



# ANNUAL STATEMENT

## For the Year Ending December 31, 2013

### 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>Wisconsin</u>	
Country of Domicile <u>United States of America</u>		
Incorporated/Organized <u>June 30, 2009</u>	Commenced Business <u>May 4, 2013</u>	
Statutory Home Office <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, California, US 94608</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, California, 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)</small>	<u>Emeryville, California, 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, California, 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>Brian McIntosh</u> <small>(Name)</small>	<u>(510)858-0403</u> <small>(Area Code)(Telephone Number)</small>	
<u>brian.mcintosh@nationalmi.com</u> <small>(E-Mail Address)</small>	<u>(510)225-3832</u> <small>(Fax Number)</small>	

### OFFICERS

Name	Title
1. <u>Bradley M Shuster</u>	<u>Chief Executive Officer and President</u>
2. <u>Glen S Corso</u>	<u>General Counsel and Assistant Secretary</u>
3. <u>John (Jay) M Sherwood, Jr.</u>	<u>Chief Financial Officer and Treasurer</u>

### VICE-PRESIDENTS

Name	Title	Name	Title
<u>Patrick L Mathis</u>	<u>EVP, Chief Risk Officer</u>	<u>Stanley M Pachura</u>	<u>EVP, Chief Information Officer</u>
<u>Peter C Pannes</u>	<u>EVP, Chief Sales Officer</u>	<u>Michael J Dirrane #</u>	<u>SVP, National Accounts &amp; GSE Relations</u>
<u>Christopher G Brunetti</u>	<u>SVP, Deputy General Counsel &amp; Secretary</u>	<u>Claudia J Merkle</u>	<u>EVP, Insurance Operations</u>
<u>Joseph M Francesconi</u>	<u>VP, Controller</u>	<u>Bridget E Williams</u>	<u>SVP, Field Sales</u>

### DIRECTORS OR TRUSTEES

<u>Patrick L Mathis</u>	<u>Stanley M Pachura</u>	<u>Peter C Pannes</u>	<u>Claudia J Merkle #</u>
<u>Bradley M Shuster</u>	<u>Glen S Corso</u>	<u>John (Jay) M Sherwood, Jr.</u>	

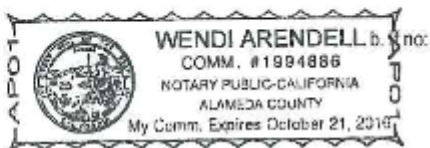
State of California  
County of Alameda ss

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

 <small>(Signature)</small> <u>Bradley M Shuster</u> <small>(Printed Name)</small> 1. Chief Executive Officer and President <small>(Title)</small>	 <small>(Signature)</small> <u>Christopher G Brunetti</u> <small>(Printed Name)</small> 2. Deputy General Counsel & Secretary <small>(Title)</small>	 <small>(Signature)</small> <u>John (Jay) M Sherwood, Jr.</u> <small>(Printed Name)</small> 3. Chief Financial Officer and Treasurer <small>(Title)</small>
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Subscribed and sworn to before me this 14<sup>th</sup> day of February, 2014

(Notary Public Signature)



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

1. State the amendment number 0

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

3. Number of pages attached 0

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	174,133,529		174,133,529	
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....5,467,612, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....13,063,829, Schedule DA) .....	18,531,442		18,531,442	210,002,069
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	192,664,971		192,664,971	210,002,069
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	920,891		920,891	1,624
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	18,756		18,756	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	575,499		575,499	
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	194,180,118		194,180,118	210,003,693
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	194,180,118		194,180,118	210,003,693
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....		
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	117,997	
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	198	
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....108,672 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) .....	1,337,851	
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	171,454	
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	10,480,280	
20. Derivatives .....		
21. Payable for securities .....	22,384	
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 .....	1,740,079	
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25) .....	13,870,243	
27. Protected cell liabilities .....		
28. TOTAL Liabilities (Lines 26 and 27) .....	13,870,243	
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 .....	210,492,345	216,118,760
35. Unassigned funds (surplus) .....	(32,712,470)	(8,645,067)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 31 \$.....0) .....		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39) .....	180,309,875	210,003,693
38. TOTALS (Page 2, Line 28, Column 3) .....	194,180,118	210,003,693
<b>DETAILS OF WRITE-INS</b>		
2501. Statutory Contingency Reserve .....	1,740,079	
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) .....	1,740,079	
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above) .....		

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	1,965,021	
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7) .....		
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	34,870,290	21,347
5. Aggregate write-ins for underwriting deductions .....	1,740,079	
6. TOTAL Underwriting Deductions (Lines 2 through 5) .....	36,610,369	21,347
7. Net income of protected cells .....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....	(34,645,349)	(21,347)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	1,968,934	3,586
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)) .....	(18,295)	
11. Net investment gain or (loss) (Lines 9 + 10) .....	1,950,639	3,586
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0) .....		
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....		
15. TOTAL Other Income (Lines 12 through 14) .....		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	(32,694,709)	(17,761)
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) .....	(32,694,709)	(17,761)
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(32,694,709)	(17,761)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	210,003,693	(1,449,562)
22. Net income (from Line 20) .....	(32,694,709)	(17,761)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0 .....		
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3) .....	3,000,891	(86,145)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....		
29. Change in surplus notes .....		
30. Surplus (contributed to) withdrawn from protected cells .....		
31. Cumulative effect of changes in accounting principles .....		
32. Capital changes:		
32.1 Paid in .....		2,529,990
32.2 Transferred from surplus (Stock Dividend) .....		
32.3 Transferred to surplus .....		
33. Surplus adjustments:		
33.1 Paid in .....	(5,626,415)	209,029,591
33.2 Transferred to capital (Stock Dividend) .....		
33.3 Transferred from capital .....		
34. Net remittances from or (to) Home Office .....		
35. Dividends to stockholders .....		
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....	5,626,415	(2,420)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	(29,693,818)	211,453,255
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	180,309,875	210,003,693
<b>DETAILS OF WRITE-INS</b>		
0501. Statutory Contingency Reserve .....	1,740,079	
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) .....	1,740,079	
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. Quasi-reorganization of net loss cumulative and prior to aquisition by NMI Holdings, Inc. ....	5,626,415	
3702. Other .....		(2,420)
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above) .....	5,626,415	(2,420)

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	3,455,569	
2.	Net investment income .....	2,012,244	1,962
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	5,467,813	1,962
5.	Benefit and loss related payments .....		
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	32,190,315	21,347
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	Total (Lines 5 through 9) .....	32,190,315	21,347
11.	Net cash from operations (Line 4 minus Line 10) .....	(26,722,502)	(19,385)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	80,733,519	
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 .....	22,384	
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	80,755,903	
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	255,847,920	
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) .....	255,847,920	
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(175,092,017)	
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	(5,626,415)	210,000,000
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) .....	15,970,307	4,626
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	10,343,892	210,004,626
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(191,470,627)	209,985,241
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	210,002,069	16,828
19.2	End of year (Line 18 plus Line 19.1) .....	18,531,442	210,002,069

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

20.0001	Net assets contributed upon ownership change .....		1,319,821
20.0002	Note payable paid by parent .....		239,760

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
Line of Business				
1. Fire .....				
2. Allied lines .....				
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....				
5. Commercial multiple peril .....				
6. Mortgage guaranty .....	3,302,872		1,337,851	1,965,021
8. Ocean marine .....				
9. Inland marine .....				
10. Financial guaranty .....				
11.1 Medical professional liability - occurrence .....				
11.2 Medical professional liability - claims-made .....				
12. Earthquake .....				
13. Group accident and health .....				
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....				
16. Workers' compensation .....				
17.1 Other liability - occurrence .....				
17.2 Other liability - claims-made .....				
17.3 Excess Workers' Compensation .....				
18.1 Products liability - occurrence .....				
18.2 Products liability - claims-made .....				
19.1 19.2 Private passenger auto liability .....				
19.3 19.4 Commercial auto liability .....				
21. Auto physical damage .....				
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....				
26. Burglary and theft .....				
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Warranty .....				
31. Reinsurance-Nonproportional Assumed Property .....				
32. Reinsurance-Nonproportional Assumed Liability .....				
33. Reinsurance-Nonproportional Assumed Financial Lines .....				
34. Aggregate write-ins for other lines of business .....				
35. TOTALS .....	3,302,872		1,337,851	1,965,021
<b>DETAILS OF WRITE-INS</b>				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....				

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3  Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire .....					
2. Allied lines .....					
3. Farmowners multiple peril .....					
4. Homeowners multiple peril .....					
5. Commercial multiple peril .....					
6. Mortgage guaranty .....		1,337,851			1,337,851
8. Ocean marine .....					
9. Inland marine .....					
10. Financial guaranty .....					
11.1 Medical professional liability - occurrence .....					
11.2 Medical professional liability - claims-made .....					
12. Earthquake .....					
13. Group accident and health .....					
14. Credit accident and health (group and individual) .....					
15. Other accident and health .....					
16. Workers' compensation .....					
17.1 Other liability - occurrence .....					
17.2 Other liability - claims-made .....					
17.3 Excess Workers' Compensation .....					
18.1 Products liability - occurrence .....					
18.2 Products liability - claims-made .....					
19.1 19.2 Private passenger auto liability .....					
19.3 19.4 Commercial auto liability .....					
21. Auto physical damage .....					
22. Aircraft (all perils) .....					
23. Fidelity .....					
24. Surety .....					
26. Burglary and theft .....					
27. Boiler and machinery .....					
28. Credit .....					
29. International .....					
30. Warranty .....					
31. Reinsurance-Nonproportional Assumed Property .....					
32. Reinsurance-Nonproportional Assumed Liability .....					
33. Reinsurance-Nonproportional Assumed Financial Lines .....					
34. Aggregate write-ins for other lines of business .....					
35. TOTALS .....		1,337,851			1,337,851
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37) .....					1,337,851
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Summary of remaining write-ins for Line 34 from overflow page .....					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....					

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....						
2. Allied lines .....						
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....						
5. Commercial multiple peril .....						
6. Mortgage guaranty .....	3,541,228			238,356		3,302,872
8. Ocean marine .....						
9. Inland marine .....						
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....						
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....						
17.1 Other liability - occurrence .....						
17.2 Other liability - claims-made .....						
17.3 Excess Workers' Compensation .....						
18.1 Products liability - occurrence .....						
18.2 Products liability - claims-made .....						
19.1 19.2 Private passenger auto liability .....						
19.3 19.4 Commercial auto liability .....						
21. Auto physical damage .....						
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....						
26. Burglary and theft .....						
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance-Nonproportional Assumed Property .....	X X X					
32. Reinsurance-Nonproportional Assumed Liability .....	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS .....	3,541,228			238,356		3,302,872
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....						

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



9 Underwriting and Investment Exhibit Pt 2 ..... NONE

10 Underwriting and Investment Exhibit Pt 2A ..... NONE

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....				
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....				
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....				
2.2 Reinsurance assumed, excluding contingent .....				
2.3 Reinsurance ceded, excluding contingent .....		42,904		42,904
2.4 Contingent - direct .....				
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....				
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		(42,904)		(42,904)
3. Allowances to manager and agents .....				
4. Advertising .....		156,821		156,821
5. Boards, bureaus and associations .....		496,913		496,913
6. Surveys and underwriting reports .....		58		58
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....		18,141,778		18,141,778
8.2 Payroll taxes .....		1,940,423		1,940,423
9. Employee relations and welfare .....		828,199		828,199
10. Insurance .....		346,638		346,638
11. Directors' fees .....				
12. Travel and travel items .....		901,683		901,683
13. Rent and rent items .....		562,172		562,172
14. Equipment .....		325,626		325,626
15. Cost or depreciation of EDP equipment and software .....		8,403,780		8,403,780
16. Printing and stationery .....		159,790		159,790
17. Postage, telephone and telegraph, exchange and express .....		202,819		202,819
18. Legal and auditing .....		886,244		886,244
19. TOTALS (Lines 3 to 18) .....		33,352,944		33,352,944
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0 .....		76,911		76,911
20.2 Insurance department licenses and fees .....		56,119		56,119
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....				
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		133,030		133,030
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....		1,427,220	159,598	1,586,818
25. TOTAL expenses incurred .....		34,870,290	159,598	(a) 35,029,888
26. Less unpaid expenses - current year .....				
27. Add unpaid expenses - prior year .....				
28. Amounts receivable relating to uninsured plans, prior year .....				
29. Amounts receivable relating to uninsured plans, current year .....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....		34,870,290	159,598	35,029,888
<b>DETAILS OF WRITE-INS</b>				
2401. Misc Expense .....		10,500		10,500
2402. Professional Fees .....		1,249,382		1,249,382
2403. Investment Fees .....			159,598	159,598
2498. Summary of remaining write-ins for Line 24 from overflow page .....		167,338		167,338
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....		1,427,220	159,598	1,586,818

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 289,247	252,941
1.1 Bonds exempt from U.S. tax	(a) 35,226	48,867
1.2 Other bonds (unaffiliated)	(a) 1,844,242	1,825,093
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 22	1,541
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		91
10. Total gross investment income	2,168,737	2,128,533
11. Investment expenses		(g) 159,598
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		159,598
17. Net Investment income (Line 10 minus Line 16)		1,968,934

**DETAILS OF WRITE-INS**

0901. Other		91
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		91
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$ 62,786 accrual of discount less \$ 1,025,361 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 1,389 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(87,358)		(87,358)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	69,064		69,064		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(18,295)		(18,295)		

**DETAILS OF WRITE-INS**

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Invested income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....		3,000,891	3,000,891
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....		3,000,891	3,000,891
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....		3,000,891	3,000,891
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepaid Expenses .....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			

# Notes to Financial Statements

## 1. Summary of Significant Accounting Policies

### A. Accounting Practices

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

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

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

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

	State of Domicile	December 31, 2013	December 31, 2012
NET LOSS			
(1) State basis (Page 4, Line 20, Columns 1 & 3)	WI	\$ (32,694,709)	\$ 17,761
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
Change in contingency reserves	WI	(1,740,079)	—
(3) NAIC SAP (1 - 2 = 3)	WI	<u>\$ (30,954,630)</u>	<u>\$ 17,761</u>
SURPLUS			
(4) State basis (Page 3, Line 37, Columns 1 & 2)	WI	\$ 180,309,875	\$ 210,003,693
(5) State Prescribed Practices that increase/(decrease) NAIC SAP		—	—
(6) NAIC SAP (4 - 5 = 6)	WI	<u>\$ 180,309,875</u>	<u>\$ 210,003,693</u>

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### C. Accounting Policy

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost.
- (3) The Company owns no common stock.
- (4) The Company owns no preferred stock.
- (5) The Company owns no mortgage loans.
- (6) Loan-backed securities are valued using the retrospective method and are stated at amortized cost or fair value in accordance with their NAIC designation.
- (7) The Company has no investments in subsidiaries or controlled and affiliated entities.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company owns no derivative instruments.
- (10) The Company will use anticipated investment income as a factor in the premium deficiency calculation.

## Notes to Financial Statements

- (11) The Company commenced transacting mortgage guaranty insurance (“MI”) business in April 2013. The Company’s practice is to establish insurance claim reserves only for loans in default. The Company does not consider a loan to be in default for claim reserve purposes until it receives notice from the servicer that a borrower has failed to make two regularly scheduled payments and is at least 60 days in default. Default is defined in NMIC’s MI policies as the failure by a borrower to pay when due an amount equal to the scheduled mortgage payment due under the terms of a loan or the failure by a borrower to pay all amounts due under a loan after the exercise of the due on sale clause of such loan. In addition to reserves on reported defaults, the Company establishes reserves for estimated claims incurred on loans that have been in default for at least 60 days that have not yet been reported to us by the servicers (this is often referred to as “incurred but not reported” or “IBNR”).

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

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

- (12) The Company’s capitalization policy has not changed.
- (13) The Company does not have any pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

The Company had no material changes in accounting principles or corrections of errors for the years ended December 31, 2013 and December 31, 2012.

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

Not Applicable

#### B. Statutory Mergers

National Mortgage Reinsurance Inc Two (“Re Two”) was a wholly-owned subsidiary of the Company and was previously admitted in the Company’s assets at its full statutory surplus value. The statutory surplus of Re Two at June 30, 2013 was \$10.0 million. During the 2nd quarter of 2013, NMIC requested approval from the Wisconsin OCI to merge Re Two into the Company, which the Wisconsin OCI approved on July 15, 2013. Effective September 30, 2013 Re Two was merged into the Company and ceased to exist as a separate entity.

Pre-merger separate company revenue, net loss, and other surplus balances for the nine months ended September 30, 2013 were \$0.4 million, \$23.3 million, and \$189.7 million, respectively, for the Company and \$0, \$0.2 million, and \$9.8 million, respectively for Re Two. Pre-merger separate company revenue, net income (loss), and other surplus balances for the year ended December 31, 2012 were \$0, (\$17.9 thousand), and \$210.0 million, respectively, for the Company and \$0, \$0.1 thousand, and \$10.0 million, respectively for Re Two.

#### C. Writedowns for Impairment of Investments in Affiliates

Not Applicable

### 4. Discontinued Operations

The Company has no discontinued operations.

### 5. Investments

#### A. Mortgage Loans, Including Mezzanine Real Estate Loans

The Company does not have any mortgage loan investments.

#### B. Debt Restructuring

The Company does not have any debt restructuring investments.

#### C. Reverse Mortgages

The Company does not have any reverse mortgage investments.

## Notes to Financial Statements

### D. Loan-Backed Securities

- (1) The Company uses widely accepted models for prepayment assumptions in valuing loan-backed securities with inputs from major third party data providers. The Company's investment policy expressly prohibits investments in mortgage-backed securities, however it permits investment in other loan-backed securities including: auto loan, credit card, student loan and other highly rated loan-backed securities.
- (2) The Company has not recognized any other-than-temporary impairments.
- (3) The Company has not recognized any other-than-temporary impairments.
- (4) All impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other than temporary impairment has not been recognized in earnings as a realized loss,
  - (a) The aggregate amount of unrealized losses:
 

1. Less than 12 Months	\$	(410,035)
2. 12 Months or Longer	\$	—
  - (b) The aggregate related fair value of securities with unrealized losses:
 

1. Less than 12 Months	\$	33,472,508
2. 12 Months or Longer	\$	—
- (5) Management regularly reviews the value of the Company's investments. If the value of any investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the Company considers its intent to sell the security and whether it is more likely than not that the Company would be required to sell the security before recovery, extent and duration of the decline, failure of the issuer to make scheduled interest or principal payments, change in rating below investment grade and adverse conditions specifically related to the security, an industry, or a geographic area.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains in the statements of operations in the period the determination is made. No other-than-temporary impairments were recognized for the years ended December 31, 2013 and 2012.

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

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

### F. Write Downs for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

The Company does not have investments in real estate.

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

The Company does not have investments in low income housing.

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

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

## 7. Investment Income

- A. The Company's accounting policy is to non-admit any investment income due and accrued that is over 90 days past due.
- B. The total amount of non-admitted investment income was \$0 for the years ended 2013 and 2012.

## 8. Derivative Instruments

The Company had no derivative instruments for the years ended December 31, 2013 or December 31, 2012.

