

**QUARTERLY STATEMENT**  
**OF THE**  
**National Mortgage Insurance Corporation**

**of**  
**Emeryville**  
**in the state of**  
**California**

**TO THE**  
**Insurance Department**  
**OF THE STATE OF**  
**Wisconsin**

**FOR THE QUARTER ENDED**  
**MARCH 31, 2015**

**2015**



# QUARTERLY STATEMENT AS OF MARCH 31, 2015 OF THE CONDITION AND AFFAIRS OF THE National Mortgage Insurance Corporation

NAIC Group Code 4760 , 4760 NAIC Company Code 13695 Employer's ID Number 27-0471418  
(current period) (prior period)

Organized under the Laws of Wisconsin , State of Domicile or Port of Entry Wisconsin

Country of Domicile United States of America

Incorporated/Organized June 30, 2009 Commenced Business May 4, 2013

Statutory Home Office 2100 Powell Street, 12th Floor , Emeryville, California, US 94608  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2100 Powell Street, 12th Floor  
(Street and Number)

Emeryville, California, US 94608 (855)873-2584  
(City or Town, State, Country and Zip Code) (Area Code)(Telephone Number)

Mail Address 2100 Powell Street, 12th Floor , Emeryville, California, US 94608  
(Street and Number) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2100 Powell Street, 12th Floor  
(Street and Number)

Emeryville, California, US 94608 (855)873-2584  
(City or Town, State, Country and Zip Code) (Area Code)(Telephone Number)

Internet Website Address www.nationalmi.com

Statutory Statement Contact Danielle M Mays (510)858-0408  
(Name) (Area Code)(Telephone Number)

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(E-Mail Address) (Fax Number)

## OFFICERS

Name	Title
1. <u>Bradley M Shuster</u>	<u>Chief Executive Officer</u>
2. <u>William J Leatherberry</u>	<u>Chief Legal Officer</u>
3. <u>Glenn M Farrell</u>	<u>Chief Financial Officer</u>

## VICE-PRESIDENTS

Name	Title	Name	Title
<u>John (Jay) M Sherwood, Jr.</u>	<u>President</u>	<u>Claudia J Merkle</u>	<u>EVP, Insurance Operations</u>
<u>Patrick L Mathis</u>	<u>EVP, Chief Risk Officer</u>	<u>Norman P Fitzgerald</u>	<u>SVP, Field Sales</u>
<u>Michael J Dirrane</u>	<u>Chief Sales Officer</u>	<u>Christopher G Brunetti</u>	<u>SVP, General Counsel and Secretary</u>
<u>Robert H Fore III</u>	<u>VP, Controller</u>		

## DIRECTORS OR TRUSTEES

<u>Bradley M Shuster</u>	<u>John (Jay) M Sherwood, Jr.</u>	<u>Glenn M Farrell</u>	<u>William J Leatherberry</u>
<u>Patrick L Mathis</u>	<u>Claudia J Merkle</u>		

State of California  
 County of Alameda ss

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

<u></u> (Signature)	<u></u> (Signature)	<u></u> (Signature)
<u>Bradley M Shuster</u> (Printed Name)	<u>Christopher G Brunetti</u> (Printed Name)	<u>Glenn M Farrell</u> (Printed Name)
1. Chief Executive Officer (Title)	2. SVP, General Counsel and Secretary (Title)	3. Chief Financial Officer (Title)

Subscribed and sworn to before me this

5th day of May 2015  
  
 (Notary Public) Signature



b. Is this an original filing? Yes[X] No [ ]

1. State the amendment number 0

2. Date filed \_\_\_\_\_

3. Number of pages attached 0

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	208,147,231		208,147,231	194,407,839
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....19,726,794), cash equivalents (\$.....0) and short-term investments (\$.....30,426,609) .....	50,153,403		50,153,403	65,411,294
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	258,300,634		258,300,634	259,819,133
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	1,000,279		1,000,279	1,039,296
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,663,499	934	1,662,565	1,048,105
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
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 .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	1,100	1,100		1,100
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	260,965,512	2,034	260,963,478	261,907,635
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	260,965,512	2,034	260,963,478	261,907,635
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....68,236) .....	169,274	76,330
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....		
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	31,814	14,371
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	4,345	10,979
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....2,361,081 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act) .....	25,693,345	20,182,892
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	712,888	828,721
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$.....0 certified) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	12,006,185	9,731,274
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$.....0 and interest thereon \$.....0 .....		
25. Aggregate write-ins for liabilities .....	11,215,710	7,944,769
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) .....	49,833,561	38,789,336
27. Protected cell liabilities .....		
28. TOTAL liabilities (Lines 26 and 27) .....	49,833,561	38,789,336
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	2,530,000	2,530,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	300,492,345	300,492,345
35. Unassigned funds (surplus) .....	(91,892,428)	(79,904,046)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 31 \$.....0) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	211,129,917	223,118,299
38. TOTALS (Page 2, Line 28, Col. 3) .....	260,963,478	261,907,635
<b>DETAILS OF WRITE-INS</b>		
2501. Statutory Contingency Reserve .....	11,215,710	7,944,769
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	11,215,710	7,944,769
2901. ....		
2902. ....		
2903. ....		
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**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned			
1.1 Direct (written \$.....12,921,169)	6,935,964	1,903,910	13,406,621
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....869,378)	394,084	121,945	997,240
1.4 Net (written \$.....12,051,791)	6,541,880	1,781,965	12,409,381
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$.....68,236)			
2.1 Direct	103,877		83,326
2.2 Assumed			
2.3 Ceded	10,933		6,996
2.4 Net	92,944		76,330
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred	16,442,577	14,215,764	56,014,214
5. Aggregate write-ins for underwriting deductions	3,270,940	891,068	6,204,690
6. TOTAL underwriting deductions (Lines 2 through 5)	19,806,461	15,106,832	62,295,234
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(13,264,581)	(13,324,867)	(49,885,853)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	899,604	607,782	2,564,339
10. Net realized capital gains (losses) less capital gains tax of \$.....0	378,311		130,257
11. Net investment gain (loss) (Lines 9 + 10)	1,277,915	607,782	2,694,596
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(11,986,666)	(12,717,085)	(47,191,257)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(11,986,666)	(12,717,085)	(47,191,257)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(11,986,666)	(12,717,085)	(47,191,257)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	223,118,299	180,309,875	180,309,875
22. Net income (from Line 20)	(11,986,666)	(12,717,085)	(47,191,257)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(1,716)		(319)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		20,000,000	90,000,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(11,988,382)	7,282,915	42,808,424
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	211,129,917	187,592,790	223,118,299
<b>DETAILS OF WRITE-INS</b>			
0501. Statutory Contingency Reserve	3,270,940	891,068	6,204,690
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	3,270,940	891,068	6,204,690
1401. Services			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	11,322,040	4,630,313	30,882,340
2. Net investment income .....	1,186,872	1,130,011	3,558,946
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	12,508,912	5,760,324	34,441,286
5. Benefit and loss related payments .....			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	19,030,991	14,006,740	57,349,505
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....			
10. TOTAL (Lines 5 through 9) .....	19,030,991	14,006,740	57,349,505
11. Net cash from operations (Line 4 minus Line 10) .....	(6,522,079)	(8,246,416)	(22,908,219)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	21,138,783	407,435	15,349,499
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	21,138,783	407,435	15,349,499
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	34,748,114	109,678	36,606,564
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....		22,384	22,384
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	34,748,114	132,062	36,628,948
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(13,609,331)	275,373	(21,279,449)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....		20,000,000	90,000,000
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	4,873,519	(5,239,136)	1,067,520
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	4,873,519	14,760,864	91,067,520
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(15,257,891)	6,789,821	46,879,852
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	65,411,294	18,531,442	18,531,442
19.2 End of period (Line 18 plus Line 19.1) .....	50,153,403	25,321,263	65,411,294

