

**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**  
**SEPTEMBER 30, 2018**

**2018**



QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2018
OF THE CONDITION AND AFFAIRS OF THE
Build America Mutual Assurance Company

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 14380 Employer's ID Number 45-4858468
Organized under the Laws of New York State of Domicile or Port of Entry NY
Country of Domicile United States of America
Incorporated/Organized 03/16/2012 Commenced Business 07/20/2012
Statutory Home Office 200 Liberty St., 27th Floor New York, NY, US 10281
Main Administrative Office 200 Liberty St., 27th Floor New York, NY, US 10281
Mail Address 200 Liberty St., 27th Floor New York, NY, US 10281
Primary Location of Books and Records 200 Liberty St., 27th Floor New York, NY, US 10281
Internet Web Site Address www.buildamerica.com
Statutory Statement Contact Brian Michael Wymbs

OFFICERS

Name Title
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 Laura Levenstein, Chief Risk Officer
Alexander George Makowski, Jr., General Counsel and Assistant Secretary Brian Michael Wymbs, Chief Accounting Officer

DIRECTORS OR TRUSTEES

Reid Tarlton Campbell Robert Phillips Cochran
Seán Wallace McCarthy Edward Gene Rendell
George Manning Rountree Robert Albert Vanosky
Francis John White

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 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 (Signature) Seán Wallace McCarthy (Signature) Elizabeth Ann Keys
(Printed Name) 1. 2. 3.
Managing Director, Secretary and Chairman Managing Director and Chief Executive Officer Chief Financial Officer and Treasurer
(Title)

Subscribed and sworn to before me this day of , 2018

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 .....	478,955,235		478,955,235	447,003,248
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 (\$.....17,083,716), cash equivalents (\$.....11,701,571) and short-term investments (\$.....12,437,495) .....	41,222,782		41,222,782	64,930,791
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....	1,713	1,713		
9. Receivables for securities .....	51,994		51,994	66,702
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	520,231,724	1,713	520,230,011	512,000,741
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	3,462,993		3,462,993	2,842,561
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 (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	3,001,858	2,914,821	87,037	66,671
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	681,486	681,486		
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 .....	1,700,933	1,556,260	144,673	122,904
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	529,078,994	5,154,280	523,924,714	515,032,877
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	529,078,994	5,154,280	523,924,714	515,032,877
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid assets .....	1,556,260	1,556,260		
2502. Other assets .....	144,673		144,673	122,904
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,700,933	1,556,260	144,673	122,904

**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) .....	19,215,263	21,832,403
6.	Taxes, licenses and fees (excluding federal and foreign income taxes) .....	200,000	
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 \$.....131,300,123 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) .....	33,292,443	30,547,101
10.	Advance premium .....		
11.	Dividends declared and unpaid:		
11.1	Stockholders .....		
11.2	Policyholders .....		
12.	Ceded reinsurance premiums payable (net of ceding commissions) .....		11,486
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 .....	6,463,302	561,960
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 .....	44,922,945	34,764,877
26.	TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) .....	104,093,953	87,717,827
27.	Protected cell liabilities .....		
28.	TOTAL liabilities (Lines 26 and 27) .....	104,093,953	87,717,827
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 .....	165,046,208	138,120,724
33.	Surplus notes .....	499,002,808	499,002,808
34.	Gross paid in and contributed surplus .....		
35.	Unassigned funds (surplus) .....	(244,218,255)	(209,808,482)
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) .....	419,830,761	427,315,050
38.	TOTALS (Page 2, Line 28, Col. 3) .....	523,924,714	515,032,877
<b>DETAILS OF WRITE-INS</b>			
2501.	Mandatory contingency reserve .....	44,922,945	34,764,877
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) .....	44,922,945	34,764,877
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 .....	165,046,208	138,120,724
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) .....	165,046,208	138,120,724

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned			
1.1 Direct (written \$.....27,215,326)	5,570,190	3,776,511	5,209,809
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....23,325,718)	4,425,924	2,859,230	3,958,318
1.4 Net (written \$.....3,889,608)	1,144,266	917,281	1,251,491
<b>DEDUCTIONS:</b>			
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	31,097,495	26,620,383	34,533,810
5. Aggregate write-ins for underwriting deductions			
6. TOTAL underwriting deductions (Lines 2 through 5)	31,097,495	26,620,383	34,533,810
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(29,953,229)	(25,703,102)	(33,282,319)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	5,252,013	6,489,507	7,970,305
10. Net realized capital gains (losses) less capital gains tax of \$.....0	2,368	(107,733)	(106,271)
11. Net investment gain (loss) (Lines 9 + 10)	5,254,381	6,381,774	7,864,034
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(24,698,848)	(19,321,328)	(25,418,285)
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)	(24,698,848)	(19,321,328)	(25,418,285)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(24,698,848)	(19,321,328)	(25,418,285)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	427,315,050	431,481,946	431,481,946
22. Net income (from Line 20)	(24,698,848)	(19,321,328)	(25,418,285)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	447,143	167,384	(41,691)
28. Change in provision for reinsurance			
29. Change in surplus notes			(3,997,192)
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	16,767,416	16,853,618	25,290,272
38. Change in surplus as regards policyholders (Lines 22 through 37)	(7,484,289)	(2,300,326)	(4,166,896)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	419,830,761	429,181,620	427,315,050
<b>DETAILS OF WRITE-INS</b>			
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	26,925,484	25,727,574	37,361,892
3702. Change in mandatory contingency reserve	(10,158,068)	(8,873,956)	(12,071,620)
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	16,767,416	16,853,618	25,290,272