## 9. Income Taxes

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

## Notes to Financial Statements

(1)

	December 31, 2013			December 31, 2012			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross deferred tax assets	\$ 13,274,370	\$ 5,593	\$ 13,279,963	\$ 1,795,495	\$ —	\$ 1,795,495	\$ 11,478,875	\$ 5,593	\$ 11,484,468
Statutory valuation allowance adjustment	(13,251,029)	(5,593)	(13,256,622)	(1,795,495)	—	(1,795,495)	(11,455,534)	(5,593)	(11,461,127)
Adjusted gross deferred tax assets	23,341	—	23,341	—	—	—	23,341	—	23,341
Deferred tax assets - nonadmitted	—	—	—	—	—	—	—	—	—
Subtotal net admitted deferred tax assets	23,341	—	23,341	—	—	—	23,341	—	23,341
Deferred tax liabilities	23,341	—	23,341	—	—	—	23,341	—	23,341
Net admitted deferred tax assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(2) Admission Calculation Components

	December 31, 2013			December 31, 2012			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
11.a, Federal income taxes paid in prior years recoverable through loss carrybacks	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
11.b, Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 11.a above) after application of the threshold limitation. (the lesser of 11.b.i and 11.b.ii below)	—	—	—	—	—	—	—	—	—
11.b.i, Adjusted gross deferred tax assets expected to be realized following the balance sheet date	—	—	—	—	—	—	—	—	—
11.b.ii, Adjusted gross deferred tax assets allowed per limitation threshold.	—	—	26,957,259	—	—	31,391,531	—	—	—
11.c, Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 11.a and 11.b above) offset by gross deferred tax liabilities.	23,341	—	23,341	—	—	—	23,341	—	23,341
Total deferred tax assets admitted as a result of application of SAP 101 (11.a + 11.b + 11.c)	\$ 23,341	\$ —	\$ 23,341	\$ —	\$ —	\$ —	\$ 23,341	\$ —	\$ 23,341

(3) Disclosure of ratios used for threshold limitation (for 11.b)

	December 31, 2013	December 31, 2012	Total
Ratio percentage used to determine recovery period and threshold limitation amount in 11.b.i above	—%	—%	—%
Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 11.b.ii above	—%	—%	—%

(4) Impact of Tax Planning Strategies

	2013			2012		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted Gross DTAs amount	—	—	—	—	—	—
Percentage of adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies attributable to that tax character	—%	—%	—%	—%	—	—%
Net admitted adjusted gross DTAs amount	—	—	—	—	—	—
Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies attributable to that tax character	—%	—%	—%	—%	—	—%



## Notes to Financial Statements

## B. Unrecognized deferred tax liabilities

Not Applicable.

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

	2013	2012	Change
Federal income tax	\$ —	\$ —	\$ —
Federal income tax on net capital gains	—	—	—
Federal income taxes incurred	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
	<b>December 31, 2013</b>	<b>December 31, 2012</b>	<b>Change</b>
Deferred tax assets			
Ordinary:			
Net operating loss carryforward	\$ 11,195,443	\$ 1,795,495	\$ 9,399,948
Accrued compensation and benefits	761,179	—	761,179
Contingency reserve	609,237	—	609,237
Software	586,309	—	586,309
Unearned premium reserve	93,650	—	93,650
Accrued liabilities	20,650	—	20,650
2012 Capitalized costs	7,008	—	7,008
Charitable contribution	894	—	894
Bonuses	—	—	—
Prepaid service costs	—	—	—
Other	—	—	—
Gross ordinary deferred tax assets	<u>13,274,370</u>	<u>1,795,495</u>	<u>11,478,875</u>
Statutory valuation allowance	(13,251,029)	(1,795,495)	(11,455,534)
Nonadmitted	—	—	—
Admitted ordinary deferred tax assets	<u>23,341</u>	<u>—</u>	<u>23,341</u>
Capital:			
Gain/Loss on bonds	5,593	—	5,593
Other	—	—	—
Gross capital deferred tax assets	<u>5,593</u>	<u>—</u>	<u>5,593</u>
Statutory valuation allowance	(5,593)	—	(5,593)
Nonadmitted	—	—	—
Admitted capital deferred tax assets	<u>—</u>	<u>—</u>	<u>—</u>
Total admitted deferred tax assets	<u>23,341</u>	<u>—</u>	<u>23,341</u>
Deferred tax liabilities			
Ordinary:			
Amortized discount	(23,341)	—	(23,341)
Other	—	—	—
Total deferred tax liabilities	<u>(23,341)</u>	<u>—</u>	<u>(23,341)</u>
Net admitted deferred tax assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

## E. Net Operating Loss Carryforwards and Paid Taxes Available for Future Recoupment

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

Origination Year	Expiration Year	Amount
2011	2031	\$ 7,309,506
2013	2033	24,677,474
Total		<u>\$ 31,986,980</u>

## Notes to Financial Statements

Prior to the MAC acquisition (*see Note 10 - Information Concerning Parent, Subsidiaries, and Other Related Parties*) there were \$7,309,506 of net operating loss carry forwards that are subject to an annual Section 382 limitation of \$277,000 a year up to a period not to exceed 20 years.

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

None.

- (3) The Company did not have protective tax deposits under Section 6603 of the Internal Revenue Code.

### F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is consolidated with the following entities:

NMI Holdings, Inc.  
 MAC Financial Holdings Corporation  
 National Mortgage Reinsurance Inc One  
 National Mortgage Reinsurance Inc Two

- (2) Under the tax sharing agreement, each of the parties above mutually agrees to file a consolidated federal income tax return for 2013 and subsequent tax years, with NMI as the direct tax payer. The tax liability of each insurer that is party to the agreement is limited to the amount of liability it would incur if it filed a separate tax return. All settlements under this agreement between NMI and any insurer that is party to the agreement shall be made within 30 days of the filing of the applicable federal corporate income tax return with the Internal Revenue Service ("IRS"), including subsequent amended filings and IRS adjustments, except when a refund is due to an insurer, in which case payment shall be made to the insurer within 30 days after NMI's receipt of the applicable tax refund.

### G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

### A. Nature of Relationships

NMIC and National Mortgage Reinsurance Inc One ("Re One") were wholly-owned by MAC Financial Holding Corporation, which, prior to April 24, 2012, was wholly-owned by MAC Financial Ltd., a Bermuda holding company.

On April 24, 2012, MAC Financial Holding Corporation was acquired by NMI Holdings, Inc., a Delaware corporation ("NMI"). On September 30, 2013, MAC Financial Holding Corporation was merged into NMI, with NMI surviving the merger.

National Mortgage Reinsurance Inc Two was a wholly-owned subsidiary of the Company and was previously admitted in the Company's assets at its full statutory surplus value. The statutory surplus of Re Two at June 30, 2013 was \$10.0 million. During the 2nd quarter of 2013, NMIC requested approval from the Wisconsin OCI to merge Re Two into the Company. The Wisconsin OCI approved the merger on July 15, 2013. Effective September 30, 2013 Re Two was merged into the Company and ceased to exist as a separate entity.

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

On June 29, 2012, NMIC was capitalized with \$210 million by NMI. Also, on June 29, 2012, NMIC capitalized its formerly direct, wholly-owned subsidiary Re Two with \$10 million.

### C. Change in Terms of Intercompany Arrangements

*See Note 21 - Other Items - A - Extraordinary.*

### D. Amounts Due to or from Related Parties

Commencing on February 1, 2013, NMI began allocating expenses to the Company per a cost allocation agreement. As of December 31, 2013, the Company reported \$10,480,280 due to affiliated companies, the entire amount of which is contractually obligated to be paid within 60 days after quarter-end. *See Note 21 - A - Extraordinary Items.*

### E. Guarantees or Undertaking for Related Parties

The Company has no guarantees or undertakings for related parties.

## Notes to Financial Statements

### F. Management, Service contracts, Cost Sharing Arrangements

*See Note 21 - Other Items - A - Extraordinary.*

### G. Nature of Relationships that Could Affect Operations

*See Note 21 - Other Items - A - Extraordinary.*

### H. Amount Deducted for Investment in Upstream Company

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

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

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

### J. Write downs for Impairment of Investments in Affiliates

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

### K. Foreign Subsidiary Valued Using CARVM

The Company has no investments in foreign subsidiaries.

### L. Downstream Holding Company Valued Using Look-Through Method

The Company has no investments in a downstream holding company.

## 11. Debt

A. In December of 2010, the Company secured a loan from the Wisconsin Department of Commerce in the amount of \$250,000. The loan required interest only payments for the first year and amortized over the following two years in a fixed monthly installment of \$10,640, commencing on January 1, 2012, which included principal and interest. A final installment was due December 1, 2013, which would have included all remaining principal and interest. The interest rate was 2% with a 2% origination fee. The Company received the entire \$250,000 advance in January 2011. During 2011, the Company violated a provision of the agreement, under which it was required to retain a certain number of employees in Wisconsin. The penalty for this violation was an incremental increase in the interest rate. The maximum penalty under the agreement for this violation was 4% on the outstanding principal balance. As of December 31, 2011, the outstanding balance on the loan was \$239,760. Following the capital raised in April 2012, the Company paid off the entire outstanding balance of the loan, including all due and accrued interest. There is no outstanding debt for the years ended December 31, 2013 and 2012.

### B. Funding Agreements with Federal Home Loan Banks ("FHLB")

The Company has no funding agreements with the FHLB.

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

A. The Company has no defined benefit plans.

B. The Company does not contribute to defined contribution plans or other post-retirement plans.

C. The Company does not contribute to multi-employer plans.

D. The Company does not have employees that participate in a plan sponsored by the parent company.

E. The Company does not provide post-employment benefits.

F. The Company does not provide post-retirement benefits.

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

### A. Outstanding Shares

The Company has 63,250,000 shares of \$0.04 par value authorized common stock, all of which is issued and outstanding. The Company has no preferred stock authorized, issued or outstanding. *See Note 21 - Other Items - A - Extraordinary.*

## Notes to Financial Statements

### B. Dividend Rate of Preferred Stock

The Company has no preferred stock outstanding.

### C. Dividend Restrictions

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

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

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

### D. Dates and Amounts of Dividends Paid

The Company has paid no dividends during the years ended December 31, 2013 and December 31, 2012.

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

The Company had a net loss for 2013; accordingly it could not pay ordinary dividends. *See Item C - Dividend Restrictions above.*

### F. Restrictions of Unassigned Funds

*See Item C - Dividend Restrictions above.*

### G. Mutual Surplus Advance

The Company is not a mutual or similarly organized company.

### H. Company Stock held for Special Purposes

The Company holds no stock for special purposes.

### I. Changes in Special Surplus Funds

The Company has no special surplus funds.

### J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$0, as of December 31, 2013.

### K. Surplus Notes

The Company has not issued surplus notes.

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

On April 19, 2013, NMIC received approval from the Commissioner to record a quasi--reorganization in the first quarter of 2013 to reclassify the cumulative net losses of \$5.6 million generated prior to the acquisition of NMIC by

## Notes to Financial Statements

NMI in the second quarter of 2012. The adjustment had the following effect on unassigned funds. Gross paid-in and contributed funds remained unchanged:

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

The ending adjusted unassigned funds balance at 12/31/12 of \$3,018,652 consists of \$3,000,891 in non-admitted EDP, net losses of \$17,868, and a change in unrealized capital gains of \$107. The offset is reflected in gross paid in and contributed surplus is:

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

Assets and liabilities were not effected by this adjustment. Surplus as regards Policyholders also remained unchanged at \$210 million. The quasi-reorganization was recorded as of March 31, 2013 - no 2012 balances have been restated.

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

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

### 14. Contingencies

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

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

C. Gain Contingencies

The Company has no gain contingencies.

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

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

E. Product Warranties

The Company has no product warranties.

F. 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 express consent of the Wisconsin OCI.

Sec. 3.09(14) of the Wisconsin Administrative 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 must 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 the purpose of maintaining the statutory liability for ten years or until such time as the contingency reserve is released back into surplus.

For the year ended December 31, 2013 the company has established contingency reserves in the amount of \$1,740,079. This contingency reserve calculation is based on the minimum policyholders' position divided by seven. For the year ended December 31, 2012, the Company had not written nor earned any premium and therefore had not set aside any amount in the contingency reserve.

## Notes to Financial Statements

### 15. Leases

#### A. Lessee Operating Lease

The Company has no lease obligation. NMI entered into an office facility lease effective July 1, 2012 for a term of two years. In October 2013, NMI amended the facility's lease to (i) add 23,000 square feet of furnished office space, and (ii) extend the facility's lease period through October 31, 2017. Through a cost allocation agreement, the Company receives approximately 70% of the lease expense. See Note 21 - Other Items - A - Extraordinary for more information on the cost allocation agreement.

#### B. The Company has no lessor activity.

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

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

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

#### A. Transfers of Receivables Reported as sales

The company had no transfers of receivables reported as sales.

#### B. Transfers and services of Financial Assets

The Company had no transfer or servicing of financial assets.

#### C. Wash Sales

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

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

The Company has no uninsured or partially insured plans.

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

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

### 20. Fair Value Measurements

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

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of December 31, 2013 and December 31, 2012:

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

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

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

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

## Notes to Financial Statements

### B. Other Fair Value Disclosures

Not Applicable

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

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three- levels as described below.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
<b>Financial instruments - assets</b>						
Bonds	\$ 171,204,693	\$ 174,133,529	\$ 21,991,196	\$ 149,213,497	\$ —	—
Preferred stocks	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Cash, cash equivalents and short-term investments	18,531,442	18,531,442	18,531,442	—	—	—
Other	—	—	—	—	—	—
<b>Total assets</b>	<b>\$ 189,736,135</b>	<b>\$ 192,664,971</b>	<b>\$ 40,522,638</b>	<b>\$ 149,213,497</b>	<b>\$ —</b>	<b>—</b>
<b>Financial instruments - liabilities</b>						
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>

### D. Reasons Not Practical to Estimate Fair Values

Not Applicable

## 21. Other Items

### A. Extraordinary

In 2009 MAC Assurance Corporation, now NMIC, was incorporated and licensed in the State of Wisconsin without the usual requisite minimum capital and surplus in order to facilitate the lengthy review for qualified insurer status with both the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, as well as the due diligence and capital-raising efforts by the original principals of NMIC. NMIC entered into a Stipulation and Order with the Wisconsin OCI, whereby NMIC agreed that it would not issue insurance policies or otherwise engage in the acceptance of any form of insurance risk until such time as it provided adequate documentation to the Wisconsin OCI of sufficient capital funding, a walkthrough review of its completed information systems development and that the forgoing facts were verified and acknowledged by the Wisconsin OCI. Following Wisconsin OCI Organizational Examination, the Stipulation and Order was rescinded on September 26, 2012. Currently, there are no restrictions or conditions on NMIC's Wisconsin certificate of authority.

NMI was formed in May 2011 with the objective of transacting private mortgage guaranty insurance through a wholly-owned mortgage guaranty subsidiary. Beginning in May 2011, NMI's activities were focused on raising capital, and seeking to acquire the assets and necessary approvals for its subsidiaries to commence operations.

In a private transaction that closed in April, 2012, NMI successfully sold 55 million shares of its common stock at an issue price of \$10.00 per share. Gross proceeds from the private placement were \$550 million. Net proceeds from the private placement, after an approximate 7% underwriting fee and offering expenses, were approximately \$510 million.

Following the private capital raise, pursuant to a share purchase agreement by and between NMI and MAC Financial Ltd., NMI acquired one hundred percent (100%) of MAC Financial Holding Corporation, together with its subsidiaries, NMIC, Re One and Re Two, all of which are Wisconsin-domiciled insurance companies, for \$8.5 million in cash, common stock and warrants.

In November 2013, NMI completed an initial public offering of 2,415,000 shares of its common stock and its common stock began trading on the NASDAQ on November 8, 2013, under the symbol "NMIH." Net proceeds to NMI from the offering were approximately \$28 million.

Capitalization of the Company:

On June 29, 2012, NMI capitalized the Company in the amount of \$210.0 million. Also, on June 29, 2012, NMIC capitalized its direct, wholly-owned subsidiary Re Two in the amount of \$10.0 million.

## Notes to Financial Statements

Effective June 30, 2012 NMIC's shareholder and Board of Directors amended its Articles of Incorporation to authorize NMIC to issue 63,250,000 shares at \$.04 par value common stock. On or about the same date, NMIC issued all 63,250,000 common shares to MAC Financial Holding Corporation in consideration for the \$210.0 million capitalization and MAC's surrender of the share certificate evidencing 250 shares previously issued by NMIC to MAC.

On April 24, 2012, MAC Financial Holding Corporation was acquired by NMI. On September 30, 2013, MAC Financial Holding Corporation was merged into NMI, with NMI surviving the merger. Re Two was a wholly-owned subsidiary of the Company and was previously admitted in the Company's assets at its full statutory surplus value. The statutory surplus of Re Two at June 30, 2013 was \$10.0 million. During the 2nd quarter of 2013, NMIC requested approval from the Wisconsin OCI to merge Re Two into the Company, which the Wisconsin OCI approved on July 15, 2013. Effective September 30, 2013 Re Two was merged into the Company and ceased to exist as a separate entity.

### Interaffiliate Reinsurance:

Certain states limit the amount of risk a mortgage guaranty insurer may retain on a single loan to 25% of the indebtedness to the insured and as a result the portion of such insurance in excess of 25% must be reinsured. The Company has entered into a primary excess share reinsurance agreement with Re One effective August 1, 2012. The Wisconsin OCI declined to disapprove of the agreement on August 10, 2012. In addition, the Company entered into a facultative pool reinsurance agreement with Re One effective, September 1, 2013, to cede premiums and claims for pool policies, which the Wisconsin OCI declined to disapprove on January 23, 2014. See *Note 22 - Subsequent Events*. 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. During April 2013, the Company wrote its first mortgage guaranty insurance policy and commenced ceding premium and risk to Re One under the reinsurance agreement the following month.

### Tax Sharing Agreement:

The Company entered into a tax sharing agreement on August 23, 2012 by and among NMI, MAC Financial Holding Corporation, Re One, Re Two and the Company. The Wisconsin OCI declined to disapprove of the agreement on August 10, 2012. Under this agreement, each of the parties mutually agrees to file a consolidated federal income tax return for 2012 and subsequent tax years, with NMI as the direct tax filer. The tax liability of each insurer that is party to the agreement is limited to the amount of liability it would incur if it filed a separate tax return. All settlements under this agreement between NMI and any insurer that is party to the agreement shall be made within 30 days of the filing of the applicable federal corporate income tax return with the IRS, including subsequent amended filings and IRS adjustments, except when a refund is due to a party, in which case payment shall be made to the party within 30 days after NMI's receipt of the applicable tax refund.

### Cost Allocation Agreement:

The Company entered into a cost allocation agreement on August 1, 2012 by and among NMI, MAC Financial Holding Corporation, Re One, Re Two and the Company, hereinafter collectively referred to as "Parties", and singularly as "Party". The Wisconsin OCI declined to disapprove of the agreement on July 24, 2012. All Parties to this agreement may also be referred to as "Affiliate". Each of the parties to the agreement may provide any of the following services to any other party under the agreement, including: general management, underwriting, customer service, claims processing, legal, accounting and actuarial services.

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

The cost allocation agreement was amended on January 9, 2013, retroactive to August 1, 2012, such that all Parties to the Agreement agreed that no costs would be allocated from NMI to any Party to the agreement until such time as GSE approval was received. Additionally, the Parties agreed that share-based compensation and certain bonus payments paid or accrued prior to June 30, 2013 are to be allocated solely to NMI. The Wisconsin OCI declined to



## Notes to Financial Statements

disapprove of this amendment and it became effective on January 10, 2013. Costs were allocated per the amended agreement beginning on February 1, 2013.

### Organizational Examination:

The Wisconsin OCI completed an Organizational Examination of NMIC on September 27, 2012. The period under exam was June 30, 2009 through June 30, 2012. The examination was conducted using a risk-focused approach in accordance with the NAIC Financial Condition Examiners' Handbook, which sets forth guidance for planning and performing an examination to evaluate the financial condition and identify prospective risks of an insurer. This approach includes obtaining information about the company including its corporate governance processes, the identification and assessment of inherent risks within the company, and the evaluation of system controls and procedures used by the company to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation and management's compliance with statutory accounting principles, annual statement instructions and Wisconsin laws and regulations. The examination consisted of a review of all major phases of the Company's operations and included the following areas: history, management control, corporate records, conflict of interest, fidelity bonds and other insurance, employees' welfare and pension plans, territory and plan of operations, affiliated companies, growth of company, reinsurance, financial statements, accounts and records and data processing.

The Examination Report concluded that NMIC has sound key IT controls in place and appeared to be ready for production. The Examination did not result in any recommendations, reclassification of or adjustment to the balances reported by the company. As a result of this Examination, the Stipulation and Order was rescinded on September 26, 2012. Currently, there are no restrictions or conditions on NMIC's Wisconsin certificate of authority.

### Licensing:

On June 27, 2012, the Company's expansion application to obtain licenses in all states outside of Wisconsin was accepted into the Review of Electronic Application Coordination and Processing ("REACAP") process by the NAIC. NMIC has been licensed in 49 states and the District of Columbia. The only state pending approval is Wyoming.

