



# QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2020 OF THE CONDITION AND AFFAIRS OF THE National Mortgage Insurance Corporation

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

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

Country of Domicile United States of America

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

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

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

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

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

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

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

Internet Website Address www.nationalmi.com

Statutory Statement Contact Byron Tan (510)858-0565  
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## 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 Kellie Ramsower, SVP, Underwriting & Risk Operations Norm Krumpschmid, SVP, Field Sales # Christina Bartning, SVP, Marketing, Communications & Digital Strategy #	Norman P Fitzgerald, SVP, Chief Sales Officer Julie Norberg, SVP, Controller Mohammad Yousaf, SVP, Chief Business Transformation Officer #
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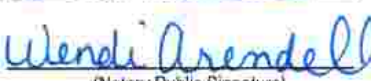
## DIRECTORS OR TRUSTEES

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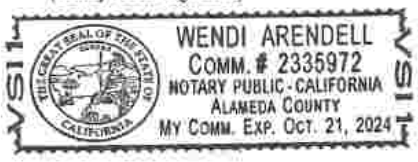
State of California  
County of Alameda ss

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

 _____ (Signature) Claudia 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 2020  
  
(Notary Public Signature)

a. Is this an original filing? Yes[X] No[ ]  
b. If 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 .....	1,556,621,102		1,556,621,102	1,027,759,740
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 (\$.....46,292,842), cash equivalents (\$.....111,264,546) and short-term investments (\$.....0) .....	157,557,389		157,557,389	42,467,490
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,714,178,491		1,714,178,491	1,070,227,230
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	9,306,184		9,306,184	6,440,167
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	48,159,346	26,914	48,132,432	46,076,257
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 .....	74,627,670	8,083,953	66,543,717	55,143,133
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,846,271,691	8,110,867	1,838,160,824	1,177,886,787
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	1,846,271,691	8,110,867	1,838,160,824	1,177,886,787
<b>DETAILS OF WRITE-INS</b>				
1101. Prepaid Expenses .....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....60,871,144) .....	68,621,388	18,321,520
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	1,188,969	355,600
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	493,791	47,786
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	623,168	1,603,592
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 \$.....8,123,410 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) .....	107,884,177	120,978,386
10. Advance premium .....	153	83
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	18,220,217	7,118,059
13. Funds held by company under reinsurance treaties .....	10,364,020	14,199,836
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 .....	66,638,938	61,222,691
20. Derivatives .....		
21. Payable for securities .....	6,495,000	5,600,000
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 .....	702,636,564	527,099,040
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) .....	983,166,385	756,546,593
27. Protected cell liabilities .....		
28. TOTAL liabilities (Lines 26 and 27) .....	983,166,385	756,546,593
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	564,573,352
35. Unassigned funds (surplus) .....	(157,556,960)	(145,763,158)
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) .....	854,994,439	421,340,194
38. TOTALS (Page 2, Line 28, Col. 3) .....	1,838,160,824	1,177,886,787
<b>DETAILS OF WRITE-INS</b>		
2501. Statutory Contingency Reserve .....	699,525,049	523,992,403
2502. Deferred Ceding Commission .....	1,958,531	2,628,988
2503. Premium Refund Reserve .....	1,152,984	477,649
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	702,636,564	527,099,040
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 \$.....331,254,163)	351,888,655	288,164,841	398,302,673
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....77,427,382)	84,967,665	76,651,099	104,860,418
1.4 Net (written \$.....253,826,781)	266,920,990	211,513,742	293,442,255
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$.....61,022,325)			
2.1 Direct	68,166,718	10,438,646	15,661,509
2.2 Assumed			
2.3 Ceded	13,533,946	2,442,082	3,591,356
2.4 Net	54,632,772	7,996,564	12,070,153
3. Loss adjustment expenses incurred	928,964	188,324	348,881
4. Other underwriting expenses incurred	63,505,930	49,863,089	76,114,302
5. Aggregate write-ins for underwriting deductions	175,532,646	143,661,493	198,593,527
6. TOTAL underwriting deductions (Lines 2 through 5)	294,600,312	201,709,470	287,126,863
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(27,679,322)	9,804,272	6,315,392
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	6,149,607	12,264,864	16,816,006
10. Net realized capital gains (losses) less capital gains tax of \$.....10,193	766,313	(286,604)	(78,058)
11. Net investment gain (loss) (Lines 9 + 10)	6,915,920	11,978,261	16,737,948
<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)	(20,763,402)	21,782,533	23,053,340
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)	(20,763,402)	21,782,533	23,053,340
19. Federal and foreign income taxes incurred	2,173,288	8,708,638	8,440,267
20. Net income (Line 18 minus Line 19) (to Line 22)	(22,936,690)	13,073,895	14,613,073
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	421,340,194	403,141,036	403,141,036
22. Net income (from Line 20)	(22,936,690)	13,073,895	14,613,073
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0		829,352	829,352
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	5,696,106	2,667,108	2,337,170
27. Change in nonadmitted assets	5,446,782	(570,730)	419,562
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		
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)	433,654,245	15,999,625	18,199,158
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	854,994,439	419,140,661	421,340,194
<b>DETAILS OF WRITE-INS</b>			
0501. Statutory Contingency Reserve	175,532,646	143,661,493	198,593,527
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)	175,532,646	143,661,493	198,593,527
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 .....	262,872,836	202,526,321	278,649,215
2. Net investment income .....	5,127,923	11,784,498	16,626,726
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	268,000,759	214,310,819	295,275,941
5. Benefit and loss related payments .....	4,332,904	1,757,506	3,351,914
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	50,509,123	33,972,681	54,759,272
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	2,183,481	8,668,477	8,455,434
10. TOTAL (Lines 5 through 9) .....	57,025,508	44,398,664	66,566,620
11. Net cash from operations (Line 4 minus Line 10) .....	210,975,251	169,912,156	228,709,320
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	324,653,086	59,944,792	83,851,301
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	9,999,111	5,600,000
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	325,548,086	69,943,903	89,451,301
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	854,582,271	204,417,584	301,172,770
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	854,582,271	204,417,584	301,172,770
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) .....	(529,034,185)	(134,473,681)	(211,721,469)
<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		
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) .....	(12,299,214)	(11,565,228)	(13,067,540)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	433,148,833	(11,565,228)	(13,067,540)
<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) .....	115,089,899	23,873,247	3,920,311
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	42,467,490	38,547,178	38,547,178
19.2 End of period (Line 18 plus Line 19.1) .....	157,557,389	62,420,425	42,467,490

**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, 2020	Year ended December 31, 2019
Net Income/(Loss)					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (22,936,690)	\$ 14,613,073
(2) State Prescribed Practices that increase/(decrease) from NAIC SAP:					
Change in contingency reserves	00	4	5	(175,532,646)	(198,593,527)
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 152,595,956</u>	<u>\$ 213,206,600</u>
 SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 854,994,439	\$ 421,340,194
(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>\$ 854,994,439</u>	<u>\$ 421,340,194</u>

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

No significant change from year end 2019.

### C. Accounting Policy

The Company uses the following accounting policies:

- (1) No significant change from year end 2019.
- (2) Bonds are stated at amortized cost using the effective interest method.
- (3) - (5) No significant change from year end 2019.
- (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 2019.

### 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 2019.

# Notes to Financial Statement

## 3. Business Combinations and Goodwill

### A. Statutory Purchase Method

No significant change from year end 2019. Not Applicable.

