



QUARTERLY STATEMENT AS OF JUNE 30, 2019 OF THE CONDITION AND AFFAIRS OF THE National Mortgage Insurance Corporation

NAIC Group Code <u>4760</u> , <u>4760</u> <small>(current period) (prior period)</small>	NAIC Company Code <u>13695</u>	Employer's ID Number <u>27-0471418</u>
Organized under the Laws of <u>Wisconsin</u> ,	State of Domicile or Port of Entry <u>WI</u>	
Country of Domicile <u>United States of America</u>		
Incorporated/Organized <u>06/30/2009</u>	Commenced Business <u>05/04/2013</u>	
Statutory Home Office <u>8040 Excelsior Drive, Suite 200</u> <small>(Street and Number)</small>	<u>Madison, WI, US 53717</u> <small>(City or Town, State, Country and Zip Code)</small>	
Main Administrative Office <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Mail Address <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number or P.O. Box)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Internet Website Address <u>www.nationalmi.com</u>		
Statutory Statement Contact <u>Byron Tan</u> <small>(Name)</small>	<u>(510)858-0565</u> <small>(Area Code)(Telephone Number)(Extension)</small>	
<u>byron.tan@nationalmi.com</u> <small>(E-Mail Address)</small>	<u>(510)225-3832</u> <small>(Fax Number)</small>	

OFFICERS

Name	Title
Bradley M Shuster	Executive Chairman
William J Leatherberry	Chief Legal Officer
Claudia J Merkle	Chief Executive Officer
Adam Pollitzer	Chief Financial Officer
Robert O Smith	Chief Risk Officer
Patrick L Mathis	Chief Operating 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, SVP, Controller	Mary L Sharp, SVP, Chief Human Resources Officer Norman P Fitzgerald, SVP, Field Sales Kellie Ramsower, SVP, Underwriting & Risk Operations Nicholas Ondrejka, SVP, Chief Information Officer
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DIRECTORS OR TRUSTEES

Patrick L Mathis Bradley M Shuster Adam Pollitzer	Claudia J Merkle William J Leatherberry Robert O Smith
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State of California
County of Alameda ss

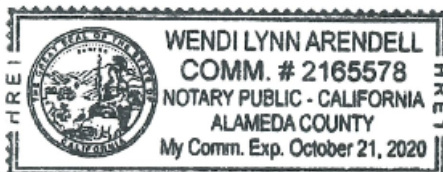
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any 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.

 _____ <small>(Signature)</small> Claudia Merkle <small>(Printed Name)</small> 1. Chief Executive Officer <small>(Title)</small>	 _____ <small>(Signature)</small> Christopher G Brunetti <small>(Printed Name)</small> 2. SVP, General Counsel and Secretary <small>(Title)</small>	 _____ <small>(Signature)</small> Adam Pollitzer <small>(Printed Name)</small> 3. Chief Financial Officer <small>(Title)</small>
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Subscribed and sworn to before me this 14th day of August, 2019

- 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 _____

(Notary Public Signature)



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	892,192,216		892,192,216	810,414,908
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....14,206,792), cash equivalents (\$.....34,416,114) and short-term investments (\$.....8,683,694)	57,306,600		57,306,600	38,547,178
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	949,498,816		949,498,816	848,962,086
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	5,911,729		5,911,729	5,287,338
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	42,081,999	3,875	42,078,124	35,983,723
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	70,748,162	17,180,265	53,567,897	52,561,290
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	136,043	136,043		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,068,376,749	17,320,183	1,051,056,566	942,794,437
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	1,068,376,749	17,320,183	1,051,056,566	942,794,437
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	136,043	136,043		
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)	136,043	136,043		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....7,327,965)	14,283,412	9,603,281
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	224,543	102,355
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	722,570	42,533
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	650,787	2,746
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$.....0 and interest thereon \$.....0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....20,636,955 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)	130,720,414	128,288,207
10. Advance premium	257	477
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,449,537	4,508,349
13. Funds held by company under reinsurance treaties	18,092,433	27,113,509
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$.....0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	51,078,416	40,554,235
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	419,410,067	329,437,709
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	640,632,436	539,653,401
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	640,632,436	539,653,401
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	564,573,352	564,573,352
35. Unassigned funds (surplus)	(156,679,222)	(163,962,316)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	410,424,130	403,141,036
38. TOTALS (Page 2, Line 28, Col. 3)	1,051,056,566	942,794,437
DETAILS OF WRITE-INS		
2501. Statutory Contingency Reserve	415,856,340	325,398,876
2502. Deferred Ceding Commission	3,204,494	3,791,518
2503. Premium Refund Reserve	349,233	247,315
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	419,410,067	329,437,709
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned			
1.1 Direct (written \$.....173,942,980)	181,477,873	134,212,160	292,064,497
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....43,839,647)	48,812,197	37,982,390	84,549,951
1.4 Net (written \$.....130,103,333)	132,665,676	96,229,770	207,514,546
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....7,327,965)			
2.1 Direct	7,158,620	2,950,159	7,198,590
2.2 Assumed			
2.3 Ceded	1,701,645	719,834	1,747,279
2.4 Net	5,456,975	2,230,325	5,451,311
3. Loss adjustment expenses incurred	142,806	(16,226)	12,139
4. Other underwriting expenses incurred	31,032,949	31,586,112	61,634,784
5. Aggregate write-ins for underwriting deductions	90,457,464	66,980,297	145,642,032
6. TOTAL underwriting deductions (Lines 2 through 5)	127,090,194	100,780,508	212,740,266
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	5,575,482	(4,550,738)	(5,225,720)
INVESTMENT INCOME			
9. Net investment income earned	7,844,737	2,721,016	8,998,707
10. Net realized capital gains (losses) less capital gains tax of \$.....(57,537)	(299,499)	(31,327)	(104,496)
11. Net investment gain (loss) (Lines 9 + 10)	7,545,238	2,689,689	8,894,211
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)	13,120,720	(1,861,049)	3,668,491
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)	13,120,720	(1,861,049)	3,668,491
19. Federal and foreign income taxes incurred	7,910,327	3,140,987	24,031,409
20. Net income (Line 18 minus Line 19) (to Line 22)	5,210,393	(5,002,036)	(20,362,918)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	403,141,036	344,017,675	344,017,675
22. Net income (from Line 20)	5,210,393	(5,002,036)	(20,362,918)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....220,461	829,352		(829,352)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	3,933,307	3,447,017	22,715,615
27. Change in nonadmitted assets	(2,689,958)	(27,355)	(12,399,983)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		70,000,000	70,000,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	7,283,094	68,417,626	59,123,361
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	410,424,130	412,435,301	403,141,036
DETAILS OF WRITE-INS			
0501. Statutory Contingency Reserve	90,457,464	66,980,297	145,642,032
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)	90,457,464	66,980,297	145,642,032
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) (Line 37 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	129,944,450	97,053,712	203,774,743
2. Net investment income	7,689,964	2,867,874	8,672,160
3. Miscellaneous income			
4. TOTAL (Lines 1 to 3)	137,634,414	99,921,586	212,446,902
5. Benefit and loss related payments	776,844	823,732	2,410,691
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	21,428,048	22,317,324	46,417,070
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	7,852,791	3,190,003	24,139,699
10. TOTAL (Lines 5 through 9)	30,057,683	26,331,059	72,967,460
11. Net cash from operations (Line 4 minus Line 10)	107,576,731	73,590,527	139,479,443
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	44,624,956	80,563,222	134,185,760
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	44,624,956	80,563,222	134,185,760
13. Cost of investments acquired (long-term only):			
13.1 Bonds	126,179,114	195,108,722	322,715,623
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	126,179,114	195,108,722	322,715,623
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(81,554,158)	(114,545,500)	(188,529,863)
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		70,000,000	70,000,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(7,263,151)	(14,811,215)	(5,227,118)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(7,263,151)	55,188,785	64,772,882
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)	18,759,422	14,233,812	15,722,462
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	38,547,178	22,824,717	22,824,717
19.2 End of period (Line 18 plus Line 19.1)	57,306,600	37,058,529	38,547,178

