13695201720100100 2017 Document Code: 201

ANNUAL STATEMENT

For the Year Ended December 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

National Mortgage Insurance Corporation

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

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

Country of Domicile United States of America

Incorporated/Organized 06/30/2009 Commenced Business 05/04/2013

Statutory Home Office 8040 Excelsior Drive, Suite 200 (Street and Number), Madison, WI, US 53717 (City or Town, State, Country and Zip Code)

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

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

Mail Address 2100 Powell Street, 12th Floor (Street and Number or P.O. Box), Emeryville, CA, US 94608 (City or Town, State, Country and Zip Code)

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

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

Internet Website Address www.nationalmi.com

Statutory Statement Contact Debbie Fan (Name) (510)858-0530 (Area Code)(Telephone Number)(Extension)

debbie.fan@nationalmi.com (E-Mail Address) (510)225-3832 (Fax Number)

OFFICERS

Name	Title
Bradley M Shuster	Chief Executive Officer
William J Leatherberry	Chief Legal Officer
Claudia J Merkle	Chief Operating Officer
Adam Pollitzer	Chief Financial Officer #
Patrick L Mathis	EVP, Chief Risk Officer

VICE- PRESIDENTS

Mark N Daly, SVP, National Accounts
Christopher G Brunetti, SVP, General Counsel and Secretary
Michael J Dirrane, Senior Managing Director, Chief Sales Officer
Julie Norberg, VP, Controller #
Nicholas Ondrejka, SVP, Chief Information Officer #
Mary L Sharp, SVP, Chief Human Resources Officer
Norman P Fitzgerald, SVP, Field Sales
Laura E Amato, SVP, Strategic Ops. Initiatives & Servicing Ops.
Robert O Smith, SVP, Pricing and Portfolio Analytics

DIRECTORS OR TRUSTEES

Patrick L Mathis
Bradley M Shuster
Adam Pollitzer #
Claudia J Merkle
William J Leatherberry

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.

(Signature)	(Signature)	(Signature)
Bradley M Shuster	Christopher G Brunetti	Adam Pollitzer
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	SVP, General Counsel and Secretary	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 20th day of February, 2018

Wendi Lynn Arendell
(Notary Public Signature)

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

b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

WENDI LYNN ARENDELL
COMM. # 2165578
NOTARY PUBLIC - CALIFORNIA
ALAMEDA COUNTY
My Comm. Exp. October 21, 2020

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	624,044,345		624,044,345	507,702,041
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 $...............0 encumbrances)				
	4.3 Properties held for sale (less $...............0 encumbrances)				
5.	Cash ($.......6,553,818, Schedule E Part 1), cash equivalents ($......11,036,309, Schedule E Part 2) and short-term investments ($.......5,234,589, Schedule DA)	22,824,717		22,824,717	59,552,824
6.	Contract loans (including $...............0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets	50,369	50,369		
12.	Subtotals, cash and invested assets (Lines 1 to 11)	646,919,431	50,369	646,869,062	567,254,865
13.	Title plants less $...............0 charged off (for Title insurers only)				
14.	Investment income due and accrued	3,847,503		3,847,503	3,105,467
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	25,179,326	10,355	25,168,971	13,720,689
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $...............0 earned but unbilled premiums)				
	15.3 Accrued retrospective premiums ($...............0) and contracts subject to redetermination ($...............0)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers				
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	43,878,780	1,949,056	41,929,724	50,757,600
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($...............0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				0
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)	719,825,040	2,009,780	717,815,260	634,838,622
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	719,825,040	2,009,780	717,815,260	634,838,622
DETAILS OF WRITE-INS					
1101.	Prepaid Expenses	50,369	50,369		
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)	50,369	50,369		
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 Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	6,562,661	2,421,360
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	119,320	58,563
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	35,680	50,684
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	79,460	189,417
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 (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $......40,520,260 and including warranty reserves of $...............0 and accrued accident and health experience rating refunds including $...............0 for medical loss ratio rebate per the Public Health Service Act)	122,645,521	114,713,335
10.	Advance premiums	437	863
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	3,076,126	1,949,290
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	34,101,726	30,633,127
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including ($...............0 certified)) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	22,395,793	9,094,369
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	184,780,861	88,690,184
26.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	373,797,585	247,801,192
27.	Protected cell liabilities		
28.	TOTAL Liabilities (Lines 26 and 27)	373,797,585	247,801,192
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	494,573,352	494,573,352
35.	Unassigned funds (surplus)	(153,085,677)	(110,065,922)
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, minus 36) (Page 4, Line 39)	344,017,675	387,037,430
38.	TOTALS (Page 2, Line 28, Column 3)	717,815,260	634,838,622
DETAILS OF WRITE-INS			
2501.	Statutory Contingency Reserve	179,756,843	83,858,717
2502.	Deferred Ceding Commission	5,024,018	4,831,467
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	184,780,861	88,690,184
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	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	137,126,635	97,277,925
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	5,188,835	2,145,242
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	76,185	63,799
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	68,917,359	79,998,275
5.	Aggregate write-ins for underwriting deductions	95,898,126	54,954,900
6.	TOTAL Underwriting Deductions (Lines 2 through 5)	170,080,504	137,162,216
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(32,953,869)	(39,884,291)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,418,858	12,357,458
10.	Net realized capital gains (losses) less capital gains tax of $.........190,235 (Exhibit of Capital Gains (Losses))	21,352	(224,523)
11.	Net investment gain or (loss) (Lines 9 + 10)	1,440,209	12,132,935
	OTHER INCOME		
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)	(31,513,659)	(27,751,356)
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)	(31,513,659)	(27,751,356)
19.	Federal and foreign income taxes incurred	4,732,426	746,913
20.	Net income (Line 18 minus Line 19) (to Line 22)	(36,246,085)	(28,498,269)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	387,037,430	366,890,055
22.	Net income (from Line 20)	(36,246,085)	(28,498,269)
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	(14,981,681)	58,860,461
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	8,208,011	(10,214,817)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
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		
	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 (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(43,019,755)	20,147,375
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	344,017,675	387,037,430
DETAILS OF WRITE-INS			
0501.	Statutory Contingency Reserve	95,898,126	54,954,900
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)	95,898,126	54,954,900
1401.			
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) (Lines 37 above)		

CASH FLOW

			1 Current Year	2 Prior Year
		Cash from Operations		
1.		Premiums collected net of reinsurance	134,736,950	122,033,275
2.		Net investment income	2,081,774	12,844,987
3.		Miscellaneous income		
4.		TOTAL (Lines 1 through 3)	136,818,723	134,878,262
5.		Benefit and loss related payments	1,047,534	333,123
6.		Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.		Commissions, expenses paid and aggregate write-ins for deductions	158,114,698	125,831,484
8.		Dividends paid to policyholders		
9.		Federal and foreign income taxes paid (recovered) net of $..............0 tax on capital gains (losses)	4,922,661	618,857
10.		TOTAL (Lines 5 through 9)	164,084,893	126,783,464
11.		Net cash from operations (Line 4 minus Line 10)	(27,266,169)	8,094,798
		Cash from Investments		
12.		Proceeds from investments sold, matured or repaid:		
	12.1	Bonds	81,002,752	71,951,253
	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		31,912
	12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	81,002,752	71,983,165
13.		Cost of investments acquired (long-term only):		
	13.1	Bonds	198,538,422	136,289,626
	13.2	Stocks		
	13.3	Mortgage loans		
	13.4	Real estate		
	13.5	Other invested assets		
	13.6	Miscellaneous applications	0	
	13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	198,538,422	136,289,626
14.		Net increase (decrease) in contract loans and premium notes		
15.		Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(117,535,670)	(64,306,461)
		Cash from Financing and Miscellaneous Sources		
16.		Cash provided (applied):		
	16.1	Surplus notes, capital notes		
	16.2	Capital and paid in surplus, less treasury stock		
	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)	108,073,732	80,546,402
17.		Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	108,073,732	80,546,402
		RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.		Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(36,728,108)	24,334,739
19.		Cash, cash equivalents and short-term investments:		
	19.1	Beginning of year	59,552,824	35,218,085
	19.2	End of year (Line 18 plus Line 19.1)	22,824,717	59,552,824

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

20.0001			
20.0002			
20.0003			
20.0004			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty	145,058,822	114,713,335	122,645,521	137,126,635
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 (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	145,058,822	114,713,335	122,645,521	137,126,635
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)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 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 Columns 1 + 2 + 3 + 4
1.	Fire					
2.	Allied lines					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril					
6.	Mortgage guaranty	5,899	122,639,622			122,645,521
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 (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	5,899	122,639,622			122,645,521
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					122,645,521
	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)					

(a) State here basis of computation used in each case: Monthly policies - in month coverage is provided. Annual policies - monthly pro rata. More than one year - over policy life in relation to expiration of risk.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Columns 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	202,585,844			528,753	56,998,269	145,058,822
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 (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	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	202,585,844			528,753	56,998,269	145,058,822
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)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes[ ] No[X]
If yes, (1) The amount of such installment premiums $..............0.
(2) Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..............0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1.	Fire								
2.	Allied lines								
3.	Farmowners multiple peril								
4.	Homeowners multiple peril								
5.	Commercial multiple peril								
6.	Mortgage guaranty	1,247,842		200,309	1,047,533	6,562,661	2,421,360	5,188,835	3.78
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 (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	X X X							
32.	Reinsurance-Nonproportional Assumed Liability	X X X							
33.	Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	1,247,842		200,309	1,047,533	6,562,661	2,421,360	5,188,835	3.78
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)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied Lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty	8,003,912		1,899,111	6,104,801	600,293		142,433	6,562,661	119,320
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 & health								(a)	
14. Credit accident & health (group & individual)									
15. Other accident & health								(a)	
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	XXX				XXX				
32. Reinsurance-Nonproportional Assumed Liability	XXX				XXX				
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	8,003,912		1,899,111	6,104,801	600,293		142,433	6,562,661	119,320
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)									