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

20.0001				
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**Notes to Financial Statement****1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of National Mortgage Insurance Corporation (“NMIC” or the “Company”), are presented on the basis of accounting practices prescribed or permitted by the Wisconsin Office of the Commissioner of Insurance (“Wisconsin OCI”).

The Wisconsin OCI recognizes only statutory accounting practices prescribed or permitted by the State of Wisconsin for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Wisconsin Insurance Statutes. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Wisconsin. The state of Wisconsin has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, Wisconsin domiciled companies record changes in the contingency reserve through the income statement as an underwriting deduction. In NAIC SAP, changes in the contingency reserve are recorded directly to unassigned surplus.

The Wisconsin Commissioner of Insurance (the “Commissioner”) has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Wisconsin is shown below:

	<b>State of Domicile</b>	<b>Three months ended March 31, 2015</b>	<b>Year ended December 31, 2014</b>
<b>NET LOSS</b>			
(1) State basis (Page 4, Line 20, Columns 1 & 3)	WI	\$ (11,986,666)	\$ (47,191,258)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
Change in contingency reserves	WI	<u>(3,270,940)</u>	<u>(6,204,690)</u>
(3) NAIC SAP (1 - 2 = 3)	WI	<u>\$ (8,715,726)</u>	<u>\$ (40,986,568)</u>
<b>SURPLUS</b>			
(4) State basis (Page 3, Line 37, Columns 1 & 2)	WI	\$ 211,129,917	\$ 223,118,299
(5) State Prescribed Practices that increase/(decrease) NAIC SAP		—	—
(6) NAIC SAP (4 - 5 = 6)	WI	<u>\$ 211,129,917</u>	<u>\$ 223,118,299</u>

**B. Use of Estimates in the Preparation of the Financial Statements**

No significant change from year end 2014.

**C. Accounting Policy**

The Company uses the following accounting policies:

(1) - (5) No significant change from year end 2014.

(6) Loan-backed securities are valued using the retrospective method and are stated at amortized cost or fair value in accordance with their NAIC designation.

(7) - (13) No significant change from year end 2014.

**2. Accounting Changes and Corrections of Errors**

No significant change from year end 2014.

**3. Business Combinations and Goodwill**

No significant change from year end 2014.

**4. Discontinued Operations**

No significant change from year end 2014.

**Notes to Financial Statement****5. Investments****A. Mortgage Loans, Including Mezzanine Real Estate Loans**

No significant change from year end 2014.

**B. Debt Restructuring**

No significant change from year end 2014.

**C. Reverse Mortgages**

No significant change from year end 2014.

**D. Loan-Backed Securities**

(1) The Company uses widely accepted models for prepayment assumptions in valuing loan-backed securities with inputs from major third party data providers. The Company's investment policy expressly prohibits investments in mortgage-backed securities not backed by the full faith and credit of the U.S. Government, however it permits investment in other loan-backed securities including: auto loan, credit card, student loan and other highly rated loan-backed securities.

(2) The Company has not recognized any other-than-temporary impairments.

(3) The Company has not recognized any other-than-temporary impairments.

(4) All impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other than temporary impairment has not been recognized in earnings as a realized loss,

(a) The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	(59,780)
2. 12 Months or Longer	\$	(243,356)

(b) The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$	13,330,288
2. 12 Months or Longer	\$	33,241,427

(5) Management regularly reviews the value of the Company's investments. If the value of any investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the Company considers its intent to sell the security and whether it is more likely than not that the Company would be required to sell the security before recovery, extent and duration of the decline, failure of the issuer to make scheduled interest or principal payments, change in rating below investment grade and adverse conditions specifically related to the security, an industry, or a geographic area.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized capital gains (losses) in the statement of income in the period the determination is made. No other-than-temporary impairments were recognized for the quarter ending March 31, 2015.

**E. Repurchase Agreements and/or Securities Lending Transactions**

The Company does not have any repurchase agreements or securities lending transactions.

**F. Real Estate**

No significant change from year end 2014.

**G. Low-income housing tax credits ("LIHTC")**

No significant change from year end 2014.

**H. Restricted Assets**

No significant change from year end 2014.

**I. Working Capital Finance Investments**

The Company does not have working capital finance investments.



## Notes to Financial Statement

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

No significant change from year end 2014.

**7. Investment Income**

No significant change from year end 2014.

**8. Derivative Instruments**

No significant change from year end 2014.

**9. Income Taxes**

No significant change from year end 2014.