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

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

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

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

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

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

	SSAP #	F/S Page	F/S Line #	Six Months Ended June 30, 2019	Year ended December 31, 2018
Net Income/(Loss)					
(1) State basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 5,210,393	\$ (20,362,918)
(2) State Prescribed Practices that increase/(decrease) from NAIC SAP:					
Change in contingency reserves	00	4	5	(90,457,464)	(145,642,032)
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 95,667,857</u>	<u>\$ 125,279,114</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 410,424,130	\$ 403,141,036
(6) State Prescribed Practices that increase/(decrease) from NAIC SAP:				—	—
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 410,424,130</u>	<u>\$ 403,141,036</u>

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

No significant change from year end 2018.

C. Accounting Policy

The Company uses the following accounting policies:

- (1) - (5) No significant change from year end 2018.
- (6) Loan-backed securities are valued using the retrospective method and are stated at amortized cost or fair value in accordance with their NAIC designation.
- (7) - (13) No significant change from year end 2018.

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**Statement of Cash Flow - Page Q5**

On the Quarterly Statement as of June 30, 2018, the Company reported the \$66,980,297 change in its Contingency Reserve balance as a component of line 16.6 - Other cash provided (applied) on the Statement of Cash Flow. This

Notes to Financial Statement

balance should have been reported on line 7 - Commissions, expenses paid and aggregate write-ins for deductions. The Statement of Cash Flow on the Quarterly Statement as of June 30, 2019 reflects this correction on the following lines:

	Originally Reported on the 2018 Quarterly Statement - For the Six Months Ended June 30, 2018	Adjusted amounts on the 2019 Quarterly Statement - For the Six Months Ended June 30, 2018	Difference
Cash from Operations			
Line 7 - Commissions, expenses paid and aggregate write-ins for deductions	\$89,297,621	\$22,317,324	\$(66,980,297)
Line 11 - Net cash from operations (Line 4 minus Line 10)	\$6,610,230	\$73,590,527	\$66,980,297
Cash from Financing and Miscellaneous Sources			
Line 16.6 - Other cash provided (applied)	\$52,169,082	\$(14,811,215)	\$(66,980,297)
Line 17 - Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	\$122,169,082	\$55,188,785	\$(66,980,297)

3. Business Combinations and Goodwill

A. Statutory Purchase Method

No significant change from year end 2018. Not applicable.

B. Statutory Merger

No significant change from year end 2018. Not applicable.

C. Impairment Loss

No significant change from year end 2018. Not applicable.

4. Discontinued Operations

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

No significant change from year end 2018. Not applicable.

B. Change in Plan of Sale or Discontinued Operation

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

No significant change from year end 2018. Not applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

No significant change from year end 2018. Not applicable.

B. Debt Restructuring

No significant change from year end 2018. Not applicable.

C. Reverse Mortgages

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

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) All securities within the scope of *SSAP No. 43R - Loan-backed and Structured Securities* with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

	(1) Amortized Cost Basis Before Other-than- Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell	\$ 3,385,697	\$ 381,603	\$ 3,004,094
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
c. Total 1st Quarter	\$ 3,385,697	\$ 381,603	\$ 3,004,094
OTTI recognized 2nd Quarter			
d. Intent to sell	\$ —	\$ —	—
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
f. Total 2nd Quarter	\$ —	\$ —	—
OTTI recognized 3rd Quarter			
g. Intent to sell	\$ —	\$ —	—
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
i. Total 3rd Quarter	\$ —	\$ —	—
OTTI recognized 4th Quarter			
j. Intent to sell	\$ —	\$ —	—
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
l. Total 4th Quarter	\$ —	\$ —	—
m. Annual Aggregate Total	\$ 3,385,697	\$ 381,603	\$ 3,004,094

For the three months ending March 31, 2019, the Company recognized an other-than-temporary impairment of \$381,603 on one security due to a planned sale in April 2019, reported as a component of net realized capital gains (losses) on the Statement of Income. The security was successfully sold in April 2019. The Company has not recognized any other other-than-temporary impairments for the six months ending June 30, 2019.

- (3) For the six months ended June 30, 2019, the Company did not recognize any other-than-temporary impairment on any securities due to the present value of cash flows expected to be collected is less than the amortized cost basis in the security.
- (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:

Notes to Financial Statement

(a) The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	33,221
2. 12 Months or Longer	\$	37,377

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

1. Less than 12 Months	\$	8,786,510
2. 12 Months or Longer	\$	3,319,785

- (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, as well as the extent and duration of the valuation 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. The Company recognized an other-than-temporary impairment of \$381,603 for six months ended June 30, 2019. The impairment was recognized in the first quarter and as of June 30, 2019, the Company did not hold other-than-temporarily impaired securities.

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

No significant change from year end 2018.

K. Low-Income Housing Tax Credits (LIHTC)

No significant change from year end 2018. Not applicable.