(a) Including $..............0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	103,916			103,916
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	27,732			27,732
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	76,185			76,185
2. Commission and brokerage:				
2.1 Direct, excluding contingent				
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		10,292,479		10,292,479
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		28,084,438		28,084,438
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)		(38,376,917)		(38,376,917)
3. Allowances to manager and agents				
4. Advertising		857,820		857,820
5. Boards, bureaus and associations		1,998,026		1,998,026
6. Surveys and underwriting reports		27,864		27,864
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		47,883,871		47,883,871
8.2 Payroll taxes		3,604,849		3,604,849
9. Employee relations and welfare		6,214,279		6,214,279
10. Insurance		380,894		380,894
11. Directors' fees				
12. Travel and travel items		2,834,485		2,834,485
13. Rent and rent items		2,187,099		2,187,099
14. Equipment		974,836		974,836
15. Cost or depreciation of EDP equipment and software		14,393,706		14,393,706
16. Printing and stationery		490,698		490,698
17. Postage, telephone and telegraph, exchange and express		543,610		543,610
18. Legal and auditing		1,236,880		1,236,880
19. TOTALS (Lines 3 to 18)		83,628,917		83,628,917
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $..............0		3,864,328		3,864,328
20.2 Insurance department licenses and fees		240,159		240,159
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		82,115		82,115
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		4,186,602		4,186,602
21. Real estate expenses				
22. Real estate taxes		160,062		160,062
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		19,318,695	14,264,392	33,583,087
25. TOTAL expenses incurred	76,185	68,917,359	14,264,392	(a) 83,257,936
26. Less unpaid expenses - current year	119,320	115,140		234,460
27. Add unpaid expenses - prior year	58,563	240,101		298,664
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	15,428	69,042,320	14,264,392	83,322,140
DETAILS OF WRITE-INS				
2401. Professional Fees		18,489,302		18,489,302
2402. Employee Recruiting		780,969		780,969
2403. Investment Fees			14,264,392	14,264,392
2498. Summary of remaining write-ins for Line 24 from overflow page		48,424		48,424
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		19,318,695	14,264,392	33,583,087

(a) Includes management fees of $..............0 to affiliates and $..............0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 814,611	807,480
1.1	Bonds exempt from U.S. tax	(a) 1,825,094	1,746,089
1.2	Other bonds (unaffiliated)	(a) 13,426,617	12,938,276
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	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 278,990	191,405
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	16,345,312	15,683,250
11.	Investment expenses		(g) 14,264,392
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		14,264,392
17.	Net Investment income (Line 10 minus Line 16)		1,418,858
DETAILS 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 above)		
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) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(b) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued dividends on purchases.
(c) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(d) Includes $..............0 for company's occupancy of its own buildings; and excludes $..............0 interest on encumbrances.
(e) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(f) Includes $..............0 accrual of discount less $..............0 amortization of premium.
(g) Includes $..............0 investment expenses and $..............0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $..............0 interest on surplus notes and $..............0 interest on capital notes.
(i) Includes $..............0 depreciation on real estate and $..............0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	270		270		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	211,317		211,317		
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					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	211,587		211,587		
DETAILS 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 above)					

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)			
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			
	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			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets	50,369		(50,369)
12.	Subtotals, cash and invested assets (Lines 1 to 11)	50,369		(50,369)
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	10,355	7,681	(2,674)
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	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			
	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	1,949,056	8,102,860	6,153,804
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates		2,107,250	2,107,250
24.	Health care 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)	2,009,780	10,217,791	8,208,011
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	2,009,780	10,217,791	8,208,011
DETAILS OF WRITE-INS				
1101.	Prepaid Expenses	50,369		(50,369)
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)	50,369		(50,369)
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)			

Notes to Financial Statements

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:

	State of Domicile	December 31, 2017	December 31, 2016
Net Income/(Loss)			
(1) State basis (Page 4, Line 20, Columns 1 & 2)	WI	$ (36,246,086)	$ (28,498,269)
(2) State prescribed practices that increase/(decrease) NAIC SAP			
Change in contingency reserves	WI	(95,898,126)	(54,954,900)
(3) NAIC SAP (1 - 2 = 3)	WI	$ 59,652,040	$ 26,456,631
SURPLUS			
(4) State basis (Page 3, Line 37, Columns 1 & 2)	WI	$ 344,017,675	$ 387,037,430
(5) State prescribed practices that increase/(decrease) NAIC SAP		—	—
(6) NAIC SAP (4 - 5 = 6)	WI	$ 344,017,675	$ 387,037,430

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

The preparation of financial statements in conformity with Statutory Accounting Principles 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 could differ from those estimates.

C. Accounting Policy

Premiums for primary mortgage insurance policies may be paid in a single payment at origination (single premium), on a monthly installment basis (monthly premium) or on an annual installment basis (annual premium), with such election and payment type fixed at policy inception. Premiums written at origination for single premium policies are initially deferred as unearned premium reserve and amortized into earnings over the estimated policy life in accordance with the anticipated expiration of risk. Monthly premiums are recognized as revenue in the month billed and when the coverage is effective. Annual premiums are initially deferred and earned on a straight-line basis over the year of coverage. Premiums written on pool transactions are earned over the period that coverage is provided. Upon cancellation of a policy, all remaining non-refundable deferred and unearned premium is immediately earned, and any refundable premium is returned to the policyholder. Premiums returned to the policyholder are recorded as a reduction of written and unearned premiums in the current period.

The Company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.

(2) Bonds are stated at amortized cost using the effective interest method.

(3) The Company owns no common stock.

(4) The Company owns no preferred stock.

(5) The Company owns no mortgage loans.

Notes to Financial Statements

(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) The Company has no investments in subsidiaries or controlled and affiliated entities.

(8) The Company has no investments in joint ventures, partnerships or limited liability companies.

(9) The Company owns no derivative instruments.

(10) The Company uses anticipated investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property-Casualty Contracts - Premiums*.

(11) The Company's practice is to establish insurance claim reserves only for loans in default. The Company does not consider a loan to be in default for claim reserve purposes until it receives notice from the servicer that a borrower has failed to make two regularly scheduled payments and is at least 60 days in default. Default is defined in NMIC's MI policies as the failure by a borrower to pay when due an amount equal to the scheduled mortgage payment due under the terms of a loan or the failure by a borrower to pay all amounts due under a loan after the exercise of the due on sale clause of such loan. In addition to reserves on reported defaults, the Company establishes reserves for estimated claims incurred on loans that have been in default for at least 60 days that have not yet been reported to us by the servicers (this is often referred to as "incurred but not reported" or "IBNR").

Consistent with industry accounting practices, NMIC will not establish claim reserves for anticipated future claims on insured loans that are not currently in default.

The establishment of claim and IBNR reserves is subject to inherent uncertainty and requires significant judgment by management. Changes in claim reserves can materially affect the Company's net income or loss. The Company's ultimate liabilities may vary significantly from estimates.

(12) The Company's capitalization policy has not changed from the prior period.

(13) The Company does not have any pharmaceutical rebate receivables.

D. Going Concern

The Company has no substantial doubt about its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company had no material changes in accounting principles or corrections of errors for the years ended December 31, 2017 and December 31, 2016.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable

B. Statutory Merger

Not Applicable

C. Impairment Loss

Not Applicable

4. Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale

Not Applicable

B. Change in Plan of Sale or Discontinued Operation

Not Applicable

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal

Not Applicable

Notes to Financial Statements

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not applicable

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

The Company does not have any mortgage loan investments.

B. Debt Restructuring

The Company does not have any debt restructuring investments.

C. Reverse Mortgages

The Company does not have any reverse mortgage investments.

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 complies with SSAP No.43R - *Loan-backed and Structured Securities* as adopted by the Wisconsin OCI.

(2) The Company has not recognized any other-than-temporary impairments as of December 31, 2017.

(3) The Company has not recognized any other-than-temporary impairments as of December 31, 2017.

(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	$	(1,374,994)
2. 12 Months or Longer	$	(1,786,570)

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

1. Less than 12 Months	$	186,934,500
2. 12 Months or Longer	$	95,314,057

(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 investment gains in the statements of operations in the period such determination is made. As of December 31, 2017, the Company held no other-than-temporarily impaired securities. The impaired security disclosed for the quarter ended March 31, 2017 was liquidated as of June 30, 2017.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None

H. Repurchase Agreements Transactions Accounted for as a Sale

None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Real Estate

The Company does not have investments in real estate.

K. Low-income housing tax credits (LIHTC)

The Company does not have investments in low income housing.

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	December 31, 2017	December 31, 2016	Change	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
On deposit with states	$ 6,951,464	$ 6,893,757	$ 57,707	$ 6,951,464	1.0%	1.0%
Total Restricted Assets	$ 6,951,464	$ 6,893,757	$ 57,707	$ 6,951,464	1.0%	1.0%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

The Company does not have assets pledged as collateral not captured in other categories.

(3) Detail of Other Restricted Assets

The Company does not have other restricted assets.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

The Company did not receive collateral that's reflected as Assets within its Financial Statements.

M. Working Capital Finance Investments

The Company does not have working capital finance investments.

N. 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.

O. Structured Notes

The Company does not have any structured notes.

P. 5* Securities

The Company does not have any 5* securities.

Q. Short Sales

The Company does not have any short sale transactions

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	5	—
(2) Aggregate amount of Investment Income	$247,573	—

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

Notes to Financial Statements

7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

The Company's does not admit any investment income due and accrued for amounts that are over 90 days past due.

B. Amounts Non-admitted

The Company did not have any non-admitted investment income as of December 31, 2017 and December 31, 2016.

8. Derivative Instruments

A - H. Not applicable. The Company has no derivative instruments.

9. Income Taxes

A. The amounts of gross deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") comprising net DTAs is shown below as well as admitted, non-admitted and change in non-admitted DTAs.