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

A. Nature of Relationships

No significant change from year end 2014.

B. Detail of Transactions Greater than ½% of Admitted Assets

The Company did not have any transactions greater than 1/2% of its admitted assets for the quarter ended March 31, 2015.

C. Change in Terms of Intercompany Arrangements

No significant change from year end 2014.

D. Amounts Due to or from Related Parties

As of March 31, 2015 and December 31, 2014, the Company reported \$12,006,185 and \$9,731,275, respectively, due to affiliated companies (NMI) and \$0 and \$1,100 due from affiliated companies (Re One), the entire amount of which is contractually obligated to be paid within 60 days after quarter-end.

E. Guarantees or Undertaking for Related Parties

No significant change from year end 2014.

F. Management, Service contracts, Cost Sharing Arrangements

No significant change from year end 2014.

G. Nature of Relationships that Could Affect Operations

No significant change from year end 2014.

H. Amount Deducted for Investment in Upstream Company

No significant change from year end 2014.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

No significant change from year end 2014.

J. Write downs for Impairment of Investments in Affiliates

No significant change from year end 2014.

K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2014.

L. Downstream Holding Company Valued Using Look-Through Method

No significant change from year end 2014.

## Notes to Financial Statement

### 11. Debt

A. Debt, including capital notes

No significant change from year end 2014.

B. Funding Agreements with the Federal Home Loan Bank (“FHLB”)

The Company has no funding agreements with the FHLB.

### 12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. Defined Benefit Plan

The Company has no defined benefit plans.

B. Narrative Description of Investment Policies and Strategies

No significant change from year end 2014.

C. Fair Value of Each Class of Plan Assets

No significant change from year end 2014.

D. Basis Used to Determine Overall Expected Long Term Rate of Return on Assets

No significant change from year end 2014.

E. Defined Contribution Plans

No significant change from year end 2014.

F. Multiemployer Plans

No significant change from year end 2014.

G. Consolidated/Holding Company Plans

No significant change from year end 2014.

H. Postemployment Benefits and Compensated Absences

No significant change from year end 2014.

I. Impact of Medicare Modernization Act on Postretirement Benefits

No significant change from year end 2014.

### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares

No significant change from year end 2014.

B. Dividend Rate of Preferred Stock

No significant change from year end 2014.

C. Dividend Restrictions

The Company's ability to pay dividends to its parent is limited by insurance laws of the State of Wisconsin and certain other states. Wisconsin law provides that the Company may pay out dividends without the prior approval of the Commissioner (“ordinary dividends”) in an amount, when added to other shareholder distributions made in the prior 12 months, not to exceed the lesser of (a) 10% of the insurer's surplus as regards to policyholders as of the prior December 31, or (b) its net income (excluding realized capital gains) for the twelve month period ending December 31 of the immediately preceding calendar year. In determining net income, an insurer may carry forward net income from the previous two calendar years that has not already been paid out as a dividend. Dividends that exceed this amount are “extraordinary dividends”, which require prior approval of the Commissioner. California prohibits dividends except from undivided profits remaining on hand over and above its paid-in capital, paid-in surplus and contingency reserves. Additionally, statutory minimum capital requirements may limit the amount of dividend that the Company may pay. For example, the State of Florida requires mortgage guaranty insurers to hold capital and surplus not less than the lesser of (i) 10% of its total liabilities, or (ii) \$100 million.

## Notes to Financial Statement

The Company has not paid or declared any ordinary dividends. In connection with its state licensing, the Company entered into commitments with the California Insurance Department, the Florida Office of Insurance Regulation, the Missouri Department of Insurance, the New York State Department of Financial Services, the Ohio Department of Insurance, and the Texas Commissioner of Insurance not to pay or declare any dividends for the three year period ending January 16, 2016. *See Note 21 - Other Items - A - Extraordinary.*

In addition to the foregoing state dividend limitations, the Company is prohibited from paying any shareholder dividends until December 31, 2015 by separate agreement with Fannie Mae and Freddie Mac (collectively the "GSE's").

**D. Dates and Amounts of Dividends Paid**

No significant change from year end 2014.

**E. Amount of Ordinary Dividends That May Be Paid**

No significant change from year end 2014.

**F. Restrictions of Unassigned Funds**

No significant change from year end 2014.

**G. Mutual Surplus Advance**

No significant change from year end 2014.

**H. Company Stock held for Special Purposes**

No significant change from year end 2014.

**I. Changes in Special Surplus Funds**

No significant change from year end 2014.

**J. Changes in Unassigned Funds**

No significant change from year end 2014.

**K. Surplus Notes**

No significant change from year end 2014.

**L. The Impact of any Restatement due to Prior Quasi-Reorganizations**

No significant change from year end 2014.

**M. The Effective Date(s) of all Quasi-Reorganizations in the Prior 10 Years**

No significant change from year end 2014.

**14. Contingencies**

No significant change from year end 2014.

**15. Leases**

No significant change from year end 2014.

**16. Information About Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

No significant change from year end 2014.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**A. Transfers of Receivables Reported as Sales**

No significant change from year end 2014.

**B. Transfer and Servicing of Financial Assets**

The Company had no transfer or servicing of financial assets.

**Notes to Financial Statement**

## C. Wash Sales

The Company had no wash sales involving transactions for securities with a NAIC designation of 3 or below, or unrated during the three months ended March 31, 2015.

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant change from year end 2014.

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant change from year end 2014.

**20. Fair Value Measurements**

## A. Inputs Used for Assets and Liabilities at Fair Value

The Company does not measure and report any assets or liabilities at fair value in the statement of financial position after initial recognition.

## B. Other Fair Value Disclosures

Not Applicable.

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

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three- levels as described below.

As of March 31, 2015

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
<b>Financial instruments - assets</b>						
Bonds	\$ 209,500,719	\$ 208,147,231	\$ 33,281,056	\$ 176,219,663	\$ —	—
Preferred stocks	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Cash, cash equivalents and short term investments	50,153,403	50,153,403	50,153,403	—	—	—
Other	—	—	—	—	—	—
<b>Total assets</b>	<b>\$ 259,654,122</b>	<b>\$ 258,300,634</b>	<b>\$ 83,434,459</b>	<b>\$ 176,219,663</b>	<b>\$ —</b>	<b>—</b>
<b>Financial instruments - liabilities</b>						
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of March 31, 2015.

