

QUARTERLY STATEMENT
OF THE
Build America Mutual Assurance Company

of
New York
in the state of
New York

TO THE
Insurance Department
OF THE STATE OF
New York

FOR THE QUARTER ENDED
JUNE 30, 2014

2014



QUARTERLY STATEMENT
AS OF JUNE 30, 2014
 OF THE CONDITION AND AFFAIRS OF THE
Build America Mutual Assurance Company

NAIC Group Code 0000 , 0000 NAIC Company Code 14380 Employer's ID Number 45-4858468
(Current Period) (Prior Period)

Organized under the Laws of New York , State of Domicile or Port of Entry New York

Country of Domicile United States of America

Incorporated/Organized 03/16/2012 Commenced Business 07/20/2012

Statutory Home Office 1 World Financial Ctr. - 27th Fl., 200 Liberty St. , New York, NY, US 10281
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1 World Financial Ctr. - 27th Fl., 200 Liberty St
(Street and Number)

New York, NY, US 10281 (212)235-2500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 World Financial Ctr. - 27th Fl., 200 Liberty St. , New York, NY, US 10281
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 World Financial Ctr. - 27th Fl., 200 Liberty St.
(Street and Number)

New York, NY, US 10281 (212)235-2500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.buildamerica.com

Statutory Statement Contact Brian Michael Wymbs (212)235-2513
(Name) (Area Code)(Telephone Number)(Extension)

bwymbs@buildamerica.com (212)962-1524
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Robert Phillips Cochran	Managing Director, Secretary and Chairman
Seán Wallace McCarthy	Managing Director and Chief Executive Officer
Elizabeth Ann Keys	Chief Financial Officer and Treasurer

OTHERS

Suzanne Marie Finnegan Bouton, Chief Credit Officer
 Alexander George Makowski, Jr., General Counsel and Assistant Secretary
 Laura Levenstein, Chief Risk Officer
 Brian Michael Wymbs, Controller

DIRECTORS OR TRUSTEES

Raymond Joseph Rene Barrette	Robert Phillips Cochran
Seán Wallace McCarthy	Richard Ravitch
Edward Gene Rendell	Robert Albert Vanosky
Allan Lewis Waters	

State of New York
 County of New York ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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)
 Robert Phillips Cochran
(Printed Name)
 1.
 Managing Director, Secretary and Chairman
(Title)

(Signature)
 Seán Wallace McCarthy
(Printed Name)
 2.
 Managing Director and Chief Executive Officer
(Title)

(Signature)
 Elizabeth Ann Keys
(Printed Name)
 3.
 Chief Financial Officer and Treasurer
(Title)

Subscribed and sworn to before me this _____ day of _____, 2014

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	436,342,364		436,342,364	450,017,589
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 (\$.....6,382,932), cash equivalents (\$.....0) and short-term investments (\$.....27,235,622)	33,618,554		33,618,554	33,648,560
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets	5,001,000		5,001,000	
9. Receivables for securities	763		763	
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	474,962,680		474,962,680	483,666,149
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,617,071		2,617,071	2,687,481
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,797,564	1,778,979	18,585	26,473
21. Furniture and equipment, including health care delivery assets (\$.....0)	230,521	230,521	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	414,589	229,716	184,873	148,775
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	480,022,425	2,239,216	477,783,209	486,528,878
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	480,022,425	2,239,216	477,783,209	486,528,878
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid assets	229,716	229,716		
2502. Other assets	184,873		184,873	148,775
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	414,589	229,716	184,873	148,775

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year \$.....0)		
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses		
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	9,925,519	11,183,984
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	61,677	227,934
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 \$.....15,586,761 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)	4,424,267	2,997,024
10.	Advance premium		
11.	Dividends declared and unpaid:		
11.1	Stockholders		
11.2	Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	2,008	1,996,539
13.	Funds held by company under reinsurance treaties		
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		
20.	Derivatives		
21.	Payable for securities	1,000,000	
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes \$.....0 and interest thereon \$.....0		
25.	Aggregate write-ins for liabilities	2,468,070	1,074,002
26.	TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	17,881,541	17,479,483
27.	Protected cell liabilities		
28.	TOTAL liabilities (Lines 26 and 27)	17,881,541	17,479,483
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	24,985,881	17,333,374
33.	Surplus notes	503,000,000	503,000,000
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	(68,084,214)	(51,283,979)
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)	459,901,667	469,049,395
38.	TOTALS (Page 2, Line 28, Col. 3)	477,783,208	486,528,878
DETAILS OF WRITE-INS			
2501.	Mandatory contingency reserve	2,468,070	1,074,002
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)	2,468,070	1,074,002
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.	Member surplus contributions	24,985,881	17,333,374
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)	24,985,881	17,333,374

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned			
1.1 Direct (written \$.....6,699,620)	249,790	5,314	107,849
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....5,219,004)	196,443	4,139	84,014
1.4 Net (written \$.....1,480,616)	53,347	1,175	23,835
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0)			
2.1 Direct			
2.2 Assumed			
2.3 Ceded			
2.4 Net			
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred	18,516,685	16,637,034	33,229,754
5. Aggregate write-ins for underwriting deductions			
6. TOTAL underwriting deductions (Lines 2 through 5)	18,516,685	16,637,034	33,229,754
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(18,463,338)	(16,635,859)	(33,205,919)
INVESTMENT INCOME			
9. Net investment income earned	2,807,256	2,182,214	4,643,201
10. Net realized capital gains (losses) less capital gains tax of \$.....0	(259,819)	(133,895)	(739,931)
11. Net investment gain (loss) (Lines 9 + 10)	2,547,437	2,048,319	3,903,270
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(15,915,901)	(14,587,540)	(29,302,649)
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)	(15,915,901)	(14,587,540)	(29,302,649)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(15,915,901)	(14,587,540)	(29,302,649)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	469,049,395	483,716,127	483,716,127
22. Net income (from Line 20)	(15,915,901)	(14,587,540)	(29,302,649)
23. Net transfers (to) or from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	509,735	(186,274)	(1,368,232)
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			
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	6,258,440	7,663,602	16,004,150
38. Change in surplus as regards policyholders (Lines 22 through 37)	(9,147,726)	(7,110,212)	(14,666,731)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	459,901,669	476,605,914	469,049,395
DETAILS OF WRITE-INS			
0501.			
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)			
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. Member surplus contributions	7,652,508	7,976,256	17,075,574
3702. Change in mandatory contingency reserve	(1,394,068)	(312,654)	(1,071,424)
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	6,258,440	7,663,602	16,004,150