### B. Statutory Merger

No significant change from year end 2019. Not Applicable.

### C. Impairment Loss

No significant change from year end 2019. Not Applicable.

## 4. Discontinued Operations

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

No significant change from year end 2019. Not Applicable.

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

No significant change from year end 2019. Not Applicable.

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

No significant change from year end 2019. Not Applicable.

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

No significant change from year end 2019. Not Applicable.

## 5. Investments

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

No significant change from year end 2019. Not Applicable.

### B. Debt Restructuring

No significant change from year end 2019. Not Applicable.

### C. Reverse Mortgages

No significant change from year end 2019. 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, 2020.

(3) The Company has not recognized any other-than-temporary impairments for the nine months ended September 30, 2020.

(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	\$	158,595
2. 12 Months or Longer	\$	27,846

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

1. Less than 12 Months	\$	12,163,921
2. 12 Months or Longer	\$	2,757,665

(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,

## Notes to Financial Statement

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, 2020. As of September 30, 2020, 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	\$ 5,554,522	\$ —	\$ —	\$ —	\$ 5,554,522	\$ 2,661,738	\$ 2,892,784
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	5,275,568	—	—	—	5,275,568	5,259,263	16,305
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>\$ 10,830,090</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 10,830,090</b>	<b>\$ 7,921,001</b>	<b>\$ 2,909,089</b>

(a) Subset of Column 1

(b) Subset of Column 3

## Notes to Financial Statement

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ 5,554,522	0.30 %	0.30 %
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	—	5,275,568	0.29 %	0.29 %
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>10,830,090</b>	<b>0.59 %</b>	<b>0.59 %</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.

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.

## Notes to Financial Statement

## 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

	General Account	Protected Cell
(1) Number of CUSIPs	7	—
(2) Aggregate amount of Investment Income	\$27,888	—

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

A - B. No significant change from year end 2019. 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 2019.

B. The total amount excluded:

No significant change from year end 2019. The Company did not exclude any investment income for the nine months ended September 30, 2020.

**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 2019.

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

A. Nature of Relationships

No significant change from year end 2019.

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

In June 2020, the Company received a capital contribution of \$445,448,047 in cash from its parent company, NMI Holdings, Inc. The Company recorded the contribution as paid-in and contributed surplus.

C. Change in Terms of Intercompany Arrangements

No significant change from year end 2019.

D. Amounts Due to or from Related Parties

As of September 30, 2020 and December 31, 2019, the Company reported the following amounts due to and due from related parties:

	September 30, 2020	December 31, 2019
Due to NMI Holdings Inc.	66,425,998	61,092,236
Due to NMI Services, Inc.	212,940	130,455
Amounts Due to Related Parties	<u>66,638,938</u>	<u>61,222,691</u>

E. Guarantees or Undertaking for Related Parties

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

On May 24, 2018, NMI Holdings, Inc. (“NMIH”) received approval from the State of Wisconsin to allocate the interest expense on its credit agreement (“2018 Credit Agreement”), which provided for a \$150 million five-year senior secured term loan facility (“2018 Term Loan”) and a \$85 million three-year secured revolving credit facility (“2018 Revolving Credit Facility”). On March 20, 2020, NMIH amended the 2018 Revolving Credit Facility, increasing the borrowing capacity under the facility to \$100 million, extending its maturity to May 24, 2021 to February 22, 2023, and reducing the interest cost related to both undrawn commitments and drawn borrowings under the facility (as amended, the “2020 Revolving Credit Facility”). On April 28, 2020, NMIH received updated approval from the State of Wisconsin to allocate the interest expense on the 2018 Credit Agreement (as amended on March 20, 2020) to the Company, consistent with the benefits the Company received from the loan proceeds.

On June 29, 2020, NMIH completed an offering of \$400 million senior secured notes (“2020 Notes”) that mature on June 1, 2025. A portion of the proceeds from the Notes offering were used to repay the outstanding amount due under the 2018 Term loan and to pay underwriting fees incurred in connection with the offering. NMIH contributed \$245,448,047 of the proceeds from the 2020 Notes to the Company. The Company recorded the contribution as paid-in and contributed surplus. Under its terms, the State of Wisconsin approval described in the preceding paragraph applies to the 2020 Notes.

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

No significant change from year end 2019.

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

No significant change from year end 2019. 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 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

### K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

### M. All SCA investments

No significant change from year end 2019. Not applicable.

### N. Investment in Insurance SCAs

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

## 11. Debt

A. The Company has no debt obligations as of September 30, 2020.

B. FHLB (Federal Home Loan Bank) Agreements

The Company has no funding agreements with the FHLB.

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

A. Defined Benefit Plan

The Company has no defined benefit plans.

B. Investment Policies

No significant change from year end 2019. Not applicable.

C. Fair Value of Each Class of Plan Assets

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2019. Not applicable.

### E. Defined contribution plans

No significant change from year end 2019. Not applicable.

### F. Multiemployer Plans

No significant change from year end 2019. Not applicable.

### G. Consolidated/Holding Company Plans

No significant change from year end 2019. Not applicable.

### H. Postemployment benefits and Compensated Absences

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

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

No significant change from year end 2019.

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

No significant change from year end 2019.

### (3) Dividend Restrictions

As an *approved insurer* under PMIERS, NMIC would be subject to additional restrictions on its ability to pay dividends to NMIH if it failed to meet the financial requirements prescribed by PMIERS. *Approved insurers* that fail to meet the PMIERS financial requirements are not permitted to pay dividends without prior approval from the GSEs. Through March 31, 2021, even if an *approved insurer* has an available assets surplus, *approved insurers* must obtain Fannie Mae's prior written approval before taking any of the following actions: a) pay dividends, make payments of principal or increase payments of interest beyond those commitments made prior to the guidance effective date associated with surplus notes issued by the *approved insurer*, make any other payments, unless related to expenses incurred in the normal course of business or to commitments made prior to the guidance effective date, or pledge or transfer asset(s) to any affiliate or investor, or b) enter into any new arrangements or alter any existing arrangements under tax sharing and intercompany expense-sharing agreements other than renewals and extensions of agreements in effect prior to the guidance effective date.

### (4) Dates and Amounts of Dividends Paid

No significant change from year end 2019. The Company did not declare or pay any dividends during the nine months ended September 30, 2020. The Company has never paid any dividends to NMI Holdings Inc.

### (5) Amount of Ordinary Dividends That May Be Paid

No significant change from year end 2019.

### (6) Restrictions of Unassigned Funds

No significant change from year end 2019. Not applicable.

### (7) Mutual Surplus Advance

No significant change from year end 2019. Not applicable.

### (8) Company Stock held for Special Purposes

No significant change from year end 2019. Not applicable.

### (9) Changes in Special Surplus Funds

No significant change from year end 2019. Not applicable.

### (10) Changes in Unassigned Funds

No significant change from year end 2019.

### (11) Surplus Notes

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019.

### 14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

No significant change from year end 2019. Not applicable.

B. Assessments

No significant change from year end 2019. Not applicable.

C. Gain Contingencies

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

E. Product Warranties

No significant change from year end 2019. Not applicable.

F. Joint and Several Liabilities

No significant change from year end 2019. Not applicable.