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	3,878,122	5,564,161	8,589,236
2. Net investment income .....	5,835,866	7,469,017	9,189,104
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	9,713,988	13,033,178	17,778,340
5. Benefit and loss related payments .....			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	32,614,695	27,291,801	30,665,920
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....			
10. TOTAL (Lines 5 through 9) .....	32,614,695	27,291,801	30,665,920
11. Net cash from operations (Line 4 minus Line 10) .....	(22,900,707)	(14,258,623)	(12,887,580)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	116,753,721	112,261,789	139,834,029
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 .....	5,916,050	2,265,008	536,710
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	122,669,771	114,526,797	140,370,739
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	149,715,625	127,125,268	157,866,441
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	149,715,625	127,125,268	157,866,441
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) .....	(27,045,854)	(12,598,471)	(17,495,702)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			(3,997,192)
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) .....	26,238,552	24,946,423	36,049,348
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	26,238,552	24,946,423	32,052,156
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(23,708,009)	(1,910,671)	1,668,874
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	64,930,791	63,261,917	63,261,917
19.2 End of period (Line 18 plus Line 19.1) .....	41,222,782	61,351,246	64,930,791

**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 June 25, 2018. Build America is not licensed to write financial guaranty insurance in Puerto Rico 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 long-term, essential public purpose municipal bonds in core sectors for municipalities or entities that otherwise 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 and \$100,000,000 of collateralized excess of loss reinsurance.

Build America collects a payment for every policy that it issues, comprising i.) a risk premium and ii.) a Member Surplus Contribution (“MSC”) that is recognized as an addition to other than special surplus funds when collected. An issuer’s MSC is creditable to the payment due when Build America guarantees debt that refunds a debt issue insured by the Company. Issuers whose debt is insured by Build America become members of the Company for as long as they have debt outstanding insured by Build America, and as members have the right to vote and to receive dividends, if declared, and other benefits of mutual membership. 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 “Series 2012 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. During 2017, in order to further support BAM’s long-term capital position and business prospects, HG Holdings contributed the \$203,000,000 Series 2012-A Surplus Notes to HG Re. On August 14, 2017, HG Re surrendered the Series 2012-A and Series 2012-B Surplus Notes and the Company issued surplus notes in the amount of \$503,000,000 (the “Series 2017 Surplus Notes”) to HG Re in order to consolidate the Series 2012 Surplus Notes into a single series.

The Company’s first-loss reinsurance protection is provided by HG Re via a 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.

In addition to the first-loss protection provided by HG Re, BAM is party to a collateralized excess of loss reinsurance agreement provided by Fidus Re, Ltd. (“Fidus”), a Bermuda based special purpose insurer created solely to provide reinsurance protection to BAM. Fidus was capitalized by its issuance of \$100,000,000 of insurance linked securities. Fidus provides prospective reinsurance for 90% of aggregate losses exceeding \$165,000,000 on a portion of BAM’s financial guarantee portfolio (“Covered Portfolio”) up to a total reimbursement of \$100,000,000. The Covered Portfolio consists of approximately 95% of BAM’s portfolio of financial guaranty policies issued through December 31, 2017.

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 88% 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 current and former 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 expires on December 31, 2018. The permitted practice had no effect on net income for the nine months ended September 30, 2018 or September 30, 2017 or the year ended December 31, 2017, and had no effect on statutory surplus as of September 30, 2018 or December 31, 2017.

## 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:

NET INCOME (LOSS)	SSAP #	F/S		September 30, 2018	December 31, 2017
		Page	Line #		
(1) Build America's state basis (Page 4, Line 20, Columns 1 & 2)				\$ (24,698,848)	\$ (25,418,285)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: Not applicable	N/A	N/A	N/A	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP: Deferred tax liability on MSC	101	N/A	N/A	-	-
(4) NAIC SAP (1 - 2 - 3 = 4)				<u>\$ (24,698,848)</u>	<u>\$ (25,418,285)</u>
<b>SURPLUS</b>					
(5) Build America's state basis (Page 3, Line 37, Columns 1 & 2)				\$ 419,830,761	\$ 427,315,050
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: Not applicable	N/A	N/A	N/A	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP: Deferred tax liability on MSC	101	3	7.2	-	-
(8) NAIC SAP (5 - 6 - 7 = 8)				<u>\$ 419,830,761</u>	<u>\$ 427,315,050</u>

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

No significant changes from the 2017 Notes to the Financial Statements.

C. Accounting Policies

- (1) No significant changes from the 2017 Notes to the Financial Statements.
- (2) No significant changes from the 2017 Notes to the Financial Statements.
- (3) No significant changes from the 2017 Notes to the Financial Statements.
- (4) No significant changes from the 2017 Notes to the Financial Statements.
- (5) No significant changes from the 2017 Notes to the Financial Statements.
- (6) Loan-backed securities with an NAIC designation of 1 or 2 are reported at amortized cost.

Changes in estimated cash flows, including the effect of prepayment assumptions, on loan-backed securities are reviewed periodically. Prepayment assumptions are applied consistently to securities backed by similar collateral. Loan-backed securities are revalued using the estimated cash flows, including new prepayment assumptions using the retrospective adjustment method. If there is an increase in expected cash flows, the Company will recalculate the amount of accretable yield. If there is a decrease in expected cash flows or if the fair value of the loan-backed security has declined below its amortized cost basis, the Company determines whether an other-than-temporary-impairment ("OTTI") has occurred.