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

- NMIC (i) refrain from paying any dividends; (ii) retain all profits; and (iii) maintain a risk-to-capital ratio not to exceed 20 to 1, for three years from the date of GSE Approval (i.e., until January 15, 2016); and
- certain start-up compensation expenses and equity compensation in the form of stock options and restricted stock units shall not be allocated to or assumed as a cost or expense by NMIC.

In its agreements with the FLDOI and NYDOI, NMIC is required to obtain the FLDOI's and NYDOI's prior written approval to significantly deviate from the plan of operations and financial projections that were submitted to the FLDOI and NYDOI in connection with NMIC's license application. In addition, if the lawsuit brought by PMI's Receiver (see litigation below) is determined adversely to any of the officers who are named as defendants in the lawsuit (including the CEO, CFO, Chief Sales Officer and VP of Sales Operations, Analytics & Planning), the Company may be required to remove and replace those officers under the terms of the agreements with the ALDOI, AZDOI, FLDOI, NYDOI and TXDOI, as a condition of NMIC obtaining certificates of authority in those states, as well as under an agreement with the Wisconsin OCI. In connection with NMIC's license applications in California, Missouri and New York, NMI entered into agreements with the CADOI, MODOI and NYDOI requiring NMI to contribute capital to NMIC as necessary to maintain NMIC's risk-to-capital ratio at or below 20 to 1 for three years from the date of GSE Approval. Re One is also a party to the agreement with the CADOI and OHDOI. In the agreement with the FLDOI, NMI agreed, consistent with conditions of the GSE Approval, to downstream additional capital from time to time, as needed, to maintain NMIC's risk-to-capital ratio at or below 15 to 1. In addition, NMIC's operation plan filed with the Wisconsin OCI and other state insurance departments in connection with NMIC's applications for licensure includes the expectation that NMI will downstream additional capital, if needed, so that NMIC does not exceed an 18 to 1 risk-to-capital ratio.

## Notes to Financial Statements

### GSE Approval:

The Company was approved as an eligible mortgage guaranty insurer by Freddie Mac and Fannie Mae, on January 15, 2013 and January 16, 2013, respectively, subject to continuing to comply with certain requirements. Fannie Mae and Freddie Mac have imposed certain capitalization, operational and reporting conditions in connection with their approvals of NMIC as a qualified mortgage guaranty insurer. Some of these conditions remain in effect for a three (3) year period from the date of GSE Approval while others do not expressly expire. These conditions require, among other things, that NMIC:

- be initially capitalized in the amount of \$200 million and that its affiliate reinsurance companies, Re One and Re Two, be initially capitalized in the amount of \$10 million each (as of September 30, 2013, Re Two was merged into NMIC, with NMIC surviving the merger. *See Note 3 - Business Combinations and Goodwill- B - Statutory Mergers*);
- maintain minimum capital of \$150 million;
- operate at a risk-to-capital ratio not to exceed 15:1 for its first three (3) years and then pursuant to the GSE eligibility requirements then in effect;
- not declare or pay dividends to affiliates or to NMI for its first three (3) years, then pursuant to the GSE eligibility requirements;
- not enter into capital support agreements or guarantees for the benefit of, or purchase or otherwise invest in the debt of, affiliates without the prior written approval of the GSEs for its first three (3) years, then pursuant to the GSE eligibility requirements;
- not enter into reinsurance or other risk share arrangements without the GSEs' prior written approval for its first three (3) years, then pursuant to the GSE eligibility requirements; and
- at the direction of one or both of the GSEs, re-domicile from Wisconsin to another state.

The conditional approvals also include certain additional conditions, limitations and reporting requirements that NMIC anticipates will be included in the GSEs' final eligibility requirements, such as limits on costs allocated to NMIC under affiliate expense sharing arrangements, risk concentration, rates of return, requirements to obtain a financial strength rating, provision of ancillary services (i.e., non-insurance) to customers, transfers of underwriting to affiliates, notification requirements regarding change of ownership and new five percent (5%) shareholders, provisions regarding underwriting policies and claims processing as well as certain other obligations.

With GSE Approval, NMIC's customers who originate loans insured by the Company may sell such loans to the GSEs (as of April 1, 2013 for Freddie Mac and as of June 1, 2013 for Fannie Mae). During April 2013, the Company wrote its first mortgage guaranty insurance policy.

### Fannie Mae Pool Deal:

NMIC entered into an agreement (effective coverage date of September 1, 2013) with Fannie Mae, pursuant to which NMIC insures a pool of approximately 22,000 loans with an initial aggregate unpaid principal balance of \$5.2 billion. In September 2013, NMIC received the first premium payment from Fannie Mae. The agreement has an expected term of 10 years from the coverage effective date.

### Litigation:

On August 8, 2012, Germaine Marks, as Receiver, and Truite Todd, as Special Deputy Receiver, of PMI Mortgage Insurance Co. ("PMI"), an Arizona insurance company in receivership, filed a complaint (the "PMI Complaint") against NMI, the Company and certain named individuals, in California Superior Court, Alameda County. The PMI Complaint, as amended, alleges breach of fiduciary duty, breach of loyalty, aiding and abetting breach of fiduciary duty and loyalty, misappropriation of trade secrets, conversion, breach of proprietary information agreement, breach of separation agreement and intentional interference with contractual relations and unfair competition. The lawsuit seeks injunctive relief as well as unspecified monetary damages. NMI has filed an answer to PMI's complaint denying all allegations and believes the claims are without merit.

The parties are now engaged in discovery and the court has set a trial date for September 29, 2014. Because the litigation and related discovery are at an intermediate stage, the Company does not have sufficient information to determine or predict the ultimate outcome or estimate the range of possible losses, if any. Accordingly, no provision for litigation losses has been included in the financial statements.

### B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings.

## Notes to Financial Statements

### C. Other Disclosures

In conjunction with receiving the Company's certificate of authority, on July 12, 2012, NMIC lodged a US Treasury bill with a maturity value of \$3.5 million as a statutory deposit with the State of Wisconsin. This deposit is being held by Wisconsin for the benefit of NMIC's policyholders. In connection with securing other state licenses during 2012 and 2013, the Company placed additional funds on deposit. For the year ended December 31, 2013, the total amount on deposit with all states is \$7.0 million.

### D. Uncollectible Premiums Receivable

The Company has no uncollectible premiums receivable.

### E. Business Interruption Insurance Recoveries

The Company has no business interruption insurance recoveries.

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

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

### G. Subprime Mortgage Related Risk Exposure

The Company has no subprime mortgage related risk exposure.

## 22. Subsequent Events

On January 22, 2014, the Company entered into a facultative pool reinsurance agreement with Re One effective, September 1, 2013, to cede premiums and claims for pool policies. The Wisconsin OCI declined to disapprove of the agreement on January 23, 2014.

The Company has considered subsequent events through February 14, 2014.

## 23. Reinsurance

The Company uses reinsurance provided by Re One solely for purposes of compliance with statutory coverage limits. The Company has no other reinsurance agreements. *See Interaffiliate Reinsurance paragraph in Note 21 - Other Items - A - Extraordinary.*

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

The Company does not have any retrospectively rated contracts or contracts subject to redetermination.

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

The Company incurred no claims and recorded no claim adjustment expenses for the years ended December 31, 2013 and December 31, 2012. The Company made no changes in the provision for incurred claim and claim adjustment expenses attributable to insured events for prior years, as the Company only commenced insurance operations in April 2013.

For purposes of establishing claim reserves, the Company considers the default as the incident that gives rise to a claim. The Company also reserves for claims incurred but not yet reported. Consistent with industry practice, however, the Company will not establish claim reserves for anticipated future claims on insured loans that are not currently in default.

## 26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

## 27. Structured Settlements

The Company had no structured settlements for the years ended December 31, 2013 and December 31, 2012.

## 28. Health Care Receivables

The Company has no health care receivables.

## 29. Participating Policies

The Company has no participating policies.

## Notes to Financial Statements

### 30. Premium Deficiency Reserves

The Company has no premium deficiency reserves for the years ended December 31, 2013 and December 31, 2012. The Company will, after claim reserves are established, perform a premium deficiency calculation each fiscal quarter using best estimate assumptions as of the testing date. The calculation of premium deficiency reserves requires the use of significant judgment and estimates. It is possible that even a relatively small change in an estimate could have a significant impact on the premium deficiency reserve, should one be needed, and, correspondingly, on the Company's operating results.

### 31. High Deductibles

The Company has no reserve credit recorded for high deductibles on unpaid claims.

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

The Company has no liabilities for unpaid claims or unpaid claim adjustment expenses. Mortgage guaranty insurance claim reserves shall not be discounted under NAIC SAP.

### 33. Asbestos/Environmental Reserves

The Company has no know potential exposure to asbestos or environmental claims.

### 34. Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

### 35. Multiple Peril Crop Insurance

The Company does not offer multiple peril crop insurance.

### 36. Financial Guaranty Insurance

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

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 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?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? Wisconsin
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[X] No[ ]
- 2.2 If yes, date of change: 03/15/2013
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/27/2012
- 3.4 By what department or departments?  
Wisconsin Office of the Commissioner of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[X] No[ ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
National Mortgage Reinsurance Inc Two .....	13759 .....	WI .....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....	.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
BDO USA, LLC, One Market Street, Spear Tower, Suite 1100, San Francisco, CA 94105
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Christopher G. Brunetti, ACAS, Secretary of National Mortgage Insurance Corporation, 2100 Powell St, 12th Floor, Emeryville CA 94608

## GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No   
 12.11 Name of real estate holding company  
 12.12 Number of parcels involved 0  
 12.13 Total book/adjusted carrying value \$ 0  
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes  No  N/A   
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes  No  N/A   
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes  No  N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes  No   
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.  
 14.11 If the response to 14.1 is no, please explain:  
 14.2 Has the code of ethics for senior managers been amended? Yes  No   
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 In June 2013, the Company implemented a formal conflict of interest disclosure process for its officers. This supplements existing policies regarding business conduct, conflicts of interest and anti-fraud.  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes  No   
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No   
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001	.....	.....	.....	.....

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes  No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes  No
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes  No

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes  No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ ..... 0  
 20.12 To stockholders not officers \$ ..... 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0  
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$ ..... 0  
 20.22 To stockholders not officers \$ ..... 0  
 20.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes  No   
 21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$ ..... 0  
 21.22 Borrowed from others \$ ..... 0  
 21.23 Leased from others \$ ..... 0  
 21.24 Other \$ ..... 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes  No   
 22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment \$ ..... 0  
 22.22 Amount paid as expenses \$ ..... 0  
 22.23 Other amounts paid \$ ..... 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No   
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

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

## GENERAL INTERROGATORIES (Continued)

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

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ ..... 0
- 25.22 Subject to reverse repurchase agreements \$ ..... 0
- 25.23 Subject to dollar repurchase agreements \$ ..... 0
- 25.24 Subject to reverse dollar repurchase agreements \$ ..... 0
- 25.25 Pledged as collateral \$ ..... 0
- 25.26 Placed under option agreements \$ ..... 0
- 25.27 Letter stock or securities restricted as to sale \$ ..... 0
- 25.28 On deposit with state or other regulatory body \$ ..... 6,974,825
- 25.29 Other \$ ..... 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

		1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds .....	174,133,529	171,204,693	(2,928,836)
30.2	Preferred stocks .....	.....	.....	.....
30.3	Totals .....	174,133,529	171,204,693	(2,928,836)

30.4 Describe the sources or methods utilized in determining the fair values  
The Company has obtained the fair values from Interactive Data at December 31, 2013.

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]  
 32.2 If no, list exceptions:

### OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 321,568  
 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

34.1 Amount of payments for legal expenses, if any? \$ ..... 640,869  
 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 215,073  
 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Eris Group .....	86,234
Oliver Wyman, Inc. ....	56,154



# GENERAL INTERROGATORIES (Continued)

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator .....	.....	.....
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator .....	.....	.....
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes[ ] No[X]
- 3.2 If yes, state the amount of calendar year premiums written on:
  - 3.21 Participating policies \$ ..... 0
  - 3.22 Non-participating policies \$ ..... 0
- 4. For Mutual reporting entities and Reciprocal Exchanges only:
  - 4.1 Does the reporting entity issue assessable policies? Yes[ ] No[ ] N/A[X]
  - 4.2 Does the reporting entity issue non-assessable policies? Yes[ ] No[ ] N/A[X]
  - 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... 0%
  - 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ ..... 0
- 5. For Reciprocal Exchanges Only:
  - 5.1 Does the exchange appoint local agents? Yes[ ] No[ ] N/A[ ]
  - 5.2 If yes, is the commission paid:
    - 5.21 Out of Attorney's-in-fact compensation Yes[ ] No[ ] N/A[ ]
    - 5.22 As a direct expense of the exchange Yes[ ] No[ ] N/A[ ]
  - 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? Yes[ ] No[ ] N/A[ ]
  - 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes[ ] No[ ] N/A[ ]
  - 5.5 If yes, give full information:
- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:  
The Company does not write workers' compensation business.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
The Company writes mortgage guaranty insurance on mortgages issued to United States residential borrowers. Loss exposures on individual mortgage loans are driven by loan, borrower and economic factors. Losses are bounded by the coverage percentage on the loan.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:  
The Company is a monoline mortgage guaranty insurer for mortgages issued to United States residential borrowers. Loss exposures are on individual mortgage loans and are governed by the coverage percentage on the loan. The Company is required to establish and maintain a contingency reserve to be used for excessive losses. In addition, the Company has a primary excess share reinsurance agreement for the amount of exposure in excess of 25%.
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[ ] No[X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss  
See responses 6.2 and 6.3 above.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes[ ] No[X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ..... 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes[ ] No[ ] N/A[X]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes[ ] No[X]
- 8.2 If yes, give full information.

## GENERAL INTERROGATORIES (Continued)

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes[ ] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes[ ] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes[ ] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or Yes[ ] No[X]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes[ ] No[X]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes[ ] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes[ ] No[ ] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes[ ] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
 12.11 Unpaid losses \$ ..... 0  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ ..... 0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. \$ ..... 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes[ ] No[ ] N/A[X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From ..... 0.000%  
 12.42 To ..... 0.000%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes[ ] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:  
 12.61 Letters of Credit \$ ..... 0  
 12.62 Collateral and other funds \$ ..... 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ ..... 153,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes[ ] No[X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes[ ] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes[ ] No[ ] N/A[X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes[ ] No[ ] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain  
 Not Applicable
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes[ ] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes[ ] No[X]  
 If yes, disclose the following information for each of the following types of warranty coverage:

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

## GENERAL INTERROGATORIES (Continued)

\* Disclose type of coverage:

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

## FIVE - YEAR HISTORICAL DATA

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

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 &amp; 3)</b>					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2, & 19.3, 19.4) .....					
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26) .....					
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....					
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	3,541,228				
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33) .....					
6. TOTAL (Line 35) .....	3,541,228				
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....					
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....					
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	3,302,872				
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33) .....					
12. TOTAL (Line 35) .....	3,302,872				
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8) .....	(34,645,349)	(21,347)	(592,606)	(2,289,742)	
14. Net investment gain or (loss) (Line 11) .....	1,950,639	3,586	(6,844)	(105,754)	
15. TOTAL other income (Line 15) .....			1,738		
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....					
18. Net income (Line 20) .....	(32,694,709)	(17,761)	(597,712)	(2,395,496)	
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....	194,180,118	210,003,693	17,205	162,059	
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1) .....	18,756				
20.2 Deferred and not yet due (Line 15.2) .....					
20.3 Accrued retrospective premiums (Line 15.3) .....					
21. TOTAL liabilities excluding protected cell business (Page 3, Line 26) .....	13,870,243		1,466,767	1,286,591	
22. Losses (Page 3, Line 1) .....					
23. Loss adjustment expenses (Page 3, Line 3) .....					
24. Unearned premiums (Page 3, Line 9) .....	1,337,851				
25. Capital paid up (Page 3, Lines 30 & 31) .....	2,530,000	2,530,000	10	10	
26. Surplus as regards policyholders (Page 3, Line 37) .....	180,309,875	210,003,693	(1,449,562)	(1,124,532)	
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	(26,722,502)	(19,385)	(649,529)	(3,059,458)	
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital .....					
29. Authorized control level risk-based capital .....					
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)</b>					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1) .....	90.4				
31. Stocks (Lines 2.1 & 2.2) .....					
32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....					
33. Real estate (Lines 4.1, 4.2 & 4.3) .....					
34. Cash, cash equivalents and short-term investments (Line 5) .....	9.6	100.0	100.0	100.0	
35. Contract loans (Line 6) .....					
36. Derivatives (Line 7) .....					X X X
37. Other invested assets (Line 8) .....					
38. Receivables for securities (Line 9) .....					
39. Securities lending reinvested collateral assets (Line 10) .....					X X X
40. Aggregate write-ins for invested assets (Line 11) .....					
41. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1) .....					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1) .....					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1) .....					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10) .....					
46. Affiliated mortgage loans on real estate .....					
47. All other affiliated .....					
48. TOTAL of above Lines 42 to 47 .....					
49. TOTAL investment in parent included in Lines 42 to 47 above .....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0) .....					

## FIVE - YEAR HISTORICAL DATA (Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains or (Losses) (Line 24) .....					
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	(29,693,818)	211,453,255	(325,030)		
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. TOTAL (Line 35) .....					
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) .....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. TOTAL (Line 35) .....					
<b>Operating Percentages (Page 4)</b>					
<b>(Item divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....					
68. Loss expenses incurred (Line 3) .....					
69. Other underwriting expenses incurred (Line 4) .....	1,774.6				
70. Net underwriting gain (loss) (Line 8) .....	(1,763.1)				
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) .....	1,108.4				
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....					
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0) .....	1.8				
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....					
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0) .....					
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....					
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0) .....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[X] No[ ] N/A[ ]

If no, please explain::

# EXHIBIT OF PREMIUMS AND LOSSES

(Statutory Page 14)



NAIC Group Code: 4760

DIRECT BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

NAIC Company Code: 13695

19 Grand Total

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non - liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty	3,541,228	2,094,705		1,446,523								121,425
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal Employees Health Benefits Plan premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other Liability - claims-made												
17.3 Excess Workers' Compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	3,541,228	2,094,705		1,446,523								121,425
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)												

(a) Finance and service charges not included in Lines 1 to 35 \$.....0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.

20 Schedule F Part 1 Assumed Reinsurance ..... NONE

21 Schedule F Part 2 Reinsurance Effected ..... NONE

## SCHEDULE F - PART 3

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

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties		
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Columns 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers					
<b>Authorized - Affiliates - U.S. Non-Pool - Other</b>																					
27-1439373	13758	NATIONAL MORTGAGE REINS INC ONE	WI		238									109		109	171		(63)		
0399999 Total - Authorized - Affiliates - U.S. Non-Pool - Other						238								109		109	171		(63)		
0499999 Total - Authorized - Affiliates - U.S. Non-Pool - Total						238								109		109	171		(63)		
0799999 Total - Authorized - Affiliates - Other (Non-U.S.) - Total																					
0899999 Total - Authorized - Affiliates						238								109		109	171		(63)		
1399999 Total - Authorized						238								109		109	171		(63)		
4099999 Total - Authorized, Unauthorized and Certified						238								109		109	171		(63)		
9999999 Totals						238								109		109	171		(63)		

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

	1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1)	National Mortgage Reinsurance Inc One	18.000	238
2)	.....		
3)	.....		
4)	.....		
5)	.....		

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1)	.....			Yes[ ] No[X] ...
2)	.....			Yes[ ] No[X] ...
3)	.....			Yes[ ] No[X] ...
4)	.....			Yes[ ] No[X] ...
5)	.....			Yes[ ] No[X] ...