G. All Other Contingencies

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

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

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

The company established contingency reserves in the amount of \$699,525,049 and \$523,992,403 as of September 30, 2020 and December 31, 2019, respectively. The contingency reserve calculation is based on 50% of gross premiums earned for the nine months ended September 30, 2020 and year ended December 31, 2019. The Company did not have contingency reserve withdrawals for the nine months ended September 30, 2020 and year ended December 31, 2019.

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, 2020 and December 31, 2019, the Company had net admitted assets of \$48,132,432 and \$46,076,257, 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 is 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 2019.

B. Lessor Leases

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2019. 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 2019. 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 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. 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.

## Notes to Financial Statement

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	\$ 1,620,616,494	\$ 1,556,621,102	\$ 36,646,999	\$ 1,583,969,495	\$ —	\$ —	\$ —
Preferred stocks	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—
Cash, cash equivalents and short term investments	157,557,389	157,557,389	157,557,389	—	—	—	—
<b>Total assets</b>	<b>\$ 1,778,173,883</b>	<b>\$ 1,714,178,491</b>	<b>\$ 194,204,388</b>	<b>\$ 1,583,969,495</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, 2020.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of September 30, 2020.

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

- Level 1 - Fair value measurements based on quoted prices in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments.
- Level 2 - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 - Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, 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

On January 30, 2020, the World Health Organization (WHO) declared the outbreak of a novel coronavirus strain (COVID-19) a global health emergency and 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 has severely curtailed day-to-day activity and local, state and federal regulators have imposed a broad set of restrictions on personal and business conduct nationwide. The COVID-19 pandemic, along with the widespread public and regulatory response, has caused a dramatic slowdown in U.S. and global economic activity and a record number of Americans have been furloughed or laid-off.

The global dislocation caused by COVID-19 is unprecedented and, while there is broad hope for a medical advance that relieves the crisis and provides for a near-term return to normalized activity, it is not known how long the dislocation will persist. In response to the COVID-19 outbreak and continuing uncertainties, we activated our business continuity program to ensure our employees are safe and able to continue serving our customers and their borrowers without interruption. We have also sought to broadly assess the impact that the COVID-19 outbreak has had and may continue to have on the U.S economy and housing market, and the implications for the mortgage insurance market, and our business performance and financial position, including our new business production, default and claims



## Notes to Financial Statement

experience, and investment portfolio results. Given the uncertainty that remains, we cannot fully assess or estimate the ultimate impact of COVID-19.

## B. Troubled Debt Restructuring: Debtors

No significant change from year end 2019. Not applicable.

## C. Other Disclosures

No significant change from year end 2019. Not applicable.

## D. Business Interruption Insurance Recoveries

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

## F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2019. 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	4	\$752,667,854
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 2019. Not applicable.

## 22. Subsequent Events

The Company has performed subsequent events procedures through November 10, 2020.

### *Excess-of-loss reinsurance*

On October 29, 2020, NMIC entered into a reinsurance agreement with Oaktown Re V Ltd. (Oaktown Re V), a Bermuda domiciled special purpose reinsurer, that provides for up to \$242.4 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, 2020 and September 30, 2020. For the reinsurance coverage period, NMIC will retain the first layer of \$121.2 million of aggregate losses and Oaktown Re V 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 V financed the coverage by issuing mortgage insurance-linked notes in an aggregate principal amount of \$242.4 million to unaffiliated investors. The notes issued by Oaktown Re V mature on October 25, 2030; all proceeds raised were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re V 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 V as the 2020-2 ILN Transaction. Under the terms of the 2020-2 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re V for anticipated operating expenses (capped at \$250,000 per year).

### *2020 Revolving Credit Facility*

On October 30, 2020, NMIH entered into a Joinder Agreement, among the Company, NMI Services, Inc., JP Morgan Chase Bank, N.A., as administrative Agent and Citibank, N.A. (the "Joinder") to the Company's existing Credit

## Notes to Financial Statement

Agreement, increasing the aggregate principal amount of commitments under the 2020 Revolving Credit Facility from \$100 million to \$110 million. All other terms remained unchanged. As of the date hereof, no amounts are outstanding under the Revolving Credit Facility.

### 23. Reinsurance

The Company enters into third-party reinsurance transactions to actively manage its risk, ensure PMIERS, state regulatory and other applicable capital compliance and support the growth of its business. The GSEs and the Wisconsin OCI have non-disapproved all such transactions (subject to certain conditions and ongoing review, including levels of approved capital credit).

#### *Excess of loss reinsurance*

The Company has entered into excess-of-loss reinsurance agreements with Oaktown Re. Ltd., Oaktown Re. II, Ltd. and Oaktown Re. III, Ltd., and Oaktown VI Ltd. (special purpose reinsurance entities collectively referred to as the “Oaktown Re Vehicles”) effective May 2, 2017, July 25, 2018, July 30, 2019, and July 30, 2020 respectively. Each agreement provides NMIC with aggregate excess-of-loss reinsurance coverage on a defined portfolio of mortgage insurance policies written during a discrete period. 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.

The respective reinsurance coverage amounts provided by the Oaktown Re Vehicles decrease from the inception of each agreement over a ten-year period as the underlying insured mortgages are amortized or repaid, and/or the mortgage insurance coverage is canceled. 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). Effective June 25, 2020, a Lock-Out Event was deemed to have occurred for each of the 2017, 2018 and 2019 ILN Transactions 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, 2020.

<i>(\$ values in thousands)</i>	2017 ILN Transaction	2018 ILN Transaction	2019 ILN Transaction	2020-1 ILN Transaction
Ceded RIF	\$ 2,275,759	\$ 2,703,393	\$ 3,358,641	\$ 6,055,359
Current First Layer Retained Loss	121,602	123,354	123,072	169,514
Current Reinsurance Coverage	40,226	158,489	231,877	322,076
Eligible Coverage	\$ 161,828	\$ 281,843	\$ 354,949	\$ 491,590
Subordinated Coverage <sup>(1)</sup>	7.11%	10.43%	10.57%	8.00%
PMIERS Charge on Ceded RIF	5.93%	7.48%	7.79%	6.13%
Overcollateralization	\$ 26,875	\$ 79,629	\$ 93,311	\$ 120,396
Delinquency Trigger <sup>(2)</sup>	4.0%	4.0%	4.0%	6%

(1) For the 2020-1 ILN Transaction, absent a delinquency trigger, the subordinated coverage is capped at 8%

(2) For the 2020-1 ILN Transaction, the delinquency trigger is equal to seventy-five percent of subordinated coverage.

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 \$300 thousand per year to Oaktown Re Ltd. and \$250 thousand per year to Oaktown Re II, Ltd. and Oaktown Re III, Ltd. and Oaktown VI Ltd). The monthly reinsurance premiums are equal to the interest payable on ILN Notes, less investment income earned on the reinsurance trust balances. NMIC ceded aggregate premiums to the Oaktown Re Vehicles of \$6.3 million and \$13.4 million during the three and nine months ended September 30, 2020 and \$4.4 million and \$10.3 million during the three and nine months ended September 30, 2019, respectively.

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, 2020 and September 30, 2019, 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

## Notes to Financial Statement

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. We refer to NMIC's reinsurance agreements with and the insurance-linked note issuances by Oaktown Re Ltd., Oaktown Re II Ltd., Oaktown Re III Ltd. and Oaktown Re IV Ltd., individually as the 2017 ILN Transaction, 2018 ILN Transaction, 2019 ILN Transaction, and 2020-1 ILN Transaction, and collectively as the ILN Transactions.

