



# QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2021 OF THE CONDITION AND AFFAIRS OF THE National Mortgage Insurance Corporation

NAIC Group Code <u>4760</u> , <u>4760</u> <small>(current period) (prior period)</small>	NAIC Company Code <u>13695</u>	Employer's ID Number <u>27-0471418</u>
Organized under the Laws of <u>Wisconsin</u> ,	State of Domicile or Port of Entry <u>WI</u>	
Country of Domicile <u>United States of America</u>		
Incorporated/Organized <u>06/30/2009</u>	Commenced Business <u>05/04/2013</u>	
Statutory Home Office <u>8040 Excelsior Drive, Suite 200</u> <small>(Street and Number)</small>	<u>Madison, WI, US 53717</u> <small>(City or Town, State, Country and Zip Code)</small>	
Main Administrative Office <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Mail Address <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number or P.O. Box)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Internet Website Address <u>www.nationalmi.com</u>		
Statutory Statement Contact <u>Teri Frederickson</u> <small>(Name)</small>	<u>(510)858-0409</u> <small>(Area Code)(Telephone Number)(Extension)</small>	
<u>teri.frederickson@nationalmi.com</u> <small>(E-Mail Address)</small>	<u>(510)225-3832</u> <small>(Fax Number)</small>	

## OFFICERS

Name	Title
Bradley M Shuster	Executive Chairman
William J Leatherberry	Chief Legal Officer
Claudia J Merkle	Chief Executive Officer
Adam Pollitzer	Chief Financial Officer
Robert O Smith	Chief Risk Officer
Patrick L Mathis	Chief Operating Officer

## VICE- PRESIDENTS

Mary L Sharp, SVP, Chief Human Resources Officer	Norman P Fitzgerald, SVP, Chief Sales Officer
Kellie Ramsower, SVP, Underwriting & Risk Operations	Julie Norberg, SVP, Controller
Norm Krumpshmid, SVP, Field Sales	Mohammad Yousaf, SVP, Chief Business Transformation Officer
Christina Bartning, SVP, Marketing, Communications & Digital Strategy	

## DIRECTORS OR TRUSTEES

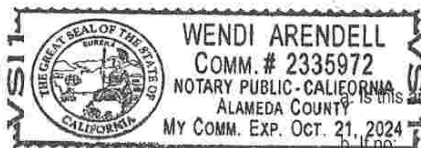
Patrick L Mathis	Claudia J Merkle
Bradley M Shuster	William J Leatherberry
Adam Pollitzer	Robert O Smith

State of California  
County of Alameda ss

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

 _____ (Signature) Claudia J Merkle (Printed Name) 1. Chief Executive Officer _____ (Title)	 _____ (Signature) William J Leatherberry (Printed Name) 2. EVP, General Counsel and Secretary _____ (Title)	 _____ (Signature) Adam Pollitzer (Printed Name) 3. Chief Financial Officer _____ (Title)
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Subscribed and sworn to before me this  
10<sup>th</sup> day of November 2021  
  
\_\_\_\_\_  
(Notary Public Signature)



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

1. State the amendment number 0

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

3. Number of pages attached 0

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	1,969,908,327		1,969,908,327	1,690,555,526
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....63,512,678), cash equivalents (\$.....17,112,367) and short-term investments (\$.....506) .....	80,625,551		80,625,551	103,832,125
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....	539,597	539,597		
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,051,073,475	539,597	2,050,533,878	1,794,387,651
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	11,612,852		11,612,852	9,456,205
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	58,710,946	7,551	58,703,395	49,760,432
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....	71,349,339	1,173,554	70,175,785	74,793,990
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				27,332
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) .....	2,192,746,612	1,720,702	2,191,025,910	1,928,425,610
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	2,192,746,612	1,720,702	2,191,025,910	1,928,425,610
<b>DETAILS OF WRITE-INS</b>				
1101. Prepaid Expenses .....	539,597	539,597		
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) .....	539,597	539,597		
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....19,209,017) .....	81,896,525	71,408,382
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	2,055,326	1,318,883
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	1,031,478	107,214
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,878,638	1,923,519
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....3,066,646 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) .....	136,556,949	112,533,126
10. Advance premium .....		47
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	22,900,169	18,871,395
13. Funds held by company under reinsurance treaties .....	6,280,315	8,653,043
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$.....0 certified) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	87,712,560	76,814,203
20. Derivatives .....		
21. Payable for securities .....	5,395,000	8,000,000
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 .....	960,941,296	763,122,515
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) .....	1,306,648,256	1,062,752,327
27. Protected cell liabilities .....		
28. TOTAL liabilities (Lines 26 and 27) .....	1,306,648,256	1,062,752,327
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 .....	1,010,021,399	1,010,021,399
35. Unassigned funds (surplus) .....	(128,173,745)	(146,878,116)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 31 \$.....0) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	884,377,654	865,673,283
38. TOTALS (Page 2, Line 28, Col. 3) .....	2,191,025,910	1,928,425,610
<b>DETAILS OF WRITE-INS</b>		
2501. Statutory Contingency Reserve .....	958,929,240	759,945,865
2502. Deferred Ceding Commission .....	748,886	1,771,611
2503. Premium Refund Reserve .....	1,263,170	1,405,039
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	960,941,296	763,122,515
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above) .....		

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned			
1.1 Direct (written \$.....419,811,083)	399,004,605	351,888,655	472,997,283
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....109,427,068)	112,644,413	84,967,665	118,818,471
1.4 Net (written \$.....310,384,015)	286,360,192	266,920,990	354,178,812
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$.....19,223,811)			
2.1 Direct	15,232,150	68,166,718	72,170,834
2.2 Assumed			
2.3 Ceded	3,222,261	13,533,946	14,130,109
2.4 Net	12,009,889	54,632,772	58,040,725
3. Loss adjustment expenses incurred	787,537	928,964	1,075,906
4. Other underwriting expenses incurred	52,710,352	63,505,930	81,483,708
5. Aggregate write-ins for underwriting deductions	198,983,375	175,532,646	235,953,462
6. TOTAL underwriting deductions (Lines 2 through 5)	264,491,153	294,600,312	376,553,801
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	21,869,039	(27,679,322)	(22,374,989)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	3,479,928	6,149,607	6,705,042
10. Net realized capital gains (losses) less capital gains tax of \$.....1,011	3,804	766,313	632,363
11. Net investment gain (loss) (Lines 9 + 10)	3,483,732	6,915,920	7,337,405
<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)	25,352,771	(20,763,402)	(15,037,584)
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)	25,352,771	(20,763,402)	(15,037,584)
19. Federal and foreign income taxes incurred	1,916,899	2,173,288	5,496,151
20. Net income (Line 18 minus Line 19) (to Line 22)	23,435,872	(22,936,690)	(20,533,735)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	865,673,283	421,340,194	421,340,194
22. Net income (from Line 20)	23,435,872	(22,936,690)	(20,533,735)
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	(4,410,599)	5,696,106	6,828,375
27. Change in nonadmitted assets	(320,902)	5,446,782	12,590,401
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		445,448,047	445,448,047
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	18,704,371	433,654,245	444,333,088
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	884,377,654	854,994,439	865,673,283
<b>DETAILS OF WRITE-INS</b>			
0501. Statutory Contingency Reserve	198,983,375	175,532,646	235,953,462
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)	198,983,375	175,532,646	235,953,462
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	305,469,779	262,872,836	353,802,677
2. Net investment income .....	5,734,769	5,127,923	6,568,496
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	311,204,548	268,000,759	360,371,172
5. Benefit and loss related payments .....	1,521,746	4,332,904	4,953,862
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	39,748,369	50,509,123	63,636,576
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	1,917,910	2,183,481	5,589,013
10. TOTAL (Lines 5 through 9) .....	43,188,025	57,025,508	74,179,451
11. Net cash from operations (Line 4 minus Line 10) .....	268,016,523	210,975,251	286,191,721
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	91,341,439	324,653,086	373,644,859
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 .....		895,000	2,400,000
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	91,341,439	325,548,086	376,044,859
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	375,100,904	854,582,271	1,038,594,913
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....	2,605,000		(6)
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	377,705,904	854,582,271	1,038,594,907
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(286,364,465)	(529,034,185)	(662,550,048)
<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 .....		445,448,047	445,448,047
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	(4,858,632)	(12,299,214)	(7,725,085)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(4,858,632)	433,148,833	437,722,962
<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) .....	(23,206,574)	115,089,899	61,364,635
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	103,832,125	42,467,490	42,467,490
19.2 End of period (Line 18 plus Line 19.1) .....	80,625,551	157,557,389	103,832,125

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

20.0001				
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# Notes to Financial Statement

## 1. Summary of Significant Accounting Policies and Going Concern

### A. Accounting Practices

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

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

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

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

	SSAP #	F/S Page	F/S Line #	Nine Months Ended September 30, 2021	Year ended December 31, 2020
Net Income/(Loss)					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 23,435,872	\$ (20,533,735)
(2) State Prescribed Practices that increase/(decrease) from NAIC SAP:					
Change in contingency reserves	00	4	5	(198,983,375)	(235,953,462)
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 222,419,247</u>	<u>\$ 215,419,727</u>
<b>SURPLUS</b>					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 884,377,654	\$ 865,673,283
(6) State Prescribed Practices that increase/(decrease) from NAIC SAP:				—	—
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 884,377,654</u>	<u>\$ 865,673,283</u>

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

No significant change from year end 2020.

### C. Accounting Policy

The Company uses the following accounting policies:

- (1) No significant change from year end 2020.
- (2) Bonds are stated at amortized cost using the effective interest method.
- (3) - (5) No significant change from year end 2020.
- (6) Loan-backed securities are valued using the retrospective method and are stated at amortized cost or fair value in accordance with their NAIC designation.
- (7) - (13) No significant change from year end 2020.

