

**BAM**

Operating Supplement  
December 31, 2024

# Build America Mutual Assurance Company

Operating Supplement

December 31, 2024

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## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

The information contained in this report may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this report which address activities, events or developments which Build America Mutual Assurance Company ("BAM Mutual" or the "Company") expects or anticipates will or may occur in the future are forward-looking statements. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward looking statements. These forward looking statements include, among others, statements with respect to BAM Mutual's:

- changes in U.S. statutory basis surplus or claims paying resources;
- business strategy;
- financial and operating targets or plans;
- incurred losses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance;
- projections of revenues, income (or loss), earnings (or loss), dividends, market share or other financial forecasts;
- expansion and growth of its business and operations; and
- future capital expenditures.

These statements are based on certain assumptions and analyses made by BAM Mutual in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform with its expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including:

- claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks;
- the continued availability of capital and financing;
- general economic, market or business conditions;
- business opportunities (or lack thereof) that may be presented to it and pursued;
- competitive forces, including the conduct of other property and casualty insurers and reinsurers;
- changes in domestic or foreign laws or regulations, or their interpretation, applicable to BAM Mutual, its competitors or its clients;
- an economic downturn or other economic conditions adversely affecting its financial position, including the impact of the COVID-19 pandemic;
- recorded loss reserves subsequently proving to have been inadequate;
- actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; and
- other factors, most of which are beyond BAM Mutual's control.

Consequently, all of the forward looking statements made in this report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by BAM Mutual will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on BAM Mutual or its business or operations. BAM Mutual assumes no obligation to update publicly any such forward looking statements, whether as a result of new information, future events or otherwise.

# Build America Mutual Assurance Company

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## Company Profile

BAM Mutual is a New York domiciled mutual financial guaranty insurance company licensed in all of the 50 states and the District of Columbia. The Company received its license to write financial guaranty insurance from the New York State Department of Financial Services (the "Department") and commenced operations on July 20, 2012. BAM Mutual's charter and underwriting guidelines permit the Company to insure only municipal bonds as defined in Section 6901(o) of the New York State Insurance Code. BAM Mutual's financial strength and counterparty credit ratings of 'AA/Stable Outlook', from Standard & Poor's Ratings Services, were reaffirmed on May 29, 2024.

The first mutual bond insurance company, BAM Mutual is owned by and operated for the benefit of the issuers that use the Company's 'AA/Stable Outlook' rated financial guaranty to lower their cost of funding. BAM Mutual's unique corporate structure distinguishes it from traditional financial guaranty insurers, as BAM Mutual's mutual model permits capital growth to track insured portfolio growth, eliminating the need to "go public" to raise capital, to drive earnings growth to satisfy equity markets, or to engage in mission creep by taking on risks outside of the core municipal market. In addition to its own strong capital base, BAM Mutual has the benefit of collateralized first loss reinsurance protection for losses up to the first 15% of par outstanding on each policy written as well as collateralized excess of loss reinsurance (as described below).

The Company benefits from both first loss and excess of loss reinsurance protection provided by HG Re, Ltd. ("HG Re"). The first loss reinsurance protection is provided via a reinsurance treaty (the "First Loss Reinsurance Treaty"), whereby HG Re assumes losses in an amount up to 15% of the par outstanding for each insurance policy. The excess of loss reinsurance treaty (the "Excess of Loss Reinsurance Treaty") provides last dollar protection for exposures on municipal bonds insured by the Company in excess of regulatory single issuer limits, subject to an aggregate limit equal to \$125 million.

HG Re's obligations under both the First Loss Reinsurance Treaty and the Excess of Loss Reinsurance Treaty are secured by and limited to the assets held in trusts which include a beneficial interest in surplus notes issued by BAM Mutual, all of which are pledged for the benefit of BAM Mutual.

In addition to the reinsurance protection provided by HG Re, BAM Mutual benefits from collateralized excess of loss reinsurance agreements with Fidus Re, Ltd. ("Fidus"), a Bermuda based special purpose insurer created solely to provide reinsurance protection to BAM Mutual. The excess of loss reinsurance provides total protection of \$400 million for 90% of aggregate losses exceeding attachment points ranging from \$110 million to \$165 million for the covered portions of BAM Mutual's financial guarantee portfolio and covers approximately 65% of Gross Par Outstanding for BAM Mutual's portfolio of financial guaranty policies as of December 31, 2024. The Company uses deposit accounting for the excess of loss reinsurance protection provided by Fidus and HG Re.

The Company became a member of the Federal Home Loan Bank of New York ("FHLB of NY") on September 13, 2019.

# Build America Mutual Assurance Company

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### Statutory Statements of Assets, Liabilities and Capital and Surplus

(in millions)	<u>As of December 31, 2024</u>	<u>As of December 31, 2023</u>
<b>ADMITTED ASSETS</b>		
Bonds	\$ 459.4	\$ 464.4
Common Stock	0.1	0.1
Cash, Cash Equivalents and Short-term Investments	34.3	31.4
Total Cash and Invested Assets	\$ 493.8	\$ 495.9
Investment Income Due and Accrued	3.5	3.5
Other Assets	1.3	0.6
Total Admitted Assets	<u>\$ 498.6</u>	<u>\$ 500.0</u>
<b>LIABILITIES</b>		
Unearned Premiums	\$ 64.9	\$ 60.7
Mandatory Contingency Reserve	156.0	136.2
Accrued and Payable Expenses	31.9	33.1
Deposit Liabilities	0.6	0.7
Total Liabilities	\$ 253.4	\$ 230.7
<b>CAPITAL AND SURPLUS</b>		
Surplus Notes	\$ 300.9	\$ 322.2
Member Surplus Contributions	614.9	545.2
Unassigned Funds - Deficit	( 670.6)	( 598.1)
Total Capital and Surplus	<u>\$ 245.2</u>	<u>\$ 269.3</u>
Total Liabilities, Capital and Surplus	<u>\$ 498.6</u>	<u>\$ 500.0</u>