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	(513,941)	1,954,219	4,982,828
2. Net investment income	5,493,352	5,883,707	11,878,330
3. Miscellaneous income			
4. TOTAL (Lines 1 to 3)	4,979,411	7,837,926	16,861,158
5. Benefit and loss related payments			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	19,600,434	17,145,465	29,574,575
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)			
10. TOTAL (Lines 5 through 9)	19,600,434	17,145,465	29,574,575
11. Net cash from operations (Line 4 minus Line 10)	(14,621,023)	(9,307,539)	(12,713,417)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	19,039,574	70,105,403	122,892,977
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	999,238		
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	20,038,812	70,105,403	122,892,977
13. Cost of investments acquired (long-term only):			
13.1 Bonds	8,358,982	72,687,510	113,312,196
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	5,001,000		
13.6 Miscellaneous applications		25,292	
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	13,359,982	72,712,802	113,312,196
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)	6,678,830	(2,607,399)	9,580,781
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	7,912,187	7,775,861	15,688,867
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	7,912,187	7,775,861	15,688,867
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(30,007)	(4,139,077)	12,556,231
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	33,648,560	21,092,329	21,092,329
19.2 End of period (Line 18 plus Line 19.1)	33,618,554	16,953,251	33,648,560

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

20.0001				
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Notes to Financial Statement

Build America Mutual Assurance Company (“Build America” or the “Company”) is a New York domiciled mutual financial guaranty insurance company. The Company was capitalized on July 17, 2012 and 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. Build America is also licensed in the District of Columbia and the remaining 49 states. Build America’s financial strength and counterparty credit ratings of ‘AA/Stable Outlook’, from Standard & Poor’s Ratings Services, were reaffirmed on July 31, 2014. Build America is not licensed to write financial guaranty insurance in Puerto or any other territory or possession of the United States and it has no exposure to debt issued in Puerto Rico or any other territory or possession of the United States.

The first mutual bond insurance company, Build America is owned by and operated for the benefit of the cities, states and other municipal agencies—the municipal issuers—that use the Company’s ‘AA/Stable Outlook’ rated financial guaranty to lower their cost of funding in the U.S. municipal market. Build America’s unique corporate structure distinguishes it from traditional financial guaranty insurers in many important ways:

- Build America’s charter, underwriting guidelines and credit policies permit the Company to insure only fixed rate, long-term, essential public purpose municipal bonds in core sectors for municipalities or entities that qualify for tax exemption under Section 115 of the Internal Revenue Code;
- Build America’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; and
- In addition to its own strong capital base, Build America has the benefit of collateralized first loss reinsurance protection for losses up to the first 15% of par outstanding on each policy written.

Purchasers of financial guaranty insurance pay a fee to Build America which consists of a risk premium and a Member Surplus Contribution (“MSC”). The risk premium collected by Build America is consideration for the insured risk. As members of Build America, the municipal issuers have the right to vote and to receive dividends if declared.

The MSC is effective for the life of the policy, including refunding bonds of the same insured issue. The member is credited with the MSC in the event of a refunding if the refunding bonds are insured by Build America. The member will continue to receive dividends, if declared, and other benefits of mutual membership for the life of the policy. Dividend payments to members require regulatory approval through July 30, 2015. The Company’s policies are issued without contingent mutual liability for assessment.

On July 17, 2012, the Company issued, for cash, the Series 2012-A Surplus Notes and Series 2012-B Surplus Notes (collectively, the “Surplus Notes”) to HG Holdings, Ltd. (“HG Holdings”), a Bermuda holding company, and its wholly owned subsidiary HG Re, Ltd. (“HG Re”) in the amount of \$203,000,000 and \$300,000,000, respectively.

The Company’s reinsurance protection is provided by HG Re via a first-loss reinsurance treaty (the “Reinsurance Agreement”), whereby HG Re assumes all directly insured losses in an amount up to 15% of the par outstanding for each insurance policy. HG Re’s obligations under the Reinsurance Agreement are secured by, and limited to the value of, high quality assets held in trusts, which are pledged for the benefit of Build America.

Both HG Holdings and HG Re are wholly owned subsidiaries of HG Global, Ltd. (“HG Global”), a Bermuda corporation. HG Global’s controlling parent is White Mountain Insurance Group, Ltd., a Bermuda-domiciled financial services holding company (“White Mountains”), which owns 89% of HG Global’s common equity and 97% of its preferred equity. Two of the Company’s directors, Mr. Cochran and Mr. McCarthy, along with 11 of the Company’s officers and employees, own individually or through family trusts the remaining common and preferred equity interests in HG Global.

1. Summary of Significant Accounting Practices

A. Accounting Practices

The accompanying statutory-basis financial statements have been prepared on the basis of accounting practices prescribed or permitted by the State of New York.

The Department recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under New York State Insurance Law (“NYSIL”). The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) has been adopted as a component of prescribed practices by the Department.

The Department has the right to permit other specific practices that deviate from prescribed practices. During 2012, the Company received permission from the Department to defer the recognition of the deferred tax liabilities attributable to MSC received until such time as the MSC are included in the Company’s taxable income, to the extent that the total gross deferred tax liabilities exceed the total gross admitted deferred tax assets. The Department’s permission to utilize this permitted practice was to expire on January 1, 2014, however the Company has received permission from the Department to continue to utilize this permitted practice until January 1, 2015. This permitted practice has no effect on either net income for the period ended June 30, 2014 or the year ended December 31, 2013 or statutory surplus as of June 30, 2014 or December 31, 2013.