L. Restricted Assets

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activities (b)	Total (1 plus 3)	Total From Prior Year	Increase /(Decrease) (5 minus 6)

a. Subject to contractual obligation for which liability is not shown

\$	1,430,436	\$	—	\$	—	\$	1,430,436	\$	1,414,490	\$	15,946
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Notes to Financial Statement

b. Collateral held under security lending agreements	—	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale – excluding FHLB	—	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—	—
j. On deposit with states	5,248,514	—	—	—	5,248,514	5,224,600	23,914	
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding)	—	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—	—
o. Total Restricted Assets	<u>\$ 6,678,950</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,678,950</u>	<u>\$ 6,639,090</u>	<u>\$ 39,860</u>	

(a) Subset of Column 1

(b) Subset of Column 3

Notes to Financial Statement

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ 1,430,436	0.13%	0.14%
b. Collateral held under security lending agreements	—	—	—%	—%
c. Subject to repurchase agreements	—	—	—%	—%
d. Subject to reverse repurchase agreements	—	—	—%	—%
e. Subject to dollar repurchase agreements	—	—	—%	—%
f. Subject to dollar reverse repurchase agreements	—	—	—%	—%
g. Placed under option contracts	—	—	—%	—%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	—	—	—%	—%
i. FHLB capital stock	—	—	—%	—%
j. On deposit with states	—	5,248,514	0.49%	0.50%
k. On deposit with other regulatory bodies	—	—	—%	—%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—%	—%
m. Pledged as collateral not captured in other categories	—	—	—%	—%
n. Other restricted assets	—	—	—%	—%
o. Total Restricted Assets	—	6,678,950	0.62%	0.64%

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

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

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

M. Working Capital Finance Investments

None.

N. Offsetting and Netting of Assets and Liabilities

None.

O. Structured Notes

No significant change from year end 2018. Not applicable.

P. 5* Securities

No significant change from year end 2018. Not applicable.

Q. Short Sales

No significant change from year end 2018. Not applicable.

R. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>	<u>Protected Cell</u>
(1) Number of CUSIPs	3	—
(2) Aggregate amount of Investment Income	\$50,626	—

6. Joint Ventures, Partnerships and Limited Liability Companies

A - B. No significant change from year end 2018. Not applicable.

7. Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

No significant change from year end 2018.

B. The total amount excluded:

No significant change from year end 2018. The Company did not exclude any investment income for the six months ended June 30, 2019.

8. Derivative Instruments

A - H. No significant change from year end 2018. The Company has no derivative instruments.

9. Income Taxes

A - G. No significant change from year end 2018.

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

A. Nature of Relationships

No significant change from year end 2018.

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

The Company did not have any transactions greater than ½% of admitted assets for the six months ended June 30, 2019.

Notes to Financial Statement**C. Change in Terms of Intercompany Arrangements**

See *Note 23 - Reinsurance* for changes in terms of the Intercompany Reinsurance Agreement between the Company and National Mortgage Reinsurance Inc One. There were no other changes in terms of Intercompany Arrangements for the six months ended June 30, 2019.

D. Amounts Due to or from Related Parties

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Due to NMI Holdings Inc.	\$ 50,779,261	\$ 40,528,820
Due to National Mortgage Reinsurance Inc. One	228,150	10,920
Due to NMI Services, Inc.	71,005	14,495
Amounts Due to Related Parties	<u>\$ 51,078,416</u>	<u>\$ 40,554,235</u>

E. Guarantees or Undertaking for Related Parties

No significant change from year end 2018. Not applicable.

F. Management, Service contracts, Cost Sharing Arrangements

No significant change from year end 2018.

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

No significant change from year end 2018.

H. Amount Deducted for Investment in Upstream Company

No significant change from year end 2018. Not applicable.

I. Detail of Investments in Subsidiaries, Controlled, and Affiliated (“SCA”) Entities in Excess of 10% of Admitted Assets

No significant change from year end 2018. Not applicable.

J. Write downs for Impairment of Investments in SCA entities

No significant change from year end 2018. Not applicable.

K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2018. Not applicable.

L. Downstream Holding Company Valued Using Look-Through Method

No significant change from year end 2018. Not applicable.

M. All SCA Investments

No significant change from year end 2018. Not applicable.

N. Investment in Insurance SCAs

No significant change from year end 2018. Not applicable.

O. SCA Loss Tracking

No significant change from year end 2018. Not applicable.

11. Debt**A. The Company has no debt obligations as of June 30, 2019.****B. FHLB (Federal Home Loan Bank) Agreements**

No significant change from year end 2018. The Company has no funding agreements with the FHLB.

Notes to Financial Statement

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

No significant change from year end 2018. Not applicable.

C. Fair Value of Plan Assets

No significant change from year end 2018. Not applicable.

D. Rate of Return Assumptions

No significant change from year end 2018. Not applicable.

E. Defined contribution plans

No significant change from year end 2018. Not applicable.

F. Multiemployer Plans

No significant change from year end 2018. Not applicable.

G. Consolidated/Holding Company Plans

No significant change from year end 2018. Not applicable.

H. Postemployment benefits and Compensated Absences

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

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

(1) Number of Shares and Par or Stated Value of Each Class

No significant change from year end 2018.

(2) Dividend Rate, Liquidation value and Redemption Schedule of Preferred Stock

No significant change from year end 2018.

(3) Dividend Restrictions

No significant change from year end 2018.

(4) Dates and Amounts of Dividends Paid

No significant change from year end 2018. The Company did not declare or pay any dividends during the six months ended June 30, 2019. The Company has never paid any dividends to NMI Holdings Inc.

(5) Amount of Ordinary Dividends That May Be Paid

No significant change from year end 2018.

(6) Restrictions of Unassigned Funds

No significant change from year end 2018. Not applicable.

(7) Mutual Surplus Advance

No significant change from year end 2018. Not applicable.

(8) Company Stock held for Special Purposes

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

(9) Changes in Special Surplus Funds

No significant change from year end 2018. Not applicable.

(10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains is \$0, net of capital gains tax, as of June 30, 2019.

(11) Surplus Notes

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

No significant change from year end 2018. Not applicable.

B. Assessments

No significant change from year end 2018. Not applicable.

C. Gain Contingencies

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

E. Product Warranties

No significant change from year end 2018. Not applicable.

F. Joint and Several Liabilities

No significant change from year end 2018. Not applicable.

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.

As of June 30, 2019 and June 30, 2018, the company has established contingency reserves in the amount of \$415,856,340 and \$246,737,140, respectively. The contingency reserve calculation is based on 50% of gross premiums earned for the six months ended June 30, 2019 and June 30, 2018. The Company did not have contingency reserve withdrawals for the six months ended June 30, 2019 and June 30, 2018.

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.

Notes to Financial Statement

As of June 30, 2019 and June 30, 2018, the Company had net admitted assets of \$42,078,124 and \$31,243,575 respectively, related to premiums receivable due from policyholders. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any potential uncollectible premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amount, and therefore, no additional provision for uncollected amounts have been recorded. The potential for any additional loss is not expected to be material to the Company's financial condition.

15. Leases

A. Lessee Operating Leases

No significant change from year end 2018.

B. Lessor Leases

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

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

A. Transfers of Receivables Reported as Sales

No significant change from year end 2018. Not applicable.

B. Transfers and Servicing of Financial Assets

No significant change from year end 2018. The Company had no transfer or servicing of financial assets.

C. Wash Sales

No significant change from year end 2018. 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

No significant change from year end 2018. Not applicable.