For loan-backed securities for which the fair value has declined below its amortized cost basis and the Company either: i.) has the intent to sell the security, or ii.) does not have the intent or ability to hold security for a period of time sufficient to recover the amortized cost basis, an OTTI shall have occurred. The amount of the OTTI recognized in earnings as a realized loss will equal the entire difference between security's amortized cost basis and its fair value at the balance sheet date.

When an OTTI has occurred because the Company does not expect to recover the entire amortized cost basis of the security, even if the Company has no intent to sell and the Company has the intent and ability to hold, the amount of the OTTI recognized in earnings as a realized loss shall be equal to the difference between the security's amortized cost basis and the present value of cash flows expected to be collected.

- (7) No significant changes from the 2017 Notes to the Financial Statements.
- (8) No significant changes from the 2017 Notes to the Financial Statements.
- (9) No significant changes from the 2017 Notes to the Financial Statements.
- (10) No significant changes from the 2017 Notes to the Financial Statements.
- (11) No significant changes from the 2017 Notes to the Financial Statements.
- (12) No significant changes from the 2017 Notes to the Financial Statements.
- (13) No significant changes from the 2017 Notes to the Financial Statements.
- (14) No significant changes from the 2017 Notes to the Financial Statements.
- (15) The Company records premiums paid for reinsurance contracts that are accounted for under deposit accounting as a reduction to net investment income. Cash recoveries from ceded deposit type reinsurance are included in net investment income. The net consideration paid at the outset is recorded as a deposit asset and subsequently adjusted by calculating the effective yield on the deposit agreement to reflect actual payments to date and expected future payments.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern and does not believe there are conditions or events, considered in the aggregate, that raise substantial doubt regarding the Company's ability to continue as a going concern within one year of the issuance of the September 30, 2018 Quarterly Statement.



## Notes to Financial Statement

### 2. Accounting Changes and Corrections of Errors

There were no changes in the Company's accounting policies or corrections of errors for the nine months ended September 30, 2018.

### 3. Business Combinations and Goodwill

No significant changes from the 2017 Notes to the Financial Statements.

### 4. Discontinued Operations

No significant changes from the 2017 Notes to the Financial Statements.

### 5. Investments

A. No significant changes from the 2017 Notes to the Financial Statements.

B. No significant changes from the 2017 Notes to the Financial Statements.

C. No significant changes from the 2017 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) The Company had no OTTI losses as of September 30, 2018 or December 31, 2017.

(3) The Company had no OTTI losses as of September 30, 2018 or December 31, 2017.

(4) The Company has not recognized OTTI losses on loan-backed securities for the nine months ended September 30, 2018. Gross unrealized losses on loan-backed securities and the related fair values were as follows:

<b>Time in Continuous Unrealized Position</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>	<b>Number of Securities</b>
<u>As of September 30, 2018:</u>			
Less than twelve months	\$ 819,374	\$ 37,744,598	17
Twelve or more months	2,280,440	49,107,601	18
Total	<u>\$ 3,099,814</u>	<u>\$ 86,852,199</u>	<u>35</u>
<u>As of December 31, 2017</u>			
Less than twelve months	\$ 312,878	\$ 49,234,754	17
Twelve or more months	870,027	35,988,419	11
Total	<u>\$ 1,182,905</u>	<u>\$ 85,223,173</u>	<u>28</u>

(5) The Company had no OTTI losses as of September 30, 2018 or December 31, 2017.

E. No significant changes from the 2017 Notes to the Financial Statements.

F. No significant changes from the 2017 Notes to the Financial Statements.

G. No significant changes from the 2017 Notes to the Financial Statements.

H. No significant changes from the 2017 Notes to the Financial Statements.

I. No significant changes from the 2017 Notes to the Financial Statements.

J. No significant changes from the 2017 Notes to the Financial Statements.

K. No significant changes from the 2017 Notes to the Financial Statements.

STATEMENT AS OF **September 30, 2018** OF THE **Build America Mutual Assurance Company**  
**Notes to Financial Statement**

**L. The Company's restricted assets were as follows:**

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted								Percentage		
	Current Year								Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
	1	2	3	4	5	6	7	8			9
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 Nonadmitted Restricted	Total Current Year Admitted Restricted (5 minus 8)			
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	6,108,250	-	-	-	6,108,250	6,103,737	4,513	-	6,108,250	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	764,590	-	-	-	764,590	44,590	720,000	-	764,590	0%	0%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0%	0%
<b>o. Total Restricted Assets</b>	<b>\$ 6,872,840</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,872,840</b>	<b>\$ 6,148,327</b>	<b>\$ 724,513</b>	<b>\$ -</b>	<b>\$ 6,872,840</b>	<b>1%</b>	<b>1%</b>

(a) Subset of column 1

(b) Subset of column 3

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

(d) Column 5 divided by Asset Page, Column 3, Line 28

(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 (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year								Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
	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			
Held in trust for reinsurance	\$ 720,000	\$ -	\$ -	\$ -	\$ 720,000	\$ -	\$ 720,000	\$ 720,000	0%	0%
Lease security deposits	44,590	-	-	-	44,590	44,590	-	44,590	0%	0%
<b>Total (c)</b>	<b>\$ 764,590</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 764,590</b>	<b>\$ 44,590</b>	<b>\$ 720,000</b>	<b>\$ 764,590</b>	<b>0%</b>	<b>0%</b>

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively

(3) The Company has no Other Restricted Assets as of September 30, 2018 or December 31, 2017.

(4) The Company has no Collateral Received and Reflected as Assets as of September 30, 2018 or December 31, 2017.