1.

	December 31, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	$ 43,985,298	$ 91,722	$ 44,077,020	$ 59,016,348	$ 36,691	$ 59,053,039	$ (15,031,050)	$ 55,031	$ (14,976,019)
(b) Statutory valuation allowance adjustments	—	—	—	—	—	—	—	—	—
(c) Adjusted gross deferred tax assets (1a - 1b)	43,985,298	91,722	44,077,020	59,016,348	36,691	59,053,039	(15,031,050)	55,031	(14,976,019)
(d) Deferred tax assets nonadmitted	1,857,334	91,722	1,949,056	8,066,170	36,691	8,102,861	(6,208,836)	55,031	(6,153,805)
(e) Subtotal net admitted deferred tax assets (1c - 1d)	42,127,964	—	42,127,964	50,950,178	—	50,950,178	(8,822,214)	—	(8,822,214)
(f) Deferred tax liabilities	198,240	—	198,240	192,578	—	192,578	5,662	—	5,662
(g) Net admitted deferred tax asset/(Net deferred tax liability) (1e - 1f)	$ 41,929,724	$ —	$ 41,929,724	$ 50,757,600	$ —	$ 50,757,600	$ (8,827,876)	$ —	$ (8,827,876)

2.

Admission calculation components	December 31, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	41,929,724	—	41,929,724	50,757,600	—	50,757,600	(8,827,876)	—	(8,827,876)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	41,929,724	—	41,929,724	54,309,158	—	54,309,158	(12,379,434)	—	(12,379,434)
2. Adjusted gross deferred tax assets allowed per limitation threshold	41,929,724	—	41,929,724	50,757,600	—	50,757,600	(8,827,876)	—	(8,827,876)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	198,240	—	198,240	192,578	—	192,578	5,662	—	5,662
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 42,127,964	$ —	$ 42,127,964	$ 50,950,178	$ —	$ 50,950,178	$ (8,822,214)	$ —	$ (8,822,214)

Notes to Financial Statements

3.

	December 31, 2017	December 31, 2016
(a) Ratio percentage used to determine recovery period and threshold limitation amount	346%	649%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 45,327,199	$ 50,757,600

4.

	2017			2016		
Impact of tax-planning strategies	**Ordinary**	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs amount from note 9A1(c)	$ 43,985,298	$ 91,722	$ 44,077,020	$ 59,016,348	$ 36,691	$ 59,053,039
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	86%	—%	86%	50%	—	50%
3. Net admitted adjusted gross DTAs amount from note 9A1(e)	$ 42,127,964	$ —	$ 42,127,964	$ 50,950,178	$ —	$ 50,950,178
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	90%	—%	90%	58%	—	58%

(b) Does the Company’s tax-planning strategies include the use of reinsurance?

Yes ____ No X

B. Unrecognized tax liabilities

Not Applicable.

C. Current income taxes incurred consist of the following major components:

	2017	2016	Change
1. Current income tax			
(a) Federal	$ 4,732,426	$ 746,913	$ 3,985,513
(b) Foreign	—	—	—
(c) Subtotal	4,732,426	746,913	3,985,513
(d) Federal income tax on net capital gains	190,235	(128,056)	318,291
(e) Utilization of capital loss carryforwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	$ 4,922,661	$ 618,857	$ 4,303,804

Notes to Financial Statements

	December 31, 2017	December 31, 2016	Change
2. Deferred tax assets			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ —	$ —	$ —
(2) Unearned premium reserve	5,151,163	8,029,988	(2,878,825)
(3) Loss reserve	27,351	19,908	7,443
(4) Contingency reserve	37,748,937	29,350,551	8,398,386
(5) Investments	—	—	—
(6) Deferred acquisition costs	—	—	—
(7) Policyholder dividends accrual	—	—	—
(8) Fixed assets	—	—	—
(9) Compensation and benefits accrual	—	—	—
(10) Pension accrual	—	—	—
(11) Receivables - nonadmitted	—	—	—
(12) Net operating loss carryforward	—	18,202,919	(18,202,919)
(13) Tax credit carryforward	—	618,857	(618,857)
(14) Other (including items <5% of total ordinary tax assets)	1,057,847	2,794,125	(1,736,278)
(99) Subtotal	43,985,298	59,016,348	(15,031,050)
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	1,857,334	8,066,170	(6,208,836)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	42,127,964	50,950,178	(8,822,214)
(e) Capital:			
(1) Investments	91,722	36,691	55,031
(2) Net capital loss carryforward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total capital tax assets)	—	—	—
(99) Subtotal	91,722	36,691	55,031
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	91,722	36,691	55,031
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	—	—
(i) Admitted deferred tax assets (2d + 2h)	42,127,964	50,950,178	(8,822,214)
3. Deferred tax liabilities			
(a) Ordinary:			
(1) Investments	—	—	—
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other (including items <5% of total ordinary tax liabilities)	198,240	192,578	5,662
(99) Subtotal	198,240	192,578	5,662
(b) Capital			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(99) Subtotal	—	—	—
(c) Deferred tax liabilities (3a99 + 3b99)	$ 198,240	$ 192,578	$ 5,662
4. Net deferred tax assets/(liabilities) (2i - 3c)	$ 41,929,724	$ 50,757,600	$ (8,827,876)

Notes to Financial Statements

5. The change in net deferred income taxes is comprised of the following:

	December 31, 2017	December 31, 2016	Change
(a) Total deferred tax assets	$ 42,127,964	$ 50,950,178	$ (8,822,214)
(b) Valuation allowance	—	—	—
(c) Total deferred tax liabilities	198,240	192,578	5,662
(d) Net deferred tax assets/(liabilities)	$ 41,929,724	$ 50,757,600	$ (8,827,876)
(e) Tax effect of unrealized gains/(losses)			—
(f) Change in net deferred income tax			$ (8,827,876)

D. The difference between income tax expense as computed at the federal statutory rates and the Company's actual income tax expense is primarily attributable to certain non-deductible differences, change in the non-admitted deferred tax assets and statutory valuation allowance.

	For the Year Ended December 31, 2017	Effective Tax Rate	For the Year Ended December 31, 2016	Effective Tax Rate	Change	Effective Tax Rate
(a) Provision computed at statutory rate	$ (10,963,198)	35.00 %	$ (9,757,794)	35.00 %	$ (1,205,404)	— %
(1) Permanent items	525,110	(1.68)	369,927	(1.33)	155,183	(0.35)
(2) Change in valuation allowance	—	—	(47,939,235)	171.96	47,939,235	(171.96)
(3) Deferred only adjustment	—	—	—	—	—	—
(4) Change in non-admitted assets	(3,764,524)	12.02	7,004,923	(25.13)	(10,769,447)	37.15
(5) Return to provision true-up	—	—	183,436	(0.66)	(183,436)	0.66
(6) Deferred - re-rate	27,953,149	(89.24)	—	—	27,953,149	(89.24)
(7) Deferred - re-rate - VA	—	—	—	—	—	—
(b) Total	$ 13,750,537	(43.90)%	$(50,138,743)	179.84 %	$ 63,889,280	(223.74)%
(1) Federal income taxes incurred	$ 4,732,426	(15.11)%	$ 746,913	(2.68)%	$ 3,985,513	(12.43)%
(2) Federal income taxes incurred - capital gains (loss)	$ 190,235	(0.61)%	$ (128,056)	0.46 %	$ 318,291	(1.07)%
(3) Change in net deferred income taxes	$ 8,827,876	(28.18)%	$(50,757,600)	182.06 %	$ 59,585,476	(210.24)%
(c) Total statutory income taxes	$ 13,750,537	(43.90)%	$(50,138,743)	179.84 %	$ 63,889,280	(223.74)%

The Tax Cuts and Jobs Act (the Act) was enacted on December 22, 2017. The Act reduces the statutory U.S. federal corporate income tax rate from 35% to 21%. At December 31, 2017, we have not completed our accounting for the tax effects of the enactment of the Act; however, in certain cases, as described below, we have made a reasonable estimate of the effects on our existing deferred tax balances. In other cases, we have not been able to make a reasonable estimate and continue to account for those items based on our existing accounting under ASC 740, Income Taxes, and the provisions of the tax laws that were in effect immediately prior to the enactment. For the items for which we were able to determine a reasonable estimate, we recognized a provisional amount of $28.0 million, which is included as a component of income tax expense from continuing operations.

Provisional amounts

Deferred tax assets and liabilities: We re-measured our deferred tax assets and liabilities based on the rate at which they are expected to reverse in the future, which is generally 21%. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to further increases or decreases to our deferred tax amounts. The provisional amount recorded related to the re-measurement of our deferred tax balance was $28.0 million.

E. Net operating loss carryforwards and paid taxes available for future recoupment

1. The following are net operating losses for the current and prior years available to offset future taxable income:

   None.

Notes to Financial Statements

2. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

   None.

3. The following are aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Code:

   None.

F. Consolidated federal income tax return

1. The Company's federal income tax return is consolidated with the following entities:
   NMI Holdings, Inc.
   National Mortgage Reinsurance Inc One
   NMI Services, Inc.

2. The Company is a party to that certain tax sharing agreement among NMI and its subsidiaries, dated August 23, 2012, as amended on September 1, 2016. Under this agreement, each of the parties mutually agrees to file a consolidated federal income tax return for 2013 and subsequent tax years, with NMI as the direct filer and tax payer. The tax liability of each insurer that is party to the agreement is limited to the amount of liability it would incur if it filed a separate tax return. All settlements under this agreement between NMI and any insurer that is party to the agreement shall be made no later than 60 days following the filing of the applicable federal corporate income tax return with the Internal Revenue Service ("IRS"), including subsequent amended filings and IRS adjustments, except when a refund is due to an insurer, in which case payment shall be made to the insurer within 60 days following NMI's receipt of the applicable tax refund.