23 Schedule F Part 4 Aging Ceded Reinsurance ..... NONE

24 Schedule F Part 5 Unauthorized Reinsurance ..... NONE

25 Schedule F Part 6 - Section 1 Reinsurance Ceded to Certified Reinsurers . . . . NONE

26 Schedule F Part 6 - Section 2 Overdue Reins. Ceded to Certified Reinsurers . . NONE

27 Schedule F Part 7 Overdue Authorized Reinsurance ..... NONE

28 Schedule F Part 8 Overdue Reinsurance ..... NONE

## SCHEDULE F - PART 9

### Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS (Page 2, Column 3)</b>			
1. Cash and invested assets (Line 12) .....	192,664,971		192,664,971
2. Premiums and considerations (Line 15) .....	18,756		18,756
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) .....			
4. Funds held by or deposited with reinsured companies (Line 16.2) .....			
5. Other assets .....	1,496,391		1,496,391
6. Net amount recoverable from reinsurers .....		108,672	108,672
7. Protected cell assets (Line 27) .....			
8. TOTALS (Line 28) .....	194,180,118	108,672	194,288,790
<b>LIABILITIES (Page 3)</b>			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....			
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	118,195		118,195
11. Unearned premiums (Line 9) .....	1,337,851	108,672	1,446,523
12. Advance premiums (Line 10) .....			
13. Dividends declared and unpaid (Line 11.1 and 11.2) .....			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12) .....	171,454		171,454
15. Funds held by company under reinsurance treaties (Line 13) .....			
16. Amounts withheld or retained by company for account of others (Line 14) .....			
17. Provision for reinsurance (Line 16) .....			
18. Other liabilities .....	12,242,743		12,242,743
19. TOTAL Liabilities excluding protected cell business (Line 26) .....	13,870,243	108,672	13,978,915
20. Protected cell liabilities (Line 27) .....			
21. Surplus as regards policyholders (Line 37) .....	180,309,875	X X X	180,309,875
22. TOTALS (Line 38) .....	194,180,118	108,672	194,288,790

Note: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [ ] No[X]

If yes, give full explanation:

30 Schedule H Part 1 A & H Exhibit ..... NONE

31 Schedule H Parts 2, 3 & 4 - A & H Exh Cont ..... NONE

32 Schedule H Part 5 Health Claims ..... NONE

# SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

## SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2004												X X X
3. 2005												X X X
4. 2006												X X X
5. 2007												X X X
6. 2008												X X X
7. 2009												X X X
8. 2010												X X X
9. 2011												X X X
10. 2012												X X X
11. 2013	2,095	130	1,965									X X X
12. Totals	X X X	X X X	X X X									X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior												X X X	
2. 2004												X X X	
3. 2005												X X X	
4. 2006												X X X	
5. 2007												X X X	
6. 2008												X X X	
7. 2009												X X X	
8. 2010												X X X	
9. 2011												X X X	
10. 2012												X X X	
11. 2013												X X X	
12. Totals												X X X	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2004											
3. 2005											
4. 2006											
5. 2007											
6. 2008											
7. 2009											
8. 2010											
9. 2011											
10. 2012											
11. 2013											
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

34	Schedule P - Part 2 Summary .....	NONE
34	Schedule P - Part 3 Summary .....	NONE
34	Schedule P - Part 4 Summary .....	NONE
35	Schedule P - Part 1A - Homeowners/Farmowners .....	NONE
36	Schedule P - Part 1B - Private Passenger Auto Liability/Medical .....	NONE
37	Schedule P - Part 1C - Comm. Auto/Truck Liability/Medical .....	NONE
38	Schedule P - Part 1D - Workers' Compensation (Excl. Excess Workers' Comp.)	NONE
39	Schedule P - Part 1E - Commercial Multiple Peril .....	NONE
40	Schedule P - Part 1F Sn 1 - Medical Professional Liability - Occurrence .....	NONE
41	Schedule P - Part 1F Sn 2 - Medical Professional Liability - Claims-Made .....	NONE
42	Schedule P - Part 1G - Special Liab. (Ocn Mar., Aircraft, Boiler & Mchnry) .....	NONE
43	Schedule P - Part 1H Sn 1 - Other Liability - Occurrence .....	NONE
44	Schedule P - Part 1H Sn 2 - Other Liability - Claims-Made .....	NONE
45	Schedule P - Part 1I - Special Property (Fire, Ald. Lines, Inld Mar.) .....	NONE
46	Schedule P - Part 1J - Auto Physical Damage .....	NONE
47	Schedule P - Part 1K - Fidelity/Surety .....	NONE
48	Schedule P - Part 1L - Other (Incl. Credit, Accident and Health) .....	NONE
49	Schedule P - Part 1M - International .....	NONE
50	Schedule P - Part 1N - Reins. Nonproportional Assumed Property .....	NONE
51	Schedule P - Part 1O - Reins. Nonproportional Assumed Liability .....	NONE
52	Schedule P - Part 1P - Reins. Nonproportional Assumed Financial Lines .....	NONE
53	Schedule P - Part 1R Sn 1 - Products Liability - Occurrence .....	NONE
54	Schedule P - Part 1R Sn 2 - Products Liability - Claims-Made .....	NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE National Mortgage Insurance Corporation  
**SCHEDULE P - PART 1S**  
**FINANCIAL GUARANTY/MORTGAGE GUARANTY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
2. 2012 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
3. 2013 ...	..... 2,095	..... 130	..... 1,965	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
2. 2012 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3. 2013 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4. Totals ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2012 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2013 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

56	Schedule P - Part 1T - Warranty .....	NONE
57	Schedule P - Part 2A - Homeowners/Farmowners .....	NONE
57	Schedule P - Part 2B - Private Passenger Auto Liability/Medical .....	NONE
57	Schedule P - Part 2C - Comm. Auto/Truck Liability/Medical .....	NONE
57	Schedule P - Part 2D - Workers' Compensation (Excl. Excess Workers' Comp.)	NONE
57	Schedule P - Part 2E - Commercial Multiple Peril .....	NONE
58	Schedule P - Part 2F Sn 1 - Medical Professional Liability - Occurrence .....	NONE
58	Schedule P - Part 2F Sn 2 - Medical Professional Liability - Claims-Made .....	NONE
58	Schedule P - Part 2G - Special Liab. (Ocn Mar., Aircraft, Boiler & Mchnry) ....	NONE
58	Schedule P - Part 2H Sn 1 - Other Liability - Occurrence .....	NONE
58	Schedule P - Part 2H Sn 2 - Other Liability - Claims-Made .....	NONE
59	Schedule P - Part 2I - Special Property (Fire, Ald. Lines, Inld Mar.) .....	NONE
59	Schedule P - Part 2J - Auto Physical Damage .....	NONE
59	Schedule P - Part 2K - Fidelity/Surety .....	NONE
59	Schedule P - Part 2L - Other (Incl. Credit, Accident and Health) .....	NONE
59	Schedule P - Part 2M - International .....	NONE
60	Schedule P - Part 2N - Reins. Nonproportional Assumed Property .....	NONE
60	Schedule P - Part 2O - Reins. Nonproportional Assumed Liability .....	NONE
60	Schedule P - Part 2P - Reins. Nonproportional Assumed Financial Lines .....	NONE
61	Schedule P - Part 2R Sn 1 - Products Liability - Occurrence .....	NONE
61	Schedule P - Part 2R Sn 2 - Products Liability - Claims-Made .....	NONE
61	Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty .....	NONE
61	Schedule P - Part 2T - Warranty .....	NONE
62	Schedule P - Part 3A - Homeowners/Farmowners .....	NONE
62	Schedule P - Part 3B - Private Passenger Auto Liability/Medical .....	NONE
62	Schedule P - Part 3C - Comm. Auto/Truck Liability/Medical .....	NONE
62	Schedule P - Part 3D - Workers' Compensation (Excl. Excess Workers' Comp.)	NONE
62	Schedule P - Part 3E - Commercial Multiple Peril .....	NONE
63	Schedule P - Part 3F Sn 1 - Medical Professional Liability - Occurrence .....	NONE
63	Schedule P - Part 3F Sn 2 - Medical Professional Liability - Claims-Made .....	NONE
63	Schedule P - Part 3G - Special Liab. (Ocn Mar., Aircraft, Boiler & Mchnry) ....	NONE
63	Schedule P - Part 3H Sn 1 - Other Liability - Occurrence .....	NONE
63	Schedule P - Part 3H Sn 2 - Other Liability - Claims-Made .....	NONE
64	Schedule P - Part 3I - Special Property (Fire, Ald. Lines, Inld Mar.) .....	NONE
64	Schedule P - Part 3J - Auto Physical Damage .....	NONE
64	Schedule P - Part 3K - Fidelity/Surety .....	NONE
64	Schedule P - Part 3L - Other (Incl. Credit, Accident and Health) .....	NONE
64	Schedule P - Part 3M - International .....	NONE
65	Schedule P - Part 3N - Reins. Nonproportional Assumed Property .....	NONE
65	Schedule P - Part 3O - Reins. Nonproportional Assumed Liability .....	NONE
65	Schedule P - Part 3P - Reins. Nonproportional Assumed Financial Lines .....	NONE
66	Schedule P - Part 3R Sn 1 - Products Liability - Occurrence .....	NONE
66	Schedule P - Part 3R Sn 2 - Products Liability - Claims-Made .....	NONE
66	Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty .....	NONE
66	Schedule P - Part 3T - Warranty .....	NONE
67	Schedule P - Part 4A - Homeowners/Farmowners .....	NONE
67	Schedule P - Part 4B - Private Passenger Auto Liability/Medical .....	NONE
67	Schedule P - Part 4C - Comm. Auto/Truck Liability/Medical .....	NONE
67	Schedule P - Part 4D - Workers' Compensation (Excl. Excess Workers' Comp.)	NONE
67	Schedule P - Part 4E - Commercial Multiple Peril .....	NONE
68	Schedule P - Part 4F Sn 1 - Medical Professional Liability - Occurrence .....	NONE
68	Schedule P - Part 4F Sn 2 - Medical Professional Liability - Claims-Made .....	NONE
68	Schedule P - Part 4G - Special Liab. (Ocn Mar., Aircraft, Boiler & Mchnry) ....	NONE
68	Schedule P - Part 4H Sn 1 - Other Liability - Occurrence .....	NONE
68	Schedule P - Part 4H Sn 2 - Other Liability - Claims-Made .....	NONE
69	Schedule P - Part 4I - Special Property (Fire, Ald. Lines, Inld Mar.) .....	NONE
69	Schedule P - Part 4J - Auto Physical Damage .....	NONE
69	Schedule P - Part 4K - Fidelity/Surety .....	NONE
69	Schedule P - Part 4L - Other (Incl. Credit, Accident and Health) .....	NONE
69	Schedule P - Part 4M - International .....	NONE
70	Schedule P - Part 4N - Reins. Nonproportional Assumed Property .....	NONE
70	Schedule P - Part 4O - Reins. Nonproportional Assumed Liability .....	NONE
70	Schedule P - Part 4P - Reins. Nonproportional Assumed Financial Lines .....	NONE
71	Schedule P - Part 4R Sn 1 - Products Liability - Occurrence .....	NONE

71	Schedule P - Part 4R Sn 2 - Products Liability - Claims-Made	NONE
71	Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	NONE
71	Schedule P - Part 4T - Warranty	NONE
72	Schedule P - Part 5A - Homeowners/Farmowners - Sn 1	NONE
72	Schedule P - Part 5A - Homeowners/Farmowners - Sn 2	NONE
72	Schedule P - Part 5A - Homeowners/Farmowners - Sn 3	NONE
73	Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Sn 1	NONE
73	Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Sn 2	NONE
73	Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Sn 3	NONE
74	Schedule P - Part 5C - Comm. Auto/Truck Liability/Medical - Sn 1	NONE
74	Schedule P - Part 5C - Comm. Auto/Truck Liability/Medical - Sn 2	NONE
74	Schedule P - Part 5C - Comm. Auto/Truck Liability/Medical - Sn 3	NONE
75	Schedule P - Part 5D - Workers' Compen. (Excl. Excess Workers' Comp.) -Sn 1	NONE
75	Schedule P - Part 5D - Workers' Compen. (Excl. Excess Workers' Comp.) -Sn 2	NONE
75	Schedule P - Part 5D - Workers' Compen. (Excl. Excess Workers' Comp.) -Sn 3	NONE
76	Schedule P - Part 5E - Commercial Multiple Peril - Sn 1	NONE
76	Schedule P - Part 5E - Commercial Multiple Peril - Sn 2	NONE
76	Schedule P - Part 5E - Commercial Multiple Peril - Sn 3	NONE
77	Schedule P - Part 5F - Medical Professional Liability - Occurrence - Sn 1A	NONE
77	Schedule P - Part 5F - Medical Professional Liability - Occurrence - Sn 2A	NONE
77	Schedule P - Part 5F - Medical Professional Liability - Occurrence - Sn 3A	NONE
78	Schedule P - Part 5F - Medical Professional Liability - Claims-Made - Sn 1B	NONE
78	Schedule P - Part 5F - Medical Professional Liability - Claims-Made - Sn 2B	NONE
78	Schedule P - Part 5F - Medical Professional Liability - Claims-Made - Sn 3B	NONE
79	Schedule P - Part 5H - Other Liability - Occurrence - Sn 1A	NONE
79	Schedule P - Part 5H - Other Liability - Occurrence - Sn 2A	NONE
79	Schedule P - Part 5H - Other Liability - Occurrence - Sn 3A	NONE
80	Schedule P - Part 5H - Other Liability - Claims-Made - Sn 1B	NONE
80	Schedule P - Part 5H - Other Liability - Claims-Made - Sn 2B	NONE
80	Schedule P - Part 5H - Other Liability - Claims-Made - Sn 3B	NONE
81	Schedule P - Part 5R - Products Liability - Occurrence - Sn 1A	NONE
81	Schedule P - Part 5R - Products Liability - Occurrence - Sn 2A	NONE
81	Schedule P - Part 5R - Products Liability - Occurrence - Sn 3A	NONE
82	Schedule P - Part 5R - Products Liability - Claims-Made - Sn 1B	NONE
82	Schedule P - Part 5R - Products Liability - Claims-Made - Sn 2B	NONE
82	Schedule P - Part 5R - Products Liability - Claims-Made - Sn 3B	NONE
83	Schedule P - Part 5T - Warranty - Sn 1	NONE
83	Schedule P - Part 5T - Warranty - Sn 2	NONE
83	Schedule P - Part 5T - Warranty - Sn 3	NONE
84	Schedule P - Part 6C - Comm. Auto/Truck Liability/Medical - Sn 1	NONE
84	Schedule P - Part 6C - Comm. Auto/Truck Liability/Medical - Sn 2	NONE
84	Schedule P - Part 6D - Workers' Comp. (Excl. Excess Workers' Comp.) - Sn 1	NONE
84	Schedule P - Part 6D - Workers' Comp. (Excl. Excess Workers' Comp.) - Sn 2	NONE
85	Schedule P - Part 6E - Commercial Multiple Peril - Sn 1	NONE
85	Schedule P - Part 6E - Commercial Multiple Peril - Sn 2	NONE
85	Schedule P - Part 6H - Other Liability - Occurrence - Sn 1A	NONE
85	Schedule P - Part 6H - Other Liability - Occurrence - Sn 2A	NONE
86	Schedule P - Part 6H - Other Liability - Claims-Made - Sn 1B	NONE
86	Schedule P - Part 6H - Other Liability - Claims-Made - Sn 2B	NONE
86	Schedule P - Part 6M - International - Sn 1	NONE
86	Schedule P - Part 6M - International - Sn 2	NONE
87	Schedule P - Part 6N - Reins. Nonproportional Assumed Property - Sn 1	NONE
87	Schedule P - Part 6N - Reins. Nonproportional Assumed Property - Sn 2	NONE
87	Schedule P - Part 6O - Reins. Nonproportional Assumed Liability - Sn 1	NONE
87	Schedule P - Part 6O - Reins. Nonproportional Assumed Liability - Sn 2	NONE
88	Schedule P - Part 6R - Products Liability - Occurrence - Sn 1A	NONE
88	Schedule P - Part 6R - Products Liability - Occurrence - Sn 2A	NONE
88	Schedule P - Part 6R - Products Liability - Claims-Made - Sn 1B	NONE
88	Schedule P - Part 6R - Products Liability - Claims-Made - Sn 2B	NONE
89	Schedule P - Part 7A - Primary Loss Sensitive Contracts - Sn 1	NONE
89	Schedule P - Part 7A - Primary Loss Sensitive Contracts - Sn 2	NONE
89	Schedule P - Part 7A - Primary Loss Sensitive Contracts - Sn 3	NONE
90	Schedule P - Part 7A - Primary Loss Sensitive Contracts - Sn 4	NONE
90	Schedule P - Part 7A - Primary Loss Sensitive Contracts - Sn 5	NONE



91 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 1 . . . . . NONE

91 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 2 . . . . . NONE

91 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 3 . . . . . NONE

92 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 4 . . . . . NONE

92 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 5 . . . . . NONE

92 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 6 . . . . . NONE

92 Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts - Sn 7 . . . . . NONE

## SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies, EREs provided for reasons other than DDR are not to be included.

- 1.1 Does the company issue Medical Professional Liability Claims-Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions: Yes[ ] No[X]
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$ ..... 0
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes[ ] No[ ] N/A[X]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes[ ] No[ ] N/A[X]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes[ ] No[ ] N/A[X]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in which premiums were earned and losses were incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior .....	.....	.....
1.602 2004 .....	.....	.....
1.603 2005 .....	.....	.....
1.604 2006 .....	.....	.....
1.605 2007 .....	.....	.....
1.606 2008 .....	.....	.....
1.607 2009 .....	.....	.....
1.608 2010 .....	.....	.....
1.609 2011 .....	.....	.....
1.610 2012 .....	.....	.....
1.611 2013 .....	.....	.....
1.612 TOTALS .....	.....	.....

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes[X] No[ ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes[X] No[ ]
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on page 10? Yes[ ] No[X]  
 If Yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.  
 Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for: (in thousands of dollars)
- |              |          |   |
|--------------|----------|---|
| 5.1 Fidelity | \$ ..... | 0 |
| 5.2 Surety   | \$ ..... | 0 |
6. Claim count information is reported per claim or per claimant (Indicate which). ..... ✓ .....
- |                  |       |  |
|------------------|-------|--|
| 6.1 per claim    | ..... |  |
| 6.2 per claimant | ..... |  |
- If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes[ ] No[X]
- 7.2 An extended statement may be attached.