**M. Working Capital Finance Investments**

No significant changes from the 2017 Notes to the Financial Statements.

**N. Offsetting and Netting of Assets and Liabilities**

No significant changes from the 2017 Notes to the Financial Statements.

**O. Structured Notes**

No significant changes from the 2017 Notes to the Financial Statements.

**P. 5\* Securities**

No significant changes from the 2017 Notes to the Financial Statements.

**Q. Short Sales**

No significant changes from the 2017 Notes to the Financial Statements.

**R. Prepayment Penalty and Acceleration Fees**

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

**7. Investment Income**

No significant changes from the 2017 Notes to the Financial Statements.

## Notes to Financial Statement

### 8. Derivative Instruments

No significant changes from the 2017 Notes to the Financial Statements.

### 9. Income Taxes

The Company generated tax basis ordinary operating losses of \$26,727,919 and \$25,385,827 for the nine months ended September 30, 2018 and September 30, 2017, respectively. The Company has an unused ordinary operating loss carryforward of \$277,261,149 available to offset against future taxable income.

The Company generated tax basis capital losses of \$0 and \$45,128 for the nine months ended September 30, 2018 and September 30, 2017, respectively. The Company has an unused capital loss carryforward of \$230,402 available to offset against future taxable capital gains.

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

No significant changes from the 2017 Notes to the Financial Statements.

### 11. Debt

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

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

(1) No significant changes from the 2017 Notes to the Financial Statements.

(2) No significant changes from the 2017 Notes to the Financial Statements.

(3) No significant changes from the 2017 Notes to the Financial Statements.

(4) No significant changes from the 2017 Notes to the Financial Statements.

(5) No significant changes from the 2017 Notes to the Financial Statements.

(6) No significant changes from the 2017 Notes to the Financial Statements.

(7) No significant changes from the 2017 Notes to the Financial Statements.

(8) No significant changes from the 2017 Notes to the Financial Statements.

(9) No significant changes from the 2017 Notes to the Financial Statements.

(10) No significant changes from the 2017 Notes to the Financial Statements.

(11) Surplus Notes

As of September 30, 2018:

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
August 14, 2017	2017	variable	\$ 499,002,808	\$ 499,002,808	\$ -	\$ -	\$ 642,227,462	April 1, 2042

The Company has not requested approval for payment of the Series 2017 Surplus Notes during the nine months ended September 30, 2018.

(12) No significant changes from the 2017 Notes to the Financial Statements.

(13) No significant changes from the 2017 Notes to the Financial Statements.

### 14. Liabilities, Contingencies and Assessments

No significant changes from the 2017 Notes to the Financial Statements.

### 15. Leases

No significant changes from the 2017 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 U.S. public finance obligations. Total principal and interest exposure, net of first-loss reinsurance, as of September 30, 2018 and December 31, 2017 was \$63,812,559,714 and \$56,777,296,483, respectively.

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

No significant changes from the 2017 Notes to the Financial Statements.

## Notes to Financial Statement

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

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 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) The Company did not record any of its assets or liabilities at fair value as of September 30, 2018 or December 31, 2017.
- (2) During the nine months ended September 30, 2018 and the year ended December 31, 2017, the Company did not transfer any assets or liabilities into or out of Level 3. The estimated fair value of the liability for net financial guaranty insurance contracts as of September 30, 2018 and December 31, 2017 was \$145,559,918 and \$126,252,022, respectively.
- (3) Transfers of assets and liabilities into or out of Level 3 are reflected at their fair values as of the end of each reporting period, consistent with the date of determination of fair value.
- (4) The following inputs, methods and assumptions were used to determine the fair value of each class of financial instrument for which it is practicable to estimate that value:

#### Bonds

The estimated fair values generally represent prices received from third party pricing services or alternative pricing sources. The pricing services prepare estimates of fair value measurements using their pricing applications, which include available relevant market information, benchmark curves, benchmarking of like securities and matrix pricing. The observable inputs used in the valuation of these securities may include the spread above the risk-free yield curve, reported trades, broker-dealer quotes, bids, prepayment speeds, delinquencies, loss severity and default rates. In cases where specific market quotes are unavailable, interpreting market data and estimating market values require considerable judgment by management. Accordingly, the estimates presented are not necessarily indicative of the amount the Company could realize in the market. In these cases, the fair value measurements are primarily classified as Level 2.

#### Cash and Short-Term Investments

The fair value of cash and short-term investments approximates its amortized cost. The fair value measurements were classified as Level 1.

#### Investment Income Due and Accrued

The fair value of investment income due and accrued approximates carrying value, and the fair value measurements were classified as Level 1.

#### Net Financial Guaranty Insurance Contracts

The fair value of net financial guaranty insurance contracts represents the Company's estimate of the cost to Build America to completely transfer its insurance obligations to another financial guarantor under current market conditions. Theoretically, this amount should be the same amount that another financial guarantor would hypothetically charge in the market place to provide the same protection as of the balance sheet date. The cost to transfer these insurance obligations is based on pricing assumptions observed in the financial guaranty market and includes adjustments to the carrying value of unearned premium reserves, member surplus contributions and ceding commissions. The significant inputs are not observable. The Company accordingly classified this fair value measurement as Level 3.

- (5) The Company did not hold any derivative assets or liabilities as of September 30, 2018 or December 31, 2017.