### D. Going Concern

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

## 2. Accounting Changes and Corrections of Errors

No significant change from year end 2020.

# Notes to Financial Statement

## 3. Business Combinations and Goodwill

### A. Statutory Purchase Method

No significant change from year end 2020. Not Applicable.

### B. Statutory Merger

No significant change from year end 2020. Not Applicable.

### C. Impairment Loss

No significant change from year end 2020. Not Applicable.

## 4. Discontinued Operations

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

No significant change from year end 2020. Not Applicable.

### B. Change in Plan of Sale or Discontinued Operation

No significant change from year end 2020. Not Applicable.

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

No significant change from year end 2020. Not Applicable.

### D. Equity Interest Retained in the Discontinued Operation After Disposal

No significant change from year end 2020. Not Applicable.

## 5. Investments

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

No significant change from year end 2020. Not Applicable.

### B. Debt Restructuring

No significant change from year end 2020. Not Applicable.

### C. Reverse Mortgages

No significant change from year end 2020. Not Applicable.

### D. Loan-Backed Securities

(1) The Company uses widely accepted models for prepayment assumptions in valuing loan-backed securities with inputs from major third party data providers. The Company's investment policy complies with SSAP No. 43R - *Loan-backed and Structured Securities* as adopted by the Wisconsin OCI.

(2) The Company has not recognized any other-than-temporary impairments for the nine months ended September 30, 2021.

(3) The Company has not recognized any other-than-temporary impairments for the nine months ended September 30, 2021.

(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 (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

(a) The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	133,250
2. 12 Months or Longer	\$	49,202

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

1. Less than 12 Months	\$	11,065,574
2. 12 Months or Longer	\$	2,001,100

## Notes to Financial Statement

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

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains in the statements of operations in the period such determination is made. No other-than-temporary impairments were recognized for the nine months ended September 30, 2021. As of September 30, 2021, the Company held no other-than-temporarily impaired securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

H. Repurchase Agreements Transactions Accounted for as a Sale

None.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None.

J. Real Estate

The Company does not have investments in real estate.

K. Low-Income Housing Tax Credits (LIHTC)

The Company does not have investments in low income housing.

L. Restricted Assets



## Notes to Financial Statement

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activities (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	
a. Subject to contractual obligation for which liability is not shown	\$ 3,572,274	\$ —	\$ —	\$ —	\$ 3,572,274	\$ 5,554,698	\$ (1,982,424)
b. Collateral held under security lending agreements	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—
j. On deposit with states	5,297,838	—	—	—	5,297,838	5,281,130	16,708
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	\$ 8,870,112	\$ —	\$ —	\$ —	\$ 8,870,112	\$ 10,835,828	\$ (1,965,716)

## Notes to Financial Statement

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ 3,572,274	0.16 %	0.16 %
b. Collateral held under security lending agreements	—	—	— %	— %
c. Subject to repurchase agreements	—	—	— %	— %
d. Subject to reverse repurchase agreements	—	—	— %	— %
e. Subject to dollar repurchase agreements	—	—	— %	— %
f. Subject to dollar reverse repurchase agreements	—	—	— %	— %
g. Placed under option contracts	—	—	— %	— %
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	—	—	— %	— %
i. FHLB capital stock	—	—	— %	— %
j. On deposit with states	—	5,297,838	0.24 %	0.24 %
k. On deposit with other regulatory bodies	—	—	— %	— %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	— %	— %
m. Pledged as collateral not captured in other categories	—	—	— %	— %
n. Other restricted assets	—	—	— %	— %
<b>o. Total Restricted Assets</b>	<b>—</b>	<b>8,870,112</b>	<b>0.40 %</b>	<b>0.40 %</b>

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

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

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

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

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

The Company does not have other restricted assets.

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

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

# Notes to Financial Statement

## M. Working Capital Finance Investments

The Company does not have working capital finance investments.

## N. Offsetting and Netting of Assets and Liabilities

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

## O. 5GI Securities

The Company does not have any 5GI securities.

## P. Short Sales

The Company does not have any short sale transactions.

## Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>	<u>Protected Cell</u>
(1) Number of CUSIPs	6	—
(2) Aggregate amount of Investment Income	\$—	—

## R. Reporting Entity's Share of Cash Pool by Asset type.

The Company does not participate in any cash pooling arrangements.

	<u>Asset Type</u>	<u>Percent Share</u>
(1)	Cash	— %
(2)	Cash Equivalents	— %
(3)	Short-Term Investments	— %
(4)	Total	— %

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

A - B. No significant change from year end 2020. Not applicable.

## 7. Investment Income

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

No significant change from year end 2020.

B. The total amount excluded:

No significant change from year end 2020. The Company did not exclude any investment income for the nine months ended September 30, 2021.

## 8. Derivative Instruments

A. Derivatives under SSAP No. 86 - *Derivatives*

Not applicable. The Company has no derivative instruments.

B. Derivatives under SSAP No. 108 - *Derivative Hedging Variable Annuity Guarantees*

Not applicable. The Company has no derivative instruments.

## 9. Income Taxes

A - I. No significant change from year end 2020.

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

A. Nature of Relationships

No significant change from year end 2020.

## Notes to Financial Statement

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

No transactions greater than 1/2% of Admitted Assets occurred for the nine months ended September 30, 2021.

### C. Transactions with related parties who are not reported on Schedule Y

No significant change from year end 2020.

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

As of September 30, 2021 and December 31, 2020, the Company reported the following amounts due to and due from related parties:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Due to NMI Holdings, Inc. ("NMIH")	87,358,937	73,397,780
Due to NMI Services, Inc.	353,626	416,423
Amounts Due to Related Parties	<u>87,712,563</u>	<u>73,814,203</u>

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

No significant change from year end 2020.

### F. Guarantees or Undertaking for Related Parties

No significant change from year end 2020. Not Applicable.

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

No significant change from year end 2020.

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

No significant change from year end 2020. Not applicable.

### I. Detail of Investments in Subsidiary, Controlled, and Affiliated ("SCA") Entities in Excess of 10% of Admitted Assets

No significant change from year end 2020. Not applicable.

### J. Write downs for Impairment of Investments in SCA entities

No significant change from year end 2020. Not applicable.

### K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

### M. All SCA investments

No significant change from year end 2020. Not applicable.

### N. Investment in Insurance SCAs

No significant change from year end 2020. Not applicable.

### O. SCA or SSAP No. 48 Loss Tracking

No significant change from year end 2020. Not applicable.

## 11. Debt

### A. The Company has no debt obligations as of September 30, 2021.

### B. FHLB (Federal Home Loan Bank) Agreements

The Company has no funding agreements with the FHLB.

## Notes to Financial Statement

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

#### A. Defined Benefit Plan

The Company has no defined benefit plans.

#### B. Investment Policies

No significant change from year end 2020. Not applicable.

#### C. Fair Value of Each Class of Plan Assets

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

#### E. Defined contribution plans

No significant change from year end 2020. Not applicable.

#### F. Multiemployer Plans

No significant change from year end 2020. Not applicable.

#### G. Consolidated/Holding Company Plans

No significant change from year end 2020. Not applicable.

#### H. Postemployment benefits and Compensated Absences

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

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

#### A. Number of Shares and Par or Stated Value of Each Class

No significant change from year end 2020.

#### B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock

No significant change from year end 2020.

#### C. Dividend Restrictions

NMIC is subject to certain rules and regulations prescribed by jurisdictions in which it is authorized to operate and Fannie Mae and Freddie Mac (the “GSEs”) that may restrict its ability to pay dividends to NMIH. NMIC reported a statutory net loss for the year ended December 31, 2020 and does not have the capacity to pay dividends to NMIH during the twelve-month period ended December 31, 2021 without prior approval from the Wisconsin OCI. NMIC has never paid dividends to NMIH.

As an approved insurer under the Private Mortgage Insurer Eligibility Requirements (“PMIERS”), NMIC would generally be subject to prior GSE approval of its ability to pay dividends to NMIH if it failed to meet the financial requirements prescribed by PMIERS. In response to the COVID-19 pandemic, the GSEs issued temporary PMIERS guidance, effective for the period from June 30, 2020 to June 30, 2021, that requires approved insurers to secure approval from the GSEs prior to paying any dividends, even if the approved insurer otherwise satisfies the financial requirements prescribed by PMIERS. On June 30, 2021, the GSEs updated the temporary PMIERS guidance to permit approved insurers to pay dividends without securing prior approval if certain prescribed financial requirements are met during the period from July 1, 2021 to December 31, 2021.

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

No significant change from year end 2020. The Company did not declare or pay any dividends during the nine months ended September 30, 2021. The Company has never paid any dividends to NMIH.

## Notes to Financial Statement

E. Amount of Ordinary Dividends That May Be Paid

No significant change from year end 2020.

F. Restrictions of Unassigned Funds

No significant change from year end 2020. Not applicable.

G. Mutual Surplus Advance

No significant change from year end 2020. Not applicable.

H. Company Stock held for Special Purposes

No significant change from year end 2020. Not applicable.

I. Changes in Special Surplus Funds

No significant change from year end 2020. Not applicable.

J. Changes in Unassigned Funds

No significant change from year end 2020.

K. Surplus Notes

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable

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

No significant change from year end 2020.

### 14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

No significant change from year end 2020. Not applicable.

B. Assessments

No significant change from year end 2020. Not applicable.

C. Gain Contingencies

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

E. Product Warranties

No significant change from year end 2020. Not applicable.

F. Joint and Several Liabilities

No significant change from year end 2020. Not applicable.