The Company established a fair value hierarchy by prioritizing the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this standard are described below:

- Level 1 - Quoted prices in Active Markets for Identical Assets and Liabilities. This category includes cash and US Treasury Securities. Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 - Significant Other Observable Inputs. This category is for items measured at fair value on a recurring basis, including common stock, which are not exchange-traded. Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities; and
- Level 3 - Significant Unobservable Inputs. Unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Company has no assets or liabilities in this category.

The level of market activity used to determine the fair value hierarchy is based on the availability of observable inputs market participants would use to price an asset or a liability, including market value price observations.

**Notes to Financial Statement**

## D. Reasons Not Practical to Estimate Fair Values

Not Applicable.

**21. Other Items**

## A. Extraordinary Items

*Organizational Examination*

The Wisconsin OCI completed an Organizational Examination of NMIC on September 27, 2012. The period under exam was June 30, 2009 through June 30, 2012. The Examination did not result in any recommendations, reclassification of or adjustment to the balances reported by the company.

*GSE Approval*

The GSEs are the principal purchasers of mortgages insured by MI companies. In January 2013, the GSEs approved NMIC as a qualified mortgage insurer, and in their approvals imposed certain capitalization, operational and reporting conditions on NMIC (collectively, the GSE Approval), most of which remain in effect until they are superseded on December 31, 2015 by the effectiveness of the GSEs' final, updated PMIERS (discussed below). Until the new PMIERS are effective, NMIC is subject to ongoing compliance with the conditions in the GSE Approval as well as the GSEs' existing respective eligibility requirements.

The conditions in the GSE Approval require, among other things, that NMIC:

- maintain minimum capital of \$150,000,000;
- operate at a risk-to-capital ratio not to exceed 15:1;
- not declare or pay dividends to affiliates or to NMIH;
- not enter into capital support agreements or guarantees for the benefit of, or purchase or otherwise invest in the debt of, affiliates without the prior written approval of the GSEs; and
- not enter into reinsurance or other risk share arrangements without the GSEs' prior written approval.

The GSE Approval also includes other conditions, limitations and reporting requirements, including, among others, limits on costs allocated to NMIC under affiliate expense sharing arrangements; conditions related to risk concentration and rates of return; requirements to obtain a financial strength rating; restrictions on provision of ancillary services (i.e., non-insurance) to customers and transfers of underwriting to affiliates; notification requirements regarding change of ownership and new five percent shareholders; requirement to, at the direction of one or both of the GSEs, re-domicile from Wisconsin to another state; and provisions regarding underwriting policies and claims processing.

*Licensing*

The Company requires a certificate of authority, or insurance license, in each state or jurisdiction in which it issues insurance policies. NMIC is currently licensed in all 50 states and D.C.

As conditions of obtaining licenses in Alabama, Arizona, California, Florida, Missouri, New York, Ohio and Texas, NMIC entered into agreements with the Alabama Department of Insurance ("ALDOI"), the California Insurance Department ("CADOI"), the Florida Office of Insurance Regulation ("FLDOI"), the Missouri Department of Insurance ("MODOI"), the New York State Department of Financial Services ("NYDOI"), the Ohio Department of Insurance ("OHDOI") and the Texas Commissioner of Insurance ("TXDOI"). The agreements with the CADOI, FLDOI, MODOI, NYDOI, OHDOI and TXDOI, provide, among other things, that:

- NMIC (i) refrain from paying any dividends; (ii) retain all profits; and (iii) other than in Florida, maintain a risk-to-capital ratio not to exceed 20 to 1, for three years from the date of GSE Approval (i.e., until January 2016); and
- certain start-up compensation expenses and equity compensation in the form of stock options and restricted stock units ("RSUs") shall not be allocated to or assumed as a cost or expense by NMIC.

In its agreements with the FLDOI and NYDOI, NMIC is required to obtain the FLDOI's and NYDOI's respective prior written approvals to significantly deviate from the plan of operations and/or financial projections that were submitted to the FLDOI and NYDOI in connection with NMIC's license applications in those states.

## Notes to Financial Statement

In connection with NMIC's license applications in California, Missouri and New York, NMIH entered into agreements with the CADOI, MODOI and NYDOI requiring NMIH to contribute capital to NMIC as necessary to maintain NMIC's risk-to-capital ratio at or below 20 to 1 for three years from the date of GSE Approval. In addition, the operation plan filed with the Wisconsin OCI and other state insurance departments in connection with NMIC's license applications includes the expectation that NMIH will downstream additional capital, if needed, so that NMIC does not exceed an 18 to 1 risk-to-capital ratio. Re One is also a party to the agreement with the CADOI.

### *Regulatory Update*

State insurance regulators, through an NAIC working group, are proposing amendments to overhaul states' statutory capital requirements applicable to mortgage insurers. NMIC, along with other MI companies is working with the Mortgage Guaranty Insurance Working Group of the Financial Condition (E) Committee of the NAIC (Working Group). The Working Group will determine and make a recommendation to the Financial Condition (E) Committee of the NAIC as to what changes the Working Group believes are necessary to the solvency regulation for MI companies, including changes to the Mortgage Guaranty Insurers Model Act (Model #630). The Company has provided feedback to the Working Group since early 2013, and it supports more robust capital standards and continue to advocate for a strong capital model. The Working Group has indicated that it plans to complete its work by the end of 2015; however, discussions are ongoing and the ultimate outcome of these discussions and any potential actions taken by the NAIC cannot be predicted at this time. Given NMIC's current capital position relative to our RIF, the Company anticipates that it will be well positioned to comply with new capital requirements proposed by the NAIC when they become effective through adoption by the states.