## Notes to Financial Statement

- B. The fair values of the Company's financial instruments are reflected in the table in footnote 20(C).
- C. The admitted assets, fair values and related level classification within the fair value hierarchy of the Company's financial instruments was as follows:

Type of Financial Instrument	Aggregate Fair				Level 3	Not Practicable (Carrying Value)
	Value	Admitted Assets	Level 1	Level 2		
<b>Fair Value Measurements as of September 30, 2018:</b>						
<b>Financial Assets</b>						
Bonds	\$ 471,132,311	\$ 478,955,235	\$ -	\$ 471,132,311	\$ -	\$ -
Cash, cash equivalents and short-term investments	41,222,782	41,222,782	41,222,782	-	-	-
Investment income due and accrued	3,462,993	3,462,993	3,462,993	-	-	-
<b>Total Financial Assets</b>	<b>\$ 515,818,086</b>	<b>\$ 523,641,010</b>	<b>\$ 44,685,775</b>	<b>\$ 471,132,311</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financial Liabilities</b>						
Net financial guaranty insurance contracts	\$ 145,559,918	\$ -	\$ -	\$ -	\$ 145,559,918	\$ -
<b>Total Financial Liabilities</b>	<b>\$ 145,559,918</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 145,559,918</b>	<b>\$ -</b>
<b>Fair Value Measurements as of December 31, 2017:</b>						
<b>Financial Assets</b>						
Bonds	\$ 448,098,843	\$ 447,003,248	\$ -	\$ 448,098,843	\$ -	\$ -
Cash, cash equivalents and short-term investments	64,930,791	64,930,791	64,930,791	-	-	-
Investment income due and accrued	2,842,561	2,842,561	2,842,561	-	-	-
<b>Total Financial Assets</b>	<b>\$ 515,872,195</b>	<b>\$ 514,776,600</b>	<b>\$ 67,773,352</b>	<b>\$ 448,098,843</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financial Liabilities</b>						
Net financial guaranty insurance contracts	\$ 126,252,022	\$ -	\$ -	\$ -	\$ 126,252,022	\$ -
<b>Total Financial Liabilities</b>	<b>\$ 126,252,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,252,022</b>	<b>\$ -</b>

- D. The Company had no items for which it was not practicable to estimate fair values as of September 30, 2018 or December 31, 2017.

## 21. Other Items

- A. No significant changes from the 2017 Notes to the Financial Statements.
- B. No significant changes from the 2017 Notes to the Financial Statements.
- C. No significant changes from the 2017 Notes to the Financial Statements.
- D. No significant changes from the 2017 Notes to the Financial Statements.
- E. No significant changes from the 2017 Notes to the Financial Statements.
- F. No significant changes from the 2017 Notes to the Financial Statements.
- G. Insurance-Linked Securities ("ILS") Contracts

Management of Risk Related To:	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
<b>(1) Directly Written Insurance Risks</b>		
a. ILS Contracts as Issuer	-	\$ -
b. ILS Contracts as Ceding Insurer	1	\$ 100,000,000
c. ILS Contracts as Counterparty	-	\$ -
<b>(2) Assumed Insurance Risks</b>		
a. ILS Contracts as Issuer	-	\$ -
b. ILS Contracts as Ceding Insurer	-	\$ -
c. ILS Contracts as Counterparty	-	\$ -

## 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 November 8, 2018 for the nine months ended September 30, 2018, the date in which the statutory financial statements were available for issue. Based on the evaluation, no material items were noted.

## 23. Reinsurance

- A. No significant changes from the 2017 Notes to the Financial Statements.
- B. No significant changes from the 2017 Notes to the Financial Statements.
- C. No significant changes from the 2017 Notes to the Financial Statements.
- D. No significant changes from the 2017 Notes to the Financial Statements.
- E. No significant changes from the 2017 Notes to the Financial Statements.
- F. No significant changes from the 2017 Notes to the Financial Statements.

## Notes to Financial Statement

G. The Company entered into a ceded reinsurance agreement with Fidus on April 19, 2018. The agreement prospectively covers approximately 95% of the policies issued by the Company through December 31, 2017 and provides 90% reimbursement of net claims in the covered portfolio exceeding \$165,000,000 up to a maximum \$100,000,000 reimbursement. Because the Company pays the reinsurance premium on a monthly basis, no deposit asset is recorded in the financial statements. Premiums paid to Fidus Re, Ltd for the nine months ended September 30, 2018 were \$3,170,000 and are included as a reduction of net investment income.

H. No significant changes from the 2017 Notes to the Financial Statements.

I. No significant changes from the 2017 Notes to the Financial Statements.

J. No significant changes from the 2017 Notes to the Financial Statements.

### **24. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

### **26. Intercompany Pooling Arrangements**

No significant changes from the 2017 Notes to the Financial Statements.

### **27. Structured Settlements**

No significant changes from the 2017 Notes to the Financial Statements.

### **28. Health Care Receivables**

No significant changes from the 2017 Notes to the Financial Statements.

### **29. Participating Accident and Health Policies**

No significant changes from the 2017 Notes to the Financial Statements.

### **30. Premium Deficiency Reserves**

No significant changes from the 2017 Notes to the Financial Statements.

### **31. High Deductibles**

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

### **33. Asbestos / Environmental Reserves**

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

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

No significant changes from the 2017 Notes to the Financial Statements.

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

A. The following disclosures are for financial guaranty insurance contracts in force as of September 30, 2018:

- (1) 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 \$172,923,232 as of September 30, 2018.