# Build America Mutual Assurance Company

## Operating Supplement

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### Statutory Statement of Operations

(in millions)	Year Ended December 31, 2024	Year Ended December 31, 2023
Gross Risk Premiums Written	\$ 60.3	\$ 59.9
Ceded Risk Premiums Written	(51.4)	(50.9)
Net Risk Premiums Written	\$ 8.9	\$ 9.0
Premiums Earned, Net	\$ 4.6	\$ 3.5
Operating Expenses	\$ 63.1	\$ 60.3
Excise & Premium Taxes	1.9	1.9
Ceding Commission Income	(15.3)	(15.1)
Total Underwriting Expenses	\$ 49.7	\$ 47.1
Net Underwriting Loss	\$ (45.1)	\$ (43.6)
Net Investment Income <sup>(1)</sup>	( 4.0)	( 8.6)
Net Realized Capital (Losses) Gains	( 3.3)	1.1
Net Investment (Loss) Gain	\$ ( 7.3)	\$ ( 7.5)
Net Loss Before Federal Income Tax Expense	\$ (52.4)	\$ (51.1)
Federal Income Tax Expense Incurred	-	-
Net Loss	\$ (52.4)	\$ (51.1)

### Adjusted Statutory Operating Income <sup>(2)</sup>

(in millions)	Year Ended December 31, 2024	Year Ended December 31, 2023
Net Loss	\$ (52.4)	\$ (51.1)
Surplus Note Interest Expense	8.7	9.6
Member Surplus Contributions Collected	69.7	72.8
Adjusted Statutory Net Income <sup>(2)</sup>	\$ 26.0	\$ 31.3

### Statutory Comprehensive Income <sup>(3)</sup>

(in millions)	Year Ended December 31, 2024	Year Ended December 31, 2023
Net Loss	\$ (52.4)	\$ (51.1)
Member Surplus Contributions Collected	69.7	72.8
Statutory Comprehensive Income <sup>(3)</sup>	\$ 17.3	\$ 21.7

- (1) Net Investment Income for the years ended December 31, 2024 and December 31, 2023 is net of Surplus Note Interest Expense of \$8.7 million and \$9.6 million, respectively.
- (2) In addition to reporting BAM Mutual's financial results in accordance with the U.S. Statutory basis of accounting ("Statutory"), the Company reports Adjusted Statutory Operating Income, a non-Statutory financial measure. A non-Statutory financial measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with the U.S. Statutory basis of accounting. We are presenting this non-Statutory financial measure because it provides greater transparency and enhanced visibility into the underlying drivers of our business. Adjusted Statutory Operating Income is not a substitute for BAM Mutual's U.S. Statutory basis of accounting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-Statutory financial measures differently.
- (3) In addition to reporting BAM Mutual's financial results in accordance with the U.S. Statutory basis of accounting ("Statutory"), the Company reports Statutory Comprehensive Income, a non-Statutory financial measure. A non-Statutory financial measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with the U.S. Statutory basis of accounting. We are presenting this non-Statutory financial measure because it provides greater transparency and enhanced visibility into the underlying drivers of our business. Statutory Comprehensive Income is not a substitute for BAM Mutual's U.S. Statutory basis of accounting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-Statutory financial measures differently.

# Build America Mutual Assurance Company

## Operating Supplement

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### Claims Paying Resources

(in millions)	As of December 31, 2024	As of December 31, 2023
Member Surplus Contributions	\$ 614.9	\$ 545.2
Surplus Notes	300.9	322.2
Unassigned Funds <sup>(1)</sup>	(670.6)	(598.1)
<b>Policyholder's Surplus</b>	<b>\$ 245.2</b>	<b>\$ 269.3</b>
Contingency Reserve	156.0	136.2
<b>Qualified Statutory Capital</b>	<b>\$ 401.2</b>	<b>\$ 405.5</b>
Collateral Trusts <sup>(2)</sup>	1,169.2	1,023.5
<b>Total Hard Capital</b>	<b>\$ 1,570.4</b>	<b>\$ 1,429.0</b>
Unearned Premiums	64.9	60.7
Loss and Loss Adjustment Expense Reserves	-	-
Present Value of Installment Gross Risk	-	-
Premiums and Member Surplus Contributions <sup>(3)</sup>	28.8	10.9
<b>Claims Paying Resources</b>	<b>\$ 1,664.1</b>	<b>\$ 1,500.6</b>

### Rollforward of Claims Paying Resources

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
<b>Claims Paying Resources, Beginning of Year</b>	<b>\$ 1,500.6</b>	<b>\$ 1,423.2</b>
Statutory Basis Net Loss	(52.4)	(51.1)
Member Surplus Contribution	69.7	72.8
Payments of Surplus Notes Principal	(21.3)	(17.8)
Increase in Collateral Trusts	145.7	70.4
Increase in Unearned Premium Reserve	4.2	5.5
Increase (Decrease) in Present Value of Installment Gross Risk Premiums and Member Surplus Contributions	17.9	( 2.4)
Other	( 0.3)	-
<b>Claims Paying Resources, End of Period</b>	<b>\$ 1,664.1</b>	<b>\$ 1,500.6</b>

(1) Represents the sum of inception to date Statutory Net (Loss) and direct charges relating to contributions to the Contingency Reserve and for the non-admission of certain assets.  
(2) Represents collateral available to BAM Mutual pursuant to various reinsurance and trust agreements. See details of investments held in the HG Re Collateral Trusts on page 15.  
(3) Represents the present value of future installment Gross Risk Premiums and Member Surplus Contributions, discounted at a risk-free rate.