On April 17, 2015, the Federal Housing Finance Agency (FHFA) published final updated PMIERS that will be effective on December 31, 2015 (Effective Date) for existing, GSE-approved private mortgage insurers, i.e. *Approved Insurers*. (*Italicized* terms have the same meaning that such terms have in the PMIERS, as described below.) The PMIERS establish operational, business, remedial and financial requirements applicable to *Approved Insurers*. Under the PMIER financial requirements, *Approved Insurers* must maintain *available assets* that equal or exceed *minimum required assets*, which is an amount equal to the greater of (i) \$400 million or (ii) a total *risk-based required asset amount*. The *risk-based required asset amount* is a function of the risk profile of an *Approved Insurer's* net risk-in-force, calculated by applying certain risk-based factors derived from tables set out in the PMIERS to the net risk-in-force, subject to a floor of 5.6% of total, performing, primary risk-in-force.

By March 1, 2016, each *Approved Insurer* must certify to the GSEs that it fully complies with the PMIERS as of the Effective Date. If an *Approved Insurer* meets all of the PMIERS except the financial requirements, by March 31, 2016, that *Approved Insurer* must submit a transition plan to each GSE detailing how it will comply with the financial requirements not later than June 30, 2017 (Compliance Date). The Company expects that prior to the Effective Date, NMIC will have undertaken measures to fully comply with the PMIERS financial requirements as of the Effective Date or, by March 31, 2016, NMIC will submit a transition plan to the GSEs detailing how NMIC will fully comply with the PMIERS on the Compliance Date.

#### B. Troubled Debt Restructuring: Debtors

No significant change from year end 2014.

#### C. Other Disclosures and Unusual Items

No significant change from year end 2014.

#### D. Business Interruption Insurance Recoveries

No significant change from year end 2014.

#### E. State Transferable and Non-transferable Tax Credits

No significant change from year end 2014.

#### F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2014.

#### G. Offsetting and Netting of Assets and Liabilities

The Company has no derivative, repurchase or reverse repurchase, or securities borrowing and securities lending assets and liabilities which are offset and reported net.

#### H. Joint and Several Liabilities

The Company has no joint and several liabilities.

## Notes to Financial Statement

### 22. Events Subsequent

The Company has considered subsequent events through May 5, 2015.

### 23. Reinsurance

No significant change from year end 2014.

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A-E. No significant change from year end 2014.

#### F. Risk-Sharing Provisions of the Affordable Care Act ("ACA")

The Company does not write any accident or health insurance and therefore is not subject to the ACA risk-sharing provisions.

### 25. Changes in Incurred Losses and Loss Adjustment Expenses

NMIC received its first notice of default ("NOD") and established its first reserves for insurance claims in the second quarter of 2014. NMIC has not paid any claims to date. The Company incurred claims and claim adjustment expenses of \$68 thousand and \$0 for the three months ended March 31, 2015 and 2014, respectively. There was a \$24 thousand unfavorable prior year development during the three months ended March 31, 2015. Reserves remaining as of March 31, 2015 for prior years are \$101 thousand as a result of re-estimation of unpaid claims and claim adjustment expenses. The increase in the period is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The Company's practice is to establish claim reserves only for loans in default. The Company does not consider a loan to be in default for claim reserve purposes until we receive notice from the servicer that a borrower has failed to make two consecutive regularly scheduled payments and is at least sixty days in default. The Company also reserves for claims incurred but not yet reported. However, and consistent with the industry, the Company does not establish claim reserves for anticipated future claims on insured loans that are not currently in default. The Company does not adjust premiums of policies currently in-force based on past claim activity.

### 26. Intercompany Pooling Arrangements

No significant change from year end 2014.

### 27. Structured Settlements

No significant change from year end 2014.

### 28. Health Care Receivables

No significant change from year end 2014.

### 29. Participating Policies

No significant change from year end 2014.

### 30. Premium Deficiency Reserves

No significant change from year end 2014.

### 31. High Deductibles

No significant change from year end 2014.

### 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant change from year end 2014.

### 33. Asbestos/Environmental Reserves

No significant change from year end 2014.

### 34. Subscriber Savings Accounts

No significant change from year end 2014.

### 35. Multiple Peril Crop Insurance

No significant change from year end 2014.

## **Notes to Financial Statement**

### **36. Financial Guaranty Insurance**

The Company is a monoline mortgage guaranty insurer and does not engage in the business of financial guaranty insurance.



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
  
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
  
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
  
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[ ] N/A[X]  
If yes, attach an explanation.
  
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 06/30/2012 .....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 06/30/2012 .....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 09/27/2012 .....
- 6.4 By what department or departments?  
Wisconsin Office of the Commissioner of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
  
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 7.2 If yes, give full information
  
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	.....	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
  
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ ..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?  
 14.2 If yes, please complete the following:

Yes [ ] No [X]

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?  
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
 If no, attach a description with this statement.

Yes [ ] No [X]  
 Yes [ ] No [ ] N/A [X]

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:  
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2  
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2  
 16.3 Total payable for securities lending reported on the liability page

\$ ..... 0  
 \$ ..... 0  
 \$ ..... 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Bank, N.A. ....	600 California Street, San Francisco, CA 94108 .....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?  
 17.4 If yes, give full and complete information relating thereto:

Yes [ ] No [X]

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

17.5 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	2 Name(s)	3 Address
105108 .....	First Republic Securities Co., LLC .....	111 Pine Street, San Francisco, CA 94111 .....
104973 .....	Wells Capital Management Incorporated .....	525 Market Street, San Francisco, CA 94105 .....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?  
 18.2 If no, list exceptions:

Yes [X] No [ ]

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?  
If yes, attach an explanation. Yes[ ] No[ ] N/A[X]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?  
If yes, attach an explanation. Yes[ ] No[X]
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes[ ] No[X]  
3.2 If yes, give full and complete information thereto
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes[ ] No[X]  
4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
04.2999 Total .....										