G. Federal or foreign income tax loss contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

A. Nature of Relationships

NMIC, National Mortgage Reinsurance Inc One ("Re One") and NMI Services, Inc. ("NMIS") are wholly- owned by NMI Holdings, Inc., a Delaware corporation ("NMI"). On November 8, 2013, NMI completed an initial public offering and its common stock began trading on the NASDAQ under the symbol "NMIH."

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

NMIC received no capital contributions for the years ended December 31, 2017 and December 31, 2016.

C. Change in Terms of Intercompany Arrangements

In May 2017, NMIC entered into an aggregate excess of loss reinsurance agreement (the "XOL Agreement") with Oaktown Re, Ltd. ("Oaktown Re"). Concurrent with the establishment of the XOL Agreement, NMIC amended the terms of its Primary Excess Share reinsurance agreement with National Mortgage Reinsurance Inc One ("Re One"). Under the amendment, the reinsurance premium rate previously paid by NMIC to Re One was adjusted by a factor of 0.9231 to account for the benefit that Re One receives under the XOL Agreement. The adjustment was appropriate because reinsurance coverage provided by Oaktown Re to NMIC under the XOL Agreement inures to the benefit of Re One as losses ceded to Oaktown Re under the XOL Agreement are gross of any affiliate reinsurance.

D. Amounts Due to or from Related Parties

As of December 31, 2017, the Company reported $22,395,793, $106,846 and $21,945, respectively, due to affiliated companies, NMI, Re One and NMI Services, Inc. ("NMIS") respectively compared to $9,094,369 due to NMI on December 31, 2016 *See Note 10 - F - Management, Service contracts, Cost Sharing Agreements.*

E. Guarantees or Undertaking for Related Parties

The Company has no guarantees or undertakings for related parties.

F. Management, Service contracts, Cost Sharing Arrangements

The Company is party to a cost allocation agreement with NMI, Re One and NMI Services, Inc, hereinafter collectively referred to as "Parties", and singularly as "Party" or "Affiliate". Each of the parties to the agreement may provide any of the following services to any other party under the agreement, including: general management, underwriting, customer service, claims processing, legal, accounting and actuarial services.

Notes to Financial Statements

For third party goods and/or services purchased by a Party for an Affiliate, the allocation of costs shall be determined solely by the invoice from the third party. For third party goods and/or services purchased by a Party for more than one Affiliate (which may include the Party itself), the allocation of costs shall be determined by: (i) an invoice directly from the 3rd party providing the good and/or service, and (ii) an allocation of such costs developed using appropriate quantifiable measures supporting the goods received and/or services performed. For services provided solely by one or more Parties to one or more Affiliates (i.e., intercompany related services) the charges will be determined by direct employee costs including salaries, bonuses, incentives, benefits, payroll taxes and related out-of-pocket expenses actually incurred by such employees. In all three cases, all charges and fees for any goods or services provided to the Affiliates shall not exceed the actual costs incurred by the Parties. NMI is the principal employer of personnel among the parties and it is anticipated that most costs will be incurred by NMI and allocated to its insurance subsidiaries. Settlements are required no later than 60 days after each calendar quarter.

NMIH received approval from the State of Wisconsin to begin allocating the interest expense on its Term Loan to NMIC in the first quarter of 2017, consistent with the benefits NMIC received from the loan proceeds.

G. Nature of Relationships that Could Affect Operating Results or Financial Position

All outstanding shares of the Company are owned by NMI.

H. Amount Deducted for Investment in Upstream Company

The Company does not own any shares of upstream intermediate or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled or affiliated entity.

I. Detail of Investments in SCA entity that exceeds 10% of Admitted Assets

The Company has no investments in subsidiaries or controlled and affiliated entities.

J. Write downs for Impairment of Investments in SCA entities

The Company has no investments in subsidiaries or controlled and affiliated entities.

K. Foreign Subsidiary Valued Using CARVM

The Company has no investments in foreign subsidiaries.

L. Downstream Holding Company Valued Using Look-Through Method

The Company has no investments in a downstream holding company.

M. All SCA investments

The Company has no investments in subsidiaries or controlled and affiliated entities.

N. Investment in Insurance SCAs

The Company has no investments in insurance subsidiaries or controlled and affiliated entities.

11. Debt

A. The Company has no debt obligations as of December 31, 2017.

B. FHLB (Federal Home Loan Bank) Agreements

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. Investment Policies

Not applicable

C. Fair Value of Plan Assets

Not applicable

D. Rate of Return Assumptions

Not applicable

E. Defined contribution plans

The Company has no defined contribution plans.

F. Multiemployer Plans

The Company has no multiemployer plans.

G. Consolidated/Holding Company Plans

Not applicable.

H. Post-employment benefits and Compensated Absences

The Company does not provide post-employment benefits.

I. Impact of Medicare Modernization Act on Post-retirement Benefits (INT 04-17)

The Company does not provide post-retirement benefits.

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

(1) Outstanding Shares

The Company has 63,250,000 shares of $0.04 par value authorized common stock, all of which is issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

(2) Dividend Rate of Preferred Stock

The Company has no preferred stock outstanding.

(3) Dividend Restrictions

The Company's ability to pay dividends to its parent is limited by state insurance laws of the State of Wisconsin and certain other states. Under Wisconsin law, the Company may pay dividends up to specified levels (i.e., "ordinary" dividends) with 30 days' prior notice to the Wisconsin OCI. Dividends that exceed ordinary dividends (i.e., "extraordinary" dividends) are subject to the Wisconsin OCI's prior approval. Under Wisconsin insurance laws, an ordinary dividend is defined as any payment or distribution that together with other dividends and distributions made within the preceding 12 months does not exceed the lesser of (i) 10% of the insurer's statutory policyholders' surplus as of the preceding December 31 or (ii) adjusted net income. Adjusted net income is calculated as the greater of (a) the net income, excluding capital gains, for the immediately preceding calendar year or (b) the aggregate net income, excluding capital gains, for the 3 immediately preceding calendar years, minus shareholder distributions made in the first two of three aforementioned calendar years. Dividends that exceed this amount are extraordinary and require prior approval of the Commissioner. Additionally, statutory minimum capital requirements may limit the amount of dividend that the Company may pay.

California and New York prohibit 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.

(4) Dates and Amounts of Dividends Paid

The Company did not declare or pay any dividends during the years ended December 31, 2017 and 2016. NMIC has never paid any dividends to NMIH. NMIC reported a statutory net loss for the twelve months ended December 31, 2017 and cannot pay any dividends to NMIH through December 31, 2018 without the prior approval of the Wisconsin OCI.

(5) Amount of Ordinary Dividends That May Be Paid

Due to the Wisconsin requirement that changes in contingency reserves be deducted from income, the Company had a net loss for the year ended December 31, 2017; accordingly, it could not pay ordinary dividends. *See Item 3 - Dividend Restrictions above.*

(6) Restrictions of Unassigned Funds

None

(7) Mutual Surplus Advance

Notes to Financial Statements

The Company is not a mutual or similarly organized company.

(8) Company Stock held for Special Purposes

The Company holds no stock for special purposes.

(9) Changes in Special Surplus Funds

The Company has no special surplus funds.

(10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is $0, as of December 31, 2017.

(11) Surplus Notes

The Company has not issued surplus notes.

(12) The Impact of any Restatement due to Prior Quasi-Reorganizations

On April 19, 2013, NMIC received approval from the Commissioner to record a quasi--reorganization in the first quarter of 2013 to reclassify the cumulative net losses of $5.6 million generated prior to the acquisition of NMIC by NMI in the second quarter of 2012. The adjustment had the following effect on unassigned funds. Gross paid-in and contributed funds remained unchanged:

Beginning unassigned funds balance at 12/31/12	$	(8,645,067)
Net loss cumulative and prior to 6/30/12		5,626,415
Ending unassigned funds balance at 12/31/12	$	(3,018,652)

The ending adjusted unassigned funds balance at December 31, 2012 of $3,018,652 consists of $3,000,891 in non-admitted EDP, net losses of $17,868, and a change in unrealized capital gains of $107. The offset is reflected in gross paid in and contributed surplus is:

Beginning gross paid in and contributed surplus at 12/31/12	$	216,118,168
Net loss cumulative and prior to 6/30/12		(5,626,415)
Adjusted gross paid in and contributed surplus at 12/31/12	$	210,492,345

Assets and liabilities were not affected by this adjustment. Surplus as regards Policyholders also remained unchanged at $210,000,000. The quasi-reorganization was recorded as of March 31, 2013.

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

The Company recorded a quasi-reorganization effective March 31, 2013 to reclassify cumulative net losses generated prior to acquisition in the second quarter of 2012. There are no other quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company has no assessments that could have a material effect.

C. Gain Contingencies

The Company has no gain contingencies.

D. Claims Related Extra Contractual Obligation and Bad Faith Stemming from Lawsuits

The Company has no claims related extra contractual obligations or bad faith losses stemming from lawsuits.

E. Product Warranties

The Company has no product warranties.

F. Joint and Several Liabilities

The Company has no joint and several liabilities.

Notes to Financial Statements

G. All Other Contingencies

The Company has no material contingent liabilities other than those described below regarding the contingency reserve for mortgage guaranty insurance.

Mortgage guaranty insurers are required to establish a special contingency reserve from unassigned surplus, with annual contributions equal to the greater of (1) 50% of net earned premiums or (2) minimum policyholders' position divided by seven. The purpose of this reserve is to protect policyholders against the effects of adverse economic cycles. The contribution to contingency reserves for any period is released to unassigned funds after 120 months unless it is released prior to that time with the prior consent of the Wisconsin OCI.