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### Leverage Statistics and Rating Distribution of Gross Par Outstanding <sup>(1)</sup>

(in millions)

#### Gross Par Outstanding

	As of December 31, 2024	As of December 31, 2023
Investment Grade <sup>(1)</sup>	\$ 121,795.3	\$ 108,140.0
Below Investment Grade ("BIG") <sup>(1)</sup>	10.4	10.0
<b>Total Gross Par Outstanding</b>	<b>\$ 121,805.7</b>	<b>\$ 108,150.0</b>

#### Gross Par Outstanding Leverage Statistics

Total Gross Par Outstanding ÷ Total Hard Capital	<b>77.6x</b>	<b>75.7x</b>
BIG Gross Par Outstanding ÷ Total Hard Capital	-	-
Total Gross Par Outstanding ÷ Claims Paying Resources	<b>73.2x</b>	<b>72.1x</b>
BIG Gross Par Outstanding ÷ Claims Paying Resources	-	-

#### Gross Total Debt Service ("TDS") Outstanding

Investment Grade <sup>(1)</sup>	\$ 186,732.7	\$ 163,247.9
BIG <sup>(1)</sup>	12.2	12.0
<b>Total Gross TDS Outstanding</b>	<b>\$ 186,744.9</b>	<b>\$ 163,259.9</b>

#### Gross TDS Outstanding Leverage Statistics

Total Gross TDS Outstanding ÷ Total Hard Capital	<b>118.9x</b>	<b>114.2x</b>
BIG Gross TDS Outstanding ÷ Total Hard Capital	<b>0.0x</b>	<b>0.0x</b>
Total Gross TDS Outstanding ÷ Claims Paying Resources	<b>112.2x</b>	<b>108.8x</b>
BIG Gross TDS Outstanding ÷ Claims Paying Resources	<b>0.0x</b>	<b>0.0x</b>

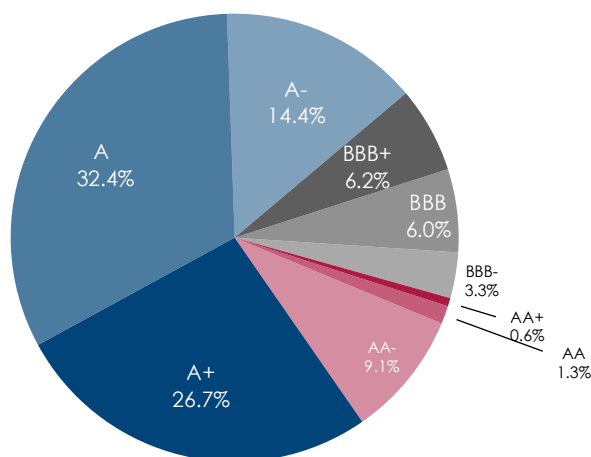
#### **Weighted Average Rating**

**A**

**A**

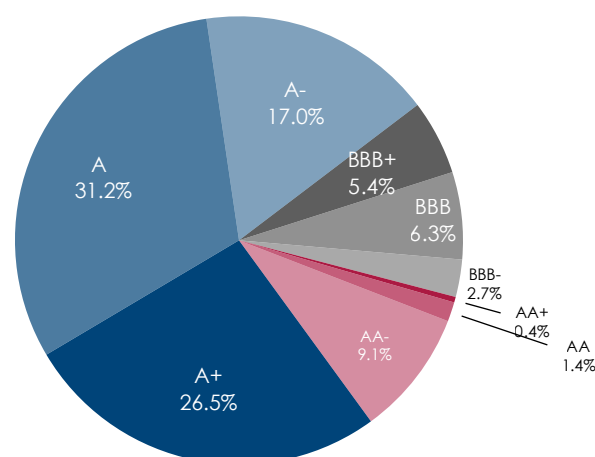
#### Rating Distribution of Gross Par Outstanding <sup>(1)</sup>

As of December 31, 2024



#### Rating Distribution of Gross Par Outstanding <sup>(1)</sup>

As of December 31, 2023



<sup>(1)</sup> Based on internal BAM Mutual ratings, which are provided in this Operating Supplement solely to indicate the underlying credit quality of guaranteed obligations, without the benefit of financial guaranty insurance, based on the view of the Company. BAM Mutual credit ratings are subject to revision at any time and do not constitute investment advice. BIG exposure equalled 0.01% of BAM Mutual's portfolio as of December 31, 2024 and December 31, 2023.