B. Administrative Services Contract (ASC) Plans

No significant change from year end 2018. Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement contract

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

20. Fair Value Measurements

A. Inputs Used for Assets and Liabilities at Fair Value

(1) Fair Value Measurements at Reporting Date

Not applicable.

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy

Not applicable.

(3) Policy on transfers between levels of the Fair Value Hierarchy

The Company's policy is to recognize transfers between levels of the Fair Value Hierarchy at the end of the reporting period, consistent with the date of the determination of fair value.

Notes to Financial Statement

- (4) Valuation techniques and inputs used for Level 2 and Level 3 of the Fair Value Hierarchy

See Note 20 - C - Fair Values for All Financial Instruments by Levels 1, 2 and 3

- (5) Fair Value Disclosures for Derivative Assets and Liabilities

Not applicable. The Company does not have any derivative assets and liabilities.

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.

As of June 30, 2019

Type of Financial Instrument	Fair Value	Admitted Value	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Financial instruments - assets							
Bonds	\$ 915,191,176	\$ 892,192,216	\$ 42,391,562	\$ 872,799,614	\$ —	\$ —	—
Preferred stocks	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—
Cash, cash equivalents and short term investments	57,356,255	57,306,600	57,356,255	—	—	—	—
Total assets	\$ 972,547,431	\$ 949,498,816	\$ 99,747,817	\$ 872,799,614	\$ —	\$ —	—
Financial instruments - liabilities							
Total liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the six months ended June 30, 2019.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of June 30, 2019.

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. The Company does not adjust the quoted price for such instruments.
- 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.
- 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. Not Practicable to Estimate Fair Values

Not Applicable.

Notes to Financial Statement

E. Investments measured using the NAV practical expedient pursuant to SSAP No. 100R - Fair Value

Not Applicable.

21. Other Items

A. Unusual or Infrequent Items

No significant change from year end 2018. Not applicable.

B. Troubled Debt Restructuring: Debtors

No significant change from year end 2018. Not applicable.

C. Other Disclosures

No significant change from year end 2018.

D. Business Interruption Insurance Recoveries

No significant change from year end 2018. Not applicable.

E. State Transferable and Non-transferable Tax Credits

No significant change from year end 2018. Not applicable.

F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2018. Not applicable.

G. Insurance-Linked Securities (ILS) Contracts

No significant change from year end 2018. Not applicable.

22. Subsequent Events

The Company has performed subsequent event procedures through August 14, 2019.

On July 30, 2019, NMIC entered into a reinsurance agreement with Oaktown Re III Ltd. (“Oaktown Re III”), a Bermuda domiciled special purpose reinsurer, that provides for up to \$326.9 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies written between June 1, 2018 and June 30, 2019. For the reinsurance coverage period, NMIC will retain the first layer of \$123.4 million of aggregate losses and Oaktown Re III 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.

Oaktown Re III financed the coverage by issuing mortgage insurance-linked notes in an aggregate amount of \$326.9 million to unaffiliated investors (the 2019 Notes). The 2019 Notes mature on July 25, 2029. All of the proceeds paid to Oaktown Re III from the sale of the 2019 Notes were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re III to NMIC under the reinsurance agreement. Funds in the reinsurance trust account are required to be invested in high credit quality money market funds at all times. We refer collectively to NMIC's reinsurance agreement with Oaktown Re III and the issuance of the 2019 Notes by Oaktown Re III as the 2019 ILN Transaction. Under the terms of the 2019 ILN Transaction, NMIC makes risk premium payments to Oaktown Re III for the applicable outstanding reinsurance coverage amount and pays Oaktown Re III for anticipated operating expenses (capped at \$250,000 per year). The monthly reinsurance premiums are equal to the interest payable on the 2019 Notes, less investment income earned on the reinsurance trust balance.

Notes to Financial Statement

23. Reinsurance

Excess of loss reinsurance

2018 Insurance Linked Notes Transaction

In July 2018, NMIC entered into a reinsurance agreement with Oaktown Re II Ltd. (“Oaktown Re II”), a Bermuda domiciled special purpose reinsurer, that provides for up to \$264.5 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies written between January 1, 2017 and May 31, 2018. For the reinsurance coverage period, NMIC will retain the first layer of \$125.3 million of aggregate losses, of which \$125.2 million remained at June 30, 2019, and Oaktown Re II will then provide second layer coverage up to the outstanding reinsurance coverage amount. NMIC retains losses in excess of the outstanding reinsurance coverage amount. The outstanding reinsurance coverage amount decreases from \$264.5 million at inception over a ten-year period as the underlying covered mortgages are amortized or repaid, and/or the mortgage insurance coverage is canceled, and was \$258.2 million as of June 30, 2019. The outstanding reinsurance coverage amount will begin amortizing after an initial period in which a target level of credit enhancement is obtained and will cease amortizing if certain credit enhancement or delinquency thresholds are triggered.

Oaktown Re II financed the coverage by issuing mortgage insurance-linked notes in an aggregate amount of \$264.5 million to unaffiliated investors (“2018 Notes”). The 2018 Notes mature on July 25, 2028. All of the proceeds paid to Oaktown Re II from the sale of the 2018 Notes were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re II to NMIC under the reinsurance agreement. Funds in the reinsurance trust account are required to be invested in high credit quality money market funds at all times. The Company refers collectively to NMIC's reinsurance agreement with Oaktown Re II and the issuance of the 2018 Notes by Oaktown Re II as the “2018 ILN Transaction”, and the 2017 ILN Transaction (see below) and 2018 ILN Transaction collectively as the “ILN Transactions”. Under the terms of the 2018 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re II for anticipated operating expenses (capped at \$250 thousand per year). For the six months ended June 30, 2019, NMIC ceded risk premiums of \$3.3 million and did not cede any losses to Oaktown Re II.

Under the terms of the 2018 ILN Transaction, NMIC is required to maintain a certain level of restricted funds in a premium deposit account with the Bank of New York Mellon until the 2018 Notes have been redeemed in full. Cash and Cash Equivalents on the Company's balance sheet include restricted cash of \$1.4 million as of June 30, 2019 in recognition of this obligation. The Company is not required to deposit additional funds into the premium deposit account and the restricted balance will decrease over time as the principal balance of the 2018 Notes declines.

Under the 2018 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 permit Oaktown Re II to make principal payments to noteholders, among others.

2017 Insurance Linked Notes Transaction

In May 2017, NMIC entered into a reinsurance agreement with Oaktown Re Ltd. (“Oaktown Re”), a Bermuda domiciled special purpose reinsurer, 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, of which \$124.4 million remained at June 30, 2019, 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 \$91.5 million as of June 30, 2019. 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 (“2017 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. Funds in the reinsurance trust account are required to be invested in high credit quality money market funds at all time. The Company refers 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 six months ended June

Notes to Financial Statement

30, 2019 and June 30, 2018, NMIC ceded risk premiums of \$2.6 million and \$3.3 million, respectively. NMIC did not cede any losses to Oaktown Re during the six months ended June 30, 2019 and June 30, 2018.