## Notes to Financial Statement

- b. The table below summarizes future, undiscounted premiums expected to be collected under installment contracts as of September 30, 2018:

As of September 30, 2018:	Future Expected Undiscounted Premiums Collections
1. (d) 4th Quarter 2018	\$ -
(e) Year 2019	33,975
(f) Year 2020	32,937
(g) Year 2021	35,232
(h) Year 2022	390,316
2. (a) Years 2023 through 2027	3,024,397
(b) Years 2028 through 2032	2,006,009
(c) Years 2033 through 2037	1,329,411
(d) Years 2038 through 2042	935,053
(e) Years 2043 through 2047	623,286
(f) Years 2048 through 2052	373,735
(g) Years 2053 through 2057	-
Total	\$ 8,784,351

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

As of September 30, 2018:	
1. Expected future premiums - beginning of year	\$ 6,012,161
2. Less: premium payments received for existing installment contracts	(27,577)
3. Add: expected premium payments for new installment contracts	4,404,057
4. Adjustments to the expected future premium payments	(1,604,290)
5. Expected future premiums - September 30, 2018	\$ 8,784,351

- (2) The following disclosures are for non-installment financial guaranty insurance contracts in force as of September 30, 2018:

- a. Accelerated net unearned premiums for non-installment contracts were \$96,038 for the nine months ended September 30, 2018. These accelerations were the result of insured bonds refunding earlier than the initial debt service scheduled at the policy date.

- b. The table below summarizes future expected earned premium revenue, net of reinsurance, on non-installment financial guaranty contracts as of September 30, 2018:

As of September 30, 2018:	Future Expected Earned Premiums, Net of Reinsurance
1. (d) 4th Quarter 2018	\$ 340,719
(e) Year 2019	1,499,175
(f) Year 2020	1,533,034
(g) Year 2021	1,616,248
(h) Year 2022	1,591,781
2. (a) Years 2023 through 2027	7,950,426
(b) Years 2028 through 2032	6,907,992
(c) Years 2033 through 2037	6,418,021
(d) Years 2038 through 2042	4,281,262
(e) Years 2043 through 2047	827,302
(f) Years 2048 through 2052	231,122
(g) Years 2053 through 2057	95,361
(h) Years 2058 through 2062	-
Total	\$ 33,292,443

- (3) The Company did not have any claim liabilities for financial guaranty insurance contracts in force as of September 30, 2018.

- (4) Insured obligations are monitored periodically with the objective of identifying emerging trends, updating the external and internal ratings and surveillance categories and avoiding or minimizing losses. The Company classifies each credit in its insured portfolio using the following surveillance categories:

I – Performing – Standard Oversight

Credit is performing well. No losses are expected.

II – Performing – Enhanced Oversight

Credit experiencing financial, legal, or administrative problems, causing overall credit quality deterioration or a breach of one or more covenants or triggers. Issuers in this category are, to the extent possible, taking all necessary remedial actions. For some issuers, factors outside of their control are the cause, at least in part, of the deterioration in their credit profile. Issuers in this category are more closely monitored by Surveillance. Despite the current credit difficulties, BAM does not expect any interruption of debt service payments and no losses are expected.

## Notes to Financial Statement

### III – Watchlist – Deteriorated

Credit experiencing financial, legal, or administrative problems, causing overall credit quality deterioration or a breach of one or more covenants or triggers, which if not corrected could lead to a loss on the policy. Issuers in this category are not taking conclusive remedial action or are unable to do so due to external factors, requiring Surveillance to employ enhanced surveillance and loss mitigation procedures. This may include the development of a remediation plan in consultation with internal and/or external attorneys, and/or outside consultants. The objectives of any remediation plan would be to address the problems the issuer is facing and any external factors impacting the credit, as well as ensuring that creditor's rights are enforced and curing any breaches that may have occurred with respect to any credit triggers or covenants. BAM may work with other insurers, bondholders, and/or interested parties on remediation efforts, as applicable. Probability of a loss is remote.

### IV – Watchlist – Distressed

A loss is expected or losses have been paid and have not been recovered or are not recoverable. Surveillance is employing enhanced surveillance and loss mitigation procedures, and may include a remediation plan developed in consultation internal and/or external attorneys, and/or outside consultants. Probability of a loss is elevated.

All of the Company's credits are deemed Performing and have been assigned to either category "I – Performing – Standard Oversight" or "II – Performing – Enhanced Oversight."

- B. The Company has no gross claim liabilities or potential recoveries as of September 30, 2018 or December 31, 2017.



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
  
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
  
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[ ] No[X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
  
- 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. .....12/31/2013.....
- 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). .....04/02/2015.....
- 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[X] N/A[ ]
  
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 7.2 If yes, give full information
  
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

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

### FINANCIAL

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

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[X] No[ ]
- 11.2 If yes, give full and complete information relating thereto:  
The Company has \$720,000 of US Treasury money market funds held in an account for the benefit of a reinsurer and \$44,590 of cash held in accounts as deposits for various rental properties.
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$..... 0

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

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 .....	1,713	1,713
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	1,713	1,713
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
16.3 Total payable for securities lending reported on the liability page	\$	0

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

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

1 Name of Custodian(s)	2 Custodian Address
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 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
MacKay Shields LLC .....	U .....

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

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107717 .....	MacKay Shields LLC .....		Securities and Exchange Commission .....	NO .....

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

19. By self-designating 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? Yes[] No[X]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?  
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
7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[X] No[ ]
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes[ ] No[X]

## SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
<b>All other insurers</b>						
00000 .....	.....	Fidus Re Ltd .....	BMU .....	Unauthorized .....	.....	.....

