				Valuation	Do Insurer's				'*
				Method (See					
				Purposes	Include				
			NAIC	and	Intangible				
			Company	Procedures	Assets				
			Code or	Manual of	Connected				
			Alien	the NAIC	with Holding				
	Description		Insurer	Investment	of Such	Total Amount of			
CUSIP	Name of Subsidiary, Controlled or		Identification		Company's	Such Intangible	Book / Adjusted		% of
Identification	Affiliated Company	Foreign	Number	Office)	Stock?	Assets	Carrying Value	Number of Shares	Outstanding
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1000000 Tot	tals - Preferred and Common Stocks							XXX	XXX

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:

 Total amount of intangible assets nonadmitted.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4 Total Amount of Intangible Assets	Stock in Lower-Tier Compa Owned Indirectly by Insurer Statement Date		
			Included in Amount	5	6	
CUSIP		Name of Company Listed in Section 1 Which	Shown in Column 7,		% of	
Identification	Name of Lower-Tier Company	Controls Lower-Tier Company	Section 1	Number of Shares	Outstandin	
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1200000 Totala Dro	eferred and Common	·		XXX	XXX	

SCHEDULE DA - PART 1

					Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year														
1	2	Codes	\Box	5 6	7	8	Ch		djusted Carrying	Value	13	14			Int	erest			21
		3	4				9	10	11	12			15	16	17	18	19	20	
CUSIP Identi- fication	Description	Code	Fo rei gn	Date Acquired Name of Vendor	Maturity Date	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.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for d Accrued Interest
31846V-80-7	FIRST AMERICAN TRS OBL CL INST Y MMF.			_12/30/2015DIRECT		3,852,439					3,852,439	3,852,439	8				N/A	9	
94975H-29-6	WELLS FARGO ADV TRS PLS CL I	@SD		.09/01/2015VARIOUS		61,884					61,884	61,884	3		0.120		N/A	7	
8899999 -	Bonds - Exempt Money Market Mut	ual Funds			_	3,914,323					XXX	3,914,323	10		XXX	XXX	XXX	15	
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9199999 T	otals			I		3,914,323					XXX	3,914,323	10		ХХХ	XXX	XXX	15	

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

SCHEDULE E - PART 1 - CASH 2 3 4 5 6 7

Depository	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	
organ Chase Bank					2,181,777	Х
N.AWashington DC					(14,231)	χ
998 Deposits in0 depositories that do not exceed the	VVV	VVV				١,
allowable limit in any one depository - Open Depositories	XXX	XXX			0.407.540	X
999 Totals - Open Depositories	λλλ	XXX			2,167,546	. 1
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1000 T.I.I.OI D		VVV			0 107 510	4
1999 Total Cash on Deposit	XXX	XXX	VVV	VVV	2,167,546	1
9999 Cash in Company's Office	XXX	XXX	XXX	XXX	297 2,167,843	+
999 Total Cash						

	TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR									
1. January	3,313,344	4. April	3,074,825	7. July	4,919,812	10. October	3,601,816			
2. February	2,538,961	5. May	1,889,724	8. August	3,079,518	11. November	4,399,296			
3. March	2,201,189	6. June	3,539,979	9. September	2,605,366	12. December	2,167,546			
		-	-	-	-	-				

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year										
1	2	3	4	5	6	7	8			
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year			
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8699999 Total Cash Equivalents

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

		1	2	Deposits F the Benefit of All Po	olicyholders	All Other Special	
St	ates, etc.	Type of Deposits	Purpose of Deposits	3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
	AL	Веровно	Beposite	ourrying value	value	Carrying value	value
	AK						
3. Arizona	AZ						
4. Arkansas	AR						
 California 	CA						
	CO						
	t CT						
	DE						
9. District of C	Columbia DC						
10. Florida	FL		DOD (5: : 1.0			04.004	
11. Georgia	GA	ST	RSD for Financial Guaranty			61,884	61,8
12. Hawaii	HI		-				
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN		-				
	IA						
	KS	ļ					
	KY	ļ					
20. Maina							
	MD	В	RSD for Financial Guaranty		2,407,032		
22. Massachus	settsMA	В	RSD for Financial Guaranty	2,407,000		101.626	98.
	MI	μ	. INOD TOT I ITIANOTAL GUALANTLY			101,020	
	MN						
25. Mississippi	MS						
	MO						
	MT						
	NE						
	NV						
	shire NH						
31. New Jersey	/ NJ						
32. New Mexic	oNM	В.	RSD for Financial Guaranty			120,281	120 ,
33. New York	NY						,
34. North Caro	lina NC	B.	RSD for Financial Guaranty			200.630	200 .
35. North Dako	ota ND		<u> </u>				
	OH						
	OK						
	OR	В	RSD for Financial Guaranty			291,307	290 ,
	nia PA		,				
	nd RI						
	olinaSC						
42. South Dake	otaSD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA	В.	RSD for Financial Guaranty			275,866	275 ,
48. Washingtor	n WA						
49. West Virgin	nia WV						
50. Wisconsin	WI	ļ					
	WY	ļ					
	Samoa AS						
	GU		RSD for Financial Guaranty			50,000	50
	PR	B	RSD for Financial Guaranty			807 , 181	795 ,
	slands VI	B	RSD for Financial Guaranty			501,575	501
	ariana Islands MP						
	CAN						
	Other Alien OT	XXX	. XXX				
59. Total		XXX	XXX	2,407,558	2,407,032	2,410,349	2,394
AILS OF WRITE	E-INS						
01.		ļ					
02.		ļ					
03.		ļ					
	maining write-ins for Line verflow page	XXX	XXX				
399. Totals (Lir	nes 5801 - 5803 + 5898)				·····		
	ibove)	XXX	XXX	1			

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