Notes to Financial Statement

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices permitted by the Department is shown below:

	State of Domicile	June 30, 2014	December 31, 2013
NET INCOME (LOSS)			
(1) Build America's state basis (Page 4, Line 20, Columns 1 and 3)	New York	\$ (15,915,901)	\$ (29,302,649)
(2) Effect of prescribed practices	New York	-	-
(3) Effect of permitted practice - deferred tax liability on MSC	New York	-	-
(4) NAIC SAP		<u>\$ (15,915,901)</u>	<u>\$ (29,302,649)</u>
SURPLUS			
(5) Build America's state basis (Page 3, Line 37, Columns 1 and 2)	New York	\$ 459,901,667	\$ 469,049,395
(6) Effect of prescribed practices	New York	-	-
(7) Effect of permitted practice - deferred tax liability on MSC	New York	-	-
(8) NAIC SAP		<u>\$ 459,901,667</u>	<u>\$ 469,049,395</u>

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

No significant changes from the 2013 Notes to the Financial Statements.

C. Accounting Policies

- (8) Investments in non-insurance limited liability companies ("LLC") are recorded based on the underlying equity of the respective LLC's audited financial statements presented in accordance with U.S. Generally Accepted Accounting Principles.

2. Accounting Changes and Corrections of Errors

No significant changes from the 2013 Notes to the Financial Statements.

3. Business Combinations and Goodwill

No significant changes from the 2013 Notes to the Financial Statements.

4. Discontinued Operations

No significant changes from the 2013 Notes to the Financial Statements.

5. Investments

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

C. No significant changes from the 2013 Notes to the Financial Statements.

D. Loan-Backed Securities

- (1) The Company consistently uses the retrospective method to revalue loan-backed securities using current prepayment assumptions. Prepayment assumptions for single class and multi-class loan-backed securities are obtained from publicly available resources. There were no changes in the methodology utilized by the Company to revalue loan-backed securities.
- (2) No significant changes from the 2013 Notes to the Financial Statements.
- (3) No significant changes from the 2013 Notes to the Financial Statements.
- (4) The Company has not recognized other-than-temporary impairment losses ("OTTI losses") on loan-backed securities for the period ended June 30, 2014. Gross unrealized losses on loan-backed securities and the related fair values were as follows:

Time in Continuous Unrealized Position	Gross Unrealized Losses	Fair Value	Number of Securities
<u>June 30, 2014</u>			
Less than twelve months	\$ -	\$ -	-
Twelve or more months	774,559	42,343,114	7
Total	<u>\$ 774,559</u>	<u>\$ 42,343,114</u>	<u>7</u>
<u>December 31, 2013:</u>			
Less than twelve months	\$ 1,336,584	\$ 38,239,156	6
Twelve or more months	923,510	24,725,645	5
Total	<u>\$ 2,260,094</u>	<u>\$ 62,964,801</u>	<u>11</u>

- (5) No significant changes from the 2013 Notes to the Financial Statements.

E. No significant changes from the 2013 Notes to the Financial Statements.

Notes to Financial Statement

- F. No significant changes from the 2013 Notes to the Financial Statements.
- G. No significant changes from the 2013 Notes to the Financial Statements.
- H. The Company's restricted assets were as follows:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross Restricted							Percentage		
	Current Year							9	10	
	1	2	3	4	5	6	7			8
	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 Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligations for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	0%	0%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0%	0%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0%	0%
g. Placed under option contracts	-	-	-	-	-	-	-	-	0%	0%
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-	-	-	0%	0%
i. FHLB capital stock	-	-	-	-	-	-	-	-	0%	0%
j. On deposit with states	5,510,561	-	-	-	5,510,561	5,473,646	36,915	5,510,561	1%	1%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	0%	0%
l. Pledged as collateral to FHLB	-	-	-	-	-	-	-	-	0%	0%
m. Pledged as collateral not captured in other categories	148,775	-	-	-	148,775	148,775	-	148,775	0%	0%
n. Other restricted assets	-	-	-	-	-	-	-	-	0%	0%
o. Total Restricted Assets	\$ 6,659,336	\$ -	\$ -	\$ -	\$ 6,659,336	\$ 6,622,421	\$ 36,915	\$ 6,659,336	1%	1%

(a) Subset of column 1

(b) Subset of column 3

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross Restricted							Percentage		
	Current Year							9	10	
	1	2	3	4	5	6	7			8
	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 Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Lease security deposits	\$ 148,775	\$ -	\$ -	\$ -	\$ 148,775	\$ 148,775	\$ -	\$ 148,775	0%	0%
Total Restricted Assets	\$ 148,775	\$ -	\$ -	\$ -	\$ 148,775	\$ 148,775	\$ -	\$ 148,775	0%	0%

(a) Subset of column 1

(b) Subset of column 3

(3) The Company has no Other Restricted Assets as of June 30, 2014 or December 31, 2013.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes from the 2013 Notes to the Financial Statements.

7. Investment Income

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

8. Derivative Instruments

No significant changes from the 2013 Notes to the Financial Statements.

Notes to Financial Statement**9. Income Taxes**

The Company generated tax basis ordinary operating losses of \$25,953,977 and \$34,989,016 for the periods ended June 30, 2014 and June 30, 2013, respectively. As of June 30, 2014, the Company has unused ordinary operating loss carryforwards of \$115,430,217 available to offset against future taxable income. Unused ordinary operating losses of \$28,493,873, \$60,982,367 and \$25,953,977 expire in 2032, 2033 and 2034, respectively.

The Company generated tax basis capital losses of \$259,819 and \$0 for the periods ended June 30, 2014 and June 30, 2013, respectively. As of June 30, 2014, the Company has unused capital loss carryforwards of \$643,733 available to offset against future taxable capital gains. Unused capital losses of \$383,955 and \$259,819 expire in 2018 and 2019, respectively.