# Build America Mutual Assurance Company

## Operating Supplement

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### Business Production

(in millions)

#### **Gross Par Insured**

	<b>For the Year Ended December 31, 2024</b>	<b>For the Year Ended December 31, 2023</b>
General Obligation	\$ 8,729.4	\$ 8,148.5
Utility	4,000.0	1,910.8
Enterprise Systems	2,251.6	1,853.0
General Fund	2,170.7	1,100.4
Higher Education	1,925.8	776.4
Dedicated Tax	1,086.4	1,834.9
<b>Total Gross Par Insured</b>	<b>\$ 20,163.9</b>	<b>\$ 15,624.0</b>

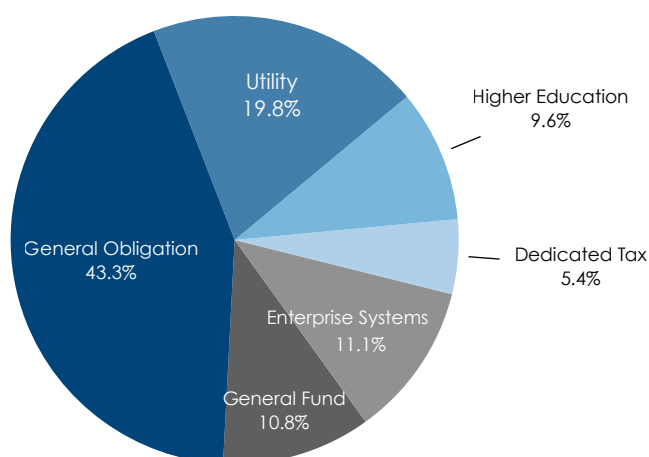
#### **Present Value of New Business**

##### **Production("PVP") (1)**

Present Value of Gross Risk Premiums	\$ 67.8	\$ 59.4
Present Value of Member Surplus Contributions	80.4	72.4
<b>Total PVP</b>	<b>\$ 148.2</b>	<b>\$ 131.8</b>

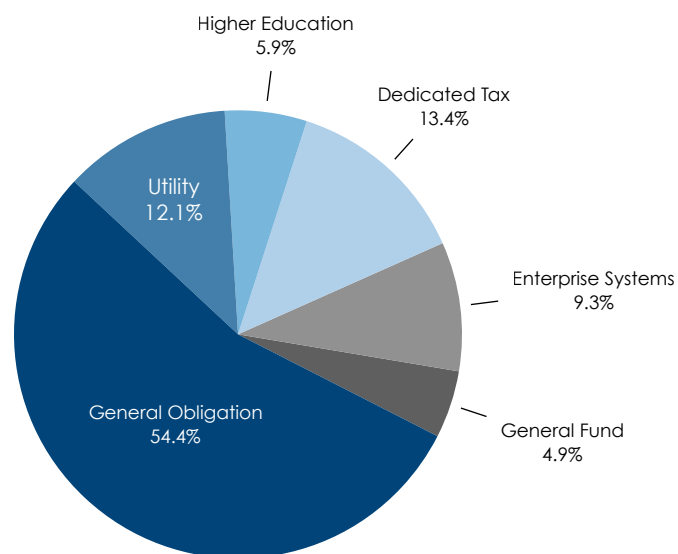
#### **Gross Par Insured**

For the Year Ended December 31, 2024



#### **Gross Par Insured**

For the Year Ended December 31, 2023



(1) PVP is a non-U.S. Statutory measure that management believes is a useful measure in evaluating business production because it takes into account Gross Risk Premiums and Member Surplus Contributions collected for insurance policies issued during the period, as well as the present value of estimated future installment Gross Risk Premiums and Member Surplus Contributions, discounted using a risk free rate. Under U.S. Statutory accounting principles, Gross Risk Premiums are recognized when due and Member Surplus Contributions are recognized as collected.

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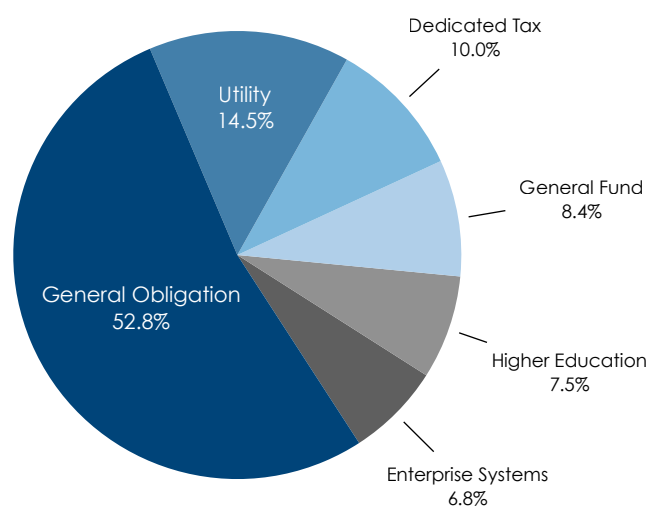
### Gross Par Outstanding by Sector

(in millions)

	As of December 31, 2024	As of December 31, 2023
<b>Public Finance</b>		
General Obligation	\$ 64,274.5	\$ 59,493.0
Utility	17,682.0	14,493.5
Dedicated Tax	12,154.1	11,825.0
General Fund	10,254.0	8,743.2
Higher Education	9,124.7	7,373.1
Enterprise Systems	8,316.4	6,222.2
<b>Total Gross Par Outstanding</b>	<b>\$ 121,805.7</b>	<b>\$ 108,150.0</b>