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, 2020.

(\$ values in Thousands)	Inception Date	Covered Production	Initial Coverage at Issuance	Current Reinsurance Coverage	Initial First Layer Retained Loss	Current First Layer Retained Loss
2017 ILN Transaction	May 2, 2017	1/1/2013 - 12/31/2016	\$211,320	\$40,226	\$126,793	121,602
2018 ILN Transaction	July 25, 2018	1/1/2017 - 5/31/2018	264,545	158,489	125,312	123,354
2019 ILN Transaction	July 30, 2019	6/1/2018 - 6/30/2019	326,905	231,877	123,424	123,072
2020-1 ILN Transaction	July 20, 2020	7/1/2019 - 3/31/2020	322,076	322,076	169,514	169,514

NMIC holds optional termination rights under each ILN Transaction in the event of certain occurrences, including, among others, an optional call feature which provides NMIC the discretion to terminate the transaction at five years from inception, 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 \$5.6 million as of September 30, 2020. 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, among others.

#### Quota share reinsurance

The Company has three outstanding quota share reinsurance treaties - the 2016 QSR Transaction effective September 1, 2016, 2018 QSR Transaction effective January 1, 2018 and 2020 QSR Transaction effective April 1, 2020, which is referred 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 reinsurers has an insurer financial strength rating of A- or better by Standard and Poor's Rating Services (S&P), A.M. Best or both.

Under 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 reassuming the related risk.

Under 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 reassuming the related risk.

Under the terms of the 2020 QSR Transaction, NMIC ceded 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 re-assuming the related risk.

NMIC may terminate 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

## Notes to Financial Statement

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

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 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. 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 2019. Not applicable.

B. Reinsurance Recoverables in Dispute

No significant change from year end 2019. 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, 2020, with the return of unearned premium reserves is as follows:

As of September 30, 2020	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	\$ —	\$ —	\$ 109,571	\$ 21,914	\$ (109,571)	\$ (21,914)
b. All Other	—	—	8,013,839	1,602,768	(8,013,839)	(1,602,768)
c. Total	\$ —	\$ —	\$ 8,123,410	\$ 1,624,682	\$ (8,123,410)	\$ (1,624,682)
d. Direct Unearned Premium Reserve				<u>\$ 116,007,587</u>		

(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 2019. Not applicable.

(3) Protected Cells

No significant change from year end 2019. Not applicable.

D. Uncollectible Reinsurance

No significant change from year end 2019. Not applicable.

E. Commutation of Ceded Reinsurance

No significant change from year end 2019.

F. Retroactive Reinsurance

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

- G. Reinsurance Accounted for as a Deposit  
No significant change from year end 2019. Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements  
No significant change from year end 2019. 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 2019. Not applicable.  
(2) Reporting entity's certified reinsurer rating downgraded or status subject to revocation  
No significant change from year end 2019. Not applicable.
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation  
(1) Significant terms of retroactive reinsurance agreement  
No significant change from year end 2019. Not applicable.  
(2) The amount of unexhausted limit as of the reporting date.  
No significant change from year end 2019. 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 2019. Not applicable.
- B. Method Used to Record Retrospective Premium Adjustments  
No significant change from year end 2019. Not applicable.
- C. Amount and Percent of Net Retrospective Premiums  
No significant change from year end 2019. Not applicable.
- D. Medical Loss Ratio Rebates  
No significant change from year end 2019. 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 2019. Not applicable.  
(2) For Quality Rating Method of Determining Nonadmitted Retrospective Premium  
No significant change from year end 2019. 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 holds gross reserves in an amount equal to the estimated liability for insurance claims and claim expenses related to defaults on insured mortgage loans. A loan is considered to be in "default" as of the payment date at which a borrower has missed the preceding two or more consecutive monthly payments. The Company's practice is to establish reserves for loans that have been reported to us in default by servicers, referred to as case reserves, and additional loans that we estimate (based on actuarial review and other factors) to be in default that have not yet been reported to us by servicers, referred to as incurred but not reported (IBNR) reserves. The Company also establishes reserves for claim expenses, which represent the estimated cost of the claim administration process, including legal and other fees, as well as other general expenses of administering the claim settlement process. However, and consistent with the industry, the Company does not establish claim reserves for anticipated future claims on insured

## Notes to Financial Statement

loans that are not believed to be currently in default. The Company does not adjust premiums based on past claim activity.

The size of the reserve we establish for each defaulted loan (and by extension our aggregate reserve for claims and claim expenses) reflects our best estimate of the future claim payment to be made for each individual loan in default. Our future claims exposure is a function of the number of defaulted loans that progress to claim payment (which we refer to as frequency) and the amount to be paid to settle such claims (which we refer to as severity). Our estimates of claims frequency and severity are not formulaic, rather they are broadly synthesized based on historical observed experience for similarly situated loans and assumptions about future macroeconomic factors.

Due to the outbreak of the COVID-19 pandemic, there have been a number of governmental and GSE efforts to implement programs to assist individuals and businesses impacted by the virus. The GSEs, the primary purchasers of mortgages we insure, have adopted certain measures to assist borrowers impacted by COVID-19. On March 18, 2020, the GSEs announced suspension of foreclosures and evictions for at least 60 days. Similarly, earlier in March 2020, the GSEs announced that they would provide payment forbearance to borrowers impacted by COVID-19, allowing for mortgage payments to be suspended for up to 12 months due to hardship caused by COVID-19.

On March 27, 2020, the U.S. Congress enacted the CARES Act. The CARES Act provides financial assistance for businesses and individuals and targeted regulatory relief for financial institutions. Among many other things, the CARES Act suspended foreclosures and evictions for at least 60 days from March 18, 2020, on mortgages purchased or securitized by the GSEs, which moratorium has been extended by the GSEs through at least August 31, 2020 and may be further extended. In addition, the CARES Act enacts into law a requirement to provide payment forbearance on mortgages to borrowers experiencing hardship during the COVID-19 emergency. Forbearance under the CARES Act allows for a mortgage payment to be suspended for up to 360 days due to hardship caused by COVID-19.

The Company incurred claims and claim adjustment expenses (net of reinsurance) of \$69,810,357 and \$18,677,120 as of September 30, 2020 and December 31, 2019, respectively. During nine months ended September 30, 2020, the Company had a \$5,460,588 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, 2020 for defaults occurring (net of reinsurance) in prior years have been reduced to \$8,939,213, following re-estimation of unpaid claims and claim adjustment expenses, and due to cures and claim payments of \$4,277,318. The net increase in loss reserves as of the end of the period is the result of current year defaults of \$61,022,325 and claim payments of \$151,180. Original loss reserve estimates will be increased or decreased as additional information becomes known regarding individual claims and as claims are settled. The increase in the default population is primarily due to challenges borrowers are facing related to the COVID-19 outbreak and their decision to access the forbearance program for federally backed loans codified under the CARES Act or similar programs made available by private lenders.

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. Since the outbreak of the COVID-19 pandemic, there have been a number of governmental and GSE efforts to implement programs designed to assist individuals and businesses impacted by the virus.

At September 30, 2020, we established lower reserves for 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. While we established lower reserves per defaulted loan at September 30, 2020, our total reserve position and claims and claims expenses increased substantially as of and during the period ended September 30, 2020 due to the significant increase in the size of our default population.