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

2018 Quota Share Reinsurance Transaction

Effective January 1, 2018, the Company entered into a quota-share reinsurance transaction with a panel of third-party reinsurers ("2018 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 Wisconsin Office of the Commissioner of Insurance (Wisconsin OCI) approved the 2018 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 the Company receives under PMIERS is subject to periodic review by the GSEs.

Under the 2018 QSR Transaction, NMIC will cede 25% of its eligible policies written in 2018 and 20% of eligible policies written in 2019. The 2018 QSR Transaction is scheduled to terminate on December 31, 2029. However, NMIC has the option, based on certain conditions and subject to payment of a termination fee, to terminate the agreement as of December 31, 2022, or at the end of any calendar quarter thereafter, which would result in NMIC reassuming the related risk. There are also optional termination events.

2016 Quota Share Reinsurance Transaction

In September 2016, 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 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 the Company receives 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.

The 2016 QSR Transaction is scheduled to terminate on December 31, 2027, except with respect to the ceded pool risk, which is scheduled to terminate on August 31, 2023. However, NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2020, or at the end of any calendar quarter thereafter, which would result in NMIC reassuming the related risk. There are also optional termination events.

Effective April 1, 2019, NMIC elected to terminate its engagement with one reinsurer under the 2016 QSR Transaction on a cut-off basis. In connection with the termination, NMIC recaptured approximately \$500 million of previously ceded primary RIF and stopped ceding new premiums earned or written with respect to the recaptured risk. With this termination, ceded premiums written under the 2016 QSR Transaction decreased from 25% to 20.5% on eligible policies. The termination has no effect on the cession of pool risk under the 2016 QSR Transaction.

For historical reasons, 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 that were in effect until January 10, 2019. The reinsurance agreement relating to primary mortgage insurance policies was amended effective September 1, 2016, to reduce the risk ceded by NMIC to Re One, due to the inception of the 2016 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. OCI non-disapproved the second amendment in a letter dated June 19, 2017.

On March 25, 2019, National Mortgage Insurance Corporation amended the terms of its intercompany reinsurance agreement with National Mortgage Reinsurance Inc One. The amendment in the agreement sets forth formulae to determine reinsurance coverage amounts and reinsurance premiums applicable to certificates issued by NMIC on or after January 1, 2019. Under the formulae, NMIC cedes to Re One, on an excess share basis, the portion of risk on each certificate that exceeds 33.3% of the original loan amount. If the coverage percentage on each certificate is less than 33.3%, no risk will be ceded to Re One. Reinsurance premiums are equal to the portion of risk ceded to Re One divided

Notes to Financial Statement

by the coverage percentage specified on the applicable certificate. The amendment was non-disapproved by the Wisconsin OCI on April 22, 2019.

A. Unsecured Reinsurance Recoverables

No significant change from year end 2018. Not applicable.

B. Reinsurance Recoverables in Dispute

No significant change from year end 2018. Not applicable.

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 June 30, 2019, with the return of unearned premium reserves is as follows:

Type of Financial Instrument	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$ —	\$ —	\$ 210,743	\$ 42,149	\$ (210,743)	\$ (42,149)
b. All Other	—	—	20,426,212	4,085,242	(20,426,212)	(4,085,242)
c. Total	\$ —	\$ —	\$ 20,636,955	\$ 4,127,391	\$ (20,636,955)	\$ (4,127,391)
d. Direct Unearned Premium Reserve				\$ 151,357,369		

(2) The additional or return commission, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements

No significant change from year end 2018. Not applicable.

(3) Protected Cells

No significant change from year end 2018. Not applicable.

D. Uncollectible Reinsurance

No significant change from year end 2018. Not applicable.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1) Losses incurred	\$	—
(2) Loss adjustment	\$	—
(3) Premiums earned	\$	—
(4) Other	\$	—
(5) <u>Company</u>		<u>Amount</u>
Greenlight Reins Ltd	\$	—

As described in Note 23, effective April 1, 2019, NMIC elected to terminate its engagement with one reinsurer under the 2016 QSR Transaction on a cut-off basis. In connection with the termination, NMIC recaptured approximately \$500 million of previously ceded primary RIF and stopped ceding new premiums earned or written with respect to the recaptured risk. The termination has no effect on the cession of pool risk under the 2016 QSR Transaction.

With this termination, all outstanding primary cessions (including incurred but unpaid losses) to the reinsurer were settled and no future premium will be ceded to this reinsurer on primary risk under the 2016 QSR Transaction. The settlement resulted in a decrease to the Company's funds withheld in an amount equal to the related decrease in the Company's ceded UPR and ceded loss reserves. Consequently, the settlement of the primary outstanding cessions had no net income impact, but included a reclassification of \$549,016 from change in ceded losses to ceded losses paid.

Notes to Financial Statement

F. Retroactive Reinsurance

No significant change from year end 2018. Not applicable.

G. Reinsurance Accounted for as a Deposit

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

No significant change from year end 2018. Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

No significant change from year end 2018. Not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

No significant change from year end 2018. Not applicable.

B. Method Used to Record Retrospective Premium Adjustments

No significant change from year end 2018. Not applicable.

C. Amount and Percent of Net Retrospective Premiums

No significant change from year end 2018. Not applicable.

D. Medical Loss Ratio Rebates

No significant change from year end 2018. Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

No significant change from year end 2018. Not applicable.

F. Risk-Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO?)

No, the Company did not write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions.

25. Changes in Incurred Losses and Loss Adjustment Expenses

A. Changes in Incurred Losses and Loss Adjustment Expenses

The Company incurred claims and claim adjustment expenses (net of reinsurance) of \$5,599,781 and \$2,214,098 for the six months ended June 30, 2019 and June 30, 2018, respectively. There was a \$1,728,184 favorable prior year development (net of reinsurance) during the six months ended June 30, 2019. Loss reserves remaining as of June 30, 2019 for defaults occurring (net of reinsurance) in prior years have been reduced to \$6,630,974, following re-estimation of unpaid claims and claim adjustment expenses. Loss reserves remaining as of June 30, 2019 for all accident years are \$14,507,955. The net increase in loss reserves as of the end of the period is the result of current year defaults of \$7,327,965, partially offset by the settlement of reinsurance recoverable of \$549,016, in conjunction with the termination of one reinsurer under the 2016 QSR transaction on a cut-off basis. Original loss reserve estimates will be increased or decreased as additional information becomes known regarding individual claims and as claims are settled.

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.

Notes to Financial Statement

B. Information about Significant Changes in Methodologies and Assumptions

No significant change from year end 2018. Not applicable.

26. Intercompany Pooling Arrangements

A - G No significant change from year end 2018. Not applicable.

27. Structured Settlements

A - B. No significant change from year end 2018. Not applicable.