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama (AL)	L								
2. Alaska (AK)	L								
3. Arizona (AZ)	L	4,435	1,550						
4. Arkansas (AR)	L	132	132						
5. California (CA)	L	24,236	7,639						
6. Colorado (CO)	L	639	639						
7. Connecticut (CT)	L	1,961	1,961						
8. Delaware (DE)	L								
9. District of Columbia (DC)	L	1,890,022	1,890,022						
10. Florida (FL)	L								
11. Georgia (GA)	L	1,003	1,003						
12. Hawaii (HI)	L								
13. Idaho (ID)	L								
14. Illinois (IL)	L	825	825						
15. Indiana (IN)	L								
16. Iowa (IA)	L								
17. Kansas (KS)	L								
18. Kentucky (KY)	L	138	138						
19. Louisiana (LA)	L	433	433						
20. Maine (ME)	L								
21. Maryland (MD)	L								
22. Massachusetts (MA)	L	13,262	2,870						
23. Michigan (MI)	L	1,574,627	168,370						
24. Minnesota (MN)	L	1,385	1,385						
25. Mississippi (MS)	L								
26. Missouri (MO)	L								
27. Montana (MT)	L	71	71						
28. Nebraska (NE)	L	1,325	1,325						
29. Nevada (NV)	L	464	464						
30. New Hampshire (NH)	L								
31. New Jersey (NJ)	L								
32. New Mexico (NM)	L								
33. New York (NY)	L								
34. North Carolina (NC)	L	426	426						
35. North Dakota (ND)	L								
36. Ohio (OH)	L	1,655	1,655						
37. Oklahoma (OK)	L								
38. Oregon (OR)	L								
39. Pennsylvania (PA)	L	3,835	3,835						
40. Rhode Island (RI)	L	2,875	2,875						
41. South Carolina (SC)	L	2,499	2,499						
42. South Dakota (SD)	L								
43. Tennessee (TN)	L								
44. Texas (TX)	L	711	711						
45. Utah (UT)	L	1,808	1,808						
46. Vermont (VT)	L								
47. Virginia (VA)	L	12,061	1,669						
48. Washington (WA)	L								
49. West Virginia (WV)	L								
50. Wisconsin (WI)	L	399	399						
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. TOTALS	(a) 50	3,541,228	2,094,705						

**DETAILS OF WRITE-INS**

5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

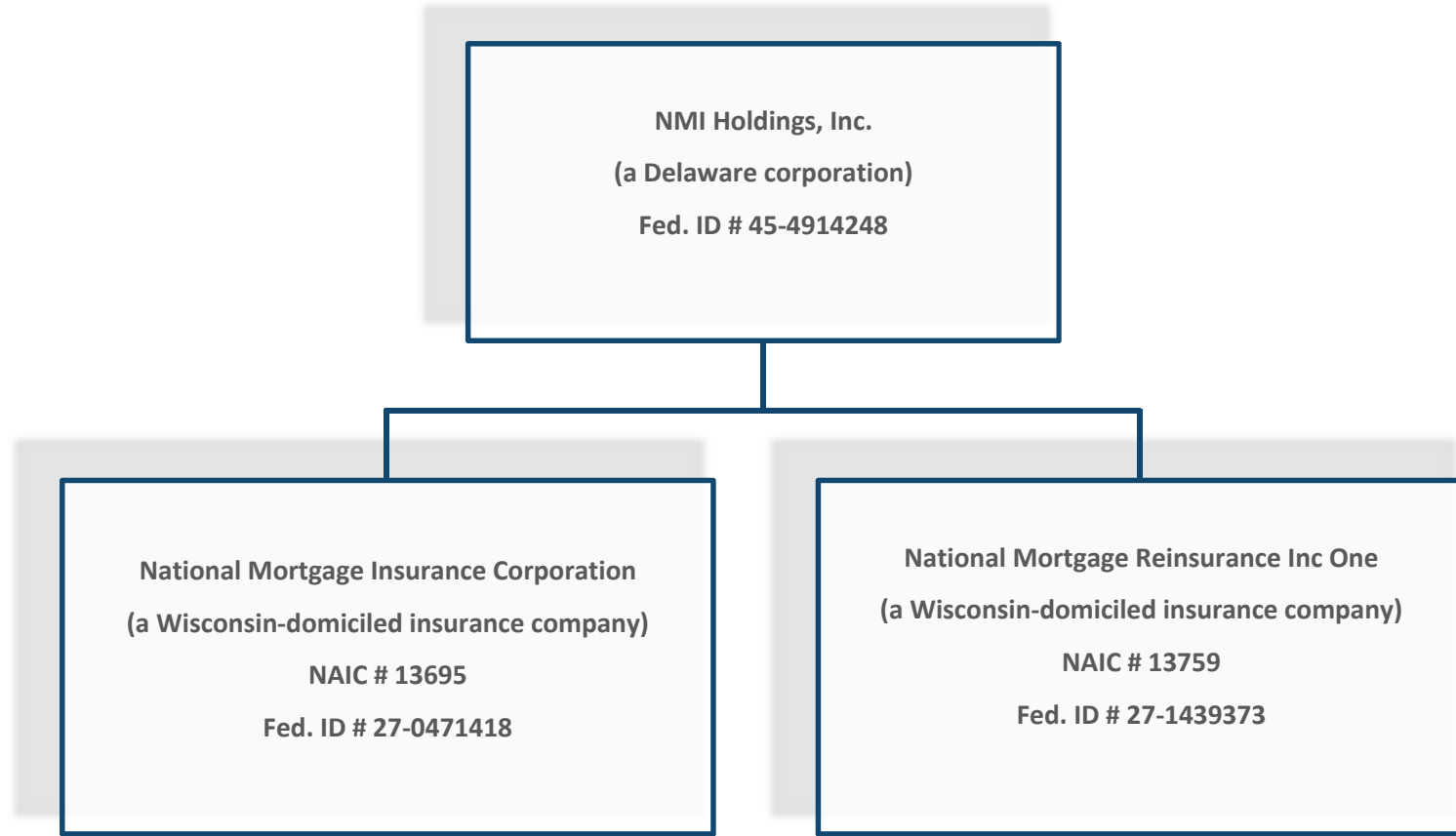
Explanation of basis of allocation of premiums by states, etc.: Premiums paid by the borrower are allocated by state based on the location of the insured property. Premiums paid by the lender are allocated based on the location of the insured.

**SCHEDULE T - PART 2**  
**INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**  
**ALLOCATED BY STATES AND TERRITORIES**

Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate other alien (OT)						
59. TOTALS						

**NONE**

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



## SCHEDULE Y

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

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

Asterisk	Explanation
0000001	
0000002	

## SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.....	45-4914248 ..	NMI HOLDINGS INC. ....	.....	.....	.....	.....	32,521,033	.....	.....	.....	32,521,033	.....
13695 ..	27-0471418 ..	NATIONAL MORTGAGE INS CORP .....	.....	.....	.....	.....	(32,316,959)	.....	.....	.....	(32,316,959)	108,672
13758 ..	27-1439373 ..	NATIONAL MORTGAGE REINS INC ONE .....	.....	.....	.....	.....	(204,074)	.....	.....	.....	(204,074)	(108,672)
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

**Response**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**MARCH FILING**

- 1. Will an actuarial opinion be filed by March 1? Yes
- 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? Yes
- 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? See Explanation
- 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1? See Explanation

**APRIL FILING**

- 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? Yes
- 6. Will Management's Discussion and Analysis be filed by April 1? Yes
- 7. Will the Supplemental Investment Risk Interrogatories be filed by April 1? Yes

**MAY FILING**

- 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1? Yes

**JUNE FILING**

- 9. Will an audited financial report be filed by June 1? Yes
- 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? Yes

**AUGUST FILING**

- 11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? Yes

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

**MARCH FILING**

- 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? No
- 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1? No
- 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? No
- 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1? No
- 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? No
- 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1? No
- 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1? No
- 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? No
- 20. Will the Confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)? Yes
- 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1? Yes
- 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1? Yes
- 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1? No
- 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1? No
- 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? No
- 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? No
- 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? No

**APRIL FILING**

- 28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? No
- 29. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? No
- 30. Will the Accident and Health Policy Experience Exhibit be filed by April 1? No
- 31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? No
- 32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile AND the NAIC by April 1? No

**AUGUST FILING**

- 33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? No

**Explanations:**

- 3. As a mortgage guaranty insurance company, NMIC is not subject to risk-based capital requirements.
- 4. As a mortgage guaranty insurance company, NMIC is not subject to risk-based capital requirements.

**Bar Codes:**

Schedule SIS  
  
 1369520134200000 2013 Document Code: 420

Financial Guaranty Insurance Exhibit  
  
 1369520132400000 2013 Document Code: 240

Medicare Supplement Insurance Experience Exhibit  
  
 1369520133600000 2013 Document Code: 360

Supplement A to Schedule T  
  
 1369520134550000 2013 Document Code: 455

Trusteed Surplus Statement  
  
 1369520134900000 2013 Document Code: 490

Premiums Attributed to Protected Cells Exhibit  
  
 1369520133850000 2013 Document Code: 385



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Reinsurance Summary Supplemental Filing



Medicare Part D Coverage Supplement



Bail Bond Supplement



Director and Officer Supplement



Approval for Relief related to five-year rotation for lead Audit Partner



Approval for Relief related to one-year cooling off period for inde. CPA



Approval for Relief related to Require. for Audit Committees



Credit Insurance Exhibit



LTC Supplemental Interrogatories



Accident and Health Policy Experience Exhibit



Supplemental Health Care Exhibit



Supplemental Health Care Exhibit's Expense Allocation Report



Management's Report of Internal Control over Financial Reporting



**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Charitable Contributions .....	.....	..... 2,552	.....	..... 2,552
2405. Employee Recruiting .....	.....	..... 164,786	.....	..... 164,786
2497. Summary of remaining write-ins for Line 24 (Lines 2404 through 2496) .....	.....	..... 167,338	.....	..... 167,338

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....	22,342,373	11.596	22,342,373		22,342,373	11.596
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....	25,036,974	12.995	25,036,974		25,036,974	12.995
1.22 Issued by U.S. government sponsored agencies .....						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations .....	3,508,588	1.821	3,508,588		3,508,588	1.821
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....						
1.43 Revenue and assessment obligations .....	3,250,000	1.687	3,250,000		3,250,000	1.687
1.44 Industrial development and similar obligations .....						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA .....						
1.512 Issued or Guaranteed by FNMA and FHLMC .....						
1.513 All other .....						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....						
1.523 All other .....	6,287,842	3.264	6,287,842		6,287,842	3.264
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	105,111,121	54.556	105,111,121		105,111,121	54.556
2.2 Unaffiliated Non-U.S. securities (including Canada) .....	8,596,632	4.462	8,596,632		8,596,632	4.462
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....						
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....						
3.32 Unaffiliated .....						
3.4 Other equity securities:						
3.41 Affiliated .....						
3.42 Unaffiliated .....						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....						
3.52 Unaffiliated .....						
4. Mortgage loans:						
4.1 Construction and land development .....						
4.2 Agricultural .....						
4.3 Single family residential properties .....						
4.4 Multifamily residential properties .....						
4.5 Commercial loans .....						
4.6 Mezzanine real estate loans .....						
5. Real estate investments:						
5.1 Property occupied by company .....						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) .....						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt) .....						
6. Contract loans .....						
7. Derivatives .....						
8. Receivables for securities .....						
9. Securities Lending (Line 10, Asset Page reinvested collateral) .....				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments .....	18,531,442	9.618	18,531,442		18,531,442	9.618
11. Other invested assets .....						
12. Total invested assets .....	192,664,971	100.000	192,664,971		192,664,971	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Total gain (loss) on disposals, Part 3, Column 18 .....		
5. Deduct amounts received on disposals, Part 3, Column 15 .....		
6. Total foreign exchange change in book/adjusted carrying value .....	<b>NONE</b>	
6.1 Totals, Part 1, Column 15 .....		
6.2 Totals, Part 3, Column 13 .....		
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 Totals, Part 1, Column 12 .....		
7.2 Totals, Part 3, Column 10 .....		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11 .....		
8.2 Totals, Part 3, Column 9 .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Lines 9 minus 10) .....		

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7) .....		
2.2 Additional investment made after acquisition (Part 2, Column 8) .....		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9 .....		
5.2 Totals, Part 3, Column 8 .....		
6. Total gain (loss) on disposals, Part 3, Column 18 .....	<b>NONE</b>	
7. Deduct amounts received on disposals, Part 3, Column 15 .....		
8. Deduct amortization of premium and mortgage interest .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
9.1 Totals, Part 1, Column 13 .....		
9.2 Totals, Part 3, Column 13 .....		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 11 .....		
10.2 Totals, Part 3, Column 10 .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Lines 11 plus 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14) .....		

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16 .....		
3.2 Totals, Part 3, Column 12 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13 .....		
5.2 Totals, Part 3, Column 9 .....		
6. Total gain (loss) on disposals, Part 3, Column 19 .....	<b>NONE</b>	
7. Deduct amounts received on disposals, Part 3, Column 18 .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17 .....		
9.2 Totals, Part 3, Column 14 .....		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 15 .....		
10.2 Totals, Part 3, Column 11 .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

## SCHEDULE D - VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of bonds and stocks acquired, Part 3, Column 7 .....		255,847,920
3. Accrual of Discount .....		62,785
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12 .....		
4.2 Part 2, Section 1, Column 15 .....		
4.3 Part 2, Section 2, Column 13 .....		
4.4 Part 4, Column 11 .....		
5. Total gain (loss) on disposals, Part 4, Column 19 .....		(18,295)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....		80,733,519
7. Deduct amortization of premium .....		1,025,362
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15 .....		
8.2 Part 2, Section 1, Column 19 .....		
8.3 Part 2, Section 2, Column 16 .....		
8.4 Part 4, Column 15 .....		
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14 .....		
9.2 Part 2, Section 1, Column 17 .....		
9.3 Part 2, Section 2, Column 14 .....		
9.4 Part 4, Column 13 .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		174,133,529
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		174,133,529

## SCHEDULE D - SUMMARY BY COUNTRY

### Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	22,342,373	21,991,196	22,411,051	21,960,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	22,342,373	21,991,196	22,411,051	21,960,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals .....	3,508,588	3,509,345	3,511,830	3,500,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals .....				
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals .....	28,286,973	28,022,720	28,367,488	28,000,000
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....	111,398,962	109,224,375	112,055,211	107,024,919
	9. Canada .....				
	10. Other Countries .....	8,596,633	8,457,057	8,666,440	8,300,000
	11. Totals .....	119,995,595	117,681,432	120,721,651	115,324,919
Parent, Subsidiaries and Affiliates	12. Totals .....				
	13. Total Bonds .....	174,133,529	171,204,693	175,012,020	168,784,919
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries .....				
	17. Totals .....				
Parent, Subsidiaries and Affiliates	18. Totals .....				
	19. Total Preferred Stocks .....				
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....				
	21. Canada .....				
	22. Other Countries .....				
	23. Totals .....				
Parent, Subsidiaries and Affiliates	24. Totals .....				
	25. Total Common Stocks .....				
	26. Total Stocks .....				
	27. Total Bonds and Stocks .....	174,133,529	171,204,693	175,012,020	

## SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1	13,007,319	22,342,373				35,349,692	18.88	4,863,647	100.00	35,349,691	
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 TOTALS	13,007,319	22,342,373				35,349,692	18.88	4,863,647	100.00	35,349,691	
2. All Other Governments											
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 NAIC 1		3,508,588				3,508,588	1.87			3,508,588	
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 TOTALS		3,508,588				3,508,588	1.87			3,508,588	
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 NAIC 1											
4.2 NAIC 2											
4.3 NAIC 3											
4.4 NAIC 4											
4.5 NAIC 5											
4.6 NAIC 6											
4.7 TOTALS											
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 NAIC 1	1,750,000	26,536,974				28,286,974	15.11			28,286,974	
5.2 NAIC 2											
5.3 NAIC 3											
5.4 NAIC 4											
5.5 NAIC 5											
5.6 NAIC 6											
5.7 TOTALS	1,750,000	26,536,974				28,286,974	15.11			28,286,974	

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## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 NAIC 1 .....	2,094,123	86,726,458	26,269,179	1,585,979	3,376,366	120,052,105	64.13			82,975,984	37,076,122
6.2 NAIC 2 .....											
6.3 NAIC 3 .....											
6.4 NAIC 4 .....											
6.5 NAIC 5 .....											
6.6 NAIC 6 .....											
6.7 TOTALS .....	2,094,123	86,726,458	26,269,179	1,585,979	3,376,366	120,052,105	64.13			82,975,984	37,076,122
7. Hybrid Securities											
7.1 NAIC 1 .....											
7.2 NAIC 2 .....											
7.3 NAIC 3 .....											
7.4 NAIC 4 .....											
7.5 NAIC 5 .....											
7.6 NAIC 6 .....											
7.7 TOTALS .....											
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1 .....											
8.2 NAIC 2 .....											
8.3 NAIC 3 .....											
8.4 NAIC 4 .....											
8.5 NAIC 5 .....											
8.6 NAIC 6 .....											
8.7 TOTALS .....											



## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d) 16,851,442	139,114,393	26,269,179	1,585,979	3,376,366	187,197,359	100.00	XXX	XXX	150,121,237	37,076,122
9.2 NAIC 2	(d)							XXX	XXX		
9.3 NAIC 3	(d)							XXX	XXX		
9.4 NAIC 4	(d)							XXX	XXX		
9.5 NAIC 5	(d)					(c)		XXX	XXX		
9.6 NAIC 6	(d)					(c)		XXX	XXX		
9.7 TOTALS	16,851,442	139,114,393	26,269,179	1,585,979	3,376,366	(b) 187,197,359	100.00	XXX	XXX	150,121,237	37,076,122
9.8 Line 9.7 as a % of Column 6	9.00	74.31	14.03	0.85	1.80	100.00	XXX	XXX	XXX	80.19	19.81
10. Total Bonds Prior Year											
10.1 NAIC 1	4,863,647					XXX	XXX	4,863,647	100.00	4,863,647	
10.2 NAIC 2						XXX	XXX				
10.3 NAIC 3						XXX	XXX				
10.4 NAIC 4						XXX	XXX				
10.5 NAIC 5						XXX	XXX	(c)			
10.6 NAIC 6						XXX	XXX	(c)			
10.7 TOTALS	4,863,647					XXX	XXX	(b) 4,863,647	100.00	4,863,647	
10.8 Line 10.7 as a % of Col. 8	100.00					XXX	XXX	100.00	XXX	100.00	
11. Total Publicly Traded Bonds											
11.1 NAIC 1	16,090,616	114,613,507	17,831,134	1,585,979		150,121,236	80.19	4,863,647	100.00	150,121,236	XXX
11.2 NAIC 2											XXX
11.3 NAIC 3											XXX
11.4 NAIC 4											XXX
11.5 NAIC 5											XXX
11.6 NAIC 6											XXX
11.7 TOTALS	16,090,616	114,613,507	17,831,134	1,585,979		150,121,236	80.19	4,863,647	100.00	150,121,236	XXX
11.8 Line 11.7 as a % of Col. 6	10.72	76.35	11.88	1.06		100.00	XXX	XXX	XXX	100.00	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	8.60	61.23	9.53	0.85		80.19	XXX	XXX	XXX	80.19	XXX
12. Total Privately Placed Bonds											
12.1 NAIC 1	760,825	24,500,885	8,438,045		3,376,366	37,076,121	19.81			XXX	37,076,121
12.2 NAIC 2										XXX	
12.3 NAIC 3										XXX	
12.4 NAIC 4										XXX	
12.5 NAIC 5										XXX	
12.6 NAIC 6										XXX	
12.7 TOTALS	760,825	24,500,885	8,438,045		3,376,366	37,076,121	19.81			XXX	37,076,121
12.8 Line 12.7 as a % of Col. 6	2.05	66.08	22.76		9.11	100.00	XXX	XXX	XXX	XXX	100.00
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.41	13.09	4.51		1.80	19.81	XXX	XXX	XXX	XXX	19.81

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(a) Includes \$.....37,076,122 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

# SCHEDULE D - PART 1A - SECTION 2

## Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.5	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
1.	U.S. Governments											
1.1	Issuer Obligations	13,007,319	22,342,373				35,349,692	18.88	4,863,647	100.00	35,349,691	
1.2	Residential Mortgage-Backed Securities											
1.3	Commercial Mortgage-Backed Securities											
1.4	Other Loan-Backed and Structured Securities											
1.5	Totals	13,007,319	22,342,373				35,349,692	18.88	4,863,647	100.00	35,349,691	
2.	All Other Governments											
2.1	Issuer Obligations											
2.2	Residential Mortgage-Backed Securities											
2.3	Commercial Mortgage-Backed Securities											
2.4	Other Loan-Backed and Structured Securities											
2.5	Totals											
3.	U.S. States, Territories and Possessions, Guaranteed											
3.1	Issuer Obligations		3,508,588				3,508,588	1.87			3,508,588	
3.2	Residential Mortgage-Backed Securities											
3.3	Commercial Mortgage-Backed Securities											
3.4	Other Loan-Backed and Structured Securities											
3.5	Totals		3,508,588				3,508,588	1.87			3,508,588	
4.	U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1	Issuer Obligations											
4.2	Residential Mortgage-Backed Securities											
4.3	Commercial Mortgage-Backed Securities											
4.4	Other Loan-Backed and Structured Securities											
4.5	Totals											
5.	U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1	Issuer Obligations	1,750,000	26,536,974				28,286,974	15.11			28,286,974	
5.2	Residential Mortgage-Backed Securities											
5.3	Commercial Mortgage-Backed Securities											
5.4	Other Loan-Backed and Structured Securities											
5.5	Totals	1,750,000	26,536,974				28,286,974	15.11			28,286,974	
6.	Industrial and Miscellaneous											
6.1	Issuer Obligations	56,511	56,619,022	24,601,970	1,585,979		82,863,482	44.27			64,541,646	18,321,836
6.2	Residential Mortgage-Backed Securities											
6.3	Commercial Mortgage-Backed Securities		6,287,842				6,287,842	3.36			3,000,000	3,287,842
6.4	Other Loan-Backed and Structured Securities	2,037,612	23,819,595	1,667,210		3,376,366	30,900,783	16.51			15,434,338	15,466,444
6.5	Totals	2,094,123	86,726,459	26,269,180	1,585,979	3,376,366	120,052,107	64.13			82,975,984	37,076,122
7.	Hybrid Securities											
7.1	Issuer Obligations											
7.2	Residential Mortgage-Backed Securities											
7.3	Commercial Mortgage-Backed Securities											
7.4	Other Loan-Backed and Structured Securities											
7.5	Totals											
8.	Parent, Subsidiaries and Affiliates											
8.1	Issuer Obligations											
8.2	Residential Mortgage-Backed Securities											
8.3	Commercial Mortgage-Backed Securities											
8.4	Other Loan-Backed and Structured Securities											
8.5	Totals											

## SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.5	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	14,813,830	109,006,957	24,601,970	1,585,979		150,008,736	80.13	X X X	X X X	131,686,899	18,321,836
9.2 Residential Mortgage-Backed Securities								X X X	X X X		
9.3 Commercial Mortgage-Backed Securities		6,287,842				6,287,842	3.36	X X X	X X X	3,000,000	3,287,842
9.4 Other Loan-Backed and Structured Securities	2,037,612	23,819,595	1,667,210		3,376,366	30,900,783	16.51	X X X	X X X	15,434,338	15,466,444
9.5 Totals	16,851,442	139,114,394	26,269,180	1,585,979	3,376,366	187,197,361	100.00	X X X	X X X	150,121,237	37,076,122
9.6 Line 9.5 as a % of Col. 6	9.00	74.31	14.03	0.85	1.80	100.00	X X X	X X X	X X X	80.19	19.81
10. Total Bonds Prior Year											
10.1 Issuer Obligations	4,863,647					X X X	X X X	4,863,647	100.00	4,863,647	
10.2 Residential Mortgage-Backed Securities						X X X	X X X				
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 Totals	4,863,647					X X X	X X X	4,863,647	100.00	4,863,647	
10.6 Line 10.5 as a % of Col. 8	100.00					X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	14,813,829	98,887,913	16,399,176	1,585,979		131,686,897	70.35	4,863,647	100.00	131,686,897	X X X
11.2 Residential Mortgage-Backed Securities											X X X
11.3 Commercial Mortgage-Backed Securities		3,000,000				3,000,000	1.60			3,000,000	X X X
11.4 Other Loan-Backed and Structured Securities	1,276,787	12,725,593	1,431,958		3,376,366	15,434,338	8.24			15,434,338	X X X
11.5 Totals	16,090,616	114,613,506	17,831,134	1,585,979		150,121,235	80.19	4,863,647	100.00	150,121,235	X X X
11.6 Line 11.5 as a % of Col. 6	10.72	76.35	11.88	1.06		100.00	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	8.60	61.23	9.53	0.85		80.19	X X X	X X X	X X X	80.19	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations		10,119,043	8,202,793			18,321,836	9.79			X X X	18,321,836
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities		3,287,842				3,287,842	1.76			X X X	3,287,842
12.4 Other Loan-Backed and Structured Securities	760,825	11,094,001	235,252		3,376,366	15,466,444	8.26			X X X	15,466,444
12.5 Totals	760,825	24,500,886	8,438,045		3,376,366	37,076,122	19.81			X X X	37,076,122
12.6 Line 12.5 as a % of Col. 6	2.05	66.08	22.76		9.11	100.00	X X X	X X X	X X X	X X X	100.00
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.41	13.09	4.51		1.80	19.81	X X X	X X X	X X X	X X X	19.81

## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	4,863,647	4,863,647			
2. Cost of short-term investments acquired .....	561,577,515	561,577,515			
3. Accrual of discount .....	1,389	1,389			
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....					
6. Deduct consideration received on disposals .....	553,378,722	553,378,722			
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) .....	13,063,829	13,063,829			
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11) .....	13,063,829	13,063,829			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

SI11 Schedule DB Part A Verification ..... NONE

SI11 Schedule DB Part B Verification ..... NONE

SI12 Schedule DB Part C Sn 1 - Rep. (Syn Asset) Transactions ..... NONE

SI13 Schedule DB Part C Sn 2 - Rep. (Syn Asset) Transactions ..... NONE

SI14 Schedule DB Verification ..... NONE

SI15 Schedule E - Verification ..... NONE

**E01 Schedule A - Part 1 Real Estate Owned ..... NONE**

**E02 Schedule A - Part 2 Real Estate Acquired ..... NONE**

**E03 Schedule A - Part 3 Real Estate Disposed ..... NONE**

**E04 Schedule B Part 1 - Mortgage Loans Owned ..... NONE**

**E05 Schedule B Part 2 - Mortgage Loans Acquired ..... NONE**

**E06 Schedule B Part 3 - Mortgage Loans Disposed ..... NONE**

**E07 Schedule BA Part 1 - Long-Term Invested Assets Owned ..... NONE**

**E08 Schedule BA Part 2 - Long-Term Invested Assets Acquired ..... NONE**

**E09 Schedule BA Part 3 - Long-Term Invested Assets Disposed ..... NONE**

# SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	B O N D C H A R	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's Accretion	Current Year's Other Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
<b>U.S. Governments - Issuer Obligations</b>																					
912828A34	UNITED STATES TREAS NTS	SD			1	123,828	97.8590	122,324	125,000	123,846		17			1.250	1.445	MN	137		12/04/2013	11/30/2018
912828GS3	UNITED STATES TREAS NTS				1	1,893,228	111.5940	1,835,718	1,645,000	1,855,708		(37,520)			4.500	0.651	MN	9,611	37,013	05/23/2013	05/15/2017
912828QG8	UNITED STATES TREAS NTS	SD			1	3,411,543	104.9610	3,269,532	3,115,000	3,365,976		(45,566)			2.625	0.731	AO	14,005	81,769	04/11/2013	04/30/2018
912828JM0	UNITED STATES TREAS NTS				1	5,993,203	99.9060	5,994,372	6,000,000	5,995,088		1,885			0.375	0.414	FA	8,499	11,250	03/08/2013	02/15/2016
912828JUR9	UNITED STATES TREAS NTS				1	6,946,914	97.3670	6,815,703	7,000,000	6,955,472		8,558			0.750	0.906	FA	17,838	26,250	03/08/2013	02/28/2018
912828JZ1	UNITED STATES TREAS NTS				1	2,327,510	96.4380	2,266,281	2,350,000	2,330,339		2,829			0.625	0.822	AO	2,516	7,344	05/13/2013	04/30/2018
912828VE7	UNITED STATES TREAS NTS				1	1,714,825	97.8130	1,687,266	1,725,000	1,715,944		1,119			1.000	1.122	MN	1,516	8,625	06/10/2013	05/31/2018
0199999 Subtotal	U.S. Governments - Issuer Obligations					22,411,051	X X X	21,991,196	21,960,000	22,342,373		(68,678)			X X X	X X X	X X X	54,122	172,251	X X X	X X X
0599999 Subtotal	U.S. Governments					22,411,051	X X X	21,991,196	21,960,000	22,342,373		(68,678)			X X X	X X X	X X X	54,122	172,251	X X X	X X X
<b>U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations</b>																					
13063BN73	CALIFORNIA ST				1FE	3,511,830	100.2670	3,509,345	3,500,000	3,508,588		(3,242)			1.050	0.931	FA	15,313	12,656	03/14/2013	02/01/2016
1199999 Subtotal	U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					3,511,830	X X X	3,509,345	3,500,000	3,508,588		(3,242)			X X X	X X X	X X X	15,313	12,656	X X X	X X X
1799999 Subtotal	U.S. States, Territories and Possessions (Direct and Guaranteed)					3,511,830	X X X	3,509,345	3,500,000	3,508,588		(3,242)			X X X	X X X	X X X	15,313	12,656	X X X	X X X
<b>U.S. Special Revenue, Special Assessment - Issuer Obligations</b>																					
31315PZZ5	FEDERAL AGRIC MTG CORP MTNS B				1	2,248,875	96.2740	2,166,172	2,250,000	2,249,026		151			0.770	0.781	MS	5,390	5,727	05/02/2013	03/09/2018
31331VZU9	FEDERAL FARM CR BKS				1	2,313,800	111.7170	2,234,330	2,000,000	2,245,403		(68,397)			5.125	0.461	FA	35,875	51,250	04/03/2013	08/25/2016
3133ECHG2	FEDERAL FARM CR BKS				1	4,990,000	99.2390	4,961,965	5,000,000	4,991,964		1,964			0.730	0.781	MS	10,950	18,250	03/15/2013	03/13/2017
3133ECLG7	FEDERAL FARM CR BKS				1	1,750,000	98.8430	1,729,754	1,750,000	1,750,000					0.690	0.690	AO	2,482	6,038	04/25/2013	04/17/2017
3133ECP32	FEDERAL FARM CR BKS				1	2,243,813	98.5840	2,218,129	2,250,000	2,244,808		995			0.650	0.720	MN	2,113	7,313	05/06/2013	05/09/2017
313379DD8	FEDERAL HOME LOAN BANKS				1	5,056,900	99.6880	4,984,405	5,000,000	5,046,171		(10,729)			1.000	0.730	JD	1,389	50,000	03/06/2013	06/21/2017
313380L96	FEDERAL HOME LOAN BANKS				1	6,514,100	100.1260	6,508,190	6,500,000	6,509,601		(4,499)			0.500	0.421	MN	3,701	32,500	02/11/2013	11/20/2015
646136K75	NEW JERSEY ST TRANSN TR FD AUT				1FE	3,250,000	99.0700	3,219,775	3,250,000	3,250,000					1.087	1.087	JD	1,570	22,570	04/17/2013	12/15/2016
2599999 Subtotal	U.S. Special Revenue, Special Assessment - Issuer Obligations					28,367,488	X X X	28,022,720	28,000,000	28,286,973		(80,515)			X X X	X X X	X X X	63,470	193,648	X X X	X X X
3199999 Subtotal	U.S. Special Revenue, Special Assessment					28,367,488	X X X	28,022,720	28,000,000	28,286,973		(80,515)			X X X	X X X	X X X	63,470	193,648	X X X	X X X
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>																					
02580EYB8	AMERICAN EXPRESS BK FSB MTN				1FE	3,380,076	99.0160	3,366,541	3,400,000	3,383,144		3,068			0.469	0.615	MON	842	12,684	04/01/2013	06/12/2018
03076CAE6	AMERIPRISE FINL INC				1FE	2,387,500	112.7750	2,255,496	2,000,000	2,354,171		(33,329)			5.300	2.229	MS	31,211	53,000	05/14/2013	03/15/2020
03523TBN7	ANHEUSER BUSCH INBEV WORLDWIDE				1FE	3,011,680	99.7900	2,993,700	3,000,000	3,009,356		(2,324)			1.375	1.285	JJ	19,021	20,625	02/06/2013	07/15/2017
037833AJ9	APPLE INC				1FE	3,287,823	96.6950	3,190,925	3,300,000	3,289,412		1,589			1.000	1.076	MN	5,317	16,500	04/30/2013	05/03/2018
00206RBM3	AT&T INC				1FE	2,305,037	98.5850	2,267,444	2,300,000	2,304,365		(672)			1.400	1.350	JD	2,683	31,306	05/17/2013	12/01/2017
056752AA6	BAIDU INC		R		1FE	752,685	99.3100	744,825	750,000	752,196		(489)			2.250	2.171	MN	1,547	16,875	02/01/2013	11/28/2017
06406HCJ6	BANK NEW YORK MTN BK ENT			1	1FE	1,223,700	97.8960	1,223,700	1,250,000	1,249,696		58			1.350	1.356	MS	5,391	8,438	03/04/2013	03/06/2018
073902RU4	BEAR STEARNS COS INC				1FE	3,112,100	119.7370	2,993,428	2,500,000	3,007,465		(104,635)			7.250	2.044	FA	75,521	90,625	02/12/2013	02/01/2018
09256BAA5	BLACKSTONE HLDGS FIN L L C				1FE	3,496,240	116.7700	3,386,316	2,900,000	3,419,800		(76,440)			6.625	3.124	FA	72,581	192,125	02/12/2013	08/15/2019
111320AE7	BROADCOM CORP				1FE	2,799,699	101.1930	2,681,620	2,650,000	2,777,423		(22,275)			2.700	1.661	MN	11,925	71,550	02/12/2013	11/01/2018
141784DK1	CARGILL INC MTN BE 144A				1FE	773,448	121.0420	726,254	600,000	749,053		(24,395)			7.350	2.244	MS	14,088	44,100	02/04/2013	03/06/2018
166764AE0	CHEVRON CORP DTD 06/24/13 1.718 06				1FE	1,700,000	99.6230	1,693,584	1,700,000	1,700,000					1.718	1.718	JD	568	14,603	06/17/2013	06/24/2018
191216BA7	COCA COLA CO				1FE	1,995,680	97.1490	1,942,986	2,000,000	1,996,370		690			1.150	1.194	AO	5,750	13,161	03/01/2013	04/01/2018
195869AM4	COLONIAL PIPELINE CO				1FE	1,632,690	100.8650	1,512,975	1,500,000	1,621,987		(10,703)			3.500	2.204	AO	11,083	26,250	05/08/2013	10/15/2020
21685WDF1	COOPERATIVE CENTRALE RAIFFEI				1FE	3,371,412	96.8990	3,197,667	3,300,000	3,367,447		(3,965)			3.950	3.678	MN	18,828	65,175	05/17/2013	11/09/2022
24422ESB6	DEERE JOHN CAP CORP MTNS BE				1FE	2,494,225	97.7270	2,443,173	2,500,000	2,495,141		916			1.300	1.348	MS	9,840	16,340	03/06/2013	03/12/2018
278265AC7	EATON VANCE CORP				1FE	671,892	113.5040	632,219	557,000	654,688		(17,204)			6.500	1.661	AO	8,951	18,103	04/24/2013	10/02/2017
36962G6X7	GENERAL ELEC CAP CORP MTN BE				1FE	1,750,000	100.7930	1,763,881	1,750,000	1,750,000					0.959	0.959	JAJO	4,148	8,792	04/01/2013	04/02/2018
36962GW75	GENERAL ELEC CAP CORP MTN BE				1FE	1,575,000	90.3230	1,580,646	1,750,000	1,585,979		10,979			0.618	1.448	FMAN	1,682	8,733	02/01/2013	05/05/2026
40428PH9	HSBC USA INC NEW				1FE	3,562,487	98.6060	3,500,502	3,550,000	3,560,915		(1,572)			1.625	1.546	JJ	26,440	33,010	05/24/2013	01/16/2018
449786AT9	ING BANK NV		R		1FE	1,528,320	102.1570	1,532,355	1,500,000	1,518,560		(9,761)			1.888	1.192	MJSD	551	29,190	02/06/2013	09/25/2015
459200HC8	INTERNATIONAL BUSINESS MACHS				1FE	3,393,483	99.7400	3,341,280	3,350,000	3,386,308		(7,175)			1.250	0.894	FA	16,866	20,938	05/17/2013	02/06/2017
49327M2A1	KEYBANK NATIONAL ASSOCIATION				1FE	1,748,320	98.3420	1,720,978	1,750,000	1,748,619		299			1.650	1.670	FA	12,031	14,438	01/29/2013	02/01/2018
55608PA2	MACQUARIE BK LTD		R		1FE	3,014,023	108.4440	2,982,210	2,750,000	2,958,430		(55,593)			5.000	2.478	FA	49,271	125,000	02/21/2013	02/22/2017
585055BA3	MEDTRONIC INC				1FE	1,997,000	98.1650	1,963,296	2,000,000	1,997,453		453			1.375	1.406	AO	6,875	14,132	03/19/2013	04/01/2018
59217GAY5	METROPOLITAN LIFE GLOBAL FDG I				1FE	1,690,718	165.427	1,653,427	1,700,000	1,692,364		1,646			1.500	1.616	JJ	12,113	12,750	02/06/2013	01/10/2018
68389XAG0	ORACLE CORP				1FE	3,576,900	113.2090	3,396,258	3,000,000	3,499,375		(77,525)			5.000</						

# SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Desig- nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other- Than- Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
90520EAE1	UNION BK CALIF N A MEDIUM TERM				1FE	2,049,560	100.4610	2,009,216	2,000,000	2,042,335		(7,225)			2.125	1.495	JD	1,771	42,500	05/22/2013	06/16/2017
91324PCB6	UNITEDHEALTH GROUP INC				1FE	1,991,980	96.2970	1,925,948	2,000,000	1,993,213		1,233			1.625	1.693	MS	9,569	17,785	02/25/2013	03/15/2019
931142DF7	WAL-MART STORES INC				1FE	3,496,780	97.0500	3,396,750	3,500,000	3,497,244		464			1.125	1.144	AO	8,750	19,688	04/04/2013	04/11/2018
92933WAB4	WEA FIN LLC / WT FIN AUST PTY				1FE	2,471,920	118.9010	2,378,010	2,000,000	2,411,953		(59,967)			6.750	2.797	MS	44,625	135,000	02/06/2013	09/02/2019
3299999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						83,350,561		81,061,552	79,317,000	82,806,971		(543,589)			X X X	X X X	X X X	657,455	1,418,918	X X X	X X X
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities</b>																					
03027WAH5	AMERICAN TOWER TR 2013-1-2			2	1FE	3,000,000	97.5980	2,927,940	3,000,000	3,000,000					1.551	1.551	MON	2,068	34,898	03/06/2013	03/15/2043
78403DAC4	SBA TOWER TR 2012-1			2	1FE	3,300,800	101.7810	3,256,979	3,200,000	3,287,842		(12,958)			2.933	2.208	MON	4,171	55,010	05/20/2013	12/15/2042
3499999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities						6,300,800		6,184,919	6,200,000	6,287,842		(12,958)			X X X	X X X	X X X	6,239	89,908	X X X	X X X
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities</b>																					
03065CAE9	AMERICREDIT AUTOMOBILE RECEIVA SER			2	1FE	2,999,247	101.1750	3,035,235	3,000,000	2,999,331		84			2.720	2.727	MON	4,987	25,840	08/07/2013	09/09/2019
05377RBD5	AVIS BUDGET RENTAL FDG 2013-1			2	1FE	3,398,554	98.0910	3,335,084	3,400,000	3,398,818		264			1.920	1.928	MON	1,995	55,488	02/05/2013	09/20/2019
12189PAK8	BURLINGTON NORTH SF 2001-2			2	1FE	2,842,074	113.2500	2,788,085	2,461,885	2,774,674		(67,400)			6.462	0.966	JJ	73,357	85,255	04/24/2013	01/15/2021
22822RAZ3	CROWN CASTLE TOWERS LLC			2	1FE	3,381,030	104.9130	3,147,375	3,000,000	3,376,366		(4,664)			4.883	4.107	MON	6,511	85,453	05/23/2013	08/15/2040
34530EAG2	FORD CREDIT AUTO TR 2013-B			2	1FE	589,976	100.9880	595,829	590,000	589,979		4			1.820	1.821	MON	477	6,085	05/14/2013	11/15/2019
34528QCT9	FORD CREDIT FLOORPLAN MASTER O SER			2	1FE	1,473,309	98.3260	1,449,328	1,474,000	1,473,396		87			2.290	2.301	MON	1,500	16,596	06/11/2013	06/15/2020
34528QBR4	FORD CREDIT FLRPLN TR A 2012-2			2	1FE	716,734	102.5710	717,994	700,000	714,714		(2,021)			2.860	2.126	MON	890	8,342	07/31/2013	01/15/2019
34528QCB8	FORD CREDIT FLRPLN TR A 2012-5			2	1FE	1,386,273	99.9770	1,399,675	1,400,000	1,387,836		1,562			2.140	2.409	MON	1,332	12,483	08/01/2013	09/15/2019
36246MAK5	GTP ACQ PARTNERS 2011-2			2	1FE	3,219,810	105.2460	3,157,386	3,000,000	3,167,380		(52,430)			4.347	1.939	MON	5,796	101,430	05/07/2013	06/15/2041
80283FAE6	SANTANDER DRIVE AUTO 2013-1			2	1FE	3,063,701	99.2020	3,025,667	3,050,000	3,060,213		(3,489)			1.760	1.625	MON	2,386	44,733	02/12/2013	01/15/2019
78447CAB6	SLM PRIV ED LN TR 2012-D			2	1FE	2,995,744	102.0050	2,896,953	2,840,000	2,958,369		(37,375)			2.950	1.474	MON	3,724	76,798	02/08/2013	02/15/2046
78443CAZ7	SLM PRIVATE ST LN TR 2003-C			2	1FE	1,578,100	97.7290	1,565,493	1,601,878	1,582,395		4,294			0.633	1.282	MJSD	451	11,512	02/01/2013	09/15/2024
84474YAA4	SOUTHWEST AIRLINES 2007-1			2	1FE	860,240	114.5000	828,395	723,489	851,801		(8,438)			6.150	2.595	FA	18,539	22,247	06/04/2013	02/01/2024
87407PAA8	TAL ADVANTAGE V LLC 2013-1			2	1FE	2,565,498	97.1090	2,492,464	2,566,667	2,565,510		13			2.830	2.852	MON	2,219	51,745	06/04/2013	02/20/2038
3599999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities						31,070,290		30,434,963	29,807,919	30,900,782		(169,509)			X X X	X X X	X X X	124,164	604,007	X X X	X X X
3899999 Subtotal - Industrial & Miscellaneous (Unaffiliated)						120,721,651		117,681,434	115,324,919	119,995,595		(726,056)			X X X	X X X	X X X	787,858	2,112,833	X X X	X X X
8399999 Grand Total - Bonds						175,012,020		171,204,695	168,784,919	174,133,529		(878,491)			X X X	X X X	X X X	920,763	2,491,388	X X X	X X X