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

A. No significant changes from the 2013 Notes to the Financial Statements.

11. Debt

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

C. No significant changes from the 2013 Notes to the Financial Statements.

D. No significant changes from the 2013 Notes to the Financial Statements.

E. No significant changes from the 2013 Notes to the Financial Statements.

F. No significant changes from the 2013 Notes to the Financial Statements.

G. No significant changes from the 2013 Notes to the Financial Statements.

H. No significant changes from the 2013 Notes to the Financial Statements.

I. No significant changes from the 2013 Notes to the Financial Statements.

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

(1) No significant changes from the 2013 Notes to the Financial Statements.

(2) No significant changes from the 2013 Notes to the Financial Statements.

(3) No significant changes from the 2013 Notes to the Financial Statements.

(4) No significant changes from the 2013 Notes to the Financial Statements.

(5) No significant changes from the 2013 Notes to the Financial Statements.

(6) No significant changes from the 2013 Notes to the Financial Statements.

(7) No significant changes from the 2013 Notes to the Financial Statements.

(8) No significant changes from the 2013 Notes to the Financial Statements.

(9) No significant changes from the 2013 Notes to the Financial Statements.

(10) No significant changes from the 2013 Notes to the Financial Statements.

(11) Surplus Notes

On July 17, 2012, the Company issued, for cash, the Series 2012-A Surplus Notes and Series 2012-B Surplus Notes (collectively, the "Surplus Notes") to HG Holdings and HG Re in the amount of \$203,000,000 and \$300,000,000, respectively.

Pursuant to the Amended and Restated Surplus Note Purchase Agreement (the "Amended Surplus Note Agreement"), effective January 1, 2014, BAM, HG Holdings and HG Re agreed to change the interest rate on the Surplus Notes for the five years ended December 31, 2018 from a fixed 8% rate to a variable rate equal to the one-year U.S. treasury rate plus 300 basis points, set annually. Prior to the end of 2018, BAM has the option to extend the variable rate period for another three years. Following the expiration of the variable rate period, the interest rate adjusts to the higher of the then variable rate or 8%. The Department approved the Amended Surplus Note Agreement on April 25, 2014.

Date Issued	Series	Interest Rate	Par Value (Face Amount of the Note)	Carrying Value of Note	Principal and/ or Interest Paid Current Year	Total Principal and/ or Interest Paid	Total Unapproved Principal and/ or Interest	Date of Maturity
July 17, 2012	2012-A	variable	\$ 203,000,000	\$ 203,000,000	\$ -	\$ -	\$ 229,830,863	April 1, 2042
July 17, 2012	2012-B	variable	\$ 300,000,000	\$ 300,000,000	\$ -	\$ -	\$ 339,651,522	April 1, 2042

Notes to Financial Statement

The Amended Surplus Note Agreement provides for quarterly payments commencing on June 1, 2014, upon; i.) the Company's request for authority to make payment and ii.) the Department's approval of that request. These conditions to the payment of interest due on the Surplus Notes allow for the deferral of interest without the occurrence of a default under the Amended Surplus Note Agreement. The Company did not request Department approval for the payments through June 30, 2014 and does not anticipate requesting Department approval for the September 1, 2014 payment. No interest shall be accrued on deferred interest payments. The Surplus Notes are expressly subordinate and junior to the Company's policy obligations and all other liabilities other than distribution of assets to members. Because the Company is a mutual company, there is no liquidation preference for the insurer's common and preferred shareholders, as no such shares exist.

As funds become available to make interest and principal payments and subject to approval by the Department, payments will be made pursuant to the Amended Surplus Note Agreement in the following order, satisfying each category of payment in full before beginning payments on the subsequent category: i.) outstanding principal of the Series 2012-A Surplus Notes, plus any interest due and payable thereon, ii.) interest due and payable on Series 2012-B Surplus Notes, and iii.) outstanding principal of the Series 2012-B Surplus Notes.

The Company may not make any payment of principal or interest on the Series 2012-B Surplus Notes, or on any other debt subordinated to the Surplus Notes, until all interest due and all outstanding principal on the Series 2012-A Surplus Notes has been paid. In addition, the Company may not make any payment of principal on any debt subordinated to the Surplus Notes until all interest due and all outstanding principal on all of the Surplus Notes has been paid.

While the scheduled maturity date of the Surplus Notes is April 1, 2042, the Company has the option to pre-pay, in whole or in part, the principal amount of the Surplus Notes at par value prior to such date subject to Department approval and the conditions noted in the previous paragraph.

(12) No significant changes from the 2013 Notes to the Financial Statements.

(13) No significant changes from the 2013 Notes to the Financial Statements.

14. Contingencies

A. Commitments

(1) No significant changes from the 2013 Notes to the Financial Statements.

(2) No significant changes from the 2013 Notes to the Financial Statements.

(3) No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

C. No significant changes from the 2013 Notes to the Financial Statements.

D. No significant changes from the 2013 Notes to the Financial Statements.

E. No significant changes from the 2013 Notes to the Financial Statements.

F. No significant changes from the 2013 Notes to the Financial Statements.

15. Leases

A. Lessee Operating Lease

(1) No significant changes from the 2013 Notes to the Financial Statements.

(2) No significant changes from the 2013 Notes to the Financial Statements.

(3) No significant changes from the 2013 Notes to the Financial Statements.

B. Other Leases

(1) No significant changes from the 2013 Notes to the Financial Statements.

(2) No significant changes from the 2013 Notes to the Financial Statements.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Build America provides financial guaranty insurance for domestic public finance obligations. Total principal and interest exposure, net of reinsurance, as of June 30, 2014 and December 31, 2013 was \$11,466,675,043 and \$7,237,798,291, respectively.