28. Health Care Receivables

A - B. No significant change from year end 2018. Not applicable.

29. Participating Policies

No significant change from year end 2018. Not applicable.

30. Premium Deficiency Reserves

No significant change from year end 2018.

31. High Deductibles

A - B. No significant change from year end 2018. Not applicable.

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

A - C. No significant change from year end 2018. Not applicable.

33. Asbestos / Environmental Reserves

A - F. No significant change from year end 2018. Not applicable.

34. Subscriber Savings Accounts

No significant change from year end 2018. Not applicable.

35. Multiple Peril Crop Insurance

No significant change from year end 2018. Not applicable.

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 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[X] No[]
 1.2 If yes, has the report been filed with the domiciliary state? Yes[X] No[] N/A[]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[X] No[]
 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0001547903
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
 If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
 If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016
 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/28/2018
 6.4 By what department or departments?
 Wisconsin Office of the Commissioner of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[] N/A[]
 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.].

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
 9.2 Has the code of ethics for senior managers been amended? Yes[X] No[]
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
 Amended May 9, 2019 to include administrative and other updates, including clarifications to the corporate political contribution policy.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[] No[X]
 14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes[] No[X]
 15.2 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.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.3 Total payable for securities lending reported on the liability page \$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Bank, N.A.	600 California Street, San Francisco, CA 94108
The Bank of New York Mellon	385 Rifle Camp Road, 3rd Floor, Woodland Park, NJ 07424

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes[] No[X]
 17.4 If yes, give full and complete information relating thereto:

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

17.5 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 Security Co., LLC	U
Wells Capital Management Incorporated	U

17.5097 For those firms/individuals listed in the table for Question 17.5, 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[]
 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[X] No[]
 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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	54930001MDFZDQYB2Q11	SEC	NO
108559	First Republic Investment Management, Inc.	549300D5KLHOKLMLG887	SEC	NO
104973	Wells Capital Management Incorporated	549300B3H210O2L85190	SEC	DS

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[]
 18.2 If no, list exceptions:

GENERAL INTERROGATORIES (Continued)

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - 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 5GI securities? Yes[] No[X]
20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018 .
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes[] No[X]

GENERAL INTERROGATORIES**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

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

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

5. Operating Percentages:
- 5.1 A&H loss percent 0.000%
- 5.2 A&H cost containment percent 0.000%
- 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[] No[X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes[] No[X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0
7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[X] No[]
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes[] No[X]

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

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

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

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	1,089,709	719,682	30,425	7,099	126,294	32,670
2. Alaska (AK)	L	96,507	80,674				
3. Arizona (AZ)	L	9,203,186	7,745,483	6,154	26,292	743,764	396,112
4. Arkansas (AR)	L	668,148	527,795			113,679	97,693
5. California (CA)	L	20,779,777	17,272,282	188,054	81,372	2,018,898	676,437
6. Colorado (CO)	L	5,435,597	4,010,936	17,768	27,458	394,673	78,416
7. Connecticut (CT)	L	1,250,827	843,766			222,847	157,805
8. Delaware (DE)	L	526,924	371,326			89,074	
9. District of Columbia (DC)	L	2,419,195	2,026,761			63,141	
10. Florida (FL)	L	9,900,629	6,405,297	39,768	7,590	1,203,927	1,134,402
11. Georgia (GA)	L	4,493,068	3,071,248	54,347		455,575	204,962
12. Hawaii (HI)	L	826,236	700,164			38,324	
13. Idaho (ID)	L	1,650,865	1,534,890			13,507	14,013
14. Illinois (IL)	L	5,935,028	4,487,140	55,131	66,368	913,098	496,215
15. Indiana (IN)	L	3,135,052	2,365,299	(3,148)		365,584	82,865
16. Iowa (IA)	L	895,887	747,843	29,220	9,961	111,396	75,812
17. Kansas (KS)	L	876,326	805,548	72,079	98,342	136,006	87,775
18. Kentucky (KY)	L	712,706	498,346			54,718	106,617
19. Louisiana (LA)	L	1,035,684	862,807	102	68,913	224,925	186,110
20. Maine (ME)	L	535,988	305,619			6,307	35,284
21. Maryland (MD)	L	5,047,944	3,404,981	33,905		406,115	152,329
22. Massachusetts (MA)	L	4,099,233	2,334,762	21,504		164,331	91,006
23. Michigan (MI)	L	9,143,444	10,004,559	346,806	247,200	2,324,955	2,031,325
24. Minnesota (MN)	L	4,208,806	5,126,882			371,534	214,304
25. Mississippi (MS)	L	458,722	272,703	38,771		72,514	39,952
26. Missouri (MO)	L	2,730,769	2,171,740	(3,507)		210,234	112,741
27. Montana (MT)	L	537,415	550,504	40,950		33,616	17,182
28. Nebraska (NE)	L	1,041,600	971,822		57,794	28,687	35,481
29. Nevada (NV)	L	3,503,588	2,812,072	18,131		502,308	168,047
30. New Hampshire (NH)	L	1,125,105	724,365			84,301	28,860
31. New Jersey (NJ)	L	4,233,211	3,286,512	78,592		1,100,267	508,237
32. New Mexico (NM)	L	595,241	502,327	8,390	20,355	148,249	50,195
33. New York (NY)	L	4,231,735	3,297,764	47,799		539,520	541,383
34. North Carolina (NC)	L	4,764,390	3,156,305	69,980	74,081	321,603	321,414
35. North Dakota (ND)	L	153,250	128,162			12,723	
36. Ohio (OH)	L	4,819,684	3,664,642	67,126	36,040	352,077	149,746
37. Oklahoma (OK)	L	605,909	381,361			169,720	36,734
38. Oregon (OR)	L	2,871,440	2,325,053			243,430	98,885
39. Pennsylvania (PA)	L	5,645,765	4,150,572	(222)	22,883	454,173	327,359
40. Rhode Island (RI)	L	332,108	254,150			38,012	31,251
41. South Carolina (SC)	L	2,733,097	1,952,004	(373)	22,310	264,325	101,054
42. South Dakota (SD)	L	599,845	456,252	2,305		71,464	29,466
43. Tennessee (TN)	L	2,581,142	1,772,150	22,263	51,449	199,738	48,817
44. Texas (TX)	L	15,770,366	11,924,996	278,009	70,073	1,546,518	1,044,171
45. Utah (UT)	L	4,700,813	4,190,534			206,682	122,082
46. Vermont (VT)	L	128,977	96,785				
47. Virginia (VA)	L	7,014,643	4,215,528	64,578	38,965	349,515	105,467
48. Washington (WA)	L	5,106,452	4,285,831			168,016	29,105
49. West Virginia (WV)	L	495,150	297,441	34,225	38,261	67,947	13,166
50. Wisconsin (WI)	L	2,909,006	2,506,460	28,110		256,896	121,074
51. Wyoming (WY)	L	286,791	242,194			142,351	47,539
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	X X X	173,942,980	136,844,319	1,687,242	1,072,806	18,147,558	10,481,560
DETAILS OF WRITE-INS							
58001	X X X						
58002	X X X						
58003	X X X						
58998 Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999 TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

(a) Active Status Counts:

L Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile See DSLI)

D Domestic Surplus Lines Insurer (DSLII) Reporting entities authorized to write surplus lines in the state of domicile.