Sec. 3.09 (14) of the Wisconsin Administrative Code ("Wisconsin Code") allows withdrawals from the reserve in any year to the extent that incurred claims and claim adjustment expenses exceed 35% of earned premiums. Additionally, in order to receive a tax benefit for the deduction of the additions to the statutory contingency reserve, the Company may purchase U.S. government issued tax and loss bonds in the amount equal to the tax benefit. These non-interest-bearing bonds are held in investments for maintaining the statutory liability for ten years or until such time as the contingency reserve is released back into surplus.

The company established contingency reserves in the amount of $179,756,843 and $83,858,717 as of December 31, 2017 and 2016, respectively. The contingency reserve calculation is based on 50% of gross premiums earned for the years ended December 31, 2017 and December 31, 2016.

Per the Wisconsin Code, the Company records changes in the contingency reserve through the income statement as an underwriting expense, which differs from NAIC SAP. *See Note 1 - Item A - Accounting Practices* above.

15. Leases

A. Lessee Operating Lease

The Company has no lease obligation. NMI entered into an office facility lease effective July 1, 2012 for a term of two years. In October 2013, NMI amended the facility's lease to (i) add 23,000 square feet of furnished office space, and (ii) extend the facility's lease period through October 31, 2017. In December 2016, the Company amended its lease to extend the term of the lease through March 2023. Through a cost allocation agreement with NMI, 70% of the lease expense is allocated to the Company. *See Note 10 - Information Concerning Parent, Subsidiaries and Other Related Parties - F - Management, Service contracts, Cost Sharing Arrangements* for more information on the cost allocation agreement.

B. Lessor Leases

The Company has no lessor activity.

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

The Company has no financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk.

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales.

B. Transfers and Servicing of Financial Assets

The Company had no transfer or servicing of financial assets.

C. Wash Sales

The Company had no wash sales involving transactions for securities with a NAIC designation of 3 or below, or unrated.

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Similarly Structured Cost Based Reimbursement contract

Not applicable

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

The Company does not operate under managing general agents/third party administrators.

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 excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three- levels as described below.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial instruments - assets						
Bonds	$ 626,379,930	$ 623,691,406	$ 50,428,510	$ 575,951,420	$ —	$ —
Preferred stocks	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Cash, cash equivalents and short term investments	22,824,715	22,824,715	22,824,715	—	—	—
Long-term investments - Other	352,941	352,941	352,941	—	—	—
Total assets	$ 649,557,586	$ 646,869,062	$ 73,606,166	$ 575,951,420	$ —	$ —
Financial instruments - liabilities	—	—	—	—	—	—
Total liabilities	$ —	$ —	$ —	$ —	$ —	$ —

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of December 31, 2017 and December 31, 2016.

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 - Fair value measurements based on quoted prices in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. We do not adjust the quoted price for such instruments; and
- 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 and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals; and
- Level 3 - Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, we must make certain assumptions, which require significant management judgment or estimation about the inputs a hypothetical market participant would use to value that asset or liability.

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.

D. Items for which Not Practicable to Estimate Fair Values

Not Applicable

21. Other Items

A. Unusual or Infrequent Items

GSE Approval:

The Company was approved as an eligible mortgage guaranty insurer by Freddie Mac and Fannie Mae, on January 15, 2013 and January 16, 2013, respectively, subject to continuing to comply with certain requirements. Fannie Mae and Freddie Mac have imposed certain capitalization, operational and reporting conditions in connection with their approvals of NMIC as a qualified mortgage guaranty insurer. Most of these conditions expired on the 3rd anniversary of GSE approval, i.e., January 16, 2016. As of December 31, 2015, NMIC became subject to the financial, capital, and operational requirements set forth in the final Private Mortgage Insurer Eligibility Requirements (“PMIERs”), which were promulgated by Fannie Mae and Freddie Mac in July, 2015. Under the PMIERs, NMIC must certify annually to Fannie Mae and Freddie Mac that it fully complies with the PMIERs and must notify them immediately upon discovery of its failure to meet one or more requirements of the PMIERs. NMIC certified to the GSEs that it fully complied with PMIERs as of December 31, 2015 and 2016. We expect to certify to the GSEs by March 1, 2018 that NMIC fully complied with the PMIERs as of December 31, 2017.

Regulatory Update:

NMIC is licensed to transact mortgage insurance in all 50 states and the District of Colombia.

As of December 31, 2015 (Effective Date) NMIC, as a GSE-approved private mortgage insurer, i.e., *Approved Insurer,* is subject to the Private Mortgage Insurer Eligibility Requirements (PMIERs), required by Fannie Me and Freddie Mac. (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 RIF, calculated by applying certain risk-based factors derived from tables set out in the PMIERs to the net RIF. The *risk-based required asset amount* for primary insurance is subject to a floor of 5.6% of total, performing, primary RIF, and the *risk-based required asset amount* for pool insurance considers both the factors in the tables and the net remaining stop loss for each pool insurance policy. We will continue to monitor our compliance with the PMIERs financial requirements going forward and will raise additional capital to comply with these requirements if necessary.

The NAIC has formed a working group to explore, among other things, whether certain states' statutory capital requirements applicable to mortgage insurers should be overhauled. The Company, along with other MI companies are working with the Mortgage Guaranty Insurance Working Group of the Financial Condition (E) Committee of the NAIC (the "Working Group") on these issues. The Working Group will determine and make a recommendation to the Financial Condition (E) Committee of the NAIC as to what changes, if any, 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 supports more robust capital standards and continues to advocate for a strong capital model. The discussions are ongoing and the ultimate outcome of these discussions and any potential actions taken by the NAIC cannot be predicted at this time. However, given the Company’s current strong capital position and having no exposure to risk written in the 2005 through 2008 book years, we believe the Company will be well positioned to comply with new capital requirements proposed by the NAIC when they become effective.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings.

C. Other Disclosures

In connection with securing state licenses, the Company has placed funds on deposit with certain states. As of December 31, 2017 and 2016, the total amount on deposit with all states was $6,951,464 and $6,893,757, respectively.

D. Business Interruption Insurance Recoveries

The Company has no business interruption insurance recoveries.

E. State Transferable and Non-transferable Tax Credits

The Company has no state transferable or non-transferable state tax credits.

F. Subprime Mortgage Related Risk Exposure

The Company has no subprime mortgage related risk exposure.

G. Insurance-Linked Securities (ILS) Contracts

None, but see discussion of the Excess of loss reinsurance agreement, *see Footnote 23 - Reinsurance, Excess of Loss Reinsurance*

22. Subsequent Events

The Company has performed subsequent event procedures through February 27, 2018 which is the date the statutory basis financial statements were available for issuance.

NMIC entered into its second quota share reinsurance treaty with a broad panel of highly rated reinsurers that will take effect January 1, 2018 (2018 QSR Transaction). Under the 2018 QSR Transaction, NMIC agrees to cede 25% of its eligible policies written in 2018 and 20% to 30% (amount at NMIC's sole election, to be exercised no later than December 1, 2018) of eligible policies written in 2019. The Company will receive a ceding commission equal to 20% of ceded premiums earned, as well as a profit commission equal to 61% of ceded premiums earned, reduced by any losses ceded under the treaty. The 2018 QSR Transaction is scheduled to terminate on December 31, 2029. NMC has determined that under existing regulatory rules and PMIERs, the Company will be able to take full statutory and PMIERs credit for risk ceded under the agreement, which was approved by the Wisconsin Office of the Commissioner of Insurance (OCI).

23. Reinsurance

Excess of loss reinsurance

In May 2017, NMIC entered into a reinsurance agreement with Oaktown Re that provides for up to $211.3 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies written from 2013 through December 31, 2016. For the reinsurance coverage period, NMIC will retain the first layer of $126.8 million of aggregate losses and Oaktown Re will then provide second layer coverage up to the outstanding reinsurance coverage amount. NMIC will then retain losses in excess of the outstanding reinsurance coverage amount. The outstanding reinsurance coverage amount decreases from $211.3 million at inception over a ten-year period as the underlying covered mortgages amortize and was $177 million as of December 31, 2017. The outstanding reinsurance coverage amount will cease amortizing if certain credit enhancement or delinquency thresholds are triggered.

Oaktown Re financed the coverage by issuing mortgage insurance-linked notes in an aggregate amount of $211.3 million to unaffiliated investors (the Notes). The Notes mature on April 26, 2027. All of the proceeds paid to Oaktown Re from the sale of the Notes were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re to NMIC under the reinsurance agreement. At all times, funds in the reinsurance trust account are required to be invested in high credit quality money market funds. We refer collectively to NMIC's reinsurance agreement with Oaktown Re and the issuance of the Notes by Oaktown Re as the 2017 ILN Transaction. Under the terms of the 2017 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re for its anticipated operating expenses (capped at $300 thousand per year). For the year ended December 31, 2017, NMIC paid risk premiums of $5.0 million. NMIC did not cede any losses to Oaktown Re.

Under the 2017 ILN Transaction, NMIC holds an optional termination right if certain events occur, including, among others, a clean-up call if the outstanding reinsurance coverage amount amortizes to 10% or less of the reinsurance coverage amount at inception or if NMIC reasonably determines that changes to GSE or rating agency asset requirements would cause a material and adverse effect on the capital treatment afforded to NMIC under the agreement. In addition, there are certain events that will result in mandatory termination of the agreement, including NMIC's failure to pay premiums or consent to reductions in the trust account to make principal payments to noteholders, among others.

Quota share reinsurance

In September 2016, in order to continue to grow our business and manage insurance risk and our *minimum required assets* under PMIERs financial requirements, the Company entered into a quota-share reinsurance transaction with a panel of third-party reinsurers (2016 QSR Transaction). Each of the third-party reinsurers has an insurer financial strength rating of A- or better by Standard and Poor’s Rating Services (S&P), A.M. Best or both. The GSEs and the

Notes to Financial Statements

Wisconsin Office of the Commissioner of Insurance (Wisconsin OCI) approved the 2016 QSR Transaction (subject to certain conditions), giving full capital credit under PMIERs and statutory accounting principles, respectively, for the risk ceded under the agreement. The credit that we receive under PMIERs is subject to periodic review by the GSEs.