E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned ..... NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned ..... NONE

## SCHEDULE D - PART 3

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

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
<b>Bonds - U.S. Governments</b>								
912828A34	UNITED STATES TREAS NTS		12/04/2013	WELLS FARGO	X X X	123,828	125,000	21
912828GS3	UNITED STATES TREAS NTS		05/23/2013	MORGAN STANLEY & CO	X X X	1,893,228	1,645,000	1,810
912828QG8	UNITED STATES TREAS NTS		04/11/2013	FIRST REPUBLIC BANK	X X X	3,411,543	3,115,000	30,298
912828UM0	UNITED STATES TREAS NTS		03/08/2013	BANK OF AMERICA SEC LLC	X X X	7,990,938	8,000,000	1,989
912828UR9	UNITED STATES TREAS NTS		03/08/2013	DEUTSCHE BANK SECURITIES	X X X	6,946,914	7,000,000	1,732
912828UZ1	UNITED STATES TREAS NTS		05/13/2013	TORONTO DOMINION SECURITI	X X X	2,327,510	2,350,000	559
912828VE7	UNITED STATES TREAS NTS		06/10/2013	HSBC SECURITIES INC	X X X	1,714,825	1,725,000	518
0599999 Subtotal - Bonds - U.S. Governments						24,408,786	23,960,000	36,927
<b>Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)</b>								
13063BN73	CALIFORNIA ST		03/14/2013	GOLDMAN SACHS & COMPANY	X X X	3,511,830	3,500,000	
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						3,511,830	3,500,000	
<b>Bonds - U.S. Special Revenue, Special Assessment</b>								
31315PZZ5	FEDERAL AGRIC MTG CORP MTNS B		05/02/2013	OPPENHEIMER & CO	X X X	2,248,875	2,250,000	
31331V2U9	FEDERAL FARM CR BKS		04/03/2013	BNY CAPITAL MKTS	X X X	2,313,800	2,000,000	11,104
3133ECHG2	FEDERAL FARM CR BKS		03/15/2013	MIZHUO SECURITIES USA	X X X	4,990,000	5,000,000	507
3133ECLG7	FEDERAL FARM CR BKS		04/25/2013	OPPENHEIMER & CO	X X X	1,750,000	1,750,000	302
3133ECP32	FEDERAL FARM CR BKS		05/06/2013	TORONTO DOMINION SECURITI	X X X	2,243,813	2,250,000	
313379DD8	FEDERAL HOME LOAN BANKS		03/06/2013	RBC DAIN RAUSCHER INC	X X X	5,056,900	5,000,000	10,556
313380L96	FEDERAL HOME LOAN BANKS		02/11/2013	NOMURA SEC INTL	X X X	6,514,100	6,500,000	7,403
646136K75	NEW JERSEY ST TRANSN TR FD AUT		04/17/2013	GOLDMAN SACHS & COMPANY	X X X	3,250,000	3,250,000	
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment						28,367,488	28,000,000	29,872
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>								
02580EBY8	AMERICAN EXPRESS BK FSB MTN		04/01/2013	MIZHUO SECURITIES USA	X X X	4,970,700	5,000,000	1,604
03027WAH5	AMERICAN TOWER TR 2013-1-2		03/06/2013	MORGAN STANLEY & CO	X X X	3,000,000	3,000,000	
03065CAE9	AMERICREDIT AUTOMOBILE RECEIVA SER		08/07/2013	WELLS FARGO	X X X	2,999,247	3,000,000	
03076CAE6	AMERIPRISE FINL INC		05/14/2013	CHASE SECURITIES	X X X	2,387,500	2,000,000	18,256
03523TBN7	ANHEUSER BUSCH INBEV WORLDWIDE		02/06/2013	US BANKCORP	X X X	3,011,680	3,000,000	2,750
037833AJ9	APPLE INC		04/30/2013	GOLDMAN SACHS & COMPANY	X X X	3,287,823	3,300,000	
00206RBM3	AT&T INC		05/17/2013	CITIGROUP	X X X	2,605,694	2,600,000	16,279
05377RBD5	AVIS BUDGET RENTAL FDG 2013-1		02/05/2013	DEUTSCHE BANK SECURITIES	X X X	3,398,554	3,400,000	
056752AA6	BAIDU INC	R	02/01/2013	UBS SECURITIES	X X X	752,685	750,000	3,141
06406HCJ6	BANK NEW YORK MTN BK ENT		03/04/2013	GOLDMAN SACHS & COMPANY	X X X	2,499,275	2,500,000	
073902RU4	BEAR STEARNS COS INC		02/12/2013	CHEMICAL SECURITIES INC	X X X	3,734,520	3,000,000	8,458
09256BAA5	BLACKSTONE HLDGS FIN L L C		02/01/2013	GOLDMAN SACHS & COMPANY	X X X	4,701,840	3,900,000	122,728
111320AE7	BROADCOM CORP		02/12/2013	RBC DAIN RAUSCHER INC	X X X	2,799,699	2,650,000	20,670
12189PAK8	BURLINGTON NORTH SF 2001-2		04/24/2013	CHASE SECURITIES	X X X	3,046,140	2,638,653	49,258
14178DK1	CARGILL INC MTN BE 144A		02/04/2013	BARCLAYS CAPITAL INC	X X X	773,448	600,000	18,498
166764AE0	CHEVRON CORP DTD 06/24/13 1.718 06		06/17/2013	BARCLAYS CAPITAL INC	X X X	1,700,000	1,700,000	
191216BA7	COCA COLA CO		03/01/2013	GOLDMAN SACHS & COMPANY	X X X	2,494,600	2,500,000	
195869AM4	COLONIAL PIPELINE CO		05/08/2013	BARCLAYS CAPITAL INC	X X X	1,632,690	1,500,000	4,083
21685WDF1	COOPERATIEVE CENTRALE RAIFFEI	R	05/17/2013	CITIGROUP	X X X	3,371,412	3,300,000	4,707
22822RAZ3	CROWN CASTLE TOWERS LLC		05/23/2013	BARCLAYS CAPITAL INC	X X X	3,381,030	3,000,000	5,697
24422ESB6	DEERE JOHN CAP CORP MTNS BE		03/06/2013	BANK OF AMERICA SEC LLC	X X X	2,494,225	2,500,000	
278265AC7	EATON VANCE CORP		04/24/2013	CANTOR FITZGERALD	X X X	3,618,810	3,000,000	14,625
34530EAG2	FORD CREDIT AUTO TR 2013-B		05/14/2013	RBC DAIN RAUSCHER INC	X X X	589,976	590,000	
34528QCT9	FORD CREDIT FLOORPLAN MASTER O SER		06/11/2013	CHASE SECURITIES	X X X	1,473,309	1,474,000	
34528QBR4	FORD CREDIT FLRPLN TR A 2012-2		07/31/2013	WELLS FARGO	X X X	716,734	700,000	1,112
34528QCB8	FORD CREDIT FLRPLN TR A 2012-5		08/01/2013	WELLS FARGO	X X X	1,386,273	1,400,000	1,748
36962G6X7	GENERAL ELEC CAP CORP MTN BE		04/01/2013	GOLDMAN SACHS & COMPANY	X X X	2,500,000	2,500,000	

## SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
36962GW75	GENERAL ELEC CAP CORP MTN BE		02/01/2013	BANK OF AMERICA SEC LLC	X X X	1,575,000	1,750,000	
36246MAK5	GTP ACQ PARTNERS 2011-2		05/07/2013	MIZHUO SECURITIES USA	X X X	3,219,810	3,000,000	8,332
40428HPH9	HSBC USA INC NEW		05/24/2013	VARIOUS	X X X	3,562,487	3,550,000	20,177
449786AT9	ING BANK NV	R	02/06/2013	BANK OF AMERICA SEC LLC	X X X	3,372,493	3,310,000	8,247
459200HC8	INTERNATIONAL BUSINESS MACHS		05/17/2013	CORTVIEW CAPITAL LLC	X X X	3,393,483	3,350,000	12,330
49327M2A1	KEYBANK NATIONAL ASSOCIATION		01/29/2013	MCDONALD & CO.	X X X	1,748,320	1,750,000	
55608PAA2	MACQUARIE BK LTD	R	02/21/2013	SUNTRUST CAP MKTS	X X X	5,204,483	4,750,000	102,396
585055BA3	MEDTRONIC INC		03/19/2013	GOLDMAN SACHS & COMPANY	X X X	2,496,250	2,500,000	
59217GAY5	METROPOLITAN LIFE GLOBAL FDG I		02/06/2013	BARCLAYS CAPITAL INC	X X X	1,989,080	2,000,000	2,583
68389XAG0	ORACLE CORP		02/04/2013	CREDIT SUISSE SECURITIES	X X X	3,576,900	3,000,000	12,083
693476BJ1	PNC FUNDING CORP		05/20/2013	JEFFERIES & CO	X X X	3,043,352	2,600,000	38,865
74153WBZ1	PRICOA GLBL FDG I MTN 144A		05/21/2013	CREDIT SUISSE SECURITIES	X X X	1,948,499	1,950,000	
80283FAE6	SANTANDER DRIVE AUTO 2013-1		02/12/2013	RBC DAIN RAUSCHER INC	X X X	3,063,701	3,050,000	
78403DAC4	SBA TOWER TR 2012-1		05/20/2013	DEUTSCHE BANK SECURITIES	X X X	3,300,800	3,200,000	2,086
808513AD7	SCHWAB CHARLES CORP NEW		04/08/2013	KEYBANC CAPITAL MARKETS	X X X	1,432,671	1,240,000	12,109
828807CM7	SIMON PPTY GROUP LP		04/10/2013	BANK OF AMERICA SEC LLC	X X X	2,601,560	2,600,000	12,783
78447CAB6	SLM PRIV ED LN TR 2012-D		02/08/2013	BARCLAYS CAPITAL INC	X X X	2,995,744	2,840,000	6,516
78443CAZ7	SLM PRIVATE ST LN TR 2003-C		02/01/2013	CITIZENS BANK	X X X	2,014,039	2,044,385	2,022
84474YAA4	SOUTHWEST AIRLINES 2007-1		06/04/2013	CANTOR FITZGERALD	X X X	881,256	741,165	15,092
857477AL7	STATE STR CORP		05/08/2013	BANK OF AMERICA SEC LLC	X X X	1,198,056	1,200,000	
87407PAA8	TAL ADVANTAGE V LLC 2013-1		06/04/2013	VARIOUS	X X X	2,766,664	2,767,917	1,348
89233P6S0	TOYOTA MTR CRD CORP MTN BE		05/22/2013	CITIGROUP	X X X	1,897,511	1,900,000	3,497
90520EAE1	UNION BK CALIF N A MEDIUM TERM		05/22/2013	FIRST TENNESSEE BANK	X X X	2,049,560	2,000,000	19,125
91324PCB6	UNITEDHEALTH GROUP INC		02/25/2013	DEUTSCHE BANK SECURITIES	X X X	2,489,975	2,500,000	
931142DF7	WAL-MART STORES INC		04/04/2013	MORGAN STANLEY & CO	X X X	4,995,400	5,000,000	
92933WAB4	WEA FIN LLC / WT FIN AUST PTY		02/06/2013	CITIZENS BANK	X X X	2,471,920	2,000,000	58,875
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					138,616,878	132,096,120	632,080
8399997	Subtotal - Bonds - Part 3					194,904,982	187,556,120	698,879
8399998	Summary item from Part 5 for Bonds					60,942,938	60,682,873	76,063
8399999	Subtotal - Bonds					255,847,920	248,238,992	774,942
9899999	Subtotal - Preferred and Common Stocks						X X X	
9999999	Totals					255,847,920	X X X	774,942

# SCHEDULE D - PART 4

## Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other-Than- Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Governments</b>																				
912828UM0	UNITED STATES TREAS NTS .....	06/28/2013	BANK OF AMERICA SEC LLC	X X X	1,989,844	2,000,000	1,997,734						237	237	1,997,971	(8,128)	(8,128)	2,756	02/15/2016	
0599999 Subtotal - Bonds - U.S. Governments .....					1,989,844	2,000,000	1,997,734						237	237	1,997,971	(8,128)	(8,128)	2,756	X X X	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																				
02580EBY8	AMERICAN EXPRESS BK FSB MTN .....	05/06/2013	STERNE AGEE & CO	X X X	1,587,584	1,600,000	1,590,624						(25)	(25)	1,590,599	(3,015)	(3,015)	1,291	06/12/2017	
00206RBM3	AT&T INC .....	05/22/2013	HSBC SECURITIES INC	X X X	300,810	300,000	300,657						(2)	(2)	300,655	155	155	1,948	12/01/2017	
06406HCJ6	BANK NEW YORK MTN BK ENT .....	04/23/2013	STIFEL NICOLAUS & CO	X X X	1,257,100	1,250,000	1,249,638						10	10	1,249,647	7,453	7,453	2,344	03/06/2018	
073902RU4	BEAR STEARNS COS INC .....	05/01/2013	SUMRIDGE PARTNERS LLC	X X X	623,365	500,000	622,420						(5,137)	(5,137)	617,283	6,082	6,082	9,566	02/01/2018	
09256BAA5	BLACKSTONE HLDGS FIN L L C .....	05/06/2013	VARIOUS	X X X	1,229,895	1,000,000	1,205,600						(7,337)	(7,337)	1,198,263	31,632	31,632	48,399	08/15/2019	
12189PAK8	BURLINGTON NORTH SF 2001-2 .....	07/15/2013	PRINCIPAL RECEIPT	X X X	176,768	176,768	204,066						(27,298)	(27,298)	176,768				01/15/2021	
191218BA7	COCA COLA CO .....	05/17/2013	US BANKCORP	X X X	498,305	500,000	498,920						43	43	498,963	(658)	(658)	1,230	04/01/2018	
278265AC7	EATON VANCE CORP .....	06/27/2013	TENDER OFFER	X X X	2,946,111	2,443,000	2,946,918						(19,141)	(19,141)	2,927,777	18,335	18,335	37,934	10/02/2017	
36962G6X7	GENERAL ELEC CAP CORP MTN BE .....	05/01/2013	HSBC SECURITIES INC	X X X	751,916	750,000	750,000								750,000	1,916	1,916	704	04/02/2018	
449786AT9	ING BANK NV .....	05/17/2013	CHASE SECURITIES	X X X	1,845,434	1,810,000	1,844,173						(3,773)	(3,773)	1,840,400	5,035	5,035	14,245	09/25/2015	
55608PAA2	MACQUARIE BK LTD .....	05/06/2013	MERRIL LYNCH	X X X	2,225,100	2,000,000	2,190,460						(10,494)	(10,494)	2,179,966	45,134	45,134	71,389	02/22/2017	
585055BA3	MEDTRONIC INC .....	05/22/2013	STIFEL NICOLAUS & CO	X X X	501,870	500,000	499,250						25	25	499,275	2,595	2,595	1,184	04/01/2018	
59217GAY5	METROPOLITAN LIFE GLOBAL FDG I .....	05/22/2013	CREDIT SUISSE SECURITIES	X X X	301,884	300,000	298,362						94	94	298,456	3,428	3,428	1,725	01/10/2018	
808513AD7	SCHWAB CHARLES CORP NEW .....	05/22/2013	KEYBANC CAPITAL MARKETS	X X X	437,247	380,000	439,044						(917)	(917)	438,128	(881)	(881)	5,919	07/22/2020	
828807CM7	SIMON PTY GROUP LP .....	05/22/2013	BANK OF AMERICA SEC LLC	X X X	599,268	600,000	600,360						(9)	(9)	600,351	(1,083)	(1,083)	4,025	02/01/2018	
78443CAZ7	SLM PRIVATE ST LN TR 2003-C .....	12/15/2013	PRINCIPAL RECEIPT	X X X	442,507	442,507	435,939						6,568	6,568	442,507			1,146	09/15/2020	
84474YAA4	SOUTHWEST AIRLINES 2007-1 .....	08/01/2013	PRINCIPAL RECEIPT	X X X	17,675	17,675	21,016						(3,341)	(3,341)	17,675			544	02/01/2024	
87407PAA8	TAL ADVANTAGE V LLC 2013-1 .....	12/20/2013	PRINCIPAL RECEIPT	X X X	201,250	201,250	201,166						84	84	201,250			2,105	02/20/2038	
91324PCB6	UNITEDHEALTH GROUP INC .....	05/22/2013	SOUTHWEST SECURITIES	X X X	499,910	500,000	497,995						94	94	498,089	1,822	1,822	1,986	03/15/2019	
931142DF7	WAL-MART STORES INC .....	04/24/2013	RBC DAIN RAUSCHER INC	X X X	1,504,260	1,500,000	1,498,620						15	15	1,498,635	5,625	5,625	844	04/11/2018	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) .....					17,948,259	16,771,200	17,895,228						(70,541)	(70,541)	17,824,687	123,575	123,575	208,528	X X X	
8399997 Subtotal - Bonds - Part 4 .....					19,938,103	18,771,200	19,892,962							(70,304)	(70,304)	19,822,658	115,447	115,447	211,284	X X X
8399998 Summary Item from Part 5 for Bonds .....					60,795,416	60,682,873	60,942,938							(13,786)	(13,786)	60,929,152	(133,742)	(133,742)	240,992	X X X
8399999 Subtotal - Bonds .....					80,733,519	79,454,073	80,835,900							(84,090)	(84,090)	80,751,810	(18,295)	(18,295)	452,276	X X X
9899999 Subtotal - Preferred and Common Stocks .....						X X X														X X X
9999999 Totals .....					80,733,519	X X X	80,835,900							(84,090)	(84,090)	80,751,810	(18,295)	(18,295)	452,276	X X X