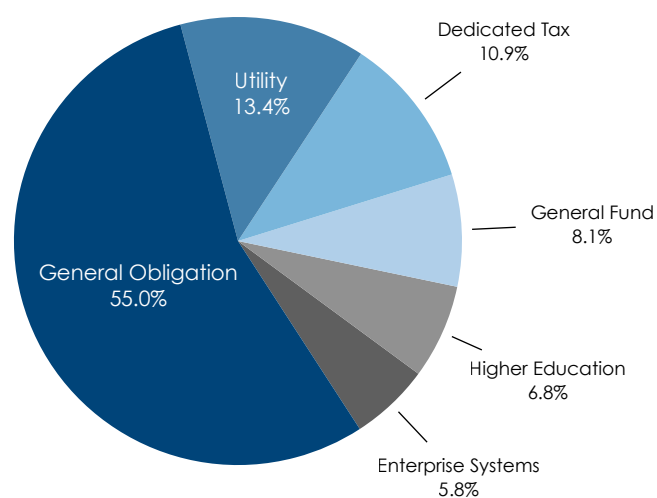
#### Gross Par Outstanding

As of December 31, 2024



#### Gross Par Outstanding

As of December 31, 2023



# Build America Mutual Assurance Company

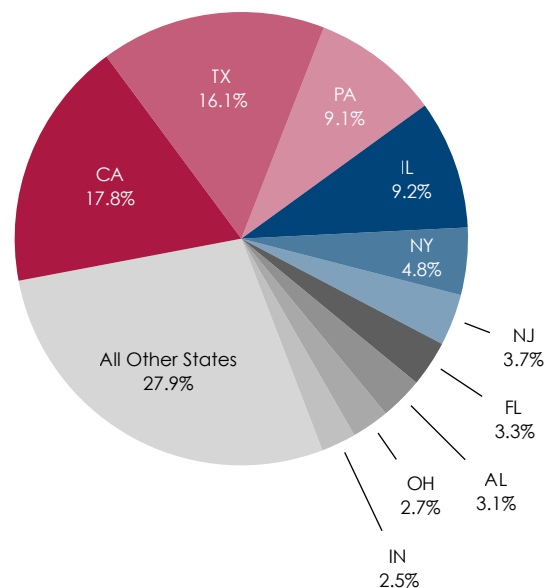
## Operating Supplement

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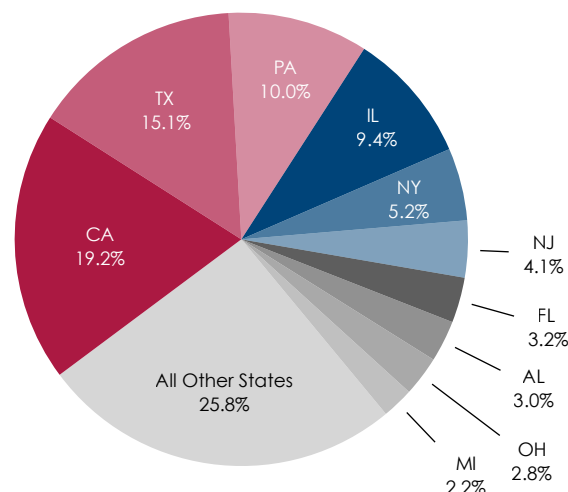
### Gross Par Outstanding by State

(in millions)	As of December 31, 2024	% of Total	As of December 31, 2023	% of Total
California	\$ 21,715.7	17.8%	\$ 20,791.4	21.5%
Texas	19,579.4	16.1%	16,299.2	13.0%
Illinois	11,209.0	9.2%	10,831.0	12.3%
Pennsylvania	11,059.9	9.1%	10,135.7	9.3%
New York	5,841.1	4.8%	5,592.4	5.5%
New Jersey	4,484.5	3.7%	4,388.5	4.7%
Florida	3,975.7	3.3%	3,495.8	2.4%
Alabama	3,727.9	3.1%	3,195.7	3.1%
Ohio	3,261.6	2.7%	3,077.2	2.8%
Indiana	3,025.9	2.5%	2,441.4	1.7%
Michigan	2,655.3	2.2%	2,427.7	2.1%
Colorado	2,543.2	2.1%	2,300.9	2.0%
Louisiana	2,500.7	2.1%	1,979.1	1.6%
Arizona	2,231.4	1.8%	1,944.1	2.0%
Kansas	2,205.5	1.8%	2,082.8	2.0%
Wisconsin	2,193.3	1.8%	1,779.7	1.4%
Connecticut	2,048.8	1.7%	1,518.4	1.0%
Iowa	1,753.2	1.4%	1,492.6	1.3%
Georgia	1,682.5	1.4%	1,554.5	1.5%
Arkansas	1,637.3	1.3%	1,223.3	0.9%
Kentucky	1,381.6	1.1%	1,063.2	0.7%
South Carolina	1,125.5	0.9%	1,014.3	0.3%
Oklahoma	1,016.6	0.8%	249.7	0.3%
Mississippi	980.9	0.8%	893.4	0.5%
Missouri	958.3	0.8%	812.9	0.7%
Nevada	814.4	0.7%	814.8	0.9%
Oregon	759.0	0.6%	729.5	0.7%
Tennessee	732.0	0.6%	368.2	0.5%
Utah	727.4	0.6%	503.9	0.5%
Washington	680.1	0.6%	505.9	0.4%
West Virginia	399.8	0.3%	349.9	0.4%
Massachusetts	366.3	0.3%	366.0	0.3%
Rhode Island	315.2	0.3%	199.9	0.1%
Maryland	265.2	0.2%	241.3	0.3%
Idaho	259.6	0.2%	220.3	0.2%
New Mexico	254.3	0.2%	133.4	0.2%
North Carolina	229.0	0.2%	171.4	0.0%
New Hampshire	201.8	0.2%	168.5	0.0%
Montana	189.7	0.2%	179.2	0.1%
Minnesota	167.9	0.1%	140.9	0.1%
North Dakota	128.1	0.1%	88.6	0.1%
South Dakota	119.9	0.1%	98.6	0.2%
Maine	82.7	0.1%	63.3	0.0%
Delaware	81.7	0.1%	78.6	0.1%
Nebraska	72.0	0.1%	42.2	0.0%
District of Columbia	42.3	0.0%	14.2	0.0%
Hawaii	42.2	0.0%	38.5	0.1%
Vermont	36.3	0.0%	28.0	0.0%
Wyoming	23.5	0.0%	5.5	0.1%
Virginia	20.5	0.0%	14.5	0.1%
<b>Total Gross Par Outstanding</b>	<b>\$ 121,805.7</b>	<b>100%</b>	<b>\$ 108,150.0</b>	<b>100%</b>