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

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

Notes to Financial Statement

C. No significant changes from the 2013 Notes to the Financial Statements.

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

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

C. No significant changes from the 2013 Notes to the Financial Statements.

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

No significant changes from the 2013 Notes to the Financial Statements.

20. Fair Value Measurements

A. The fair values of the Company's financial instruments are determined primarily through the use of observable inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from external independent sources. Unobservable inputs reflect management's assumptions about what market participants' assumptions would be in pricing the asset or liability based on the best information available. The Company classifies financial assets in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. This classification requires judgment in assessing the market and pricing methodologies for a particular security. The fair value hierarchy is comprised of the following three levels:

Level 1: Valuations are based on unadjusted quoted prices in active markets for identical financial assets or liabilities;

Level 2: Valuations of financial assets and liabilities are based on prices obtained from independent index providers, pricing vendors or broker-dealers using observable inputs; and

Level 3: Valuations are based on unobservable inputs for assets and liabilities where there is little or no market activity. Management's assumptions and/or internal valuation pricing models are used to determine the fair value of financial assets or liabilities.

(1) No significant changes from the 2013 Notes to the Financial Statements.

(2) No significant changes from the 2013 Notes to the Financial Statements.

(3) No significant changes from the 2013 Notes to the Financial Statements.

(4) No significant changes from the 2013 Notes to the Financial Statements.

(5) No significant changes from the 2013 Notes to the Financial Statements.

B. The fair values of the Company's financial instruments are reflected in the table below.

C. The admitted assets, fair values and related level classification within the fair value hierarchy of the Company's financial instruments was as follows:

Fair Value Measurements as of June 30, 2014

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial Assets						
Bonds	\$ 435,097,700	\$ 436,342,364	\$ -	\$ 435,097,700	\$ -	\$ -
Cash and short-term investments	33,618,554	33,618,554	33,618,554	-	-	-
Investment income due and accrued	2,617,071	2,617,071	2,617,071	-	-	-
Total Financial Assets	\$ 471,333,325	\$ 472,577,989	\$ 36,235,625	\$ 435,097,700	\$ -	\$ -
Financial Liabilities						
Net financial guaranty insurance contracts	21,239,778	-	-	-	21,239,778	-
Total Financial Liabilities	\$ 21,239,778	\$ -	\$ -	\$ -	\$ 21,239,778	\$ -

Fair Value Measurements as of December 31, 2013

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial Assets						
Bonds	\$ 441,678,303	\$ 450,017,589	\$ -	\$ 441,678,303	\$ -	\$ -
Cash and short-term investments	33,648,559	33,648,559	33,648,559	-	-	-
Investment income due and accrued	2,687,481	2,687,481	2,687,481	-	-	-
Total Financial Assets	\$ 478,014,343	\$ 486,353,629	\$ 36,336,040	\$ 441,678,303	\$ -	\$ -
Financial Liabilities						
Net financial guaranty insurance contracts	16,163,701	-	-	-	16,163,701	-
Total Financial Liabilities	\$ 16,163,701	\$ -	\$ -	\$ -	\$ 16,163,701	\$ -

D. No significant changes from the 2013 Notes to the Financial Statements.

21. Other Items

A. No significant changes from the 2013 Notes to the Financial Statements.

B. No significant changes from the 2013 Notes to the Financial Statements.

C. No significant changes from the 2013 Notes to the Financial Statements.

D. No significant changes from the 2013 Notes to the Financial Statements.

Notes to Financial Statement

- E. No significant changes from the 2013 Notes to the Financial Statements.
- F. No significant changes from the 2013 Notes to the Financial Statements.
- G. No significant changes from the 2013 Notes to the Financial Statements.

22. Events Subsequent

Pursuant to Statement of Statutory Accounting Principles ("SSAP") No. 9, Subsequent Events, the date through which Type I or Type II subsequent events have been evaluated was August 13, 2014 for the quarter ended June 30, 2014, the date in which the statutory financial statements were available for issue. Based on the Company's evaluation, no material items were noted.

23. Reinsurance

No significant changes from the 2013 Notes to the Financial Statements.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant changes from the 2013 Notes to the Financial Statements.

25. Changes in Incurred Losses and Loss Adjustment Expenses

No significant changes from the 2013 Notes to the Financial Statements.

26. Intercompany Pooling Arrangements

No significant changes from the 2013 Notes to the Financial Statements.

27. Structured Settlements

No significant changes from the 2013 Notes to the Financial Statements.

28. Health Care Receivables

No significant changes from the 2013 Notes to the Financial Statements.

29. Participating Accident and Health Policies

No significant changes from the 2013 Notes to the Financial Statements.

30. Premium Deficiency Reserves

No significant changes from the 2013 Notes to the Financial Statements.

31. High Deductibles

No significant changes from the 2013 Notes to the Financial Statements.

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

No significant changes from the 2013 Notes to the Financial Statements.

33. Asbestos / Environmental Reserves

No significant changes from the 2013 Notes to the Financial Statements.

34. Subscriber Savings Accounts

No significant changes from the 2013 Notes to the Financial Statements.

35. Multiple Peril Crop Insurance

No significant changes from the 2013 Notes to the Financial Statements.

36. Financial Guaranty Insurance

A. The following disclosures for financial guaranty insurance contracts in force as of June 30, 2014:

- (1) The following disclosures are for installment financial guaranty insurance contracts in force as of June 30, 2014:
 - a. The gross unearned premium reserve on an undiscounted basis for the entire book of business that would have been reported had all installment premiums been received at inception would have been \$20,955,014 as of June 30, 2014.