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

No significant change from year end 2019.

## 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 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2019. Not applicable.

E. Explanation of Discrepancies between Entries of Pooled Business

No significant change from year end 2019. Not applicable.

F. Description of Intercompany Sharing

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

### 27. Structured Settlements

A - B No significant change from year end 2019. Not applicable.

### 28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No significant change from year end 2019. Not applicable.

B. Risk-Sharing Receivables

No significant change from year end 2019. Not applicable.

### 29. Participating Policies

No significant change from year end 2019. Not applicable.

### 30. Premium Deficiency Reserves

No significant change from year end 2019.

### 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 2019. 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 2019. Not applicable.

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

A. Tabular Discount

No significant change from year end 2019. Not applicable.

B. Nontabular Discount

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. 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 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

## Notes to Financial Statement

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

No significant change from year end 2019. 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 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. Not applicable.

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

No significant change from year end 2019. 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 .....
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 .....	54930001IMDFZDQYB2Q11 .....	SEC .....	NO .....
108559 .....	First Republic Investment Management, Inc. ....	549300D5KLHOKMLG887 .....	SEC .....	NO .....
104973 .....	Wells Capital Management Incorporated .....	549300B3H210O2L85I90 .....	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:
- 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.
  - Issuer or obligor is current on all contracted interest and principal payments.
  - The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes[ ] No[X]
20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:
- The security was purchased prior to January 1, 2018.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - 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.
  - 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:
- The shares were purchased prior to January 1, 2019.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
  - 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.
  - The fund only or predominantly holds bonds in its portfolio.
  - 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.
  - 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-3190870 .....	Validus Reins Ltd .....	BMU .....	Authorized .....		
00000 .....	AA-3191352 .....	Ascot Reins Co Ltd .....	BMU .....	Unauthorized .....		
27847 .....	95-2769232 .....	INSURANCE CO OF THE WEST .....	CA .....	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	2,425,490	1,789,856	67,013	30,425	410,146	103,310
2. Alaska (AK)	L	196,348	146,900			6,547	
3. Arizona (AZ)	L	12,353,296	13,948,916	198,216	6,154	2,643,917	993,876
4. Arkansas (AR)	L	1,580,279	1,094,534	101,336		279,500	96,758
5. California (CA)	L	38,122,545	32,393,488	792,635	322,308	11,533,432	1,848,398
6. Colorado (CO)	L	10,892,025	8,668,343	75,051	63,812	1,603,793	416,763
7. Connecticut (CT)	L	2,630,335	2,025,108	129,190		1,097,777	252,054
8. Delaware (DE)	L	1,028,679	893,027			419,488	115,026
9. District of Columbia (DC)	L	3,581,064	3,643,926			267,732	15,695
10. Florida (FL)	L	20,648,927	15,834,773	492,307	76,634	9,581,292	1,725,052
11. Georgia (GA)	L	8,900,992	7,140,568	170,672	212,196	2,548,275	341,751
12. Hawaii (HI)	L	1,437,392	1,283,868			749,255	96,947
13. Idaho (ID)	L	2,094,909	2,467,860			167,712	41,791
14. Illinois (IL)	L	13,704,197	9,681,429	183,153	91,244	4,896,047	896,841
15. Indiana (IN)	L	5,069,183	4,929,673	193,487	11,778	1,133,126	427,624
16. Iowa (IA)	L	1,659,692	1,480,189	32,266	29,220	445,533	170,696
17. Kansas (KS)	L	1,793,621	1,351,190	100,636	72,079	244,545	204,833
18. Kentucky (KY)	L	1,411,580	1,154,165	32,948		247,129	120,177
19. Louisiana (LA)	L	1,716,000	1,595,221	38,747	27,388	629,498	177,532
20. Maine (ME)	L	1,296,243	836,904			151,114	20,725
21. Maryland (MD)	L	10,475,759	8,161,915	49,252	42,694	2,283,129	583,990
22. Massachusetts (MA)	L	8,873,365	6,960,338	78,642	21,504	2,033,316	248,874
23. Michigan (MI)	L	14,478,506	13,499,965	659,066	430,399	4,966,135	2,618,936
24. Minnesota (MN)	L	7,141,736	6,541,084	242,978		1,244,018	546,935
25. Mississippi (MS)	L	981,274	747,906	58,611	90,885	193,261	19,774
26. Missouri (MO)	L	5,090,425	4,364,215	44,052	44,074	835,378	100,572
27. Montana (MT)	L	821,757	813,099		40,950	129,072	70,290
28. Nebraska (NE)	L	1,731,937	1,655,876			214,441	93,890
29. Nevada (NV)	L	5,464,619	5,326,475	127,402	89,170	2,720,800	561,504
30. New Hampshire (NH)	L	1,980,023	1,775,175	4,368		318,466	120,010
31. New Jersey (NJ)	L	10,011,567	6,892,990	85,892	162,680	3,613,918	1,202,313
32. New Mexico (NM)	L	935,892	918,889	30,011	8,390	261,308	87,428
33. New York (NY)	L	8,754,108	6,800,795		74,040	3,947,554	549,876
34. North Carolina (NC)	L	9,086,446	7,642,703	130,744	69,980	1,592,502	346,016
35. North Dakota (ND)	L	221,538	240,240			108,169	10,514
36. Ohio (OH)	L	10,055,182	7,642,101	158,593	67,700	2,067,045	415,746
37. Oklahoma (OK)	L	1,314,382	949,369	111,879		402,519	191,996
38. Oregon (OR)	L	5,236,043	4,519,168	27,001	46,232	1,025,983	220,370
39. Pennsylvania (PA)	L	11,427,548	9,059,639	34,364	(222)	2,280,198	417,860
40. Rhode Island (RI)	L	888,050	562,509			202,629	31,123
41. South Carolina (SC)	L	5,186,427	4,334,610		7,768	1,342,310	383,341
42. South Dakota (SD)	L	890,870	904,120		2,305	211,903	107,946
43. Tennessee (TN)	L	6,291,848	4,310,770	97,194	22,263	950,121	346,241
44. Texas (TX)	L	30,215,269	24,679,136	518,294	557,986	7,806,492	1,551,213
45. Utah (UT)	L	7,736,855	7,112,804	81,905		822,258	165,826
46. Vermont (VT)	L	223,660	207,657			85,922	
47. Virginia (VA)	L	15,787,992	11,459,773	242,279	64,578	2,690,178	512,758
48. Washington (WA)	L	9,616,840	8,214,949			1,547,089	137,294
49. West Virginia (WV)	L	728,850	712,826	28,798	34,225	80,174	62,029
50. Wisconsin (WI)	L	6,695,143	4,614,045	104,779	42,021	935,862	361,759
51. Wyoming (WY)	L	367,455	432,880		63,763	70,053	55,928
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	331,254,163	274,417,957	5,523,761	2,926,623	86,038,061	20,188,201
<b>DETAILS OF WRITE-INS</b>							
58001	X X X						
58002	X X X						
58003	X X X						
58998 Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999 TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