G. All Other Contingencies

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

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

## Notes to Financial Statement

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

The company established contingency reserves in the amount of \$958,929,240 and \$759,945,865 as of September 30, 2021 and December 31, 2020, respectively. The contingency reserve calculation is based on 50% of gross premiums earned for the nine months ended September 30, 2021 and year ended December 31, 2020. The Company did not have contingency reserve withdrawals for the nine months ended September 30, 2021 and year ended December 31, 2020.

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

As of September 30, 2021 and December 31, 2020, the Company had net admitted assets of \$58,703,395 and \$49,760,432, respectively, related to premiums receivable due from policyholders. The Company routinely assesses the collectability of these receivables. All premiums receivable outstanding for 90 days or more are reclassified as nonadmitted. For premiums receivable outstanding for less than 90 days, the Company establishes an allowance for uncollectible premiums directly reducing net admitted premiums receivables. The allowance is based on the Company’s recent collection experience with uncollectible amounts related to operational reasons (such as delayed servicer reporting). The Company has not experienced any uncollectible amounts due to the credit worthiness of loan servicers. The potential for any additional loss is not expected to be material to the Company’s financial condition.

### 15. Leases

#### A. Lessee Operating Leases

No significant change from year end 2020.

#### B. Lessor Leases

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

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

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

No significant change from year end 2020. Not applicable.

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

The Company had no transfer or servicing of financial assets.

#### C. Wash Sales

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

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

#### A. Administrative Services Only (ASO) Plans

No significant change from year end 2020. Not applicable.

#### B. Administrative Services Contract (ASC) Plans

No significant change from year end 2020. Not applicable.

#### C. Medicare or Similarly Structured Cost Based Reimbursement contract

No significant change from year end 2020. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2020. Not applicable.

**20. Fair Value Measurements****A. Inputs Used for Assets and Liabilities at Fair Value****(1) Fair Value Measurements at Reporting Date**

Not applicable

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

Not applicable.

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

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

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

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

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

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

**B. Other Fair Value Disclosures**

Not Applicable.

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

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

Type of Financial Instrument	Fair Value	Admitted Value	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
<b>Financial instruments - assets</b>							
Bonds	\$ 1,999,274,691	\$ 1,969,908,327	\$ 74,541,199	\$ 1,924,733,492	\$ —	\$ —	\$ —
Preferred stocks	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—
Cash, cash equivalents and short term investments	80,625,551	80,625,551	80,625,551	—	—	—	—
<b>Total assets</b>	<b>\$ 2,079,900,242</b>	<b>\$ 2,050,533,878</b>	<b>\$ 155,166,750</b>	<b>\$ 1,924,733,492</b>	<b>\$ —</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>	<b>\$ —</b>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the nine months ended September 30, 2021.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of September 30, 2021.

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

- Level 1 - Fair value measurements based on quoted prices in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments.



## Notes to Financial Statement

- Level 2 - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 - Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Company must make certain assumptions, which require significant management judgment or estimation about the inputs a hypothetical market participant would use to value that asset or liability.

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

### D. Not Practicable to Estimate Fair Values

Not Applicable.

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

Not Applicable.

## 21. Other Items

### A. Unusual or Infrequent Items

#### *COVID-19*

On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a global health emergency and subsequently characterized the outbreak as a global pandemic on March 11, 2020. In an effort to stem contagion and control the COVID-19 pandemic, the population at large severely curtailed day-to-day activity and local, state and federal regulators imposed a broad set of restrictions on personal and business conduct nationwide. The COVID-19 pandemic, along with the widespread public and regulatory response, caused a dramatic slowdown in U.S. and global economic activity and a record number of Americans were furloughed or laid-off in the ensuing downturn.

The global dislocation caused by COVID-19 was unprecedented. In response to the COVID-19 outbreak and uncertainty that it introduced, we activated our disaster continuity program to ensure our employees were safe and able to manage our business without interruption. We pursued a broad series of capital and reinsurance transactions to bolster our balance sheet and expand our ability to serve our customers and their borrowers, and we updated our underwriting guidelines and policy pricing in consideration of the increased level of macroeconomic volatility.

The U.S. housing market demonstrated notable resiliency in the face of COVID-19 stress, with significant purchase demand, record levels of mortgage origination activity and nationwide house price appreciation emerging shortly after the onset of the pandemic. More recently, the broad resumption of personal and business activity nationwide has prompted a sharp economic rebound and provided hope for a sustainable economic recovery.

While there is increased optimism that the acute economic impact of COVID-19 has begun to recede, the pandemic continues to affect communities across the U.S. and poses significant risk globally. The path and pace of global economic recovery will depend, in large part, on the course of the virus, which itself remains unknown and subject to risk. Given this uncertainty, we are not able to fully assess or estimate the ultimate impact COVID-19 will have on the mortgage insurance market, our business performance or our financial position including our new business production, default and claims experience, and investment portfolio results at this time.

#### *CEO Transition*

On September 9, 2021, we announced that Adam Pollitzer, currently the company's Executive Vice President and Chief Financial Officer, was appointed as the company's President and Chief Executive Officer, effective January 1, 2022. Mr. Pollitzer will also join the company's Board of Directors upon assuming his new role. He succeeds Claudia Merkle, who will step down as Chief Executive Officer and as a member of the Board, effective December 31, 2021.

### B. Troubled Debt Restructuring: Debtors

No significant change from year end 2020. Not applicable.

### C. Other Disclosures

No significant change from year end 2020. Not applicable.

## Notes to Financial Statement

## D. Business Interruption Insurance Recoveries

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

## F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2020. Not applicable.

## G. Insurance-Linked Securities (ILS) Contracts

	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
Management of Risk Related To:		
(1) Directly Written Insurance Risks	—	\$—
a. ILS Contracts as Issuer	—	\$—
b. ILS Contracts as Ceding Insurer	6	\$1,059,865,557
c. ILS Contracts as Counterparty	—	\$—
(2) Assumed Insurance Risks	—	\$—
a. ILS Contracts as Issuer	—	\$—
b. ILS Contracts as Ceding Insurer	—	\$—
c. ILS Contracts as Counterparty	—	\$—

For discussion of the Excess of loss reinsurance agreements, see *Footnote 23 - Reinsurance, Excess of Loss Reinsurance*

## H. The amount that could be realized on life insurance where the reporting entity is owner and beneficiary or has otherwise obtained rights to control the policy

No significant change from year end 2020. Not applicable.

**22. Subsequent Events**

The Company has performed subsequent events procedures through November 10, 2021.

*Excess-of-loss reinsurance*

On October 26, 2021, NMIC entered into a reinsurance agreement with Oaktown Re VII Ltd. (Oaktown Re VII), a Bermuda domiciled special purpose reinsurer, that provides for up to \$363.6 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies primarily written between April 1, 2021 and September 30, 2021. For the reinsurance coverage period, NMIC will retain the first layer of \$146.2 million of aggregate losses and Oaktown Re VII will then provide second layer coverage up to the outstanding reinsurance coverage amount. NMIC will then retain losses in excess of the outstanding reinsurance coverage amount.

Oaktown Re VII financed the coverage by issuing mortgage insurance-linked notes in an aggregate principal amount of \$363.6 million to unaffiliated investors. The notes issued by Oaktown Re VII mature on April 25, 2034; all proceeds raised were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re VII to NMIC under the reinsurance agreement. Funds in the reinsurance trust account are required to be invested in high credit quality money market funds at all times. We refer to NMIC's reinsurance agreement with and the insurance-linked notes issued by Oaktown Re VII as the 2021-2 ILN Transaction. Under the terms of the 2021-2 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re VII for anticipated operating expenses (capped at \$250,000 per year).

## Notes to Financial Statement

### *Quota share reinsurance*

In October 2021, NMIC entered into two back-to-back quota share reinsurance treaties that will provide coverage for mortgage insurance policies to be written primarily in 2022 and 2023 (the “2022 QSR Transaction” and “2023 QSR Transaction”). Under the terms of the 2022 and 2023 QSR Transactions, NMIC will cede premiums earned related to 20% of the risk on eligible policies written between January 1, 2022 and December 31, 2023, in exchange for reimbursement of ceded claims and claims expenses on covered policies, a 20% ceding commission, and a profit commission of up to 62% that varies directly and inversely with ceded claims. If NMIC exhausts the aggregate risk written limit of the 2021 QSR Transaction prior to December 31, 2021, the 2022 QSR Transaction will automatically incept and NMIC will begin to cede risk on eligible policies under the treaty prior to January 1, 2022.

### *Termination of Re One and NMIC Reinsurance Agreement*

On October 26, 2021 the NMIC filed a Form D, Prior Notice of a Transaction, with the Office of the Commissioner of Insurance, State of Wisconsin requesting non-disapproval of the termination and commutation of the August 1, 2012 Primary Excess Share Reinsurance Agreement (the “Agreement”) as amended September 1, 2016, June 19, 2017 and January 1, 2019 between Re One and NMIC. Under the terms of the proposed commutation, the company will pay a fee of \$8,381,026 to NMIC in exchange for transferring all existing risk as acquired under the Agreement as of October 1, 2021 back to NMIC.

## 23. Reinsurance

NMIC utilizes third-party reinsurance transactions to actively manage its risk, ensure PMIERs, state regulatory and other applicable capital requirements (respectively, as defined therein), and support the growth of its business. We currently have both excess of loss and quota share reinsurance agreements in place.