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R Registered - Non-domiciled RRGs

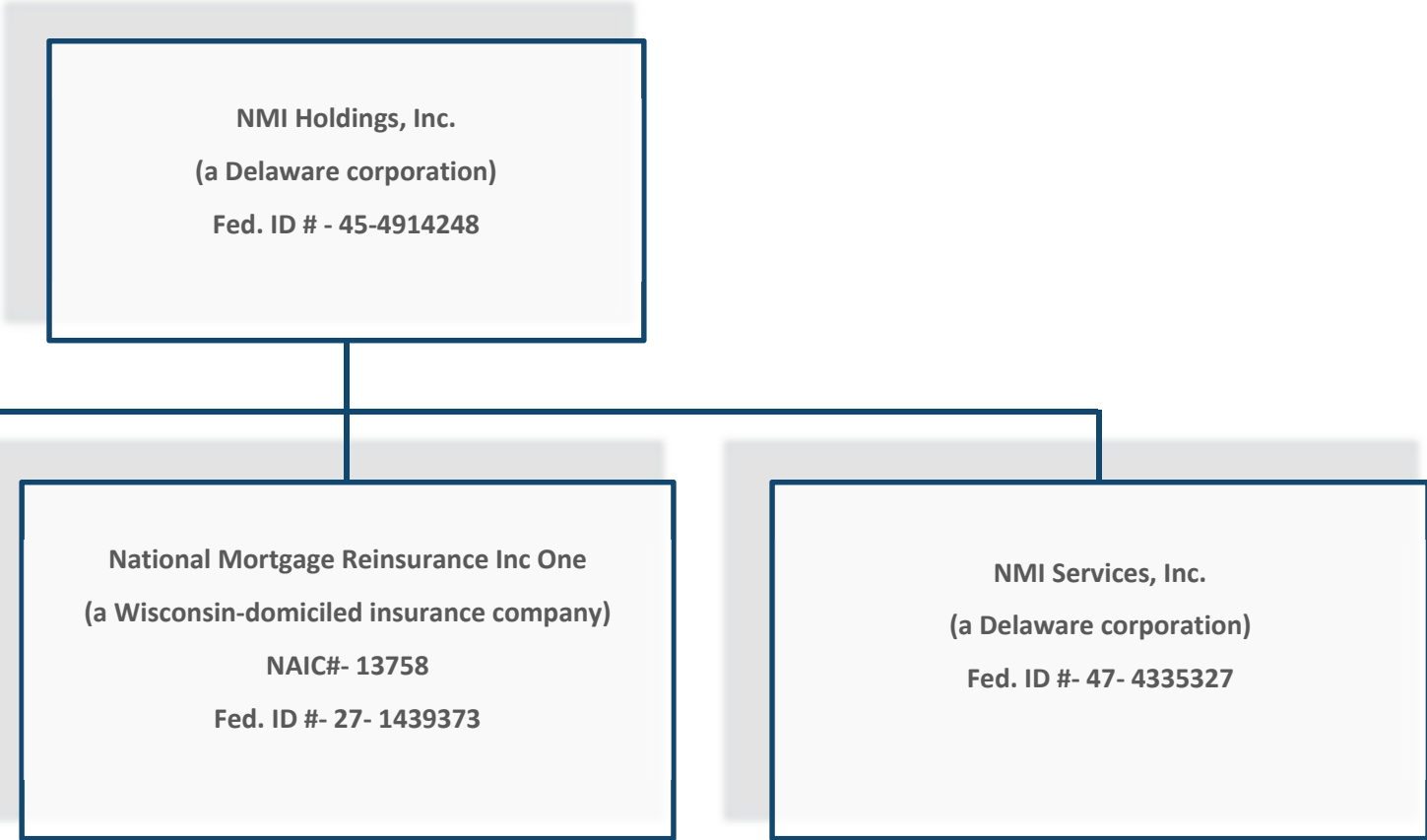
Q Qualified - Qualified or accredited reinsurer

N None of the above Not allowed to write business in the state

6

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

Q11



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
.....	.....	00000	45-4914248	.....	0001547903	NASDAQ Global Market	NMI Holdings, Inc.	DE	UDP	.....	.....	.....	.....	.....	.....
4760	NMI Holdings Grp	13695	27-0471418	.....	.....	.....	National Mortgage Insurance Corporation	WI	RE	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....
4760	NMI Holdings Grp	13758	27-1439373	.....	.....	.....	National Mortgage Reinsurance Inc One	WI	IA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....
4760	NMI Holdings Grp	00000	47-4335327	.....	.....	.....	NMI Services, Inc	DE	NIA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....

Asterisk	Explanation
0000001
0000002

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	181,477,873	7,158,620	3.945	2.198
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	181,477,873	7,158,620	3.945	2.198
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty	92,212,706	173,942,980	136,844,319
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence			
18.2 Products liability - claims made			
19.1 19.2 Private passenger auto liability			
19.3 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business			
35. TOTALS	92,212,706	173,942,980	136,844,319
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

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

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2016 + Prior	216		216								(216)		(216)
2. 2017	1,836		1,836								(1,836)		(1,836)
3. Subtotals 2017 + Prior	2,052		2,052								(2,052)		(2,052)
4. 2018	7,002	652	7,654	797		797	6,631	6,340	1,537	14,508	426	7,225	7,651
5. Subtotals 2018 + Prior	9,054	652	9,706	797		797	6,631	6,340	1,537	14,508	(1,626)	7,225	5,599
6. 2019	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals	9,054	652	9,706	797		797	6,631	6,340	1,537	14,508	(1,626)	7,225	5,599
8. Prior Year-End Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1 Line 7 1..... (17.959)	Col. 12, Line 7 As % of Col. 2 Line 7 2..... 1,108.129	Col. 13, Line 7 As % of Col. 3 Line 7 3..... 57.686
													Col. 13, Line 7 Line 8 4.....