(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

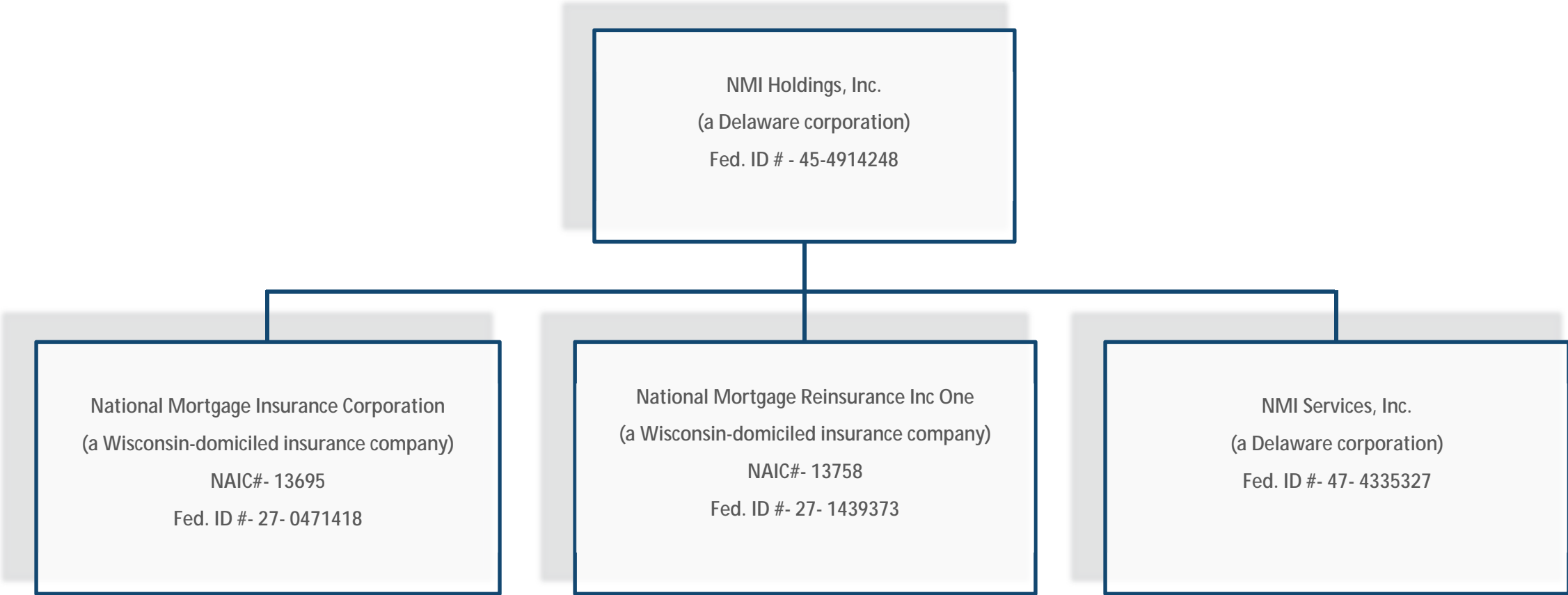
Q Qualified - Qualified or accredited reinsurer

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, 2020** 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	351,888,655	68,166,718	19.372	3.623
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	351,888,655	68,166,718	19.372	3.623
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	119,323,397	331,254,163	274,417,957
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	119,323,397	331,254,163	274,417,957
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)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 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. 2017 + Prior .....	831		831	580		580	444	(8)	36	472	193	28	221
2. 2018 .....	3,323		3,323	1,508		1,508	1,587	(31)	148	1,704	(228)	117	(111)
3. Subtotals 2018 + Prior .....	4,154		4,154	2,088		2,088	2,031	(39)	184	2,176	(35)	145	110
4. 2019 .....	13,245	1,278	14,523	2,190		2,190	6,908	(154)	659	7,413	(4,147)	(773)	(4,920)
5. Subtotals 2019 + Prior .....	17,399	1,278	18,677	4,278		4,278	8,939	(193)	843	9,589	(4,182)	(628)	(4,810)
6. 2020 .....	X X X	X X X	X X X	X X X	151	151	X X X	55,092	5,129	60,221	X X X	X X X	X X X
7. Totals .....	17,399	1,278	18,677	4,278	151	4,429	8,939	54,899	5,972	69,810	(4,182)	(628)	(4,810)
8. Prior Year-End Surplus As Regards Policyholders .....											Col. 11, Line 7 As % of Col. 1 Line 7 1..... (24.036)	Col. 12, Line 7 As % of Col. 2 Line 7 2..... (49.139)	Col. 13, Line 7 As % of Col. 3 Line 7 3..... (25.754)
													Col. 13, Line 7 Line 8 4.....





STATEMENT AS OF **September 30, 2020** OF THE **National Mortgage Insurance Corporation**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

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

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

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

**NONE**

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,027,759,740	810,414,908
2. Cost of bonds and stocks acquired .....	854,582,271	301,172,770
3. Accrual of discount .....	484,267	648,870
4. Unrealized valuation increase (decrease) .....		1,049,813
5. Total gain (loss) on disposals .....	776,506	318,712
6. Deduct consideration for bonds and stocks disposed of .....	324,653,086	83,851,301
7. Deduct amortization of premium .....	2,356,484	1,712,865
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		381,603
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	27,888	100,436
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....	1,556,621,102	1,027,759,740
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	1,556,621,102	1,027,759,740

## 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) .....	983,208,063	298,734,036	45,838,962	1,812,472	876,012,505	983,208,063	1,237,915,609	899,858,516
2. NAIC 2 (a) .....	280,971,103	41,038,512	179,428	(8,387,028)	144,512,803	280,971,103	313,443,159	144,392,192
3. NAIC 3 (a) .....				5,262,334			5,262,334	
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	1,264,179,166	339,772,548	46,018,390	(1,312,222)	1,020,525,308	1,264,179,166	1,556,621,102	1,044,250,708
<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 .....	1,264,179,166	339,772,548	46,018,390	(1,312,222)	1,020,525,308	1,264,179,166	1,556,621,102	1,044,250,708

(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 \$.....0; 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	3 Actual Post	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	<b>NONE</b>				

**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 .....		22,600,819
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....		22,600,819
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) .....		
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		

**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 .....	32,235,748	34,192,513
2.	Cost of cash equivalents acquired .....	892,032,935	472,962,502
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	813,004,137	474,919,267
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) .....	111,264,546	32,235,748
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	111,264,546	32,235,748