Notes to Financial Statement

- b. The table below summarizes future, undiscounted premiums expected to be collected under installment contracts as of June 30, 2014:

	Future Expected Undiscounted Premiums Collections
1. (b) 3rd Quarter 2014	\$ -
(c) 4th Quarter 2014	-
(d) Year 2015	-
(e) Year 2016	-
(f) Year 2017	-
(g) Year 2018	-
2. (a) Years 2019 through 2023	75,514
(b) Years 2024 through 2028	351,230
(c) Years 2029 through 2033	284,925
(d) Years 2034 through 2038	193,640
(e) Years 2039 through 2043	38,677
(f) Years 2044 through 2048	-
(g) Years 2049 through 2053	-
Total	\$ 943,986

- c. The table below provides a roll forward of the expected future, undiscounted premiums:

1. Expected future premiums - beginning of year	\$ -
2. Less: premium payments received for existing installment contracts	-
3. Add: expected premium payments for new installment contracts	943,986
4. Adjustments to the expected future premium payments	-
4. Expected future premiums - end of year	\$ 943,986

- (2) The following disclosures are for non-installment financial guaranty insurance contracts in force as of June 30, 2014:

- a. The Company did not recognize any accelerated earned premium revenue on non-installment contracts during the quarter ended June 30, 2014.
- b. The table below summarizes future expected earned premium revenue, net of reinsurance, on non-installment financial guaranty contracts as of June 30, 2014:

	Future Expected Earned Premiums, Net of Reinsurance
1. (a) 3rd Quarter 2014	\$ 48,345
(b) 4th Quarter 2014	43,623
(c) Year 2015	188,371
(d) Year 2016	199,257
(e) Year 2017	206,519
(f) Year 2018	211,342
2. (a) Years 2019 through 2023	1,036,981
(b) Years 2024 through 2028	834,464
(c) Years 2029 through 2033	706,717
(d) Years 2034 through 2038	417,520
(e) Years 2039 through 2043	383,450
(f) Years 2044 through 2048	80,058
(g) Years 2049 through 2053	65,081
(h) Years 2054 through 2058	2,539
Total	\$ 4,424,267

- (3) No significant changes from the 2013 Notes to the Financial Statements.

- (4) No significant changes from the 2013 Notes to the Financial Statements.

- B. No significant changes from the 2013 Notes to the Financial Statements.

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:

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 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. 12/31/2013
- 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. 07/18/2012
- 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). 07/18/2012
- 6.4 By what department or departments?
New York State Department of Financial Services
- 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[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]

- 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
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 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[X] No[]
- 11.2 If yes, give full and complete information relating thereto:
Cash and securities with a carrying value of \$5,510,561 were on deposit with various state and other regulatory authorities as required by law. In addition, assets with a carrying value of \$98,775 were held in trust to secure letters of credit and assets with a carrying value of \$50,000 were held by lessors to benefit the lease obligations of the Company.
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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[X] No[]

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		5,001,000
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		5,001,000
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?
 If no, attach a description with this statement. Yes[] No[] N/A[X]

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
The Bank of New York Mellon	500 Grant Street, Pittsburgh, PA 15258

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

1 Central Registration Depository	2 Name(s)	3 Address
107105	BlackRock Financial Management	55 East 52nd Street, New York, NY 10055

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

5. Operating Percentages:
 5.1 A&H loss percent 0.000%
 5.2 A&H cost containment percent 0.000%
 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[] No[X]
 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
 6.3 Do you act as an administrator for health savings accounts? Yes[] No[X]
 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

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

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

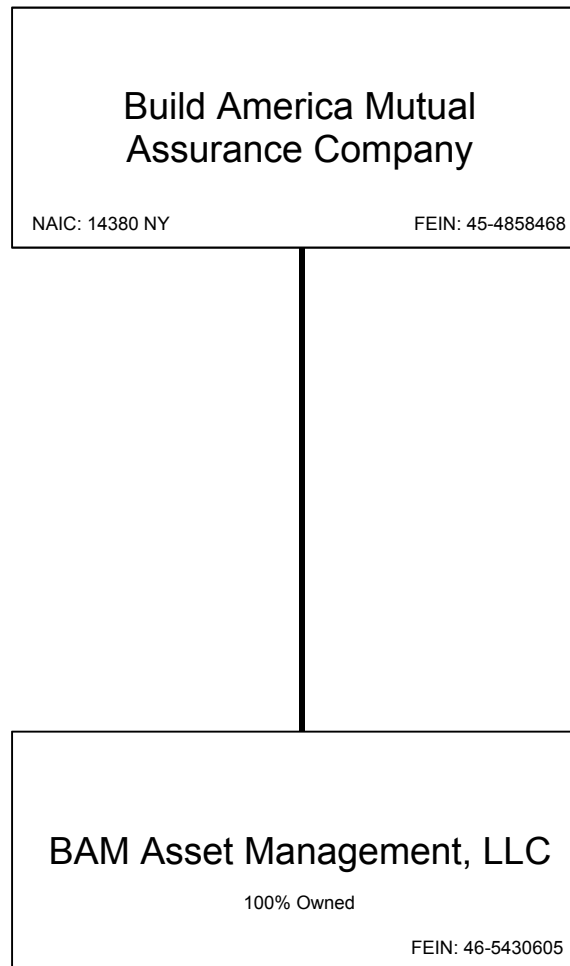
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**Current Year to Date - Allocated by States and Territories**