### *Excess of loss reinsurance*

NMIC is party to excess-of-loss reinsurance agreements with Oaktown Re Ltd., Oaktown Re II, Ltd., Oaktown Re III, Ltd., Oaktown Re IV Ltd., Oaktown Re V Ltd. and Oaktown Re VI Ltd. (special purpose reinsurance entities collectively referred to as the “Oaktown Re Vehicles”). Each agreement provides NMIC with aggregate excess-of-loss reinsurance coverage on defined portfolios of mortgage insurance policies. Under each agreement, NMIC retains a first layer of aggregate loss exposure on covered policies and the respective Oaktown Re Vehicle then provides second layer loss protection up to a defined reinsurance coverage amount. NMIC then retains losses in excess of the respective reinsurance coverage amounts. NMIC refers to reinsurance agreements with and the insurance-linked note issuances by Oaktown Re Ltd., Oaktown Re II Ltd., Oaktown Re III Ltd., Oaktown Re IV Ltd., Oaktown Re V Ltd. and Oaktown Re VI Ltd. individually as the 2017 ILN Transaction, 2018 ILN Transaction, 2019 ILN Transaction, 2020-1 ILN Transaction, 2020-2 ILN Transaction and 2021-1 ILN Transaction, respectively and collectively as the ILN Transactions.

The respective reinsurance coverage amounts provided by the Oaktown Re Vehicles decrease over a ten-year period as the underlying insured mortgages are amortized or repaid, and/or the mortgage insurance coverage is canceled (except the coverage provided by Oaktown Re VI Ltd., which decreases over a 12.5 year period). As the reinsurance coverage decreases, a prescribed amount of collateral held in trust by the Oaktown Re Vehicles is distributed to ILN Transaction noteholders as amortization of the outstanding insurance-linked note principal balances. The outstanding reinsurance coverage amounts stop amortizing, and the collateral distribution to ILN Transaction noteholders and amortization of insurance-linked note principal is suspended if certain credit enhancement or delinquency thresholds, as defined in each agreement, are triggered (each, a Lock-Out Event). A Lock-Out Event was deemed to have occurred, effective June 25, 2020 for each of the 2017, 2018 and 2019 ILN Transactions (related to the default experience of the underlying reference pools for each respective transaction) and at inception of the 2021-1 ILN Transaction (related to the initial build of its target credit enhancement), and the amortization of reinsurance coverage, and distribution of collateral assets and amortization of insurance-linked notes was suspended for each ILN Transaction. The amortization of reinsurance coverage, distribution of collateral assets and amortization of insurance-linked notes will remain suspended for the duration of the Lock-Out Event for each ILN Transaction, and during such period assets will be preserved in the applicable reinsurance trust account to collateralize the excess-of-loss reinsurance coverage provided to NMIC.

The following table presents the inception date, covered production period, initial and current reinsurance coverage amount, and initial and current first layer retained aggregate loss under each of the ILN Transactions. Current amounts are presented as of September 30, 2021.

## Notes to Financial Statement

(\$ values in thousands)	2017 ILN	2018 ILN	2019 ILN	2020-1 ILN	2020-2 ILN	2021-1 ILN
	Transaction	Transaction	Transaction	Transaction	Transaction	Transaction
Ceded RIF	\$ 1,227,763	\$ 1,333,991	\$ 1,533,960	\$ 3,128,472	\$ 4,689,578	\$ 8,334,990
Current First Layer Retained Loss	121,196	122,750	122,697	169,488	121,177	163,708
Current Reinsurance Coverage	40,226	158,489	231,877	84,470	177,566	367,238
Eligible Coverage	\$ 161,422	\$ 281,239	\$ 354,574	\$ 253,958	\$ 298,743	\$ 530,946
Subordinated Coverage <sup>(1)</sup>	13.15%	21.08%	23.11%	8.00%	6.25%	6.37%
PMIERS Charge on Ceded RIF	6.47%	8.41%	8.25%	6.50%	5.63%	6.07%
Overcollateralization <sup>(2)(4)</sup>	\$ 40,226	\$ 158,489	\$ 227,965	\$ 50,704	\$ 34,887	\$ 25,038
Delinquency Trigger <sup>(3)</sup>	4.0%	4.0%	4.0%	6.0%	4.7%	4.8%

<sup>(1)</sup> Absent a delinquency trigger, the subordinated coverage is capped at 8.00%, 6.25% and 6.75% for the 2020-1, 2020-2 and 2021-1 ILN Transactions, respectively.

<sup>(2)</sup> Overcollateralization of the 2017 ILN Transaction is equal to its current reinsurance coverage as the PMIERS required asset amount on RIF ceded under the transaction is currently below the remaining first layer retained loss.

<sup>(3)</sup> Delinquency triggers for 2017, 2018 and 2019 ILN Transactions are set at a fixed 4.0% and assessed on a discrete monthly basis; delinquency triggers for the 2020-1, 2020-2 and 2021-1 ILN Transactions are equal to seventy-five percent of the subordinated coverage level and assessed on the basis of a three-month rolling average.

<sup>(4)</sup> May not be replicated based on the rounded figures presented in the table.

NMIC makes risk premium payments to the Oaktown Re Vehicles for the applicable outstanding reinsurance coverage amount and pays an additional premium amount for anticipated operating expenses (capped at \$250 thousand per year, except with respect to Oaktown Re Ltd., for which the cap is \$300 thousand per year). NMIC ceded aggregate premiums to the Oaktown Re Vehicles of \$10.4 million and \$30.0 million during the three and nine months ended September 30, 2021 and \$6.3 million and \$13.4 million during the three and nine months ended September 30, 2020 respectively. The increase in premiums ceded during the respective periods year-on-year is due to the inception of the excess-of-loss reinsurance agreements with NMIC entered in with Oaktown Re IV Ltd., Oaktown Re V Ltd. and Oaktown Re VI Ltd.

NMIC applies claims paid on covered policies against its first layer aggregate retained loss exposure under each excess of loss agreement. NMIC did not cede any incurred losses on covered policies to the Oaktown Re Vehicles during the three and nine months ended September 30, 2021 and September 30, 2020, as the aggregate first layer risk retention was not exhausted under each agreement during such periods.

Under the terms of each excess-of-loss reinsurance agreement, the Oaktown Re Vehicles are required to fully collateralize their outstanding reinsurance coverage amount to NMIC with funds deposited into segregated reinsurance trusts. Such trust funds are required to be invested in short-term U.S. Treasury money market funds at all times. Each Oaktown Re Vehicle financed its respective collateral requirement through the issuance of mortgage insurance-linked notes to unaffiliated investors. Such insurance-linked notes mature ten years from the inception date of each reinsurance agreement (except the notes issued by Oaktown Re VI Ltd. which have a 12.5 year maturity).

The following tables summarizes the inception date, covered production period, initial and current reinsurance coverage amount, and initial and current first layer retained aggregate loss under each of the ILN Transactions. Current amounts are presented as of end of September 30, 2021.

(\$ values in Thousands)	Inception Date	Covered Production	Initial Coverage at Issuance	Current Reinsurance Coverage	Initial First Layer Retained	Current First Layer Retained Loss <sup>(1)</sup>
2017 ILN Transaction	May 2, 2017	1/1/2013 - 12/31/2016	\$211,320	\$40,226	\$126,793	121,196
2018 ILN Transaction	July 25, 2018	1/1/2017 - 5/31/2018	264,545	158,489	125,312	122,750
2019 ILN Transaction	July 30, 2019	6/1/2018 - 6/30/2019	326,905	231,877	123,424	122,697
2020-1 ILN Transaction	July 20, 2020	7/1/2019 - 3/31/2020	322,076	84,470	169,514	169,488
2020-2 ILN Transaction	October 20, 2020	4/1/2020 - 9/30/2020 <sup>(2)</sup>	242,351	177,566	121,777	121,177
2021-1 ILN Transaction <sup>(4)</sup>	April 27, 2021	10/1/2020 - 3/31/2021 <sup>(3)</sup>	367,238	367,238	163,708	163,708

<sup>(1)</sup> NMIC applies claims paid on covered policies against its first layer aggregate retained loss exposure, and cedes reserves for incurred claims and claims expenses to each applicable ILN Transaction and recognizes a reinsurance recoverable if such incurred claims and claims expenses exceed its current first layer retained loss.

<sup>(2)</sup> Approximately 1% of the production covered by the 2020-2 ILN Transaction has coverage reporting dates between July 1, 2019 and March 31, 2020.

<sup>(3)</sup> Approximately 1% of the production covered by the 2021-1 ILN Transaction has coverage reporting dates between July 1, 2019 and September 30, 2020.

<sup>(4)</sup> As of September 30, 2021, the current reinsurance coverage amount on the 2021-1 ILN transaction is equal to the initial reinsurance coverage, as the reinsurance coverage provided by Oaktown Re VI Ltd. will not decrease until the target credit enhancement is met.

## Notes to Financial Statement

NMIC holds optional termination rights under each ILN Transaction, including, among others, an optional call feature which provides NMIC the discretion to terminate the transaction on or after a prescribed date, and a clean-up call if the outstanding reinsurance coverage amount amortizes to 10% or less of the reinsurance coverage amount at inception or if NMIC reasonably determines that changes to GSE or rating agency asset requirements would cause a material and adverse effect on the capital treatment afforded to NMIC under a given agreement. In addition, there are certain events that trigger mandatory termination of an agreement, including NMIC's failure to pay premiums or consent to reductions in a trust account to make principal payments to noteholders, an early call option, among others.

Under the terms of the 2018, 2019 and 2020-1 ILN Transactions, NMIC is required to maintain a certain level of restricted funds in premium deposit accounts with Bank of New York Mellon until the respective notes have been redeemed in full. "Cash and cash equivalents" on our balance sheet includes restricted cash of \$3.6 million as of September 30, 2021. NMIC is not required to deposit additional funds into the premium deposit accounts in the future and the restricted balances required under these transactions will decline over time as the outstanding principal balance of the respective insurance-linked notes are amortized.