Under the 2016 QSR Transaction, NMIC ceded premiums related to:

- 25% of existing risk written on eligible policies as of August 31, 2016;
- 100% of our existing risk under our pool agreement with Fannie Mae; and
- 25% of risk on eligible policies written from September 1, 2016 through December 31, 2017.

Certain states limit the amount of risk a mortgage guaranty insurer may retain on a single loan to 25% of the indebtedness to the insured and as a result the portion of such insurance in excess of 25% must be reinsured. The Company cedes premiums and claims to Re One on an excess share basis for any primary or pool policy that provides coverage greater than 25% of any insured loan amount. The reinsurance provided by Re One is solely to comply with statutory risk limits. This reinsurance agreement was amended effective September 1, 2016, to reduce the risk ceded by NMIC to Re One, due to the inception of the QSR Transaction. The amendment was non-disapproved by the OCI, in a letter dated September 19, 2016. The agreement was amended on May, 2017 to reflect the impact of the 2017 ILN Transaction. *See Note 10 - C - Change in Terms of Intercompany Arrangements.*

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.

B. Reinsurance Recoverables in Dispute

The Company does not have any reinsurance recoverables in dispute.

C. Reinsurance Assumed and Ceded

(1) The maximum amount of return commission that would have been due reinsurers if they or the Company had cancelled the reinsurance agreement as of December 31, 2017, with the return of unearned premium reserves is as follows:

As of December 31, 2017	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1)	(2)	(3)	(4)	(5)	(6)
Type of Financial Instrument	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ —	$ —	$ 270,595	$ 54,119	$ (270,595)	$ (54,119)
b. All Other	—	—	40,249,665	8,049,933	(40,249,665)	$ (8,049,933)
c. Total	—	—	40,520,260	8,104,052	(40,520,260)	(8,104,052)

d. Direct Unearned Premium Reserve - $163,165,781.43

D. Uncollectible Reinsurance

The Company has not written off any reinsurance as uncollectible.

E. Commutation of Ceded Reinsurance

The pool reinsurance agreement between the Company and Re One was restructured in September 2016 to reduce the risk ceded to Re One. If the QSR Transaction is early terminated, the pool reinsurance agreement with Re One will be automatically reinstated.

No losses or loss adjustment expenses were incurred as result of the restructuring, and no premiums were returned.

F. Retroactive Reinsurance

The Company does not have retroactive reinsurance.

G. Reinsurance Accounted for as a Deposit

The Company does not have any reinsurance accounted for as a deposit.

Notes to Financial Statements

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The Company has not entered into any agreements qualified pursuant to SSAP No. 62R, Property and Casualty Reinsurance to receive P&C Run-off Accounting Treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The Company does not have any reinsurance agreements with certified reinsurers.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The Company has not entered into any agreements pursuant to SSAP No. 62R, Property and Casualty Reinsurance covering asbestos and pollution liabilities.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate

Not applicable

B. Method Used to Record

Not applicable

C. Amount and Percent of Net Retrospective Premiums

Not applicable

D. Medical Loss Ratio Rebates

Not applicable

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable

F. Risk-Sharing Provisions of the Affordable Care Act

Not applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

A. The Company incurred claims and claim adjustment expenses of $6,681,981 and $2,479,923 for the years ended December 31, 2017 and 2016, respectively. During 2017, the Company had a $782,000 favorable prior year development for the provision for incurred claim and claim adjustment expenses attributable to insured events for prior years. The Company does not adjust premiums based on past claim activity.

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 based on past claim activity.

The following tables provide claim development data, by accident year, and a reconciliation to the reserve for insurance claims and claim expenses:

	Cumulative Incurred Claims and Allocated Claims Adjustment Expenses, net of Reinsurance (1)					As of December 31, 2017	
Accident Year	2013	2014	2015	2016	2017	Total of IBNR	NODs (2)
2013	$ —	$ —	$ —	$ —	$ —	$ —	—
2014		76	29	4	4	—	—
2015			626	603	677	1	3
2016				2,199	1,392	16	32
2017					5,937	441	893
				Total	8,010	458	928

1) Amounts include case and IBNR reserves.

2) The number of NODs outstanding as of December 31, 2017 is the total number of loans in default over 60 days for which we have established reserves.

Notes to Financial Statements

	Cumulative Paid Claims and Allocated Claims Adjustment Expenses, Net of Reinsurance				
Accident Year	2013	2014	2015	2016	2017
2013	$ —	$ —	$ —	$ —	$ —
2014		—	4	4	4
2015			42	221	628
2016				160	788
2017					27
				Total	1,447

Reconciliation of Disclosure of Incurred and Paid Claims Development to the Liability for Unpaid Claims and Claim Adjustment Expenses

(In Thousands)

Cumulative Incurred Claims and Allocated Claims Adjustment Expenses, net of Reinsurance	8,010
Cumulative Paid Claims and Allocated Claims Adjustment Expenses, net of Reinsurance	1,447
Liabilities for unpaid claims and allocated claims adjustment expenses, net of reinsurance	6,563
Reinsurance recoverable on unpaid claims	
Unallocated claims adjustment expenses	119
Total gross liability for unpaid claims and claim adjustment expenses	6,682

The following table shows, on average, the percentage of claims and allocated claims adjustment expenses paid over the years after a claim is incurred.

	Average annual percentage payout of incurred claims and allocated claims adjustment expenses by age, net of reinsurance				
	Year 1	Year 2	Year 3	Year 4	Year 5
Claims duration disclosure	6%	57%	60%	—%	—%

B. Not applicable

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

27. Structured Settlements

The Company has not had any structured settlements.

28. Health Care Receivables

A - B Not applicable. The Company has no health care receivables.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

The Company has no premium deficiency reserves for the years ended December 31, 2017 and 2016. The Company performs a premium deficiency calculation each fiscal quarter using best estimate assumptions as of the testing date. The Company uses anticipated investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property-Casualty Contracts - Premiums.*

31. High Deductibles

A - B Not applicable. The Company has no reserve credit recorded for high deductibles on unpaid claims.

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

A - C Not applicable. The Company does not discount reserves for insurance claims and claims expenses.

33. Asbestos/Environmental Reserves

A - F Not applicable. The Company has no known potential exposure to asbestos or environmental claims.

Notes to Financial Statements

34. Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

35. Multiple Peril Crop Insurance

The Company does not offer multiple peril crop insurance.

36. Financial Guaranty Insurance

A - B Not applicable. The Company is a monoline mortgage guaranty reinsurer and does not engage in the business of financial guaranty insurance.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
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? Yes[X] No[ ] N/A[ ]

1.3 State Regulating? Wisconsin

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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2012

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 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

3.4 By what department or departments?
Wisconsin Office of the Commissioner of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[ ] No[X]
4.12 renewals? Yes[ ] No[X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[ ] No[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 has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]

7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO USA, LLC, One Bush Street, Suite 1800, San Francisco, CA 94104

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]

10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Marc Oberholtzer, FCAS, MAAA, PricewaterhouseCoopers LLP, 2001 Market Street, Two Commerce Square Philadelphia, PA 19103, consulting actuary

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
12.11 Name of real estate holding company
12.12 Number of parcels involved 0
12.13 Total book/adjusted carrying value $........................ 0
12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]
13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended? Yes[X] No[ ]
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Amended November 9, 2017 to include administrative and other updates, including clarifications to: employees obligation to preclear certain outside activities and equal opportunity provision.
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers $........................ 0
20.12 To stockholders not officers $........................ 0
20.13 Trustees, supreme or grand (Fraternal only) $........................ 0
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers $........................ 0
20.22 To stockholders not officers $........................ 0
20.23 Trustees, supreme or grand (Fraternal only) $........................ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others $........................ 0
21.22 Borrowed from others $........................ 0
21.23 Leased from others $........................ 0
21.24 Other $........................ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment $........................ 0
22.22 Amount paid as expenses $........................ 0
22.23 Other amounts paid $........................ 0

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
24.02 If no, give full and complete information, relating thereto
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
None
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $........................ 0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $........................ 0

GENERAL INTERROGATORIES (Continued)

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]
24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]
24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]
25.2 If yes, state the amount thereof at December 31 of the current year:
25.21 Subject to repurchase agreements $ 0
25.22 Subject to reverse repurchase agreements $ 0
25.23 Subject to dollar repurchase agreements $ 0
25.24 Subject to reverse dollar repurchase agreements $ 0
25.25 Placed under option agreements $ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $ 0
25.27 FHLB Capital Stock $ 0
25.28 On deposit with states $ 6,951,464
25.29 On deposit with other regulatory bodies $ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $ 0
25.32 Other $ 0
25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]
26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]
27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[ ]
28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

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

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

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

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

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

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
First Republic Securities Co., LLC	U
Wells Capital Management Incorporated	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[X] No[ ]
28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[X] No[ ]
28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105108	First Republic Securities Co., LLC		SEC	NO
108559	First Republic Investment Management, Inc.		SEC	NO
104973	Wells Capital Management Incorporated	549300B3H21OO2L85I90	SEC	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[ ] No[X]
29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	624,044,345	626,732,886	2,688,541
30.2 Preferred stocks			
30.3 Totals	624,044,345	626,732,886	2,688,541

30.4 Describe the sources or methods utilized in determining the fair values:
The Company has obtained the fair values from Interactive Data at December 31, 2017.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]
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:
Not Applicable

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:
33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5*GI securities? Yes[ ] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 744,626
34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Moody's Investors Service Inc.	188,592
USMI	423,907

35.1 Amount of payments for legal expenses, if any? $ 463,795
35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
Littler Mendelson, P.C.	174,942
Wachtell, Lipton, Rosen & Katz	190,827

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? $ 180,000

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
The OB-C Group, LLC	180,000