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSES

No
No
No
No

Explanations:

Bar Codes:

Trusteed Surplus Statement



13695201949000002 2019 Document Code: 490

Supplement A to Schedule T



13695201945500002 2019 Document Code: 455

Medicare Part D Coverage Supplement



13695201936500002 2019 Document Code: 365

Director and Officer Supplement



13695201950500002 2019 Document Code: 505

STATEMENT AS OF **June 30, 2019** OF THE **National Mortgage Insurance Corporation**
SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	810,414,908	624,044,348
2. Cost of bonds and stocks acquired	126,179,105	322,715,623
3. Accrual of discount	313,626	380,721
4. Unrealized valuation increase (decrease)	1,049,813	(1,049,813)
5. Total gain (loss) on disposals	24,567	3,793
6. Deduct consideration for bonds and stocks disposed of	44,624,956	134,185,760
7. Deduct amortization of premium	833,870	1,676,503
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized	381,603	
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	50,626	182,499
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	892,192,216	810,414,908
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	892,192,216	810,414,908

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	726,642,117	83,475,915	25,741,690	(269,539)	726,642,117	784,106,803		691,214,882
2. NAIC 2 (a)	135,926,526	10,480,660	4,972,118	16,427	135,926,526	141,451,495		146,536,927
3. NAIC 3 (a)	3,004,095		3,001,794	(2,301)	3,004,095			2,361,470
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	865,572,738	93,956,575	33,715,602	(255,413)	865,572,738	925,558,298		840,113,279
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	865,572,738	93,956,575	33,715,602	(255,413)	865,572,738	925,558,298		840,113,279

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....33,366,080; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QS102

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

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	8,683,694	X X X	8,683,694		

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		5,234,589
2. Cost of short-term investments acquired	12,657,694	1,490,608
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	3,974,000	6,725,197
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	8,683,694	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	8,683,694	

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	34,192,513	11,036,309
2.	Cost of cash equivalents acquired	193,812,681	520,480,573
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	193,589,080	497,324,369
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other-than-temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	34,416,114	34,192,513
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	34,416,114	34,192,513

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/ Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
05377RDL5	AVIS BUDGET RENTAL 144A FD 2019-2		04/16/2019	CITIGROUP	X X X	2,034,280	2,035,000		1FE
05377RDM3	AVIS BUDGET RENTAL FD 144A 2019-2		04/16/2019	CITIGROUP	X X X	2,099,546	2,100,000		1FE
09247XAP6	BLACKROCK INC		04/17/2019	CITIGROUP	X X X	1,983,800	2,000,000		1FE
110122BZ0	BRISTOL MYERS SQUIBB CO 144A		05/07/2019	MORGAN STANLEY & CO	X X X	3,984,480	4,000,000		1FE
110122CA4	BRISTOL MYERS SQUIBB CO 144A		05/07/2019	MORGAN STANLEY & CO	X X X	5,360,380	5,375,000		1FE
12563LAL1	CLU FDG VI LLC 144A 2019-1		05/07/2019	RBC DAIN RAUSCHER INC	X X X	4,312,962	4,313,000		1FE
23341KAB1	DRB PRIME ST 144A LN TR 2015-D		04/30/2019	WELLS FARGO	X X X	5,953,643	5,930,494		1FE
337738AS7	FISERV INC		06/10/2019	CHASE SECURITIES	X X X	7,986,560	8,000,000		2FE
36257AAG6	GM FINANCIAL AUTOMOBILE LEASING TR		04/30/2019	WELLS FARGO	X X X	2,389,571	2,390,000		1FE
40139LAF0	GUARDIAN LIFE GLBL FDG 144A		04/29/2019	WELLS FARGO	X X X	2,996,820	3,000,000		1FE
709599BF0	PENSKE TRUCK LEASING CO 144A L P		04/24/2019	WELLS FARGO	X X X	2,494,100	2,500,000		2FE
80285JAN6	SANTANDER RETAIL AUTO 144A 2019-		04/10/2019	CHASE SECURITIES	X X X	8,499,725	8,500,000		1FE
83406CAC3	SOFI CONSUMER LN 144A PRGRM 2019-2		04/18/2019	WELLS FARGO	X X X	1,499,833	1,500,000		1FE
931142EL3	WALMART INC SR GLBL NT 24		04/16/2019	MIZHUO SECURITIES USA	X X X	1,997,560	2,000,000		1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	53,593,260	53,643,494		X X X
8399997	Subtotal - Bonds - Part 3				X X X	53,593,260	53,643,494		X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	53,593,260	53,643,494		X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8999999	Subtotal - Preferred Stocks				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799999	Subtotal - Common Stocks				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	53,593,260	53,643,494		X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

QE04

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

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

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

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

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

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

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
First Republic Bank	San Francisco, CA					876,028	821,695	949,680	X X X
Wells Fargo Bank	San Francisco, CA					734,511	132,629	62,189	X X X
First Republic Bank	San Francisco, CA			50,870		16,461,380	7,696,600	13,194,923	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	50,870		18,071,919	8,650,924	14,206,792	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	50,870		18,071,919	8,650,924	14,206,792	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash		X X X	X X X	50,870		18,071,919	8,650,924	14,206,792	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
Cusip	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations								
	CME GROUP INC 0% DISC CP 10/07/201		06/27/2019	0.000	07/10/2019	10,990,586	2,895	
	METLIFE SHORT TERM FDG LLC DIS 0%		06/24/2019	0.000	07/22/2019	4,991,225	2,191	
	NATL SEC CLEARING CORP 0% DISC CP		05/28/2019	0.000	08/20/2019	8,700,575	19,938	
3299999	Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					24,682,386	25,024	
3899999	Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated)					24,682,386	25,024	
7799999	Subtotal - Bonds - Total Bonds - Issuer Obligations					24,682,386	25,024	
8399999	Subtotal - Bonds - Total Bonds					24,682,386	25,024	
Exempt Money Market Mutual Funds - as Identified by SVO								
09248U551	BLACKROCK LIQUIDITY FDS		06/01/2019	0.000	X X X	1,430,436		15,946
233809300	DAILY MONEY FD		12/31/2018	0.000	X X X			80
31846V419	FIRST AMERN FDS INC		06/04/2019	0.000	X X X	1		1
94975H296	WELLS FARGO FDS TR	SD	06/04/2019	0.000	X X X	25,095		281
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO					1,455,532		16,308
All Other Money Market Mutual Funds								
177366200	CITIZENSSELECT FDS		06/03/2019	0.000	X X X	2		3
269999280	EAGLE BANK SWEEP TIER 1 FRB		06/01/2019	0.000	X X X	59,710		173
8AMMF0416	US BANK MONEY MARKET (MMDA) IT&C		06/01/2019	0.000	X X X	12		27
993086123	WFB INST BANK DEPOSIT ACCOUNT		07/11/2018	0.000	X X X			
996085254	DREYFUS CASH MGMT FUND		06/01/2018	0.000	X X X			
999999998	FIRST REPUBLIC BANK MONEY MARKET		06/01/2018	0.000	X X X			
VP4520012	WELLS FARGO 100% TREASURY MONEY MA		06/28/2019	0.000	X X X	8,218,472	19,741	168,828
8699999	Subtotal - All Other Money Market Mutual Funds					8,278,196	19,741	169,031
8899999	Total - Cash Equivalents					34,416,114	44,765	185,339

QE13

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