### *Quota share reinsurance*

NMIC is party to four outstanding quota share reinsurance treaties - the 2016 QSR Transaction, effective September 1, 2016, the 2018 QSR Transaction, effective January 1, 2018, the 2020 QSR Transaction, effective April 1, 2020, and the 2021 QSR Transaction, effective January 1, 2021, which we refer to collectively as the QSR Transactions. Under each of the QSR Transactions, NMIC cedes a proportional share of its risk on eligible policies written during a discrete period to panels of third-party reinsurance providers. Each of the third-party reinsurance providers has an insurer financial strength rating of A- or better by Standard & Poor's Rating Service (S&P), A.M. Best Company, Inc. (A.M. Best) or both.

Under the terms of the 2016 QSR Transaction, NMIC cedes premiums written related to 25% of the risk on eligible primary policies written for all periods through December 31, 2017 and 100% of the risk under our pool agreement with Fannie Mae. The 2016 QSR Transaction is scheduled to terminate on December 31, 2027, except with respect to the ceded pool risk, which is scheduled to terminate on August 31, 2023. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2020, or at the end of any calendar quarter thereafter, which would result in NMIC recapturing the related risk.

Under the terms of the 2018 QSR Transaction, NMIC cedes premiums earned related to 25% of the risk on eligible policies written in 2018 and 20% of the risk on eligible policies written in 2019. The 2018 QSR Transaction is scheduled to terminate on December 31, 2029. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2022, or at the end of any calendar quarter thereafter, which would result in NMIC recapturing the related risk.

Under the terms of the 2020 QSR Transaction, NMIC cedes premiums earned related to 21% of the risk on eligible policies written from April 1, 2020 to December 31, 2020. The 2020 QSR Transaction is scheduled to terminate on December 31, 2030. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2023, or at the end of any calendar quarter thereafter, which would result in NMIC recapturing the related risk.

Under the terms of the 2021 QSR Transaction, NMIC cedes premiums earned related to 22.5% of the risk on eligible policies written in 2021 (subject to an aggregate risk written limit). The 2021 QSR Transaction is scheduled to terminate on December 31, 2031. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2024, or at the end of any calendar quarter thereafter, which would result in NMIC recapturing the related risk.

NMIC may terminate any or all of the QSR Transactions without penalty if, due to a change in PMIERS requirements, it is no longer able to take full PMIERS asset credit for the risk-in-force (RIF) ceded under the respective agreements. Additionally, under the terms of the QSR Transactions, NMIC may elect to selectively terminate its engagement with individual reinsurers on a run-off basis (i.e., reinsurers continue providing coverage on all risk ceded prior to the termination date, with no new cessions going forward) or cut-off basis (i.e., the reinsurance arrangement is completely terminated with NMIC recapturing all previously ceded risk) under certain circumstances. Such selective termination rights arise when, among other reasons, a reinsurer experiences a deterioration in its capital position below a prescribed threshold and/or a reinsurer breaches (and fails to cure) its collateral posting obligations under the relevant agreement.

Effective April 1, 2019, NMIC elected to terminate its engagement with one reinsurer under the 2016 QSR Transaction on a cut-off basis. In connection with the termination, NMIC recaptured approximately \$500 million of previously ceded primary RIF and stopped ceding new premiums earned or written with respect to the recaptured risk. With the

## Notes to Financial Statement

termination, ceded premiums written under the 2016 QSR Transaction decreased from 25% to 20.5% on eligible policies. The termination has no effect on the cession of pool risk under the 2016 QSR Transaction.

The Company cedes premiums and claims to National Mortgage Reinsurance Inc One ("Re One") on an excess share basis for any primary or pool policy that provides coverage greater than 25% of any insured loan amount. The reinsurance provided by Re One is solely to comply with statutory risk limits that were in effect until January 10, 2019. The reinsurance agreement relating to primary mortgage insurance policies was amended effective September 1, 2016, to reduce the risk ceded by NMIC to Re One, due to the inception of the 2016 QSR Transaction. The amendment was non-disapproved by the OCI in a letter dated September 19, 2016. The agreement was amended for a second time on May 2017 to reflect the impact of the 2017 ILN Transaction. OCI non-disapproved the second amendment in a letter dated June 19, 2017.

On March 25, 2019, the Company amended the terms of its intercompany reinsurance agreement with Re One for a third time. The amendment in the agreement sets forth formulae to determine reinsurance coverage amounts and reinsurance premiums applicable to certificates issued by NMIC on or after January 1, 2019. Under the formulae, NMIC cedes to Re One, on an excess share basis, the portion of risk on each certificate that exceeds 33.3% of the original loan amount. If the coverage percentage on each certificate is less than 33.3%, no risk will be ceded to Re One. Reinsurance premiums are equal to the portion of risk ceded to Re One divided by the coverage percentage specified on the applicable certificate. The amendment was non-disapproved by the Wisconsin OCI on April 22, 2019.

A. Unsecured Reinsurance Recoverables

No significant change from year end 2020. Not applicable.

B. Reinsurance Recoverables in Dispute

No significant change from year end 2020. Not applicable.

C. Reinsurance Assumed and Ceded

(1) The maximum amount of return commission that would have been due reinsurers if they or the Company had cancelled the reinsurance agreement as of September 30, 2021, with the return of unearned premium reserves is as follows:

As of September 30, 2021	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$—	\$—	\$97,460	\$19,492	\$(97,460)	\$(19,492)
b. All Other	—	—	2,969,186	593,837	(2,969,186)	(593,837)
c. Total	\$—	\$—	\$3,066,646	\$613,329	\$(3,066,646)	\$(613,329)
d. Direct Unearned Premium Reserve				\$139,623,595		

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

No significant change from year end 2020. Not applicable.

(3) Protected Cells

No significant change from year end 2020. Not applicable.

D. Uncollectible Reinsurance

No significant change from year end 2020. Not applicable.

E. Commutation of Ceded Reinsurance

No significant change from year end 2020.

For discussion of the Termination of the Re One and NMIC Reinsurance Agreement, see *Footnote 22 - Subsequent Events*

F. Retroactive Reinsurance

No significant change from year end 2020. Not applicable.

## Notes to Financial Statement

G. Reinsurance Accounted for as a Deposit

No significant change from year end 2020. Not applicable.

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

No significant change from year end 2020. Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting entity ceding to certified reinsurer whose rating was downgraded or status subject to revocation

No significant change from year end 2020. Not applicable.

(2) Reporting entity's certified reinsurer rating downgraded or status subject to revocation

No significant change from year end 2020. Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

(1) Significant terms of retroactive reinsurance agreement

No significant change from year end 2020. Not applicable.

(2) The amount of unexhausted limit as of the reporting date.

No significant change from year end 2020. Not applicable.

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

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

No significant change from year end 2020. Not applicable.

B. Method Used to Record Retrospective Premium Adjustments

No significant change from year end 2020. Not applicable.

C. Amount and Percent of Net Retrospective Premiums

No significant change from year end 2020. Not applicable.

D. Medical Loss Ratio Rebates

No significant change from year end 2020. Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

(1) For Ten Percent (10%) Method of Determining Nonadmitted Retrospective Premium

No significant change from year end 2020. Not applicable.

(2) For Quality Rating Method of Determining Nonadmitted Retrospective Premium

No significant change from year end 2020. Not applicable.

F. Risk-Sharing Provisions of the Affordable Care Act

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

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

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

A. Changes in Incurred Losses and Loss Adjustment Expenses

The Company's practice is to establish claim reserves only for loans in default. The Company does not consider a loan to be in default for claim reserve purposes until the payment date at which a borrower has missed the preceding two or more consecutive monthly payments. The Company also reserves for claims incurred but not yet reported. However,

## Notes to Financial Statement

and consistent with the industry, the Company does not establish claim reserves for anticipated future claims on insured loans that are not currently in default. The Company does not adjust premiums based on past claim activity.

The Company incurred claims and claim adjustment expenses (net of reinsurance) of \$83,951,851 and \$72,727,263 as of September 30, 2021 and December 31, 2020, respectively. During nine months ended September 30, 2021, the Company had a \$6,426,385 favorable prior year development for the provision for incurred claim and claim adjustment expenses attributable to insured events for prior years. Loss reserves remaining as of September 30, 2021 for defaults occurring (net of reinsurance) in prior years have been reduced to \$64,742,835, following re-estimation of unpaid claims and claim adjustment expenses, and due to cures and claim payments of \$1,558,043. The net increase in loss reserves as of the end of the period is the result of current year defaults of \$19,223,811, which represent the establishment of reserves on newly defaulted loans during the period and the increase in initial reserves held as such loans aged in default status, partially offset by claim payments of \$14,795. Original loss reserve estimates will be increased or decreased as additional information becomes known regarding individual claims and as claims are settled.

Our reserve setting process considers the beneficial impact of forbearance, foreclosure moratorium and other assistance programs available to defaulted borrowers. We generally observe that forbearance programs are an effective tool to bridge dislocated borrowers from a time of acute stress to a future date when they can resume timely payment of their mortgage obligations. The effectiveness of forbearance programs is enhanced by the availability of various repayment and loan modification options which allow borrowers to amortize or, in certain instances, outright defer payments otherwise due during the forbearance period over an extended length of time.

At September 30, 2021, we established lower reserves for a majority of the defaults that we consider to be connected to the COVID-19 outbreak given our expectation that forbearance, repayment and modification, and other assistance programs will aid affected borrowers and drive higher cure rates on such defaults than we would otherwise expect to experience on similarly situated loans that did not benefit from broad-based assistance programs. The growth in our average reserve per default far exceeded the growth in our aggregate gross reserve position in the intervening period as the impact of the increase in our average reserve per default was largely offset by the decline in our total default inventory

### B. Information about Significant Changes in Methodologies and Assumptions

No significant change from year end 2020.