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, Etc.	Active Status	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	108,371					
2. Alaska (AK)	L						
3. Arizona (AZ)	L	17,385	68,765				
4. Arkansas (AR)	L						
5. California (CA)	L	1,873,680	1,951,997				
6. Colorado (CO)	L	34,862					
7. Connecticut (CT)	L						
8. Delaware (DE)	L						
9. District of Columbia (DC)	L						
10. Florida (FL)	L	39,736					
11. Georgia (GA)	L						
12. Hawaii (HI)	L						
13. Idaho (ID)	L						
14. Illinois (IL)	L	396,638	76,570				
15. Indiana (IN)	L	116,531	33,250				
16. Iowa (IA)	L	58,984					
17. Kansas (KS)	L	10,625	19,110				
18. Kentucky (KY)	L	7,283					
19. Louisiana (LA)	L	213,938					
20. Maine (ME)	L						
21. Maryland (MD)	L						
22. Massachusetts (MA)	L		12,110				
23. Michigan (MI)	L	83,957	11,633				
24. Minnesota (MN)	L	5,500					
25. Mississippi (MS)	L	42,418					
26. Missouri (MO)	L	8,725					
27. Montana (MT)	L						
28. Nebraska (NE)	L						
29. Nevada (NV)	L		16,255				
30. New Hampshire (NH)	L						
31. New Jersey (NJ)	L	40,633	60,804				
32. New Mexico (NM)	L	9,839					
33. New York (NY)	L	1,695,454	667,418				
34. North Carolina (NC)	L						
35. North Dakota (ND)	L						
36. Ohio (OH)	L	117,281					
37. Oklahoma (OK)	L						
38. Oregon (OR)	L						
39. Pennsylvania (PA)	L	321,173	1,064,483				
40. Rhode Island (RI)	L						
41. South Carolina (SC)	L	21,158					
42. South Dakota (SD)	L	7,345					
43. Tennessee (TN)	L	26,545	7,300				
44. Texas (TX)	L	1,314,839	1,304,838				
45. Utah (UT)	L						
46. Vermont (VT)	L						
47. Virginia (VA)	L	24,371					
48. Washington (WA)	L	42,517					
49. West Virginia (WV)	L						
50. Wisconsin (WI)	L	59,832	9,000				
51. Wyoming (WY)	L						
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	(a) 51	6,699,620	5,303,533				
DETAILS OF WRITE-INS							
5801.	X X X						
5802.	X X X						
5803.	X X X						
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X						
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X						

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

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

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



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	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)	*
.....	14380	45-4858468	.....	.....	.....	Build America Mutual Assurance Company	NY	RE	.....	.....	.....	.....	.....
.....	00000	46-5430605	.....	.....	.....	BAM Asset Management, LLC	DE	DS	Build America Mutual Assurance Company	Ownership	100.0	Build America Mutual Assurance Company	.....

Asterisk	Explanation
0000001

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				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty	249,790			
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	249,790			
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			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty	2,400,715	6,699,620	5,303,533
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	2,400,715	6,699,620	5,303,533
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)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 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. 2011 + Prior													
2. 2012													
3. Subtotals 2012 + Prior													
4. 2013													
5. Subtotals 2013 + Prior													
6. 2014	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals													
8. Prior Year-End's Surplus As Regards Policyholders	469,049,395										Col. 11, Line 7 As % of Col. 1 Line 7 1.....	Col. 12, Line 7 As % of Col. 2 Line 7 2.....	Col. 13, Line 7 As % of Col. 3 Line 7 3.....
													Col. 13, Line 7 Line 8 4.....

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? 4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | <p>No</p> <p>No</p> <p>No</p> <p>No</p> |
|---|---|

Explanations:

Bar Codes:

Trusteed Surplus Statement



14380201449000002 2014 Document Code: 490

Supplement A to Schedule T



14380201445500002 2014 Document Code: 455

Medicare Part D Coverage Supplement



14380201436500002 2014 Document Code: 365

Director and Officer Supplement



14380201450500002 2014 Document Code: 505

NONE

STATEMENT AS OF **June 30, 2014** OF THE **Build America Mutual Assurance Company**
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	5,001,000	
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)	5,001,000	
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	5,001,000	

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	450,017,589	467,085,515
2. Cost of bonds and stocks acquired	8,358,982	113,312,196
3. Accrual of discount	45,436	69,090
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(259,819)	(739,930)
6. Deduct consideration for bonds and stocks disposed of	19,039,574	122,892,977
7. Deduct amortization of premium	2,780,250	6,816,305
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)	436,342,364	450,017,589
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	436,342,364	450,017,589

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	472,147,412	21,678,607	28,876,327	(1,371,706)	472,147,412	463,577,986		476,919,297
2. NAIC 2 (a)		130,760	130,757	(3)				
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	472,147,412	21,809,367	29,007,084	(1,371,709)	472,147,412	463,577,986		476,919,297
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	472,147,412	21,809,367	29,007,084	(1,371,709)	472,147,412	463,577,986		476,919,297

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

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

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	27,235,622	X X X	27,246,075	20,668	

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	26,901,709	5,080,154
2. Cost of short-term investments acquired	24,593,330	119,010,560
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	24,252,089	97,185,880
7. Deduct amortization of premium	7,328	3,125
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)	27,235,622	26,901,709
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	27,235,622	26,901,709

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

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
Any Other Class of Assets - Affiliated												
	BAM Asset Management, LLC	Wilmington	DE	direct		04/16/2014			5,001,000			100.000
4399999 Subtotal - Any Other Class of Assets - Affiliated									5,001,000			XXX
4599999 Total - Affiliated									5,001,000			XXX
4699999 TOTALS									5,001,000			XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)							14 Total Foreign Exchange Change in B./A.C.V.
NONE																		
4699999 TOTALS																		

QE03

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 or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions									
594612BS1	MICHIGAN ST SERIES B		06/25/2014	BARCLAY'S	X X X	1,000,000	1,000,000		1FE
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions					X X X	1,000,000	1,000,000		X X X
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
223003DL5	COVERT MI PUBLIC SCHS		04/30/2014	Pershing	X X X	130,760	125,000	69	2FE
223003DM3	COVERT MI PUBLIC SCHS		04/24/2014	Pershing	X X X	130,760	125,000	3,090	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					X X X	261,520	250,000	3,159	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
57629WBU3	MASSMUTUAL GLOBAL FUNDING SERIES 144A		04/02/2014	Morgan Stanley	X X X	2,347,462	2,350,000		1FE
98458PAC9	YALE UNIVERSITY SERIES MTN		04/03/2014	BARCLAY'S	X X X	2,425,000	2,425,000		1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	4,772,462	4,775,000		X X X
8399997 Subtotal - Bonds - Part 3					X X X	6,033,982	6,025,000	3,159	X X X
8399999 Subtotal - Bonds					X X X	6,033,982	6,025,000	3,159	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	6,033,982	X X X	3,159	X X X