5. Operating Percentages:  
 5.1 A&H loss percent 0.000%  
 5.2 A&H cost containment percent 0.000%  
 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]  
 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0  
 6.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]  
 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

**SCHEDULE F - CEDED REINSURANCE**  
**Showing all new reinsurers - Current Year to Date**

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
			<b>NONE</b>			

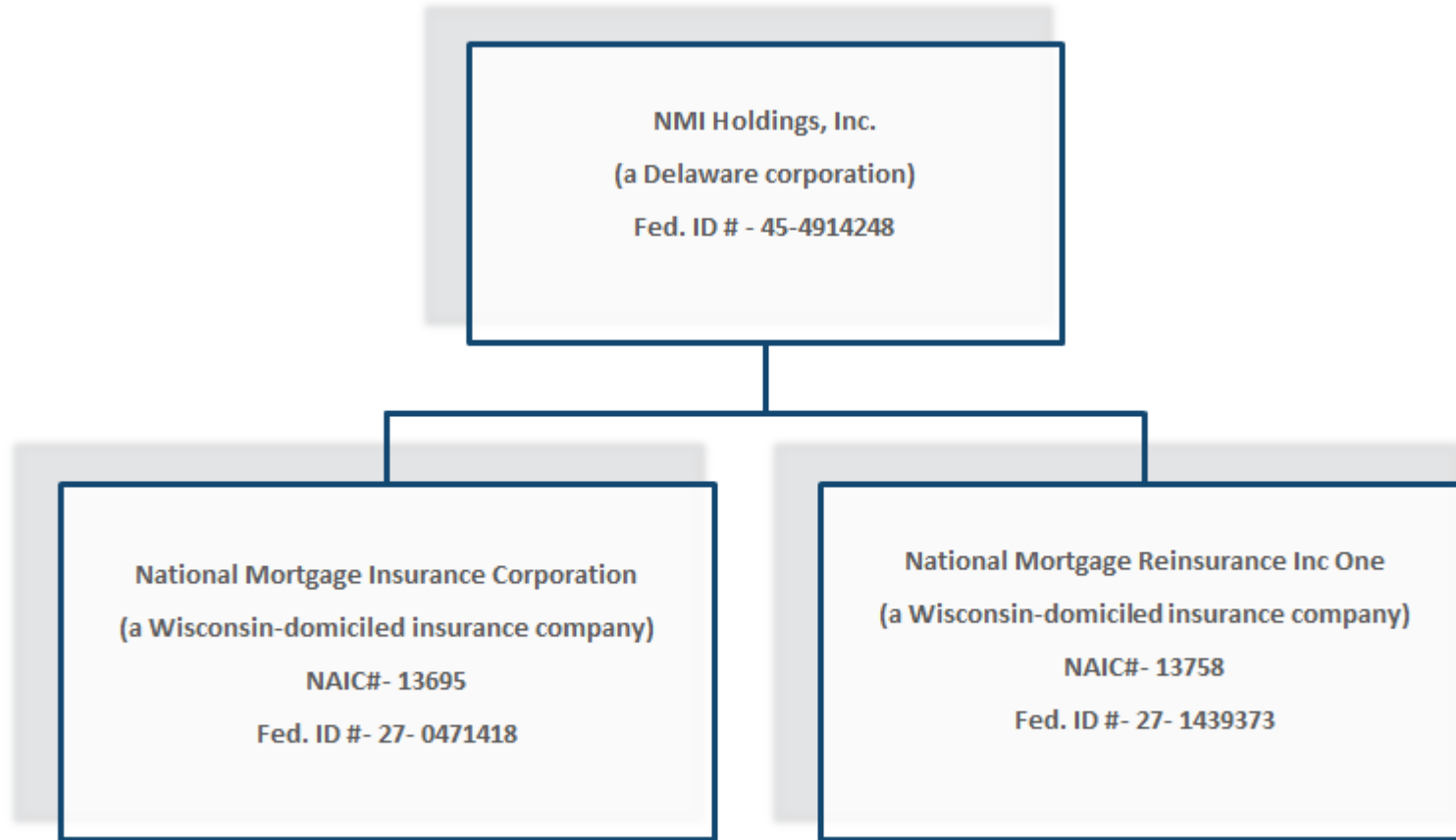
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN****Current Year to Date - Allocated by States and Territories**

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, Etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	53,123	226				
2. Alaska (AK)	L	8,068					
3. Arizona (AZ)	L	249,315	11,430				
4. Arkansas (AR)	L	30,413	198				
5. California (CA)	L	1,237,205	456,102				
6. Colorado (CO)	L	273,253	2,015				
7. Connecticut (CT)	L	78,325	953				
8. Delaware (DE)	L	5,787					
9. District of Columbia (DC)	L	1,289,959	1,394,359				
10. Florida (FL)	L	496,005	1,282				
11. Georgia (GA)	L	204,946	7,208			47,009	
12. Hawaii (HI)	L	15,137					
13. Idaho (ID)	L	40,706					
14. Illinois (IL)	L	308,270	16,028				
15. Indiana (IN)	L	54,419	28				
16. Iowa (IA)	L	73,225					
17. Kansas (KS)	L	144,204	105				
18. Kentucky (KY)	L	18,955	525				
19. Louisiana (LA)	L	36,727	1,808				
20. Maine (ME)	L	7,419					
21. Maryland (MD)	L	61,422	6,899				
22. Massachusetts (MA)	L	279,732	16,802				
23. Michigan (MI)	L	4,093,823	3,152,390			(9,882)	
24. Minnesota (MN)	L	162,140	1,644				
25. Mississippi (MS)	L	21,695	98				
26. Missouri (MO)	L	193,105	7,009			20,648	
27. Montana (MT)	L	7,250					
28. Nebraska (NE)	L	21,131	795				
29. Nevada (NV)	L	38,065	1,004				
30. New Hampshire (NH)	L	14,661					
31. New Jersey (NJ)	L	439,544					
32. New Mexico (NM)	L	18,084	1,144				
33. New York (NY)	L	92,424					
34. North Carolina (NC)	L	199,231	3,813				
35. North Dakota (ND)	L	4,962					
36. Ohio (OH)	L	464,981	2,531				
37. Oklahoma (OK)	L	49,760	5,581				
38. Oregon (OR)	L	165,482	9,798				
39. Pennsylvania (PA)	L	189,855	4,052			46,102	
40. Rhode Island (RI)	L	36,759	4,955				
41. South Carolina (SC)	L	133,782	14,165				
42. South Dakota (SD)	L	28,474					
43. Tennessee (TN)	L	129,415	1,234				
44. Texas (TX)	L	448,586	4,169				
45. Utah (UT)	L	351,033	1,820				
46. Vermont (VT)	L	3,114					
47. Virginia (VA)	L	309,125	45,197				
48. Washington (WA)	L	230,531	97				
49. West Virginia (WV)	L	6,100	57				
50. Wisconsin (WI)	L	75,279	631				
51. Wyoming (WY)	L	26,161					
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	(a) 51	12,921,169	5,178,155			103,877	
<b>DETAILS OF WRITE-INS</b>							
58001	X X X						
58002	X X X						
58003	X X X						
58998	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

(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.