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

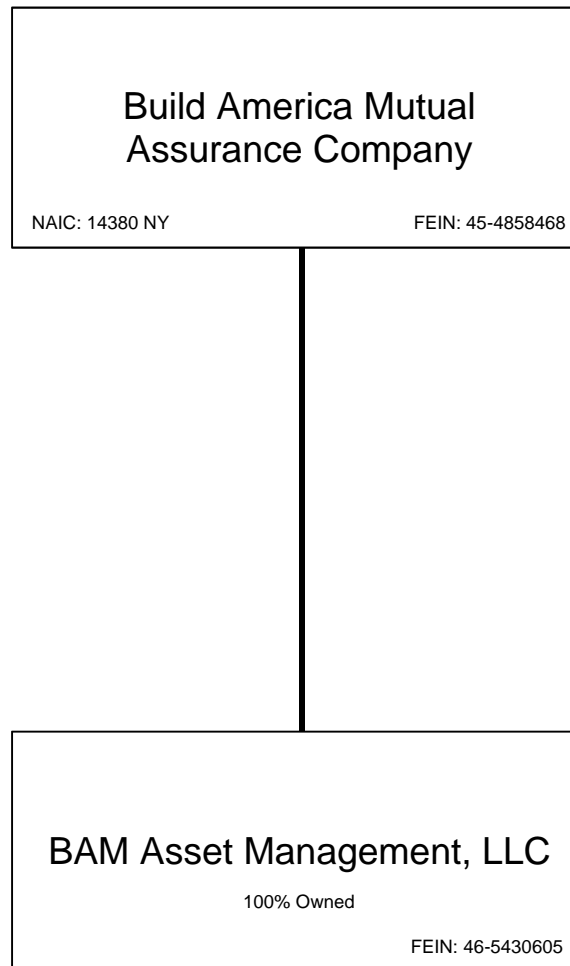
## Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	299,649	406,538				
2. Alaska (AK)	L						
3. Arizona (AZ)	L	224,089	265,659				
4. Arkansas (AR)	L	550,356	228,096				
5. California (CA)	L	3,195,771	6,080,502				
6. Colorado (CO)	L	269,910	64,004				
7. Connecticut (CT)	L	1,879,169	36,361				
8. Delaware (DE)	L						
9. District of Columbia (DC)	L						
10. Florida (FL)	L	20,654	110,031				
11. Georgia (GA)	L	4,415	85,375				
12. Hawaii (HI)	L						
13. Idaho (ID)	L		46,312				
14. Illinois (IL)	L	909,982	1,426,952				
15. Indiana (IN)	L	265,630	187,336				
16. Iowa (IA)	L	191,253	116,293				
17. Kansas (KS)	L	187,083	72,880				
18. Kentucky (KY)	L	362,296	30,355				
19. Louisiana (LA)	L	340,192	85,985				
20. Maine (ME)	L						
21. Maryland (MD)	L	25,920					
22. Massachusetts (MA)	L		40,417				
23. Michigan (MI)	L	412,220	486,356				
24. Minnesota (MN)	L	16,199	35,475				
25. Mississippi (MS)	L	172,499	24,725				
26. Missouri (MO)	L		9,485				
27. Montana (MT)	L						
28. Nebraska (NE)	L						
29. Nevada (NV)	L	5,950					
30. New Hampshire (NH)	L						
31. New Jersey (NJ)	L	293,848	6,648,669				
32. New Mexico (NM)	L	71,995	76,581				
33. New York (NY)	L	12,325,008	17,446,371				
34. North Carolina (NC)	L						
35. North Dakota (ND)	L						
36. Ohio (OH)	L	173,638	360,641				
37. Oklahoma (OK)	L		284,464				
38. Oregon (OR)	L	13,359	24,268				
39. Pennsylvania (PA)	L	1,860,587	2,021,522				
40. Rhode Island (RI)	L		23,615				
41. South Carolina (SC)	L	120,913	14,189				
42. South Dakota (SD)	L						
43. Tennessee (TN)	L	80,210	34,865				
44. Texas (TX)	L	2,543,832	1,932,368				
45. Utah (UT)	L	45,866					
46. Vermont (VT)	L						
47. Virginia (VA)	L						
48. Washington (WA)	L	108,693	12,906				
49. West Virginia (WV)	L	65,391	8,200				
50. Wisconsin (WI)	L	178,749	121,749				
51. Wyoming (WY)	L		389,721				
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	X X X	27,215,326	39,239,266				
<b>DETAILS OF WRITE-INS</b>							
58001	X X X						
58002	X X X						
58003	X X X						
58998 Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999 TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

(a) Active Status Counts:

- |  |    |  |   |
|--|----|--|---|
| L Licensed or Chartered - Licensed insurance carrier or domiciled RRG  | 51 | R Registered - Non-domiciled RRGs                              |   |
| E Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile See DSLI) |    | Q Qualified - Qualified or accredited reinsurer                |   |
| D Domestic Surplus Lines Insurer (DSLII) Reporting entities authorized to write surplus lines in the state of domicile.                |    | N None of the above Not allowed to write business in the state | 6 |

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



## SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
.....	.....	14380	45-4858468	.....	.....	.....	Build America Mutual Assurance Company	NY	RE	.....	.....	.....	.....	N	.....
.....	.....	00000	46-5430605	.....	.....	.....	BAM Asset Management, LLC	DE	DS	Build America Mutual Assurance Company	Ownership	100.0	Build America Mutual Assurance Company	N	.....

Asterisk	Explanation
0000001	.....

STATEMENT AS OF **September 30, 2018** OF THE **Build America Mutual Assurance Company**  
**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	5,570,190			
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	5,570,190			
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	3,770,895	27,215,326	39,239,266
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	3,770,895	27,215,326	39,239,266
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)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 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. 2015 + Prior .....													
2. 2016 .....													
3. Subtotals 2016 + Prior .....													
4. 2017 .....													
5. Subtotals 2017 + Prior .....													
6. 2018 .....	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 Surplus As Regards Policyholders .....	427,315,050										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.....