Gross Par Outstanding by State  
As of December 31, 2024



Gross Par Outstanding by State  
As of December 31, 2023



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## Contractual Amortization of Gross Par Outstanding

(in millions)	<u>Contractual Par Amortization</u>	<u>Ending Gross Par Outstanding</u>
As of December 31 2024		\$ 121,805.7
2025	\$ 4,935.9	116,869.8
2026	4,918.0	111,951.8
2027	5,213.2	106,738.5
2028	5,662.5	101,076.0
Subtotal	\$ 20,729.7	
2029-2033	27,604.3	73,471.7
2034-2038	25,730.3	47,741.4
2039-2043	21,140.9	26,600.4
2044-2048	14,754.4	11,846.1
2049-2053	8,860.2	2,985.9
2054-2058	2,316.5	669.4
2059-2063	517.0	152.4
2064-2068	152.4	-
<b>Total</b>	<b>\$ 121,805.7</b>	

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### Top 50 Public Finance Exposures

(in millions)

As of December 31, 2024

Obligor	S&P Rating <sup>(1)(3)</sup>	Moody's Rating <sup>(2)(3)</sup>	Gross Par Outstanding	% of Total Gross Par Outstanding
Metropolitan Transportation Authority (MTA), NY, Mass Transit - Farebox	A-	A3	\$ 528.9	0.4%
Midway Airport, Chicago City of, IL (Cook County), Airport GARBs (2023 Supplemental Indenture)	A	NR	513.5	0.4%
Sherman, City of, TX, (Grayson County), Combined Water & Sewer	A	NR	509.0	0.4%
South Carolina Public Service Authority	A-	A3	487.2	0.4%
Chicago, City of, IL (Cook County), Sales Tax - Local	AA-	NR	477.4	0.4%
Pennsylvania Turnpike Commission, PA, Toll Roads	A+	A2	426.0	0.3%
Port Authority of NY and NJ	AA-	Aa3	420.0	0.3%
Illinois, State of	A-	A3	412.6	0.3%
Wichita, City of, KS (Sedgwick County), Water & Sewer	AA-	NR	410.4	0.3%
Chicago, City of, IL (Cook County)	BBB+	Baa3	402.7	0.3%
Bridgeport, City of, CT (Fairfield County)	A+	A3	392.5	0.3%
Atlanta, City of, GA (Fulton County) Water & Sewer	A+	Aa3	390.9	0.3%
West Contra Costa Unified School District, CA (Contra Costa County)	A+	A1	385.0	0.3%
Connecticut, State of, CT (Lottery Revenues)	AA-	Aa3	380.9	0.3%
Springfield, City of, IL (Sangamon County), Electric	A	A3	372.5	0.3%
Clark County SD, NV (Clark County)	AA-	A1	365.6	0.3%
Chicago Board of Education, IL (Cook County)	BB+	Ba1	362.9	0.3%
Miami-Dade County School Board, FL (Miami-Dade County)	A+	Aa3	359.9	0.3%
Chicago Transit Authority, IL	AA-	A2	356.6	0.3%
Chicago, City of, IL (Cook County), Sewer	A+	Baa2	351.4	0.3%
Provident Group - UTK Properties LLC - University of Tennessee Knoxville Project, TN (Knox County), P3 Student Housing Revenue	BBB-	NR	349.9	0.3%
Pennsylvania, Commonwealth of	A+	Aa2	339.0	0.3%
Hutto, City Of, TX (Williamson County)	AA-	A1	333.0	0.3%
Sacramento City USD, CA (Sacramento County)	BBB+	A3	330.3	0.3%
Oregon State University, OR, Public Higher Education - Gross Revenue	NR	Aa3	320.7	0.3%
Allentown, City of, PA (Lehigh County), Water & Sewer	A+	NR	319.9	0.3%
Rowan University, NJ (Gloucester County), Public Higher Education - GO	A	A2	316.6	0.3%
New Jersey Transportation Trust Fund Authority, System & Program Bonds, NJ, Gas Tax - State	A-	A2	311.3	0.3%
Municipal Authority of Westmoreland County, PA (Westmoreland County) Water	A+	NR	309.7	0.3%
Illinois (State of) Build Illinois Bonds (Sales Tax Revenue Bonds)	A	A3	306.1	0.3%
Springdale, City of, AR (Washington County), Sales Tax - Local (2023 Tax)	A+	NR	306.0	0.3%
Chicago Park District, IL (Cook County)	AA-	NR	305.1	0.3%
Northern Illinois University, IL (De Kalb County)	NR	Baa3	303.9	0.2%
Kansas, State Of	A+	Aa3	300.2	0.2%
Westfield Washington Schools, IN (Hamilton County)	AA+	NR	299.2	0.2%
Colorado, State of	A+	Aa2	293.5	0.2%
University of South Alabama, AL (Mobile County), Public Higher Education - Unlimited Tuition	A+	A1	290.7	0.2%
San Francisco CCD, CA (San Francisco County)	A+	A1	287.4	0.2%
Oxnard SD, CA (Ventura County)	A+	NR	286.8	0.2%
Cape Coral, City of, FL (Lee County), Water & Sewer	A+	A1	283.9	0.2%
Oakland USD, CA (Alameda County)	A-	A1	283.2	0.2%
Florida State University, FL (Leon County), Auxiliary Revenue	NR	Aa3	281.3	0.2%
Hayward USD, CA (Alameda County)	A+	NR	274.1	0.2%
CHF-Davis II, L.L.C. - Orchard Park Student Housing Project, CA (Yolo County), P3 Student Housing Revenue	NR	Baa3	273.0	0.2%
Yonkers, City of, NY (Westchester County)	A+	Aa3	273.0	0.2%
Metropolitan Pier & Exposition Authority, IL (Cook County)	A	Baa1	269.2	0.2%
CHF-Davis I, L.L.C. - West Village Student Housing Project, CA (Yolo County), Public Higher Education - Auxiliary	NR	Baa3	267.1	0.2%
Community College District No. 508 (City Colleges of Chicago), IL (Cook County)	BBB+	NR	264.4	0.2%
Pennsylvania State System of Higher Education, PA, General Revenue	NR	Aa3	262.0	0.2%
New Jersey, State Of	A	A2	261.8	0.2%
<b>Total - Top 50 Public Finance Exposures</b>			<b>\$ 17,208.2</b>	<b>14.1%</b>