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

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



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
4760	NMI Holdings Grp	00000 13695	45-4914248 27-0471418		0001547903	NASDAQ Global Market	NMI Holdings, Inc. National Mortgage Insurance Corporation	DE	UDP					
4760	NMI Holdings Grp	13758	27-1439373				National Mortgage Reinsurance Inc One	WI	RE	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	
								WI	IA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	

Asterisk	Explanation
0000001	

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	6,935,964	103,877	1.498	
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
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				
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	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	6,935,964	103,877	1.498	
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty	12,921,169	12,921,169	5,178,155
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
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			
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	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business			
35. TOTALS	12,921,169	12,921,169	5,178,155
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			



**PART 3 (000 omitted)**  
**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2015 Loss and LAE Payments on Claims Reported as of Prior Year-End	2015 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2015 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2012 + Prior .....													
2. 2013 .....													
3. Subtotals 2013 + Prior .....													
4. 2014 .....	74	3	76				101			101	27	(3)	25
5. Subtotals 2014 + Prior .....	74	3	76				101			101	27	(3)	25
6. 2015 .....	X X X	X X X	X X X	X X X			X X X	63	5	68	X X X	X X X	X X X
7. Totals .....	74	3	76				101	63	5	169	27	(3)	25
8. Prior Year-End Surplus As Regards Policyholders .....	223,118										Col. 11, Line 7 As % of Col. 1 Line 7 1..... 37.392	Col. 12, Line 7 As % of Col. 2 Line 7 2..... (100.000)	Col. 13, Line 7 As % of Col. 3 Line 7 3..... 32.370
													Col. 13, Line 7 Line 8 4..... 0.011

Q14





STATEMENT AS OF **March 31, 2015** OF THE **National Mortgage Insurance Corporation**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
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) .....		

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
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 .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points .....		
9. Total foreign exchange change in book value/recorded investment .....		
10. Deduct current year's other than temporary impairment recognized .....		
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 at end of current period (Line 13 minus Line 14) .....		

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other than temporary impairment recognized .....		
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) .....		

**NONE**

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	194,407,839	174,133,529
2. Cost of bonds and stocks acquired .....	34,748,114	36,619,688
3. Accrual of discount .....	19,127	66,647
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	378,311	130,257
6. Deduct consideration for bonds and stocks disposed of .....	21,138,783	15,362,624
7. Deduct amortization of premium .....	267,377	1,179,658
8. Total foreign exchange change in book/adjusted carrying value .....		
9. 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) .....	208,147,231	194,407,839
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	208,147,231	194,407,839

## SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	223,331,374	34,748,117	39,765,573	(230,821)	218,083,097			223,331,374
2. NAIC 2 (a) .....	24,423,792		3,915,622	(17,428)	20,490,742			24,423,792
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	247,755,166	34,748,117	43,681,195	(248,249)	238,573,839			247,755,166
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	247,755,166	34,748,117	43,681,195	(248,249)	238,573,839			247,755,166

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QS102

**SCHEDULE DA - PART 1****Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	30,426,609	X X X	30,426,609	711	

**SCHEDULE DA - Verification****Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	53,347,327	13,063,829
2. Cost of short-term investments acquired .....	4	82,072,531
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	22,920,722	41,789,033
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. 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) .....	30,426,609	53,347,327
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	30,426,609	53,347,327

**SI04 Schedule DB - Part A Verification ..... NONE**

**SI04 Schedule DB - Part B Verification ..... NONE**

**SI05 Schedule DB Part C Section 1 ..... NONE**

**SI06 Schedule DB Part C Section 2 ..... NONE**

**SI07 Schedule DB - Verification ..... NONE**

**SI08 Schedule E - Verification (Cash Equivalents) ..... NONE**

**E01 Schedule A Part 2 . . . . . NONE**

**E01 Schedule A Part 3 . . . . . NONE**

**E02 Schedule B Part 2 . . . . . NONE**

**E02 Schedule B Part 3 . . . . . NONE**

**E03 Schedule BA Part 2 . . . . . NONE**

**E03 Schedule BA Part 3 . . . . . NONE**



## SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
912828G38	UNITED STATES TREAS NTS		02/11/2015	VARIOUS	X X X	10,908,469	10,650,000	58,686	1
0599999 Subtotal - Bonds - U.S. Governments					X X X	10,908,469	10,650,000	58,686	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
00507UAS0	ACTAVIS FUNDING SCS	R	03/03/2015	CHASE SECURITIES	X X X	4,284,735	4,300,000		1FE
04364FAE8	ASCENTUM EQUIP RECV 2015-1 144A		03/02/2015	CREDIT SUISSE SECURITIES	X X X	1,149,661	1,150,000		1FE
29273RBD0	ENERGY TRANSFER PRTNRS L P		03/05/2015	UBS SECURITIES	X X X	1,723,586	1,725,000		1FE
543190AA0	LONGTRAIN LEASING III 2015-3 144A		01/23/2015	CREDIT SUISSE SECURITIES	X X X	1,099,932	1,100,000		1FE
58933YAR6	MERCK & CO INC NEW		02/05/2015	DEUTSCHE BANK SECURITIES	X X X	2,296,205	2,300,000		1FE
68268EAA1	ONEMAIN FINL ISSUE TR 2015-144A		01/28/2015	CITIGROUP	X X X	2,439,225	2,440,000		1FE
83401LAB0	SOFI PRFSSNAL LN PRGRM 2015-A 144A		01/23/2015	MORGAN STANLEY & CO	X X X	1,499,775	1,500,000		1FE
878742AV7	TECK RESOURCES LTD	I	01/13/2015	VARIOUS	X X X	863,600	902,000	119	1FE
38148LAC0	THE GOLDMAN SACHS GROUP INC		01/20/2015	GOLDMAN SACHS & COMPANY	X X X	1,999,160	2,000,000		1FE
29358QAE9	ENSCO PLC	R	03/04/2015	DEUTSCHE BANK SECURITIES	X X X	2,092,062	2,100,000		1FE
88032WAD8	TENCENT HLDGS LTD 144A	R	02/04/2015	GOLDMAN SACHS & COMPANY	X X X	2,091,705	2,100,000		1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	21,539,646	21,617,000	119	X X X
<b>Bonds - Hybrid Securities</b>									
404280AT6	HSBC HLDGS PLC	R	03/23/2015	HSBC SECURITIES INC	X X X	2,300,000	2,300,000		1FE
4899999 Subtotal - Bonds - Hybrid Securities					X X X	2,300,000	2,300,000		X X X
8399997 Subtotal - Bonds - Part 3					X X X	34,748,115	34,567,000	58,805	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	34,748,115	34,567,000	58,805	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	34,748,115	X X X	58,805	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