GENERAL INTERROGATORIES (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes[ ] No[X]
1.2 If yes, indicate premium earned on U.S. business only. $ 0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0
1.31 Reason for excluding:
Not Applicable
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0
1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0
1.6 Individual policies
Most current three years:
1.61 Total premium earned $ 0
1.62 Total incurred claims $ 0
1.63 Number of covered lives 0
All years prior to most current three years:
1.64 Total premium earned $ 0
1.65 Total incurred claims $ 0
1.66 Number of covered lives 0
1.7 Group policies
Most current three years:
1.71 Total premium earned $ 0
1.72 Total incurred claims $ 0
1.73 Number of covered lives 0
All years prior to most current three years:
1.74 Total premium earned $ 0
1.75 Total incurred claims $ 0
1.76 Number of covered lives 0

2. Health Test

		1 Current Year	2 Prior Year
2.1	Premium Numerator		
2.2	Premium Denominator	137,126,635	97,277,925
2.3	Premium Ratio (2.1 / 2.2)		
2.4	Reserve Numerator		
2.5	Reserve Denominator	129,327,502	117,193,258
2.6	Reserve Ratio (2.4 / 2.5)		

3.1 Does the reporting entity issue both participating and non-participating policies? Yes[ ] No[X]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies $ 0
3.22 Non-participating policies $ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:
4.1 Does the reporting entity issue assessable policies? Yes[ ] No[ ] N/A[X]
4.2 Does the reporting entity issue non-assessable policies? Yes[ ] No[ ] N/A[X]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.000%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 0

5. For Reciprocal Exchanges Only:
5.1 Does the exchange appoint local agents? Yes[ ] No[ ] N/A[X]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes[ ] No[ ] N/A[X]
5.22 As a direct expense of the exchange Yes[ ] No[ ] N/A[X]
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes[ ] No[ ] N/A[X]
5.5 If yes, give full information:

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 does not write workers' compensation business.
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 writes mortgage guaranty insurance on mortgages issued to residential borrowers throughout the United States. Loss exposures on individual mortgage loans are driven by loan, borrower and economic factors. Losses are bounded by specified coverage percentage on each issued loan. Stress scenarios are performed by management using proprietory models, taking past and projected economic factors into consideration.
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:
The Company is a monoline mortgage guaranty insurer for mortgages issued to United States residential borrowers. Loss exposures are on individual mortgage loans and are governed by the coverage percentage on the loan. The Company is required to establish and maintain a continency reserve to be used for excessive losses. In addition, the Company has entered into quote share and excess-of-loss reinsurance agreements that will significantly reduce net losses in the event of an economic downturn.
6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[ ] No[X]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
See responses 6.2 and 6.3 above.

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes[X] No[ ]
7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 2
7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes[ ] No[X] N/A[ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes[ ] No[X]
8.2 If yes, give full information.

GENERAL INTERROGATORIES (Continued)

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes[X] No[ ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes[ ] No[X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes[ ] No[X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or Yes[ ] No[X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes[ ] No[X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes[ ] No[X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes[ ] No[ ] N/A[X]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes[ ] No[X]
11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses $ 0
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0
12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. $ 0
12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes[ ] No[ ] N/A[X]
12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 0.000%
12.42 To 0.000%
12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes[ ] No[X]
12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit $ 0
12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 375,000
13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes[ ] No[X]
13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes[ ] No[X]
14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes[ ] No[ ] N/A[X]
14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes[ ] No[ ] N/A[X]
14.5 If the answer to 14.4 is no, please explain
Not Applicable

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes[ ] No[X]
15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes[ ] No[X]
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other *					

* Disclose type of coverage:

GENERAL INTERROGATORIES (Continued)

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5?	Yes[ ] No[X]
Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption.	
17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	$ 0
17.12 Unfunded portion of Interrogatory 17.11	$ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14 Case reserves portion of Interrogatory 17.11	$ 0
17.15 Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16 Unearned premium portion of Interrogatory 17.11	$ 0
17.17 Contingent commission portion of Interrogatory 17.11	$ 0
Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.	
17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	$ 0
17.19 Unfunded portion of Interrogatory 17.18	$ 0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$ 0
17.21 Case reserves portion of Interrogatory 17.18	$ 0
17.22 Incurred but not reported portion of Interrogatory 17.18	$ 0
17.23 Unearned premium portion of Interrogatory 17.18	$ 0
17.24 Contingent commission portion of Interrogatory 17.18	$ 0
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:	$ 0
18.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	$ 0

FIVE - YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6

		1 2017	2 2016	3 2015	4 2014	5 2013
	Gross Premiums Written (Page 8, Part 1B, Columns 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)					
3.	Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
4.	All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	202,585,844	177,962,229	114,210,694	34,028,777	3,541,228
5.	Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6.	TOTAL (Line 35)	202,585,844	177,962,229	114,210,694	34,028,777	3,541,228
	Net Premiums Written (Page 8, Part 1B, Column 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)					
10.	All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	145,058,822	129,819,260	103,907,204	31,254,422	3,302,872
11.	Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12.	TOTAL (Line 35)	145,058,822	129,819,260	103,907,204	31,254,422	3,302,872
	Statement of Income (Page 4)					
13.	Net underwriting gain or (loss) (Line 8)	(32,953,869)	(39,884,291)	(55,258,634)	(49,885,853)	(34,645,349)
14.	Net investment gain or (loss) (Line 11)	1,440,209	12,132,935	4,952,038	2,694,596	1,950,639
15.	TOTAL other income (Line 15)					
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	4,732,426	746,913			
18.	Net income (Line 20)	(36,246,085)	(28,498,269)	(50,306,596)	(47,191,257)	(32,694,709)
	Balance Sheet Lines (Pages 2 and 3)					
19.	TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	717,815,260	634,838,622	487,699,415	261,907,635	194,180,118
20.	Premiums and considerations (Page 2, Column 3)					
	20.1 In course of collection (Line 15.1)	25,168,971	13,720,689	5,140,173	1,048,105	18,756
	20.2 Deferred and not yet due (Line 15.2)					
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	TOTAL liabilities excluding protected cell business (Page 3, Line 26)	373,797,585	247,801,192	120,809,360	38,789,337	13,870,243
22.	Losses (Page 3, Line 1)	6,562,661	2,421,360	609,241	76,330	
23.	Loss adjustment expenses (Page 3, Line 3)	119,320	58,563			
24.	Unearned premiums (Page 3, Line 9)	122,645,521	114,713,335	82,172,000	20,182,892	1,337,851
25.	Capital paid up (Page 3, Lines 30 & 31)	2,530,000	2,530,000	2,530,000	2,530,000	2,530,000
26.	Surplus as regards policyholders (Page 3, Line 37)	344,017,675	387,037,430	366,890,055	223,118,299	180,309,875
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	(27,266,169)	8,094,798	10,485,718	(22,908,219)	(26,722,502)
	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, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30.	Bonds (Line 1)	96.5	89.5	92.7	74.8	90.4
31.	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)					
34.	Cash, cash equivalents and short-term investments (Line 5)	3.5	10.5	7.3	25.2	9.6
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)					
37.	Other invested assets (Line 8)					
38.	Receivables for securities (Line 9)			0.0		
39.	Securities lending reinvested collateral assets (Line 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
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43.	Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44.	Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45.	Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated					
48.	TOTAL of above Lines 42 to 47					
49.	TOTAL investment in parent included in Lines 42 to 47 above					
50.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE - YEAR HISTORICAL DATA (Continued)

		1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)						
51.	Net unrealized capital gains or (Losses) (Line 24)					
52.	Dividends to stockholders (Line 35)					
53.	Change in surplus as regards policyholders for the year (Line 38)	(43,019,755)	20,147,375	143,771,756	42,808,424	(29,693,818)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)						
54.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1,19.2 & 19.3,19.4)					
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,247,842	360,403	53,906		
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59.	TOTAL (Line 35)	1,247,842	360,403	53,906		
Net Losses Paid (Page 9, Part 2, Column 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)					
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)	1,047,533	333,123	45,520		
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65.	TOTAL (Line 35)	1,047,533	333,123	45,520		
Operating Percentages (Page 4)						
(Item divided by Page 4, Line 1) x 100.0						
66.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67.	Losses incurred (Line 2)	3.8	2.2	1.4	0.6	
68.	Loss expenses incurred (Line 3)	0.1	0.1			
69.	Other underwriting expenses incurred (Line 4)	50.3	82.2	180.4	451.4	1,774.6
70.	Net underwriting gain (loss) (Line 8)	(24.0)	(41.0)	(131.8)	(402.0)	(1,763.1)
Other Percentages						
71.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	113.6	104.0	93.0	199.1	1,108.4
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	3.8	2.3	1.4	0.6	
73.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	42.2	33.5	28.3	14.0	1.8
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, Column 11)	(733)	(49)	(47)		
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, Column 1 x 100.0)	(0.2)	0.0	0.0		
Two Year Loss Development ($000 omitted)						
76.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	26	(72)			
77.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)	0.0	0.0			

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[ ] N/A[X]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX									XXX
2. 2008												XXX
3. 2009												XXX
4. 2010												XXX
5. 2011												XXX
6. 2012												XXX
7. 2013	2,095	130	1,965									XXX
8. 2014	13,407	997	12,409	4							4	XXX
9. 2015	45,506	3,588	41,918	678	55			6	1		628	XXX
10. 2016	115,830	18,552	97,278	949	172			14	3		788	XXX
11. 2017	192,326	55,199	137,127	35	9			1			27	XXX
12. Totals	XXX	XXX	XXX	1,666	236			21	4		1,447	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22		Total Net	Number of Claims Outstanding
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Losses and Expenses Unpaid	Direct and Assumed
1. Prior													XXX
2. 2008													XXX
3. 2009													XXX
4. 2010													XXX
5. 2011													XXX
6. 2012													XXX
7. 2013													XXX
8. 2014													XXX
9. 2015	59	10							1			50	XXX
10. 2016	754	150							10	2		612	XXX
11. 2017	7,191	1,739	600	142					145	35		6,020	XXX
12. Totals	8,004	1,899	600	142					156	37		6,682	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Pooling Participation Percentage	Losses Unpaid	Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. 2008											
3. 2009											
4. 2010											
5. 2011											
6. 2012											
7. 2013											
8. 2014	4		4	0.0		0.0					
9. 2015	744	66	678	1.6	1.8	1.6				49	1
10. 2016	1,727	327	1,400	1.5	1.8	1.4				604	8
11. 2017	7,972	1,925	6,047	4.1	3.5	4.4				5,910	110
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	6,563	119