(1) Represents the rating assigned by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") on the underlying obligation, excluding BAM Mutual's credit enhancement.  
(2) Represents the rating assigned by Moody's Investor Service, Inc. ("Moody's") on the underlying obligation, excluding BAM Mutual's credit enhancement.  
(3) For single risks with multiple obligations, the rating shown represents a weighted average of the ratings on the underlying obligations, excluding BAM Mutual's credit enhancement.

# Build America Mutual Assurance Company

## Operating Supplement

December 31, 2024

### Build America Mutual Assurance Company Fixed Income Investment Portfolio

(in millions)

As of December 31, 2024

Investment Category	Fair Value	Amortized Cost	Book Yield <sup>(1)</sup>
Long-term Investments			
Municipal Obligations	\$ 236.0	\$ 251.9	4.10%
U.S. Agency Obligations - MBS	89.1	100.6	3.24%
U.S. Government Obligations	22.9	23.0	4.05%
Corporate Obligations	26.4	26.6	4.15%
Asset-backed Securities	57.6	57.3	4.83%
Subtotal Long-term Investments	\$ 432.0	\$ 459.4	4.02%
Short-term Investments and Cash Equivalents	27.8	27.8	4.13%
Total	\$ 459.8	\$ 487.2	4.02%
Common Stock	\$ 0.1	\$ 0.1	
Cash	6.5	6.5	
Investment Income Due and Accrued	3.5	3.5	
Total Cash and Investments	\$ 469.9	\$ 497.3	

As of December 31, 2024

Rating Distribution <sup>(2)</sup>	Fair Value	As a % of Investment Portfolio
U.S. Government Obligations	\$ 22.9	5.0%
U.S. Agency Obligations - MBS	89.1	19.5%
Cash Equivalents	27.8	6.0%
AAA	100.9	21.9%
AA	160.4	34.9%
A	54.8	11.9%
BBB	3.9	0.8%
Below Investment Grade	-	-
Not Rated	-	-
Total	\$ 459.8	100.0%

Weighted Average Rating

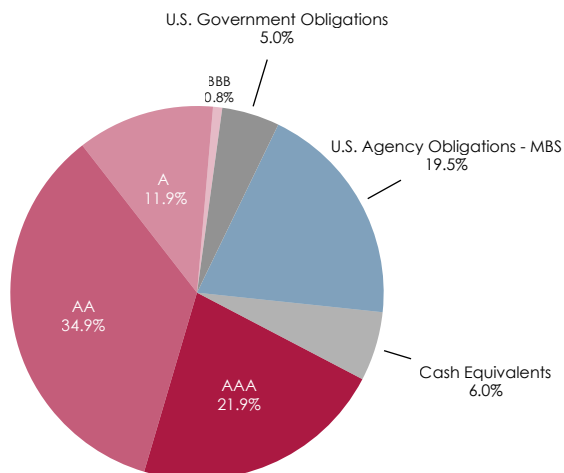
AA

Duration

4.7 years

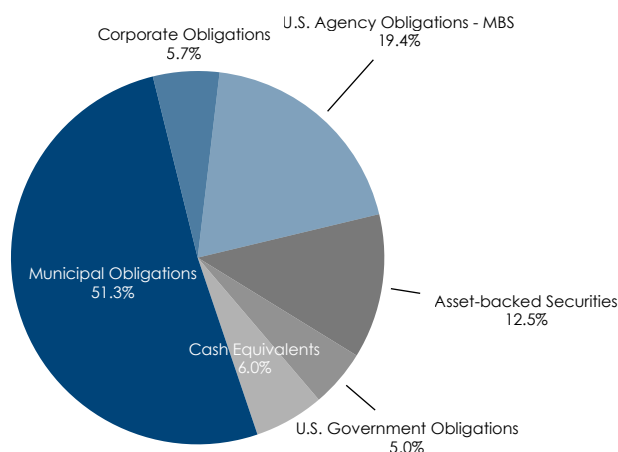
#### Ratings Distribution of Fixed Income Investment Portfolio <sup>(2)</sup>

As of December 31, 2024



#### Fixed Income Investment Portfolio <sup>(3)</sup>

As of December 31, 2024



(1) Represents the yield to worst of invested assets at December 31, 2024.