## 26. Intercompany Pooling Arrangements

### A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

No significant change from year end 2020. Not applicable.

### B. Description of Lines and Types of Business Subject to the Pooling Agreement

No significant change from year end 2020. Not applicable.

### C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

No significant change from year end 2020. Not applicable.

### D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

No significant change from year end 2020. Not applicable.

### E. Explanation of Discrepancies between Entries of Pooled Business

No significant change from year end 2020. Not applicable.

### F. Description of Intercompany Sharing

No significant change from year end 2020. Not applicable.

### G. Amounts Due To / From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

No significant change from year end 2020. Not applicable.

## 27. Structured Settlements

A - B No significant change from year end 2020. Not applicable.



## Notes to Financial Statement

### 28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No significant change from year end 2020. Not applicable.

B. Risk-Sharing Receivables

No significant change from year end 2020. Not applicable.

### 29. Participating Policies

No significant change from year end 2020. Not applicable.

### 30. Premium Deficiency Reserves

No significant change from year end 2020.

### 31. High Deductibles

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

No significant change from year end 2020. Not applicable.

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which Are Greater Than 1% of Capital and Surplus. For this purpose, a group of entities under common control shall be regarded as a single customer.

No significant change from year end 2020. Not applicable.

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

A. Tabular Discount

No significant change from year end 2020. Not applicable.

B. Nontabular Discount

No significant change from year end 2020. Not applicable.

C. Changes in Rate(s) or Assumptions Used to Discount Prior Years' Liabilities

No significant change from year end 2020. Not applicable.

### 33. Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

No significant change from year end 2020. Not applicable.

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss & LAE).

No significant change from year end 2020. Not applicable.

C. State the amount of ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR).

No significant change from year end 2020. Not applicable.

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses?

No. No significant change from year end 2020. Not applicable.

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE).

No significant change from year end 2020. Not applicable.

## Notes to Financial Statement

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR).

No significant change from year end 2020. Not applicable.

### **34. Subscriber Savings Accounts**

No significant change from year end 2020. Not applicable.

### **35. Multiple Peril Crop Insurance**

No significant change from year end 2020. Not applicable.

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

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

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

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

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

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

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

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

### FINANCIAL

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

### INVESTMENT

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

# GENERAL INTERROGATORIES (Continued)

## INVESTMENT

14.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

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

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

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

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes[X] No[ ]  
 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes[X] No[ ]  
 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105108 .....	First Republic Securities Co., LLC .....	5493000IMDFZDQYB2Q11 .....	SEC .....	NO .....
108559 .....	First Republic Investment Management, Inc. ....	549300D5KLHOKMLG887 .....	SEC .....	NO .....
104973 .....	Wells Capital Management Incorporated .....	549300B3H21OO2L85190 .....	SEC .....	DS .....

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

**GENERAL INTERROGATORIES (Continued)**

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes[ ] No[X]
20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes[ ] No[X]
21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
  - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - d. The fund only or predominantly holds bonds in its portfolio.
  - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes[ ] No[X]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

## SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<b>All other insurers</b>						
00000 .....	AA-1460023 .....	RenaissanceRe Europe AG .....	CHE .....	Unauthorized .....		
00000 .....	AA-3194130 .....	Endurance Specialty Ins Ltd .....	BMU .....	Certified .....	3 .....	01/01/2020 .....
00000 .....	AA-3191458 .....	Oaktown Re VI Ltd .....	BMU .....	Unauthorized .....		

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

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	3,297,051	2,425,490		67,013	661,241	410,146
2. Alaska (AK)	L	376,239	196,348			19,170	6,547
3. Arizona (AZ)	L	12,385,801	12,353,296	43,066	198,216	1,598,389	2,643,917
4. Arkansas (AR)	L	1,982,424	1,580,279	54,719	101,336	218,535	279,500
5. California (CA)	L	44,606,298	38,122,545	157,094	792,635	11,723,566	11,533,432
6. Colorado (CO)	L	15,701,423	10,892,025		75,051	1,386,737	1,603,793
7. Connecticut (CT)	L	3,468,373	2,630,335	61,045	129,190	1,156,734	1,097,777
8. Delaware (DE)	L	1,381,331	1,028,679	57,344		522,795	419,488
9. District of Columbia (DC)	L	4,416,628	3,581,064			527,339	267,732
10. Florida (FL)	L	35,669,900	20,648,927	364,426	492,307	10,417,889	9,581,292
11. Georgia (GA)	L	14,485,081	8,900,992	393	170,672	2,889,529	2,548,275
12. Hawaii (HI)	L	1,791,333	1,437,392			1,047,280	749,255
13. Idaho (ID)	L	2,573,937	2,094,909			79,879	167,712
14. Illinois (IL)	L	14,623,778	13,704,197	85,348	183,153	7,816,717	4,896,047
15. Indiana (IN)	L	6,122,521	5,069,183	35,068	193,487	1,260,041	1,133,126
16. Iowa (IA)	L	1,813,201	1,659,692	35,859	32,266	436,855	445,533
17. Kansas (KS)	L	1,749,134	1,793,621		100,636	409,790	244,545
18. Kentucky (KY)	L	1,945,631	1,411,580		32,948	350,364	247,129
19. Louisiana (LA)	L	3,338,213	1,716,000		38,747	1,719,550	629,498
20. Maine (ME)	L	1,200,551	1,296,243	21,184		149,157	151,114
21. Maryland (MD)	L	16,600,127	10,475,759		49,252	3,668,109	2,283,129
22. Massachusetts (MA)	L	9,848,417	8,873,365		78,642	2,023,656	2,033,316
23. Michigan (MI)	L	17,455,385	14,478,506	113,485	659,066	6,255,010	4,966,135
24. Minnesota (MN)	L	7,110,981	7,141,736		242,978	1,551,512	1,244,018
25. Mississippi (MS)	L	1,313,736	981,274		58,611	370,380	193,261
26. Missouri (MO)	L	5,679,788	5,090,425	13,339	44,052	845,105	835,378
27. Montana (MT)	L	882,091	821,757			71,279	129,072
28. Nebraska (NE)	L	1,730,409	1,731,937			315,149	214,441
29. Nevada (NV)	L	10,200,701	5,464,619	135,544	127,402	2,224,210	2,720,800
30. New Hampshire (NH)	L	2,139,452	1,980,023		4,368	248,806	318,466
31. New Jersey (NJ)	L	12,244,848	10,011,567	35,753	85,892	4,919,939	3,613,918
32. New Mexico (NM)	L	1,187,828	935,892		30,011	322,900	261,308
33. New York (NY)	L	10,455,199	8,754,108			6,921,478	3,947,554
34. North Carolina (NC)	L	11,889,746	9,086,446	38,205	130,744	1,313,318	1,592,502
35. North Dakota (ND)	L	279,139	221,538			205,111	108,169
36. Ohio (OH)	L	9,912,299	10,055,182	86,081	158,593	2,290,384	2,067,045
37. Oklahoma (OK)	L	1,963,773	1,314,382	86,846	111,879	502,867	402,519
38. Oregon (OR)	L	6,875,661	5,236,043		27,001	888,835	1,025,983
39. Pennsylvania (PA)	L	13,282,256	11,427,548	108,889	34,364	3,289,071	2,280,198
40. Rhode Island (RI)	L	822,690	888,050			205,332	202,629
41. South Carolina (SC)	L	6,511,787	5,186,427	32,937		1,524,027	1,342,310
42. South Dakota (SD)	L	867,610	890,870			291,351	211,903
43. Tennessee (TN)	L	8,042,028	6,291,848		97,194	921,649	950,121
44. Texas (TX)	L	41,350,404	30,215,269	292,140	518,294	10,129,302	7,806,492
45. Utah (UT)	L	7,547,423	7,736,855	12,979	81,905	506,194	822,258
46. Vermont (VT)	L	250,940	223,660			66,225	85,922
47. Virginia (VA)	L	20,035,740	15,787,992	39,985	242,279	3,744,234	2,690,178
48. Washington (WA)	L	13,467,640	9,616,840			1,226,131	1,547,089
49. West Virginia (WV)	L	817,711	728,850		28,798	286,098	80,174
50. Wisconsin (WI)	L	5,751,858	6,695,143	18,888	104,779	902,890	935,862
51. Wyoming (WY)	L	364,568	367,455			124,889	70,053
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	X X X	419,811,083	331,254,163	1,930,617	5,523,761	102,546,998	86,038,061
<b>DETAILS OF WRITE-INS</b>							
58001write-in description 1 for line 580	X X X						
58002write-in description 2 for line 580	X X X						
58003write-in description 3 for line 580	X X X						
58998Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG

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

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

51

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

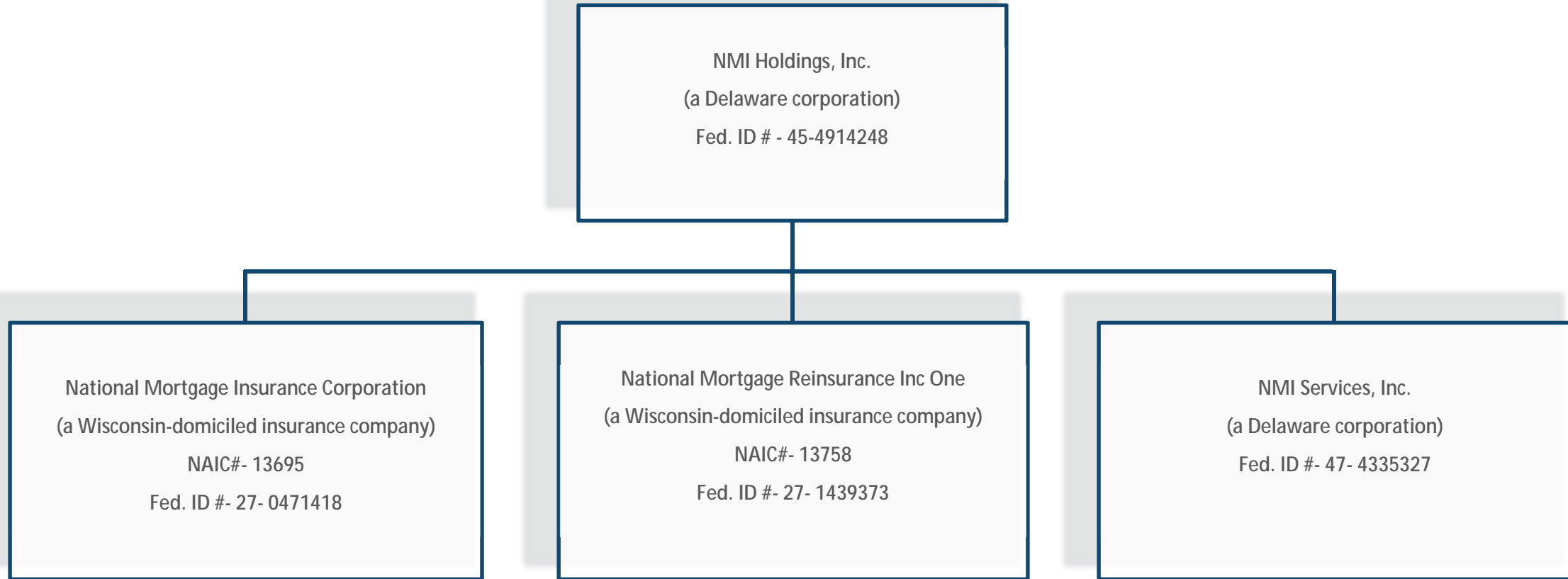
N - None of the above - Not allowed to write business in the state

6



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

Q11



# SCHEDULE Y

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

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

Asterisk	Explanation
0000001	.....

STATEMENT AS OF **September 30, 2021** OF THE **National Mortgage Insurance Corporation**  
**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	399,004,605	15,232,150	3.818	19.372
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	399,004,605	15,232,150	3.818	19.372
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty	134,635,000	419,811,083	331,254,163
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence			
18.2 Products liability - claims made			
19.1 19.2 Private passenger auto liability			
19.3 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business			
35. TOTALS	134,635,000	419,811,083	331,254,163
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

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

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2021 Loss and LAE Payments on Claims Reported as of Prior Year-End	2021 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2021 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2018 + Prior .....	1,601		1,601	369		369	1,046	(27)	27	1,046	(186)		(186)
2. 2019 .....	4,956		4,956	728		728	3,006	(92)	92	3,006	(1,222)		(1,222)
3. Subtotals 2019 + Prior .....	6,557		6,557	1,097		1,097	4,052	(119)	119	4,052	(1,408)		(1,408)
4. 2020 .....	61,193	4,978	66,171	461		461	60,691	(1,485)	1,486	60,692	(41)	(4,977)	(5,018)
5. Subtotals 2020 + Prior .....	67,750	4,978	72,728	1,558		1,558	64,743	(1,604)	1,605	64,744	(1,449)	(4,977)	(6,426)
6. 2021 .....	X X X	X X X	X X X	X X X	15	15	X X X	13,964	5,244	19,208	X X X	X X X	X X X
7. Totals .....	67,750	4,978	72,728	1,558	15	1,573	64,743	12,360	6,849	83,952	(1,449)	(4,977)	(6,426)
8. Prior Year-End Surplus As Regards Policyholders .....											Col. 11, Line 7 As % of Col. 1 Line 7 1..... (2.139)	Col. 12, Line 7 As % of Col. 2 Line 7 2..... (99.980)	Col. 13, Line 7 As % of Col. 3 Line 7 3..... (8.836)
													Col. 13, Line 7 Line 8 4.....

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**RESPONSES**

No  
No  
No  
No

Explanations:

Bar Codes:

Trusteed Surplus Statement



13695202149000003

2021

Document Code: 490

Supplement A to Schedule T



13695202145500003

2021

Document Code: 455

Medicare Part D Coverage Supplement



13695202136500003

2021

Document Code: 365

Director and Officer Supplement



13695202150500003

2021

Document Code: 505



STATEMENT AS OF **September 30, 2021** OF THE **National Mortgage Insurance Corporation**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

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

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

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

**NONE**

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,690,555,526	1,027,759,744
2. Cost of bonds and stocks acquired .....	375,100,904	1,038,594,913
3. Accrual of discount .....	443,771	627,531
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	4,815	725,228
6. Deduct consideration for bonds and stocks disposed of .....	91,341,439	373,644,859
7. Deduct amortization of premium .....	4,855,250	3,860,784
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....		353,753
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....	1,969,908,327	1,690,555,526
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	1,969,908,327	1,690,555,526

## SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	1,545,821,428	91,872,480	32,642,236	9,600,577	1,405,815,211	1,545,821,428	1,614,652,249	1,346,904,625
2. NAIC 2 (a) .....	356,190,869	14,390,924	4,199,695	(11,125,513)	368,970,055	356,190,869	355,256,585	343,650,911
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	1,902,012,297	106,263,404	36,841,931	(1,524,936)	1,774,785,266	1,902,012,297	1,969,908,834	1,690,555,536
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	1,902,012,297	106,263,404	36,841,931	(1,524,936)	1,774,785,266	1,902,012,297	1,969,908,834	1,690,555,536

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....506; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

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

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	506	X X X	506		

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of short-term investments acquired .....	506	
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....		
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) .....	506	
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	506	

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

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

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

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

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

**SCHEDULE E - PART 2 - VERIFICATION**

(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	56,155,636	32,235,748
2.	Cost of cash equivalents acquired .....	306,958,838	997,061,359
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	346,002,107	973,141,471
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) .....	17,112,367	56,155,636
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	17,112,367	56,155,636

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

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

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

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

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

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

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol
<b>Bonds - U.S. Special Revenue, Special Assessment</b>									
76913DGA9	RIVERSIDE CNTY CALIF INFRASTRU		09/29/2021	WELLS FARGO	X X X	1,445,000	1,445,000		1.D FE
76913DGB7	RIVERSIDE CNTY CALIF INFRASTRU		09/29/2021	WELLS FARGO	X X X	3,950,000	3,950,000		1.D FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	5,395,000	5,395,000		X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
053484AB7	AVALONBAY CMNTYS INC SR GLBL NT 3		09/08/2021	CHASE SECURITIES	X X X	5,992,860	6,000,000		1.G FE
09261BAC4	BLACKSTONE HLDGS FIN L L C SR 144A		08/26/2021	VARIOUS	X X X	8,937,850	9,000,000	4,514	1.E FE
05565EBX2	BMW US CAP LLC EXTND IAM FLTG 144A		08/09/2021	GOLDMAN SACHS & COMPANY	X X X	9,980,100	10,000,000		1.F FE
20030NDA6	COMCAST CORP NEW		08/26/2021	HSBC SECURITIES INC	X X X	4,197,560	4,000,000	8,539	1.G FE
254687FX9	DISNEY WALT CO SR GLBL NT 31		08/26/2021	CITIGROUP	X X X	4,231,280	4,000,000	13,839	2.A FE
294429AT2	EQUIFAX INC		08/11/2021	BANK OF AMERICA SEC LLC	X X X	6,981,170	7,000,000		2.B FE
26884ABN2	ERP OPER LTD PARTNERSHIP		08/03/2021	CITIGROUP	X X X	6,467,110	6,500,000		1.G FE
437076CH3	HOME DEPOT INC SR GLBL NT1.5%28		09/07/2021	BANK OF AMERICA SEC LLC	X X X	14,939,700	15,000,000		1.F FE
458140BU3	INTEL CORP		08/10/2021	GOLDMAN SACHS & COMPANY	X X X	5,997,840	6,000,000		1.E FE
64952WEG4	NEW YORK LIFE GLOBAL FDG		08/02/2021	BANK OF AMERICA SEC LLC	X X X	9,996,400	10,000,000		1.A FE
86562MCG3	SUMITOMO MITSUI FIN GRP INC GLBL N	C	09/23/2021	VARIOUS	X X X	9,987,000	10,000,000	2,642	1.G FE
882508BL7	TEXAS INSTRS INC SR GLBL NT1.9%31		09/07/2021	CHASE SECURITIES	X X X	5,985,300	6,000,000		1.E FE
883556CK6	THERMO FISHER SCIENTIFIC INC SR GL		08/09/2021	MORGAN STANLEY & CO	X X X	3,178,474	3,180,000		2.A FE
931142ES8	WALMART INC SR GLBL NT1.5%28		09/08/2021	CITIGROUP	X X X	3,995,760	4,000,000		1.C FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	100,868,404	100,680,000	29,534	X X X
8399997 Subtotal - Bonds - Part 3					X X X	106,263,404	106,075,000	29,534	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	106,263,404	106,075,000	29,534	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8999999 Subtotal - Preferred Stocks					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799999 Subtotal - Common Stocks					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	106,263,404	X X X	29,534	X X X