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**SCHEDULE D - PART 5**

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

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consider- ation	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 12+ 13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
<b>Bonds - U.S. Governments</b>																				
912828QG8	UNITED STATES TREAS NTS		04/03/2013	FIRST REPUBLIC BANK	06/24/2013	FIRST REPUBLIC BANK	200,000	219,100	210,740	218,271		(829)		(829)			(7,531)	(7,531)	3,424	2,248
912828GS3	UNITED STATES TREAS NTS		05/23/2013	MORGAN STANLEY & CO	09/12/2013	MORGAN STANLEY & CO	85,000	97,826	95,097	96,857		(969)		(969)			(1,760)	(1,760)	1,299	94
912828UR9	UNITED STATES TREAS NTS		05/22/2013	BANK OF AMERICA SEC LLC	09/12/2013	BANK OF AMERICA SEC LLC	250,000	249,063	241,826	249,122		59		59			(7,296)	(7,296)	1,026	428
912828UZ1	UNITED STATES TREAS NTS		05/13/2013	TORONTO DOMINION SECURITI	09/12/2013	TORONTO DOMINION SECURITI	350,000	346,650	335,234	346,870		219		219			(11,635)	(11,635)	832	83
912828VC1	UNITED STATES TREAS NTS		05/23/2013	MORGAN STANLEY & CO	09/12/2013	MORGAN STANLEY & CO	300,000	298,559	296,332	298,705		146		146			(2,373)	(2,373)	255	18
912828VE7	UNITED STATES TREAS NTS		06/10/2013	HSBC SECURITIES INC	09/12/2013	HSBC SECURITIES INC	120,000	119,292	116,733	119,328		36		36			(2,595)	(2,595)	357	36
0599999 Subtotal - Bonds - U.S. Governments							1,305,000	1,330,490	1,295,962	1,329,153		(1,338)		(1,338)			(33,190)	(33,190)	7,193	2,907
<b>Bonds - U.S. Special Revenue, Special Assessment</b>																				
31315PZZ5	FEDERAL AGRIC MTG CORP		05/02/2013	MTNS B	09/13/2013	OPPENHEIMER & CO	250,000	249,875	237,425	249,884		9		9			(12,459)	(12,459)	674	
31331YF21	FEDERAL FARM CR BKS		05/09/2013	KEYBANC CAPITAL MARKETS	09/13/2013	KEYBANC CAPITAL MARKETS	175,000	203,546	192,402	201,594		(1,952)		(1,952)			(9,192)	(9,192)	3,099	496
31332ECLG7	FEDERAL FARM CR BKS		04/25/2013	CANTOR FITZGERALD	09/13/2013	CANTOR FITZGERALD	250,000	250,000	242,563	250,000							(7,438)	(7,438)	714	43
31332ECP32	FEDERAL FARM CR BKS		05/06/2013	TORONTO DOMINION SECURITI	09/13/2013	VARIOUS	250,000	249,313	242,250	249,372		60		60			(7,122)	(7,122)	573	
31332ECPJ7	FEDERAL FARM CR BKS		05/09/2013	TORONTO DOMINION SECURITI	09/13/2013	TORONTO DOMINION SECURITI	150,000	149,813	145,320	149,828		16		16			(4,508)	(4,508)	345	
313378A43	FEDERAL HOME LOAN BANKS		05/14/2013	BNP PARIBAS	09/12/2013	BNP PARIBAS	100,000	101,978	98,380	101,846		(132)		(132)			(3,466)	(3,466)	703	252
313379DD8	FEDERAL HOME LOAN BANKS		05/28/2013	MORGAN STANLEY & CO	09/12/2013	MORGAN STANLEY & CO	125,000	125,519	123,628	125,483		(36)		(36)			(1,855)	(1,855)	910	549
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment							1,300,000	1,330,044	1,281,968	1,328,007		(2,035)		(2,035)			(46,040)	(46,040)	7,018	1,340
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																				
018490AP7	ALLERGAN INC		03/07/2013	GOLDMAN SACHS & COMPANY	05/21/2013	STIFEL NICOLAUS & CO	2,000,000	1,995,860	2,004,080	1,996,023		163		163			8,057	8,057	5,400	
02666QM59	AMER HONDA FIN CORP MTN BE144A		05/22/2013	DEUTSCHE BANK SECURITIES	07/10/2013	DEUTSCHE BANK SECURITIES	2,200,000	2,200,000	2,196,047	2,200,000							(3,953)	(3,953)	1,860	
00206RBM3	AT&T INC		02/01/2013	CREDIT SUISSE SECURITIES	05/01/2013	BARCLAYS CAPITAL INC	1,500,000	1,487,085	1,510,560	1,487,729		644		644			22,831	22,831	8,458	3,150
00206RBS0	AT&T INC		02/07/2013	UBS SECURITIES	05/17/2013	VARIOUS	6,000,000	6,000,000	6,016,079	6,000,000							16,079	16,079	7,252	
06406HCHO	BANK NEW YORK MTN BK ENT		03/04/2013	CITIGROUP	07/10/2013	VARIOUS	2,500,000	2,500,000	2,497,449	2,500,000							(2,551)	(2,551)	4,240	
084670BHO	BERKSHIRE HATHAWAY INC DEL		01/29/2013	GOLDMAN SACHS & COMPANY	05/06/2013	GOLDMAN SACHS & COMPANY	2,600,000	2,596,386	2,643,446	2,596,572		186		186			46,874	46,874	9,851	
09256BAA5	BLACKSTONE HLDGS FIN L L C		02/01/2013	GOLDMAN SACHS & COMPANY	05/02/2013	STIFEL NICOLAUS & CO	500,000	599,800	616,440	596,326		(3,474)		(3,474)			20,114	20,114	24,108	15,642
10513KAC8	BRANCH BKG & TR CO WILSON N C		04/02/2013	BANK OF AMERICA SEC LLC	07/10/2013	VARIOUS	7,000,000	6,885,690	6,860,140	6,890,547		4,857		4,857			(30,407)	(30,407)	12,106	4,460
38141GRC0	GOLDMAN SACHS GROUP INC		02/01/2013	GOLDMAN SACHS & COMPANY	11/15/2013	SCOTIA CAPITAL MARKETS/US	800,000	803,024	808,128	802,567		(457)		(457)			5,561	5,561	15,728	633
459200HJ3	INTERNATIONAL BUSINESS MACHS		02/05/2013	HSBC SECURITIES INC	05/17/2013	MIZHUO SECURITIES USA	4,750,000	4,750,000	4,750,546	4,750,000							546	546	3,056	
46623EJV2	J P MORGAN CHASE & CO MTN BE		02/21/2013	CHEMICAL SECURITIES INC	05/01/2013	BANK OF AMERICA SEC LLC	1,000,000	1,000,000	1,004,288	1,000,000							4,288	4,288	1,741	
46625HJG6	JPMORGAN CHASE & CO		02/01/2013	KGS ALPHA CAP MKTS	05/01/2013	JEFFERIES & CO	800,000	797,232	811,728	797,365		133		133			14,363	14,363	4,040	360



## SCHEDULE D - PART 5

### Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value				17	18	19	20	21		
											12	13	14	15						16	
CUSIP Identification	Description	FOR EIGN	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (Col. 12+ 13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends	
36962GW75	GENERAL ELEC CAP CORP		02/01/2013	BANK OF AMERICA SEC LLC	08/29/2013	VARIOUS	250,000	225,000	227,245	225,817				817			1,429	1,429	807		
38141GRC0	MTN BE		02/01/2013	GOLDMAN SACHS & COMPANY	09/09/2013	GOLDMAN SACHS & COMPANY	50,000	50,189	48,819	50,167		(22)		(22)			(1,349)	(1,349)	759	40	
40428HPH9	HSBC USA INC NEW		05/24/2013	CITIGROUP	09/09/2013	CITIGROUP	175,000	175,303	168,802	175,284		(18)		(18)			(6,483)	(6,483)	2,070	1,264	
449786AT9	ING BANK NV	R	02/06/2013	BANK OF AMERICA SEC LLC	08/29/2013	VARIOUS	200,000	203,776	203,799	203,191		(585)		(585)			608	608	2,048	498	
459200HJ3	INTERNATIONAL BUSINESS MACHS		02/05/2013	HSBC SECURITIES INC	09/09/2013	VARIOUS	250,000	250,000	249,958	250,000							(42)	(42)	322		
46625HJG6	JPMORGAN CHASE & CO		02/01/2013	KGS ALPHA CAP MKTS	09/09/2013	KGS ALPHA CAP MKTS	50,000	49,827	48,487	49,847		20		20			(1,361)	(1,361)	568	23	
49327M2A1	KEYBANK NATIONAL ASSOCIATION		01/29/2013	MCDONALD & CO	09/09/2013	VARIOUS	250,000	249,760	248,221	249,780		20		20			(1,559)	(1,559)	1,810		
55608PAA2	MACQUARIE BK LTD	R	05/22/2013	MORGAN STANLEY & CO	09/10/2013	MORGAN STANLEY & CO	100,000	111,233	107,434	110,362		(871)		(871)			(2,928)	(2,928)	2,792	1,333	
585055BA3	MEDTRONIC INC		05/23/2013	US BANKCORP	09/09/2013	US BANKCORP	100,000	100,083	96,910	100,078		(5)		(5)			(3,168)	(3,168)	634	241	
59217GAY5	METROPOLITAN LIFE GLOBAL FDG I		02/06/2013	BARCLAYS CAPITAL INC	09/10/2013	BARCLAYS CAPITAL INC	400,000	398,144	395,978	398,287		143		143			(2,309)	(2,309)	2,859	517	
674599CD5	OCCIDENTAL PETE CORP DEL		02/01/2013	CREDIT SUISSE SECURITIES	05/28/2013	VARIOUS	350,000	351,232	354,190	351,163		(69)		(69)			3,027	3,027	4,761	3,252	
68389XAG0	ORACLE CORP		05/28/2013	SG AMERICAN SECURITIES	09/10/2013	SG AMERICAN SECURITIES	150,000	176,502	167,355	175,341		(1,161)		(1,161)			(7,986)	(7,986)	5,104	2,979	
717081DF7	PFIZER INC		05/28/2013	CITIZENS BANK	08/29/2013	MARKET AXESS CORP	100,000	100,000	100,291	100,000							291	291	148		
693476BJ1	PNC FUNDING CORP		05/20/2013	JEFFERIES & CO	09/10/2013	JEFFERIES & CO	125,000	146,356	137,068	145,455		(901)		(901)			(8,388)	(8,388)	3,826	1,868	
74153WBZ1	PRICOA GLBL FDG I MTN 144A		05/21/2013	CREDIT SUISSE SECURITIES	09/10/2013	CREDIT SUISSE SECURITIES	100,000	99,923	95,971	99,927		4		4			(3,956)	(3,956)	462		
80283FAE6	SANTANDER DRIVE AUTO 2013-1		02/12/2013	RAUSCHER INC	08/26/2013	RAUSCHER INC	175,000	175,786	170,844	175,665		(122)		(122)			(4,821)	(4,821)	1,660		
78403DAC4	SBA TOWER TR 2012-1		05/20/2013	DEUTSCHE BANK SECURITIES	09/12/2013	DEUTSCHE BANK SECURITIES	150,000	154,725	149,370	154,418		(307)		(307)			(5,048)	(5,048)	1,503	98	
828807CM7	SIMON PPTY GROUP LP		05/23/2013	DEUTSCHE BANK SECURITIES	09/10/2013	DEUTSCHE BANK SECURITIES	100,000	99,627	95,142	99,650		23		23			(4,508)	(4,508)	1,108	675	
78447CAB6	SLM PRIV ED LN TR 2012-D		02/08/2013	BARCLAYS CAPITAL INC	09/13/2013	BARCLAYS CAPITAL INC	150,000	158,297	153,094	156,953		(1,344)		(1,344)			(3,859)	(3,859)	2,987	344	
78443CAZ7	SLM PRIVATE ST LN TR 2003-C		02/01/2013	CITIZENS BANK	09/15/2013	VARIOUS	108,608	106,996	106,344	107,474		478		478			(1,130)	(1,130)	528	107	
84474YAA4	SOUTHWEST AIRLINES 2007-1		06/04/2013	CANTOR FITZGERALD	09/13/2013	VARIOUS	130,098	154,329	147,560	153,536		(793)		(793)			(5,976)	(5,976)	5,020	2,800	
853254AJ9	STANDARD CHARTERED PLC	R	05/23/2013	CITIGROUP	09/10/2013	CITIGROUP	75,000	74,600	67,805	74,610		10		10			(6,805)	(6,805)	1,991	1,136	
857477AL7	STATE STR CORP		05/08/2013	BANK OF AMERICA SEC LLC	09/10/2013	BANK OF AMERICA SEC LLC	75,000	74,879	68,360	74,882		4		4			(6,522)	(6,522)	762		
87407PAA8	TAL ADVANTAGE V LLC 2013-1		04/23/2013	VARIOUS	09/20/2013	VARIOUS	124,167	124,474	119,305	124,435		(39)		(39)			(5,130)	(5,130)	1,727	23	
89233P6S0	TOYOTA MTR CRD CORP MTN BE		05/24/2013	FIRST TENNESSEE BANK	09/10/2013	FIRST TENNESSEE BANK	100,000	99,928	97,195	99,933		5		5			(2,738)	(2,738)	549	191	
90520EAE1	UNION BK CALIF N A MEDIUM TERM		05/24/2013	CITIGROUP	09/10/2013	CITIGROUP	125,000	128,144	123,075	127,922		(221)		(221)			(4,847)	(4,847)	1,970	1,210	
91324PCB6	UNITEDHEALTH GROUP INC		05/23/2013	MERRIL LYNCH	09/10/2013	MERRIL LYNCH	100,000	99,760	94,673	99,776		16		16			(5,103)	(5,103)	871	402	
90333WAG3	US BK NATL ASSN MINN SUB		05/30/2013	US BANKCORP	09/11/2013	US BANKCORP	175,000	184,480	182,135	183,101		(1,379)		(1,379)			(966)	(966)	2,516	643	
931142DF7	WAL-MART STORES INC		05/29/2013	BNY CAPITAL MKTS	09/10/2013	BNY CAPITAL MKTS	175,000	173,588	168,572	173,667		79		79			(5,095)	(5,095)	831	284	
92933WAB4	WEA FIN LLC / WT FIN AUST PTY		05/29/2013	DEUTSCHE BANK SECURITIES	09/10/2013	DEUTSCHE BANK SECURITIES	100,000	122,895	117,358	121,948		(947)		(947)			(4,590)	(4,590)	3,581	1,706	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)							58,077,873	58,282,404	58,217,486	58,271,992		(10,413)		(10,413)			(54,512)	(54,512)	226,781	71,816
8399998	Subtotal - Bonds							60,682,873	60,942,938	60,795,416	60,929,152		(13,786)		(13,786)			(133,742)	(133,742)	240,992	76,063
9999999	Totals							60,942,938	60,795,416	60,929,152	60,929,152		(13,786)		(13,786)			(133,742)	(133,742)	240,992	76,063

## SCHEDULE D - PART 6 - SECTION 1

### Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
<b>NONE</b>									
1999999 Total - Preferred and Common Stocks .....								X X X	X X X

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.  
 2. Total amount of intangible assets nonadmitted \$.....0.

## SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					
0399999 Total - Preferred and Common Stocks .....				X X X	X X X



# SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identi- fication	2 Description	Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	Interest						21 Paid For Accrued Interest																		
		3 Code	4 For- eign					9 Unrealized Valuation Increase/ (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other-Than- Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due and Accrued	17 Rate of	18 Effective Rate of	19 When Paid	20 Amount Received During Year																			
8399999 Total Bonds																				X X X	X X X	X X X																
<b>Exempt Money Market Mutual Funds</b>																																						
VP4520020	WELLS FARGO ADVANTAGE 100% TREAS			12/31/2013	SWEEP		13,007,319						13,007,319	130							15																	
993086123	WFB INST BANK DEPOSIT ACCOUNT			12/01/2012	SWEEP																1,542																	
VP4520020	WELLS FARGO ADVANTAGE 100% TREAS			09/30/2013	SWEEP																2																	
993086123	WFB INST BANK DEPOSIT ACCOUNT			12/01/2012	SWEEP																82																	
8899999 Subtotal - Exempt Money Market Mutual Funds							13,007,319					X X X	13,007,319	130		X X X	X X X	X X X		1,641																		
<b>Class One Money Market Mutual Funds</b>																																						
31846V419	FIRST AMERN FDS INC			12/31/2013	U.S BANK		5,250						5,250																									
999999998	FIRST REPUBLIC BANK MONEY MARKET			12/31/2013	FIRST REPUBLIC BANK		26,259						26,259								2																	
94975H296	WELLS FARGO FDS TR			12/01/2013	U.S BANK		25,002						25,002								2																	
8999999 Subtotal - Class One Money Market Mutual Funds							56,511					X X X	56,511			X X X	X X X	X X X		4																		
9199999 Total Short-Term Investments							13,063,830					X X X	13,063,830	130		X X X	X X X	X X X		1,645																		

E18 Schedule DB - Part A Sn 1 Opt/Cap/Floor/Collars/Swaps/Forwards Open . . . . . NONE

E19 Schedule DB - Part A Sn 2 Opt/Cap/Floor/Collars/Swaps/Forwards Term. . . . . NONE

E20 Schedule DB - Part B Sn 1 Future Contracts Open . . . . . NONE

E21 Schedule DB - Part B Sn 2 Future Contracts Terminated . . . . . NONE

E22 Schedule DB - Part D Sn 1 Counterparty Exposure for Derivative Instruments . NONE

E23 Schedule DB - Part D Sn 2 - Collateral Pledged By Reporting Entity . . . . . NONE

E23 Schedule DB - Part D Sn 2 - Collateral Pledged To Reporting Entity . . . . . NONE

E24 Schedule DL - Part 1 - Securities Lending Collateral Assets . . . . . NONE

E25 Schedule DL - Part 2 - Securities Lending Collateral Assets . . . . . NONE

## SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
<b>open depositories</b>						
First Republic Bank .....	San Francisco, CA .....		2		1,982,610	X X X
U.S. Bank .....	Milwaukee, WI .....	SD	2		3,485,002	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
0199999 Totals - Open Depositories .....						
		X X X	4		5,467,612	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
0299999 Totals - Suspended Depositories .....						
		X X X				X X X
0399999 Total Cash On Deposit .....						
		X X X	4		5,467,612	X X X
0499999 Cash in Company's Office .....						
		X X X	X X X	X X X		X X X
0599999 Total Cash .....						
		X X X	4		5,467,612	X X X

### TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	5,389,944	4. April .....	8,423,195	7. July .....	5,819,887	10. October .....	6,775,266
2. February .....	5,389,944	5. May .....	8,431,136	8. August .....	5,816,241	11. November .....	7,678,644
3. March .....	5,389,944	6. June .....	8,941,056	9. September .....	6,293,450	12. December .....	5,467,612

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	States. Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
				1. Alabama (AL)			
2. Alaska (AK)							
3. Arizona (AZ)							
4. Arkansas (AR)							
5. California (CA)							
6. Colorado (CO)							
7. Connecticut (CT)							
8. Delaware (DE)							
9. District of Columbia (DC)							
10. Florida (FL)	B	STATE DEPOSIT				123,846	122,324
11. Georgia (GA)	ST	STATE DEPOSIT				25,002	25,002
12. Hawaii (HI)							
13. Idaho (ID)							
14. Illinois (IL)							
15. Indiana (IN)							
16. Iowa (IA)							
17. Kansas (KS)							
18. Kentucky (KY)							
19. Louisiana (LA)							
20. Maine (ME)							
21. Maryland (MD)							
22. Massachusetts (MA)	B	STATE DEPOSIT				108,168	104,961
23. Michigan (MI)							
24. Minnesota (MN)							
25. Mississippi (MS)							
26. Missouri (MO)							
27. Montana (MT)							
28. Nebraska (NE)							
29. Nevada (NV)	B	STATE DEPOSIT				216,336	209,922
30. New Hampshire (NH)	B	STATE DEPOSIT				541,615	524,805
31. New Jersey (NJ)							
32. New Mexico (NM)	B	STATE DEPOSIT				108,168	104,961
33. New York (NY)							
34. North Carolina (NC)	B	STATE DEPOSIT				216,336	209,922
35. North Dakota (ND)							
36. Ohio (OH)							
37. Oklahoma (OK)							
38. Oregon (OR)	B	STATE DEPOSIT				551,656	535,301
39. Pennsylvania (PA)							
40. Rhode Island (RI)							
41. South Carolina (SC)							
42. South Dakota (SD)							
43. Tennessee (TN)							
44. Texas (TX)							
45. Utah (UT)							
46. Vermont (VT)							
47. Virginia (VA)	B	STATE DEPOSIT				546,248	530,053
48. Washington (WA)	B	STATE DEPOSIT				1,077,450	1,049,609
49. West Virginia (WV)							
50. Wisconsin (WI)	ST	STATE DEPOSIT	3,460,000	3,460,000			
51. Wyoming (WY)							
52. American Samoa (AS)							
53. Guam (GU)							
54. Puerto Rico (PR)							
55. U.S. Virgin Islands (VI)							
56. Northern Mariana Islands (MP)							
57. Canada (CAN)							
58. Aggregate Alien and Other (OT)	X X X	X X X					
59. Total	X X X	X X X	3,460,000	3,460,000		3,514,825	3,416,860

DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

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