(2) Ratings are based on the lower of S&P's or Moody's rating. Rating distribution is calculated based on fair value.

(3) Based on fair value.

# Build America Mutual Assurance Company

## Operating Supplement

December 31, 2024

### HG Re Ltd. Fixed Income Investment Portfolio

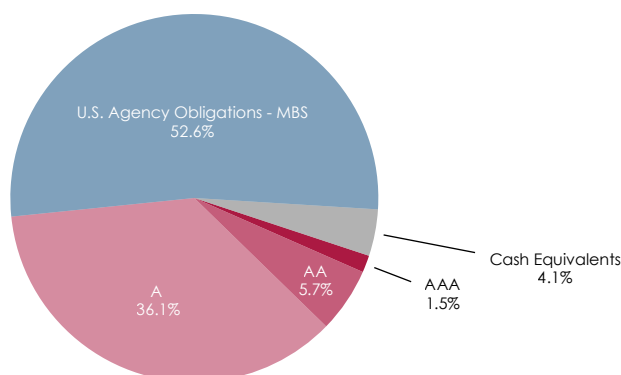
(in millions)

Investment Category	As of December 31, 2024	
	Fair Value	Amortized Cost <sup>(1)</sup>
Long-term Investments		
U.S. Agency Obligations - MBS	\$ 337.3	359.7
Corporate Obligations	278.0	\$ 294.4
Subtotal Long-term Investments	\$ 615.3	\$ 654.1
Cash Equivalents, net of payable for securities purchased	26.1	26.1
Total Fixed Income Investment Portfolio	\$ 641.4	\$ 680.2

Rating Distribution <sup>(2)</sup>	As of December 31, 2024	
	Fair Value	As a % of Investment Portfolio
U.S. Agency Obligations - MBS	\$ 337.3	52.6%
Cash Equivalents, net of payable for securities purchased	26.1	4.1%
AAA	9.8	1.5%
AA	36.5	5.7%
A	231.7	36.1%
BBB	-	-
Below Investment Grade	-	-
Not Rated	-	-
Total	\$ 641.4	100.0%
Weighted Average Rating		AA/AA-
Duration		4.2 years

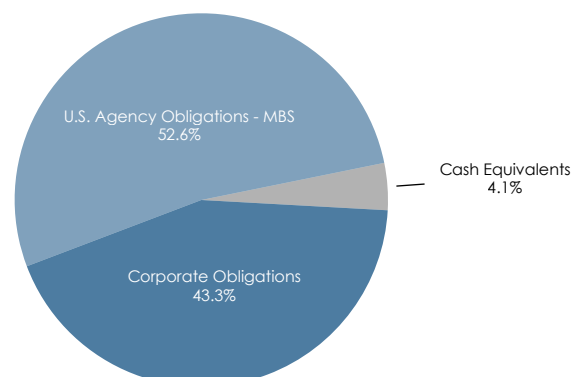
#### Ratings Distribution of Fixed Income Investment Portfolio <sup>(2)</sup>

As of December 31, 2024



#### Fixed Income Investment Portfolio <sup>(3)</sup>

As of December 31, 2024



(1) Amortized cost includes the accrued investment income.

(2) Ratings are based on the lower of Standard & Poor's or Moody's rating. Rating distribution is calculated based on fair value.

(3) Based on fair value.

# Build America Mutual Assurance Company

## Operating Supplement

December 31, 2024

### Glossary

**Adjusted Statutory Operating Income** – Statutory net income (loss) less Surplus Note Interest Expense, plus Member Surplus Contributions collected during the period

**Contingency Reserve** – a mandatory liability, required by New York State Insurance Law and the insurance laws of the other states in which BAM Mutual is licensed, established to protect policyholders against the effect of adverse economic developments or cycles or other unforeseen circumstances

**Gross Par Outstanding** – amount of remaining future contractual bond principal insured by BAM Mutual, net of reductions for legal and economic defeasances of the underlying insured obligations by the issuers, excluding the effect of reinsurance

**Gross Par Insured** – the principal amount of obligations insured during the period, excluding the effect of reinsurance

**Gross Risk Premiums Written** – a fee charged by BAM Mutual to insure the contractual principal and interest of a bond, excluding the effect of reinsurance

**Gross Total Debt Service Outstanding** – amount of remaining future contractual bond principal and interest insured by BAM Mutual, net of reductions for legal and economic defeasances of the underlying insured obligations by the issuers, excluding the effect of reinsurance

**HG Re Ltd. Collateral Trusts** – trusts established by HG Re for the sole benefit of BAM Mutual to fund HG Re's first loss and excess of loss reinsurance claim obligations to the Company

**Member Surplus Contribution** – a fee charged by BAM Mutual for the bond issuer to become a member of the Company

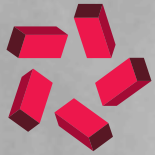
**Present Value of Gross Risk Premiums** – represents Gross Risk Premiums Written for policies issued during the period, as well as the present value of estimated future installment payments, discounted at a risk free rate

**Present Value of Member Surplus Contributions** – represents Member Surplus Contributions for policies issued during the period, as well as the present value of estimated future installment payments, discounted at a risk free rate

**Present Value of New Business Production (“PVP”)** – Gross Risk Premiums and Member Surplus Contributions collected for insurance policies issued during the period, as well as the present value of estimated future installment Gross Risk Premiums and Member Surplus Contributions, discounted at a risk free rate

**Statutory Comprehensive Income** – Statutory net income plus Member Surplus Contributions collected during the period





**BAM**<sup>SM</sup>

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