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**SCHEDULE D - PART 4**

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

1 CUSIP Identification	2 Description	3 F o r e i g n 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	22 NAIC Designation, NAIC Designation Modifier and SVO Admini- strative Symbol	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
<b>Bonds - U.S. States, Territories and Possessions</b>																					
20772KES4	CONNECTICUT ST	09/15/2021	MATURITY	XXX	3,000,000	3,000,000	3,057,780	3,013,957		(13,957)		(13,957)		3,000,000				120,000	09/15/2021	1.D FE	
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions																					
<b>Bonds - U.S. Special Revenue, Special Assessment</b>																					
01026CAC5	ALABAMA ECONOMIC SETTLEMENT AU	09/15/2021	Sink PMT @ 100.0000000	XXX	495,000	495,000	495,000	495,000						495,000				15,657	09/15/2025	1.G FE	
24917DAF0	DENVER COLO CITY & CNTY DEDICA	08/01/2021	MATURITY	XXX	1,275,000	1,275,000	1,275,000	1,275,000						1,275,000				30,192	08/01/2021	1.D FE	
57563RNY1	MASSACHUSETTS EDL FING AUTH ED	07/01/2021	MATURITY	XXX	1,000,000	1,000,000	1,075,000	1,009,534		(9,534)		(9,534)		1,000,000				40,000	07/01/2021	1.C FE	
57563RPG8	MASSACHUSETTS EDL FING AUTH ED	07/01/2021	MATURITY	XXX	1,500,000	1,500,000	1,500,000	1,500,000						1,500,000				52,170	07/01/2021	1.A FE	
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment																					
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
05493CAB2	BCC FDG XVII 2020-1 LLC 144A	09/20/2021	PRINCIPAL RECEIPT	XXX	166,662	166,662	166,644	166,646		17		17		166,662				1,133	08/20/2025	1.A FE	
12510HAD2	CAPITAL AUTO 20-1A AA 144A	09/15/2021	PRINCIPAL RECEIPT	XXX	1,697	1,697	1,697	1,697						36				36	02/15/2050	1.E FE	
14576AAA0	CARS MTI-1 144A 2020 LP	09/15/2021	PRINCIPAL RECEIPT	XXX	7,875	7,875	7,872	7,872		3		3		7,875				106	12/15/2050	1.A FE	
14913Q2P3	CATERPILLAR FINL SVCS MTNS BE	09/07/2021	MATURITY	XXX	2,000,000	2,000,000	2,000,000	2,000,000						2,000,000				6,957	09/07/2021	1.F FE	
20268MAA4	CBSLT 18BGS A1 144A	09/25/2021	PRINCIPAL RECEIPT	XXX	110,624	110,624	110,618	110,613		10		10		110,624				2,546	09/25/2045	1.A FE	
12530MAA3	CF HIPPOLYTA ISSUER 2020 144A	09/15/2021	PRINCIPAL RECEIPT	XXX	72,404	72,404	72,585	72,587		(182)		(182)		72,404				765	07/15/2060	1.D FE	
22822RBB5	CROWN CASTLE TOWERS 2015-1-2 144 A	07/15/2021	WELLS FARGO	XXX	1,200,000	1,200,000	1,183,992	1,196,360		1,409		1,409		1,197,769		2,231	2,231	22,554	05/15/2042	1.F FE	
24422EUJ6	DEERE JOHN CAP CORP MTNS BE	09/10/2021	MATURITY	XXX	2,000,000	2,000,000	2,000,000	2,000,000						2,000,000				6,695	09/10/2021	1.F FE	
36257AAG6	GM FINANCIAL AUTOMOBILE LEASING TR	09/20/2021	WELLS FARGO	XXX	2,390,000	2,390,000	2,389,571	2,389,846		131		131		2,389,977		23	23	55,926	03/20/2023	1.D FE	
38218GAA0	GOODGREEN 2018- 144A	09/15/2021	PRINCIPAL RECEIPT	XXX	112,325	112,325	112,313	112,312		13		13		112,325				2,214	10/15/2053	1.A FE	
46620VAA2	HENDR 172 A	09/15/2021	PRINCIPAL RECEIPT	XXX	37,896	37,896	37,879	37,881		15		15		37,896				889	09/15/2060	1.A FE	
42771LAB8	HERO FDG 2017-2 144A	09/20/2021	PRINCIPAL RECEIPT	XXX	52,758	52,758	52,751	52,749		10		10		52,758				1,674	09/20/2048	1.A FE	
46616MAA8	JG WENTWORTH REC 144A 2010-3	09/15/2021	PRINCIPAL RECEIPT	XXX	24,560	24,560	25,728	25,662		(1,103)		(1,103)		24,560				613	12/15/2048	1.A FE	
46617FAA2	JGWPT XXVIII LLC 144A 2013-1	09/15/2021	PRINCIPAL RECEIPT	XXX	10,173	10,173	10,656	10,604		(431)		(431)		10,173				220	04/15/2067	1.A FE	
543190AA0	LONGTRAIN LEASING III 2015-3 144A	09/15/2021	PRINCIPAL RECEIPT	XXX	10,349	10,349	10,284	10,318		31		31		10,349				209	01/15/2045	1.F FE	
61744YAJ7	MORGAN STANLEY	07/22/2021	CALLED @ 100.0000000	XXX	6,000,000	6,000,000	6,051,100	6,004,999		(4,999)		(4,999)		6,000,000				51,746	07/22/2022	1.G FE	
61946FAA3	MOSAIC SOLAR LNS- 144A	09/20/2021	PRINCIPAL RECEIPT	XXX	122,226	122,226	122,220	122,221		5		5		122,226				3,241	06/22/2043	1.F FE	
63940QAC7	NAVIENT PRIV ED LN TR 2018-B 144A	09/15/2021	PRINCIPAL RECEIPT	XXX	167,667	167,667	167,667	167,667						167,667				938	12/15/2059	1.A FE	
67190AAA4	OAK ST INV GD NT 144A LS FD 2021-1	09/20/2021	PRINCIPAL RECEIPT	XXX	7,514	7,514	7,512	7,512		1		1		7,514				63	01/20/2051	1.A FE	
67190AAB2	OAK ST INV GD NT 144A LS FD 2021-1	09/20/2021	PRINCIPAL RECEIPT	XXX	11,760	11,760	11,759	11,759		2		2		11,760				128	01/20/2051	1.A FE	
743315AN3	PROGRESSIVE CORP OHIO	08/23/2021	MATURITY	XXX	3,868,000	3,868,000	4,117,911	3,897,975		(29,975)		(29,975)		3,868,000				145,050	08/23/2021	1.F FE	
74368CAE4	PROTECTIVE LIFE GLOBL FUND 144A	09/14/2021	MATURITY	XXX	2,000,000	2,000,000	1,918,620	1,982,330		17,670		17,670		2,000,000				39,980	09/14/2021	1.D FE	
92887MAB2	VOLVO FINL EQUIP LLC 2018-A 202307	07/15/2021	PRINCIPAL RECEIPT	XXX	5,000,000	5,000,000	5,000,000	5,000,000						5,000,000				18,635	07/15/2021	1.A FE	
931427AF5	WALGREENS BOOTS ALLIANCE INC	09/18/2021	CALLED @ 100.0000000	XXX	4,200,000	4,200,000	4,188,534	4,198,412		1,282		1,282		4,199,695		305	305	115,500	11/18/2021	2.B FE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)																					
8399997 Subtotal - Bonds - Part 4																					
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)																					
8399999 Subtotal - Bonds																					
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)																					
8999999 Subtotal - Preferred Stocks																					
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)																					
9799999 Subtotal - Common Stocks																					
9899999 Subtotal - Preferred and Common Stocks																					
9999999 Total - Bonds, Preferred and Common Stocks																					

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

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

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

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

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

**E10 Schedule DB Part E ..... NONE**

**E11 Schedule DL - Part 1 - Securities Lending Collateral Assets ..... NONE**

**E12 Schedule DL - Part 2 - Securities Lending Collateral Assets ..... NONE**

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

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
First Republic Bank .....	San Francisco, CA .....					283,232	491,053	601,235	X X X
Wells Fargo Bank .....	San Francisco, CA .....					158,039	988,621	1,413,396	X X X
First Republic Bank .....	San Francisco, CA .....		931			29,177,826	21,370,353	61,376,922	X X X
Wells Fargo Bank .....	San Francisco, CA .....					47,740	64,308	121,125	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....		X X X	X X X						X X X
0199999 Totals - Open Depositories .....		X X X	X X X	931		29,666,837	22,914,335	63,512,678	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....		X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....		X X X	X X X						X X X
0399999 Total Cash On Deposit .....		X X X	X X X	931		29,666,837	22,914,335	63,512,678	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....		X X X	X X X	931		29,666,837	22,914,335	63,512,678	X X X



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Exempt Money Market Mutual Funds - as Identified by SVO</b>								
. 09248U551	BLACKROCK LIQUIDITY FDS .....		09/30/2021 .....	0.000 .....	X X X .....	3,572,274 .....		505 .....
. 31846V419	FIRST AMERN FDS INC .....		07/01/2021 .....	0.000 .....	X X X .....			
. 94975H296	WELLS FARGO FDS TR .....	SD	09/30/2021 .....	0.000 .....	X X X .....	25,053 .....		2 .....
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO .....					3,597,327 .....		507 .....
<b>All Other Money Market Mutual Funds</b>								
. 177366200	CITIZENSSELECT FDS .....		02/01/2021 .....	0.000 .....	X X X .....			7,563 .....
. 269999280	EAGLE BANK SWEEP TIER 1 FRB .....		09/01/2021 .....	0.000 .....	X X X .....	101,189 .....		10,322 .....
8AMMF0416	US BANK MONEY MARKET (MMDA) IT&C .....		04/01/2021 .....	0.000 .....	X X X .....	5,332 .....		
. VP4520012	WELLS FARGO 100% TREASURY MONEY MA .....		09/30/2021 .....	0.000 .....	X X X .....	13,408,519 .....	1 .....	6,859 .....
8699999	Subtotal - All Other Money Market Mutual Funds .....					13,515,040 .....	1 .....	24,744 .....
9999999	Total Cash Equivalents .....					17,112,367 .....	1 .....	25,251 .....