**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	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol
<b>Bonds - U.S. States, Territories and Possessions</b>									
68609TZT8	OREGON ST		07/09/2020	CITIGROUP	X X X	2,000,000	2,000,000		1FE
68609TZU5	OREGON ST		07/09/2020	CITIGROUP	X X X	3,000,000	3,000,000		1FE
68609TZV3	OREGON ST		07/09/2020	CITIGROUP	X X X	2,000,000	2,000,000		1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	7,000,000	7,000,000		X X X
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
041796XQ1	ARLINGTON TEX		09/01/2020	CITIGROUP	X X X	3,000,000	3,000,000		1FE
041796XR9	ARLINGTON TEX		09/01/2020	CITIGROUP	X X X	1,750,000	1,750,000		1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	4,750,000	4,750,000		X X X
<b>Bonds - U.S. Special Revenue, Special Assessment</b>									
1164753A0	BROWNSVILLE TEX UTIL SYS REV		08/01/2020	CITIGROUP	X X X	500,000	500,000		1FE
1164753B8	BROWNSVILLE TEX UTIL SYS REV		08/01/2020	CITIGROUP	X X X	1,500,000	1,500,000		1FE
1164753C6	BROWNSVILLE TEX UTIL SYS REV		08/01/2020	CITIGROUP	X X X	1,000,000	1,000,000		1FE
13067WRE4	CALIFORNIA ST DEPT WTR RES CEN		08/01/2020	MORGAN STANLEY & CO	X X X	5,500,000	5,500,000		1FE
13067WRF1	CALIFORNIA ST DEPT WTR RES CEN		08/01/2020	MORGAN STANLEY & CO	X X X	5,000,000	5,000,000		1FE
13067WRG9	CALIFORNIA ST DEPT WTR RES CEN		08/01/2020	MORGAN STANLEY & CO	X X X	2,500,000	2,500,000		1FE
13077DMM1	CALIFORNIA ST UNIV REV		09/01/2020	GOLDMAN SACHS & COMPANY	X X X	1,770,000	1,770,000		1FE
13077DMN9	CALIFORNIA ST UNIV REV		09/01/2020	GOLDMAN SACHS & COMPANY	X X X	2,200,000	2,200,000		1FE
13077DMP4	CALIFORNIA ST UNIV REV		09/01/2020	GOLDMAN SACHS & COMPANY	X X X	1,240,000	1,240,000		1FE
13077DMQ2	CALIFORNIA ST UNIV REV		09/01/2020	GOLDMAN SACHS & COMPANY	X X X	1,950,000	1,950,000		1FE
13077DMR0	CALIFORNIA ST UNIV REV		09/01/2020	GOLDMAN SACHS & COMPANY	X X X	1,795,000	1,795,000		1FE
362835BX7	GAINESVILLE FLA SPL OBLIG		09/11/2020	MERRIL LYNCH	X X X	3,000,000	3,000,000		1FE
362835BY5	GAINESVILLE FLA SPL OBLIG		09/11/2020	MERRIL LYNCH	X X X	3,885,000	3,885,000		1FE
362835BZ2	GAINESVILLE FLA SPL OBLIG		09/11/2020	MERRIL LYNCH	X X X	2,350,000	2,350,000		1FE
45528UQ20	INDIANAPOLIS IND LOC PUB IMPT		09/23/2020	WELLS FARGO	X X X	2,000,000	2,000,000		1FE
45528UQ38	INDIANAPOLIS IND LOC PUB IMPT		09/23/2020	WELLS FARGO	X X X	4,495,000	4,495,000		1FE
534272M48	LINCOLN NEB ELEC SYS REV		09/03/2020	CHASE SECURITIES	X X X	750,000	750,000		1FE
534272M63	LINCOLN NEB ELEC SYS REV		09/03/2020	CHASE SECURITIES	X X X	1,000,000	1,000,000		1FE
534272M71	LINCOLN NEB ELEC SYS REV		09/03/2020	CHASE SECURITIES	X X X	1,800,000	1,800,000		1FE
546475TP9	LOUISIANA ST GAS & FUELS TAX R		09/01/2020	CHASE SECURITIES	X X X	600,000	600,000		1FE
546475TQ7	LOUISIANA ST GAS & FUELS TAX R		09/01/2020	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE
546475TS3	LOUISIANA ST GAS & FUELS TAX R		09/01/2020	CHASE SECURITIES	X X X	1,000,000	1,000,000		1FE
546475TT1	LOUISIANA ST GAS & FUELS TAX R		09/01/2020	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE
68607DVD4	OREGON ST DEPT TRANSN HWY USER		09/11/2020	MORGAN STANLEY & CO	X X X	2,000,000	2,000,000		1FE
68607DVE2	OREGON ST DEPT TRANSN HWY USER		09/11/2020	MORGAN STANLEY & CO	X X X	3,010,000	3,010,000		1FE
68607DVF9	OREGON ST DEPT TRANSN HWY USER		09/11/2020	MORGAN STANLEY & CO	X X X	4,000,000	4,000,000		1FE
68607DVG7	OREGON ST DEPT TRANSN HWY USER		09/11/2020	MORGAN STANLEY & CO	X X X	3,000,000	3,000,000		1FE
717893R52	PHILADELPHIA PA WTR & WASTEWTR		08/01/2020	CITIGROUP	X X X	2,000,000	2,000,000		1FE
797412DN0	SAN DIEGO CNTY CALIF WTR AUTH		07/09/2020	MERRIL LYNCH	X X X	300,000	300,000		1FE
797412DP5	SAN DIEGO CNTY CALIF WTR AUTH		07/09/2020	MERRIL LYNCH	X X X	1,500,000	1,500,000		1FE
797412DQ3	SAN DIEGO CNTY CALIF WTR AUTH		07/09/2020	MERRIL LYNCH	X X X	3,500,000	3,500,000		1FE
798153NG3	SAN JOSE CALIF FING AUTH LEASE		09/11/2020	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE
798153NH1	SAN JOSE CALIF FING AUTH LEASE		09/11/2020	CHASE SECURITIES	X X X	1,400,000	1,400,000		1FE
798153NJ7	SAN JOSE CALIF FING AUTH LEASE		09/11/2020	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE
798153NK4	SAN JOSE CALIF FING AUTH LEASE		09/11/2020	CHASE SECURITIES	X X X	1,000,000	1,000,000		1FE
83755LM29	SOUTH DAKOTA ST BLDG AUTH REV		09/01/2020	PIERPONT SECURITIES LLC	X X X	300,000	300,000		1FE
83755LM37	SOUTH DAKOTA ST BLDG AUTH REV		09/01/2020	Piper Jaffray Inc	X X X	300,000	300,000		1FE
83755LM45	SOUTH DAKOTA ST BLDG AUTH REV		09/01/2020	Piper Jaffray Inc	X X X	300,000	300,000		1FE
83755LM52	SOUTH DAKOTA ST BLDG AUTH REV		09/01/2020	Piper Jaffray Inc	X X X	500,000	500,000		1FE
882830AV4	TEXAS TRANSN COMMN		08/01/2020	MORGAN STANLEY & CO	X X X	2,220,000	2,220,000		1FE
882830AW2	TEXAS TRANSN COMMN		08/01/2020	MORGAN STANLEY & CO	X X X	2,000,000	2,000,000		1FE
882830AX0	TEXAS TRANSN COMMN		08/01/2020	MORGAN STANLEY & CO	X X X	1,000,000	1,000,000		1FE
91412HFN8	UNIVERSITY CALIF REVS		07/10/2020	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE

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## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
91412HFQ1	UNIVERSITY CALIF REVS		07/10/2020	CHASE SECURITIES	X X X	3,385,000	3,385,000		1FE
91412HGF4	UNIVERSITY CALIF REVS		07/10/2020	CHASE SECURITIES	X X X	5,000,000	5,000,000		1FE
916544EV7	UPPER SANTA CLARA VY JT PWRS A		07/16/2020	CITIGROUP	X X X	5,000,000	5,000,000		1FE
916544EW5	UPPER SANTA CLARA VY JT PWRS A		07/16/2020	CITIGROUP	X X X	5,000,000	5,000,000		1FE
916544EX3	UPPER SANTA CLARA VY JT PWRS A		07/16/2020	CITIGROUP	X X X	5,000,000	5,000,000		1FE
916544EY1	UPPER SANTA CLARA VY JT PWRS A		07/16/2020	CITIGROUP	X X X	5,000,000	5,000,000		1FE
92778VKB3	VIRGINIA COLLEGE BLDG AUTH VA		08/01/2020	CITIGROUP	X X X	2,385,000	2,385,000		1FE
92778VKD9	VIRGINIA COLLEGE BLDG AUTH VA		08/01/2020	CITIGROUP	X X X	4,000,000	4,000,000		1FE
982674NE9	WYANDOTTE CNTY KANS CITY KANS		09/01/2020	Piper Jaffray Inc	X X X	1,000,000	1,000,000		1FE
982674NF6	WYANDOTTE CNTY KANS CITY KANS		09/01/2020	Piper Jaffray Inc	X X X	1,000,000	1,000,000		1FE
982674NG4	WYANDOTTE CNTY KANS CITY KANS		09/01/2020	Piper Jaffray Inc	X X X	1,500,000	1,500,000		1FE
982674NH2	WYANDOTTE CNTY KANS CITY KANS		09/01/2020	Piper Jaffray Inc	X X X	1,000,000	1,000,000		1FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	123,435,000	123,435,000		X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
82481LAD1	SHIRE ACQUISITIONS INVTS IRELA	C	07/01/2020	BARCLAYS CAPITAL INC	X X X	7,780,010	7,000,000	64,089	2FE
02079KAD9	ALPHABET INC		08/03/2020	GOLDMAN SACHS & COMPANY	X X X	14,709,585	14,750,000		1FE
053015AF0	AUTOMATIC DATA PROCESSING INC		08/11/2020	BANK OF AMERICA SEC LLC	X X X	12,468,250	12,500,000		1FE
09261BAA8	BLACKSTONE HLDGS FIN 144A		09/22/2020	BANK OF AMERICA SEC LLC	X X X	3,992,680	4,000,000		1FE
110122CM8	BRISTOL-MYERS SQUIBB CO		07/15/2020	EXCHANGE	X X X	3,987,802	4,000,000		1FE
110122CN6	BRISTOL-MYERS SQUIBB CO		07/15/2020	EXCHANGE	X X X	5,362,597	5,375,000		1FE
110122DE5	BRISTOL-MYERS SQUIBB CO		07/15/2020	EXCHANGE	X X X	2,991,827	3,000,000		1FE
14913R2G1	CATERPILLAR FINL SVCS MTNS BE		09/09/2020	MITSUBISHI SECURITIES	X X X	8,982,450	9,000,000		1FE
12509DAC6	CCG RECV TRUST 2020-1 144A		08/04/2020	NESBITT BURNS SECURITIES	X X X	5,899,000	5,900,000		1FE
12530MAA3	CF HIPPOLYTA ISSUER 2020 144A		07/15/2020	GOLDMAN SACHS & COMPANY	X X X	12,982,318	12,950,000		1FE
191216DD9	COCA COLA CO		09/14/2020	CITIGROUP	X X X	6,994,470	7,000,000		1FE
126650CU2	CVS HEALTH CORP		07/06/2020	RBC DAIN RAUSCHER INC	X X X	7,863,624	7,200,000	21,275	2FE
24704GAD5	DELL EQUIPMENT FIN TR 144A 2020-2		09/15/2020	RBC DAIN RAUSCHER INC	X X X	5,248,833	5,250,000		1FE
46616MAA8	JG WENTWORTH REC 144A 2010-3		07/06/2020	CREDIT SUISSE SECURITIES (USA)	X X X	524,408	500,591	1,222	1FE
478160CP7	JOHNSON & JOHNSON		08/20/2020	CHASE SECURITIES	X X X	5,995,920	6,000,000		1FE
534187BF5	LINCOLN NATL CORP IND		07/01/2020	BARCLAYS CAPITAL INC	X X X	5,519,090	4,990,000	57,281	2FE
571676AJ4	MARS INC DEL 144A		07/13/2020	CHASE SECURITIES	X X X	14,979,000	15,000,000		1FE
60700MAE8	MMAF EQUIP FIN 144A 2020-A		09/18/2020	CHASE SECURITIES	X X X	2,064,063	2,000,000	1,127	1FE
68233JBU7	ONCOR ELEC DELIVERY CO LLC		08/17/2020	EXCHANGE	X X X	8,589,853	7,890,000		1FE
69335PDT9	PFS FINANCING CORP 2020-E 144A		08/04/2020	CHASE SECURITIES	X X X	14,998,640	15,000,000		1FE
78409VAS3	S&P GLOBAL INC		08/11/2020	MORGAN STANLEY & CO	X X X	4,941,750	5,000,000		1FE
78403DAP5	SBA TOWER TRUST 144A		07/08/2020	BARCLAYS CAPITAL INC	X X X	13,500,000	13,500,000		1FE
902613AC2	UBS GROUP AG	C	07/27/2020	UBS SECURITIES	X X X	7,000,000	7,000,000		1FE
90782JAA1	UNION PACIFIC RR CO 2015-1		07/06/2020	CHASE SECURITIES	X X X	7,335,591	6,776,528	28,409	1FE
913017CY3	UNITED TECHNOLOGIES CORP		07/06/2020	HSBC SECURITIES INC	X X X	10,385,424	8,744,000	52,100	2FE
92343VDD3	VERIZON COMMUNICATIONS INC		07/06/2020	WELLS FARGO	X X X	9,490,365	8,680,000	90,507	2FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	204,587,550	199,006,119	316,010	X X X
8399997 Subtotal - Bonds - Part 3					X X X	339,772,550	334,191,119	316,010	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	339,772,550	334,191,119	316,010	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	339,772,550	X X X	316,010	X X X

QE04.1



**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 .....					726,451	549,803	610,309	X X X
Wells Fargo Bank .....	San Francisco, CA .....					354,102	956,643	1,120,432	X X X
First Republic Bank .....	San Francisco, CA .....		834			27,314,985	40,213,492	44,440,976	X X X
Wells Fargo Bank .....	San Francisco, CA .....							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	834		28,395,538	41,719,938	46,292,842	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	834		28,395,538	41,719,938	46,292,842	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	834		28,395,538	41,719,938	46,292,842	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 .....		09/01/2020 .....	0.000 .....	X X X .....	5,554,522 .....		13,229 .....
. 31846V419	FIRST AMERN FDS INC .....		06/02/2020 .....	0.000 .....	X X X .....			
. 94975H296	WELLS FARGO FDS TR .....	SD	09/02/2020 .....	0.000 .....	X X X .....	25,050 .....		112 .....
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO .....					5,579,572 .....		13,341 .....
<b>All Other Money Market Mutual Funds</b>								
. 177366200	CITIZENSSELECT FDS .....		06/01/2020 .....	0.000 .....	X X X .....			
. 269999280	EAGLE BANK SWEEP TIER 1 FRB .....		09/01/2020 .....	0.000 .....	X X X .....	80,544 .....		77 .....
8AMMF0416	US BANK MONEY MARKET (MMDA) IT&C .....		09/01/2020 .....	0.000 .....	X X X .....	4,004 .....		4 .....
. VP4520012	WELLS FARGO 100% TREASURY MONEY MA .....		09/01/2020 .....	0.000 .....	X X X .....	105,600,427 .....	1,137 .....	183,140 .....
8699999	Subtotal - All Other Money Market Mutual Funds .....					105,684,975 .....	1,137 .....	183,221 .....
8899999	Total Cash Equivalents .....					111,264,547 .....	1,137 .....	196,562 .....



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