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										DEVELOPMENT	
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	11 One Year	12 Two Year
1. Prior												
2. 2008												
3. 2009	XXX											
4. 2010	XXX	XXX										
5. 2011	XXX	XXX	XXX									
6. 2012	XXX	XXX	XXX	XXX								
7. 2013	XXX	XXX	XXX	XXX	XXX							
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	76	29	4	4		(25)
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	626	603	677	74	51
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,199	1,392	(807)	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,937	XXX	XXX
12. TOTALS											(733)	26

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11	12
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000										XXX	XXX
2. 2008											XXX	XXX
3. 2009	XXX										XXX	XXX
4. 2010	XXX	XXX									XXX	XXX
5. 2011	XXX	XXX	XXX								XXX	XXX
6. 2012	XXX	XXX	XXX	XXX							XXX	XXX
7. 2013	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX		4	4	4	XXX	XXX
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42	220	628	XXX	XXX
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	160	788	XXX	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)									
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017
1. Prior										
2. 2008										
3. 2009	XXX									
4. 2010	XXX	XXX								
5. 2011	XXX	XXX	XXX							
6. 2012	XXX	XXX	XXX	XXX						
7. 2013	XXX	XXX	XXX	XXX	XXX					
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	3			
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42		
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	168	
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	458

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

ALLOCATED BY STATES AND TERRITORIES

	States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
1.	Alabama (AL)	L	898,699	879,431			8,816	28,734		
2.	Alaska (AK)	L	114,387	118,896						
3.	Arizona (AZ)	L	9,898,933	8,975,538			196,241	248,961		
4.	Arkansas (AR)	L	813,748	840,963			52,564	52,564		
5.	California (CA)	L	27,764,378	27,277,463		250,620	817,554	895,522		
6.	Colorado (CO)	L	6,118,505	5,906,360		56,996	72,659	106,402		
7.	Connecticut (CT)	L	1,190,298	1,215,024			79,617	113,804		
8.	Delaware (DE)	L	395,885	377,472						
9.	District of Columbia (DC)	L	4,306,796	4,300,788						
10.	Florida (FL)	L	8,478,331	8,284,807			558,421	726,561		
11.	Georgia (GA)	L	4,123,466	4,372,755			64,151	64,151		
12.	Hawaii (HI)	L	799,038	720,339						
13.	Idaho (ID)	L	2,095,391	1,889,639			26,454	26,454		
14.	Illinois (IL)	L	6,862,893	6,466,964			306,931	366,784		
15.	Indiana (IN)	L	3,167,329	2,794,901			47,506	75,394		
16.	Iowa (IA)	L	1,250,709	1,021,903			68,847	68,847		
17.	Kansas (KS)	L	1,353,144	1,370,310		109,134	284,229	202,377		
18.	Kentucky (KY)	L	692,899	633,195			28,357	29,299		
19.	Louisiana (LA)	L	1,364,574	1,454,326			84,017	216,242		
20.	Maine (ME)	L	477,099	407,694			25,633	25,633		
21.	Maryland (MD)	L	5,255,656	4,164,268			75,047	75,047		
22.	Massachusetts (MA)	L	3,262,585	2,622,691			96,356	104,367		
23.	Michigan (MI)	L	15,969,305	15,811,216		417,498	1,399,465	1,766,042		
24.	Minnesota (MN)	L	7,011,734	6,336,656		33,180	125,757	137,730		
25.	Mississippi (MS)	L	272,540	295,027			41,723	41,723		
26.	Missouri (MO)	L	3,357,281	3,129,408		24,219	79,573	109,993		
27.	Montana (MT)	L	686,729	670,702			18,898	18,898		
28.	Nebraska (NE)	L	1,210,123	1,066,041			71,969	77,311		
29.	Nevada (NV)	L	3,278,083	3,195,829			34,626	69,396		
30.	New Hampshire (NH)	L	954,775	867,744			14,289	14,289		
31.	New Jersey (NJ)	L	5,923,476	5,703,687			154,487	286,947		
32.	New Mexico (NM)	L	718,894	708,466			52,486	60,400		
33.	New York (NY)	L	4,489,152	3,869,507			210,943	263,830		
34.	North Carolina (NC)	L	4,339,795	4,225,073			221,272	241,922		
35.	North Dakota (ND)	L	134,455	136,116						
36.	Ohio (OH)	L	5,108,048	5,389,358		26,854	116,550	185,016		
37.	Oklahoma (OK)	L	749,154	712,691			35,300	63,491		
38.	Oregon (OR)	L	2,826,028	2,793,433			70,556	89,990		
39.	Pennsylvania (PA)	L	6,125,822	5,700,530		135,948	236,806	238,439		
40.	Rhode Island (RI)	L	757,008	657,165			33,346	33,346		
41.	South Carolina (SC)	L	2,875,830	2,817,246		110,266	144,185	123,538		
42.	South Dakota (SD)	L	562,243	484,471			9,305	9,305		
43.	Tennessee (TN)	L	2,810,749	2,889,576		24,517	136,304	132,186		
44.	Texas (TX)	L	15,653,651	15,052,984		47,488	618,217	840,804		
45.	Utah (UT)	L	7,099,698	6,403,063		11,122	67,185	114,973		
46.	Vermont (VT)	L	108,696	110,127						
47.	Virginia (VA)	L	7,787,754	7,010,389			24,418	75,888		
48.	Washington (WA)	L	5,413,963	4,925,583			107	12,803		
49.	West Virginia (WV)	L	949,685	684,617			76,437	76,437		
50.	Wisconsin (WI)	L	4,369,927	4,189,943			14,697	62,882		
51.	Wyoming (WY)	L	356,503	393,135			19,590	29,486		
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)	XXX								
59.	TOTALS	(a). 51	202,585,844	192,325,509		1,247,842	6,921,890	8,604,208		
DETAILS OF WRITE-INS										
58001.	write-in description 1 for line 580	XXX								
58002.	write-in description 2 for line 580	XXX								
58003.	write-in description 3 for line 580	XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

(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 (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus LinesInsurer (DSLI) - Reporting Entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

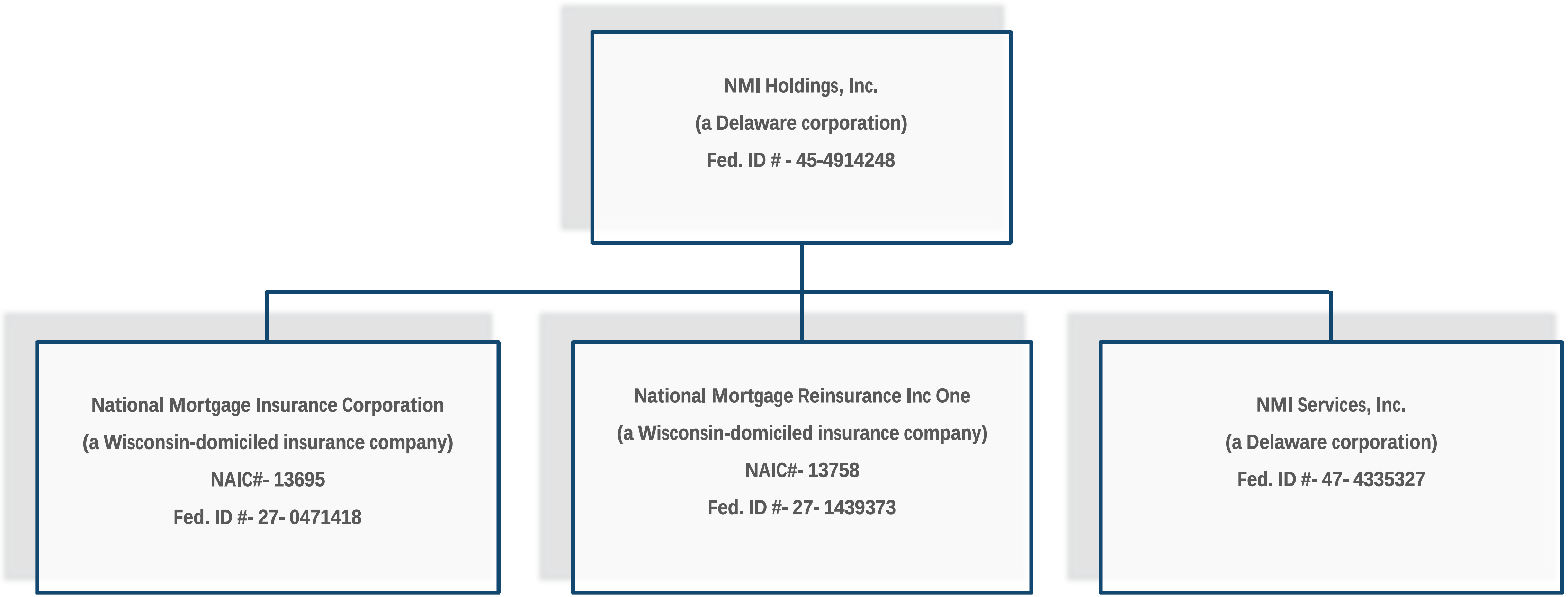
(a) Insert the number of D and L responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.: Premiums paid by the borrower are allocated by state based on the location of te insured property. Premiums paid by the lender are allocated based on the loation of the insured.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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