QE04

# SCHEDULE D - PART 4

## Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																						
00507UAS0	ACTAVIS FUNDING SCS	R	03/23/2015	VARIOUS	X X X	1,530,975	1,500,000	1,494,675		16			16		1,494,691		36,284	36,284	1,478	03/15/2025	1FE	
12189PAK8	BURLINGTON NORTH SF 2001-2		01/15/2015	PRINCIPAL RECEIPT	X X X	277,211	277,211	320,020	303,236	(26,026)			(26,026)		277,211				8,957	01/15/2021	1FE	
212015AH4	CONTINENTAL RESOURCES INC		02/11/2015	UBS SECURITIES	X X X	1,972,500	2,000,000	2,122,500	2,117,222	(1,448)			(1,448)		2,115,774		(143,274)	(143,274)	42,222	09/15/2022	2FE	
375558AZ6	GILEAD SCIENCES INC		02/06/2015	BANK OF AMERICA SEC LLC	X X X	5,267,615	5,000,000	4,995,300	4,995,352	37			37		4,995,388		272,226	272,226	40,705	02/01/2025	1FE	
482480AC4	KLA-TENCOR CORP		03/02/2015	RBC DAIN RAUSCHER INC	X X X	1,869,804	1,800,000	1,799,838	1,799,843	5			5		1,799,848		69,956	69,956	19,575	11/01/2019	2FE	
543190AA0	LONGTRAIN LEASING III 2015-3 144A		03/15/2015	PRINCIPAL RECEIPT	X X X	19,012	19,012	19,011		1			1		19,012				13	01/15/2045	1FE	
78443CAZ7	SLM PRIVATE ST LN TR 2003-C		03/15/2015	PRINCIPAL RECEIPT	X X X	100,587	100,587	99,094	99,658	929			929		100,587					09/15/2020	1FE	
83401LAB0	SOFI PRFSSNAL LN PRGRM 2015-A 144A		03/25/2015	PRINCIPAL RECEIPT	X X X	27,924	27,924	27,920		4			4		27,924				105	03/25/2030	1FE	
84474YAA4	SOUTHWEST AIRLINES 2007-1		02/01/2015	PRINCIPAL RECEIPT	X X X	16,558	16,558	19,688	19,204	(2,646)			(2,646)		16,558					02/01/2024	1FE	
87407PAA8	TAL ADVANTAGE V LLC 2013-1		03/20/2015	PRINCIPAL RECEIPT	X X X	70,000	70,000	69,967	69,976	24			24		70,000				330	02/20/2038	1FE	
21685WDF1	COOPERATIVE CENTRALE RAIFFE	R	03/04/2015	UBS SECURITIES	X X X	3,397,416	3,300,000	3,371,412	3,360,875	(1,174)			(1,174)		3,359,701		37,715	37,715	43,450	11/09/2022	1FE	
449786AT9	ING BANK NV	R	02/04/2015	GOLDMAN SACHS & COMPANY	X X X	1,513,289	1,500,000	1,528,320	1,507,910	(976)			(976)		1,506,933		6,355	6,355	3,316	09/25/2015	1FE	
55608PAA2	MACQUARIE BK LTD	R	02/26/2015	VARIOUS	X X X	2,939,333	2,750,000	3,014,023	2,893,840	(8,741)			(8,741)		2,885,099		54,234	54,234	69,951	02/22/2017	1FE	
88032WAD8	TENCENT HLDGS LTD 144A	R	02/26/2015	NOMURA SEC INTL	X X X	2,136,561	2,100,000	2,091,705		41			41		2,091,746		44,815	44,815	4,877	02/11/2025	1FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	21,138,785	20,461,292	20,973,473	17,167,116	(39,954)			(39,954)		20,760,472		378,311	378,311	234,979	X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	21,138,785	20,461,292	20,973,473	17,167,116	(39,954)			(39,954)		20,760,472		378,311	378,311	234,979	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	21,138,785	20,461,292	20,973,473	17,167,116	(39,954)			(39,954)		20,760,472		378,311	378,311	234,979	X X X	X X X	
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	21,138,785	20,461,292	20,973,473	17,167,116	(39,954)			(39,954)		20,760,472		378,311	378,311	234,979	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

QE05

**E06 Schedule DB Part A Section 1 ..... NONE**

**E07 Schedule DB Part B Section 1 ..... NONE**

**E08 Schedule DB Part D Section 1 ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity ..... NONE**

**E10 Schedule DL - Part 1 - Securities Lending Collateral Assets ..... NONE**

**E11 Schedule DL - Part 2 - Securities Lending Collateral Assets ..... NONE**

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6	7	8	
					First Month	Second Month	Third Month	
<b>open depositories</b>								
First Republic Bank ..... San Francisco, CA .....					15,008,069	19,685,973	19,721,891	X X X
0199998 Deposits in .....1 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....	X X X	X X X			5,252	4,918	4,903	X X X
0199999 Totals - Open Depositories .....	X X X	X X X			15,013,321	19,690,891	19,726,794	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....	X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....	X X X	X X X						X X X
0399999 Total Cash On Deposit .....	X X X	X X X			15,013,321	19,690,891	19,726,794	X X X
0499999 Cash in Company's Office .....	X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....	X X X	X X X			15,013,321	19,690,891	19,726,794	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total - Cash Equivalents .....							