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Governments																					
36176XKU2	GNMA POOL 779107		06/01/2014	Paydown	X X X	227,755	227,755	249,854	249,515		(21,760)		(21,760)		227,755				3,776	04/15/2042	1
36179MC24	GNMA POOL MA0089		06/01/2014	Paydown	X X X	272,121	272,121	299,482	298,974		(26,853)		(26,853)		272,121				4,613	05/20/2042	1
36179ME30	GNMA POOL MA0154		06/01/2014	Paydown	X X X	187,853	187,853	203,630	203,247		(15,394)		(15,394)		187,853				2,749	06/20/2042	1
36179MG61	GNMA POOL MA0221		06/01/2014	Paydown	X X X	413,400	413,400	446,730	446,317		(32,917)		(32,917)		413,400				7,016	07/20/2042	1
36179MMX5	GNMA POOL MA0374		06/01/2014	Paydown	X X X	268,995	268,995	285,051	283,953		(14,958)		(14,958)		268,995				2,825	09/20/2027	1
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,370,124	1,370,124	1,484,747	1,482,006		(111,882)		(111,882)		1,370,124				20,979	X X X	X X X
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
223003DL5	COVERT MI PUBLIC SCHS		05/06/2014	JP Morgan	X X X	125,579	125,000	130,760			(3)		(3)		130,757		(5,178)	(5,178)	139	05/01/2033	2FE
223003DM3	COVERT MI PUBLIC SCHS		04/30/2014	Pershing	X X X	130,760	125,000	130,760			(4)		(4)		130,756		4	4	3,108	05/01/2033	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					X X X	266,339	250,000	261,520			(7)		(7)		261,513		(5,174)	(5,174)	3,247	X X X	X X X
Bonds - U.S. Special Revenue, Special Assessment																					
3128M9DF6	FREDDIE MAC GOLD POOL G07002		06/01/2014	Paydown	X X X	169,941	169,941	183,191	182,937		(12,997)		(12,997)		169,941				3,202	12/01/2041	1
3128MJQK9	FREDDIE MAC GOLD POOL G08457		06/01/2014	Paydown	X X X	188,009	188,009	201,640	201,359		(13,350)		(13,350)		188,009				3,551	08/01/2041	1
31307CLJ5	FHLMC POOL J23929		06/01/2014	Paydown	X X X	273,716	273,716	267,899	268,006		5,710		5,710		273,716				2,877	05/01/2028	1
3138EJRO	FNMA POOL AL2071		06/01/2014	Paydown	X X X	286,553	286,553	315,298	314,532		(27,979)		(27,979)		286,553				6,578	03/01/2040	1
3138LVWX7	FNMA POOL A05161		06/01/2014	Paydown	X X X	127,246	127,246	136,730	135,962		(8,716)		(8,716)		127,246				1,853	06/01/2027	1
3140ZCU67	FNMA POOL 725205		06/01/2014	Paydown	X X X	137,568	137,568	151,368	150,957		(13,389)		(13,389)		137,568				2,875	03/01/2034	1
31403DGY9	FNMA POOL 745515		06/01/2014	Paydown	X X X	251,628	251,628	275,061	274,436		(22,808)		(22,808)		251,628				5,193	05/01/2036	1
31410KJY1	FNMA POOL 889579		06/01/2014	Paydown	X X X	141,030	141,030	155,441	154,942		(13,913)		(13,913)		141,030				3,502	05/01/2038	1
31410KXL3	FNMA POOL 889983		06/01/2014	Paydown	X X X	157,546	157,546	174,482	173,882		(16,336)		(16,336)		157,546				3,904	10/01/2038	1
31417C7D1	FNMA POOL AB6291		06/01/2014	Paydown	X X X	239,098	239,098	252,136	251,554		(12,457)		(12,457)		239,098				3,013	09/01/2027	1
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	1,972,335	1,972,335	2,113,246	2,108,567		(136,235)		(136,235)		1,972,335				36,548	X X X	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
00206RBD3	AT&T INC		05/29/2014	Goldman Sachs	X X X	4,987,500	5,000,000	5,309,500	5,267,796		(12,700)		(12,700)		5,255,097		(267,597)	(267,597)	120,000	02/15/2022	1FE
61166WAF8	MONSANTO CO		06/25/2014	FTN Financial	X X X	466,319	415,000	497,411	477,978		(7,052)		(7,052)		470,926		(4,607)	(4,607)	15,065	04/15/2018	1FE
98458PAC9	YALE UNIVERSITY SERIES MTN		04/04/2014	BARCLAYS	X X X	2,436,398	2,425,000	2,425,000						2,425,000		11,398	11,398		04/15/2019	1FE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	7,890,217	7,840,000	8,231,911	5,745,774		(19,752)		(19,752)		8,151,023		(260,806)	(260,806)	135,065	X X X	X X X
8399997 Subtotal - Bonds - Part 4					X X X	11,489,015	11,432,459	12,091,424	9,336,347		(267,876)		(267,876)		11,754,995		(265,980)	(265,980)	195,839	X X X	X X X
8399999 Subtotal - Bonds					X X X	11,489,015	11,432,459	12,091,424	9,336,347		(267,876)		(267,876)		11,754,995		(265,980)	(265,980)	195,839	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X															X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	11,489,015	11,432,459	12,091,424	9,336,347		(267,876)		(267,876)		11,754,995		(265,980)	(265,980)	195,839	X X X	X X X

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

QE05

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

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

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

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

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

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

1 Depository			2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
							6 First Month	7 Second Month	8 Third Month	
open depositories										
First Republic Bank	San Francisco, California	06/30/2014					3,718,158	2,594,011	6,382,932	X X X 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			3,718,158	2,594,011	6,382,932	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories										
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			3,718,158	2,594,011	6,382,932	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			3,718,158	2,594,011	6,382,932	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

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