Q14

# 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**

- |  |    |
|--|----|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?                         | No |
| 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?                         | No |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?                | No |
| 4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | No |

Explanations:

Bar Codes:

Trusteed Surplus Statement



Supplement A to Schedule T



Medicare Part D Coverage Supplement



Director and Officer Supplement



**NONE**

STATEMENT AS OF **September 30, 2018** OF THE **Build America Mutual Assurance Company**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

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

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	1,713	1,713
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....	1,713	1,713
12. Deduct total nonadmitted amounts .....	1,713	1,713
13. Statement value at end of current period (Line 11 minus Line 12) .....		

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	447,003,248	430,816,937
2. Cost of bonds and stocks acquired .....	149,715,625	157,866,441
3. Accrual of discount .....	137,304	121,342
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	2,368	(106,271)
6. Deduct consideration for bonds and stocks disposed of .....	116,753,721	139,834,030
7. Deduct amortization of premium .....	1,149,589	1,861,171
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....	478,955,235	447,003,248
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	478,955,235	447,003,248

## SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	465,823,110	56,067,549	30,184,952	(312,977)	482,862,926	465,823,110	491,392,730	472,188,680
2. NAIC 2 (a) .....								
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	465,823,110	56,067,549	30,184,952	(312,977)	482,862,926	465,823,110	491,392,730	472,188,680
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	465,823,110	56,067,549	30,184,952	(312,977)	482,862,926	465,823,110	491,392,730	472,188,680

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....12,437,495; 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 .....	12,437,495	X X X	12,436,444	13,439	8,520

**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 .....	25,185,431	38,100,748
2. Cost of short-term investments acquired .....	10,576,444	278,082,807
3. Accrual of discount .....	1,051	2,200
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	23,230,000	290,875,857
7. Deduct amortization of premium .....	95,431	124,467
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) .....	12,437,495	25,185,431
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	12,437,495	25,185,431

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

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

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

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

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

**SCHEDULE E - PART 2 - VERIFICATION**

(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	16,088,292	.....
2.	Cost of cash equivalents acquired .....	211,749,645	25,542,562
3.	Accrual of discount .....	.....	.....
4.	Unrealized valuation increase (decrease) .....	.....	.....
5.	Total gain (loss) on disposals .....	.....	.....
6.	Deduct consideration received on disposals .....	216,136,366	9,454,270
7.	Deduct amortization of premium .....	.....	.....
8.	Total foreign exchange change in book/adjusted carrying value .....	.....	.....
9.	Deduct current year's other-than-temporary impairment recognized .....	.....	.....
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	11,701,571	16,088,292
11.	Deduct total nonadmitted amounts .....	.....	.....
12.	Statement value at end of current period (Line 10 minus Line 11) .....	11,701,571	16,088,292



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

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

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

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

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

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

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
9128284G2	US TREASURY N/B 2.375% 04/15/21		07/31/2018	BARCLAY'S	X X X	1,782,492	1,800,000	12,615	1
9128284T4	US TREASURY N/B 2.625% 06/15/21		08/31/2018	JPMORGAN CHASE BANK	X X X	1,687,293	1,690,000	9,818	1
912828Y20	US TREASURY N/B 2.625% 07/15/21		09/28/2018	Nomura Securities	X X X	1,688,844	1,700,000	9,459	1
0599999	Subtotal - Bonds - U.S. Governments				X X X	5,158,629	5,190,000	31,892	X X X
<b>Bonds - U.S. States, Territories and Possessions</b>									
882724GR2	TEXAS ST 2.777% 10/01/20		08/29/2018	PIPER JAFFRAY & HOPWOOD	X X X	3,500,000	3,500,000		1FE
93974D5M6	WASHINGTON ST SERIES T 2.790% 08/01/20		08/30/2018	CITIGROUP FINANCIAL PRODUCTS I	X X X	6,000,000	6,000,000		1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	9,500,000	9,500,000		X X X
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
602245R95	MILWAUKEE CNTY WI SERIES C 2.900% 08/0		09/21/2018	PIPER JAFFRAY & HOPWOOD	X X X	1,090,000	1,090,000		1FE
60375BDA1	MINNEAPOLIS MN 5.000% 12/01/20		08/31/2018	SWBC - ISCM	X X X	1,566,013	1,495,000	19,726	1FE
899525TK5	TULSA CNTY OK INDEP SCH DIST SERIES C		07/03/2018	JPMORGAN CHASE BANK	X X X	2,509,450	2,500,000	2,917	1FE
969887S41	WILLIAMSON CNTY TX 1.838% 02/15/20		08/31/2018	D.A. DAVIDSON AND CO	X X X	1,453,073	1,470,000	1,501	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	6,618,536	6,555,000	24,144	X X X
<b>Bonds - U.S. Special Revenue, Special Assessment</b>									
2354167D0	DALLAS TX WTRWKS & SWR SYS REV SERIES B		07/09/2018	CITIGROUP FINANCIAL PRODUCTS I	X X X	3,455,200	3,500,000	24,160	1FE
24917DAZ6	DENVER CO CITY & CNTY DEDICATE SERIES B		08/22/2018	CITIGROUP FINANCIAL PRODUCTS I	X X X	600,000	600,000		1FE
3128MMXN8	FHLMC GOLD POOL G18684 3.000% 04/01/33		06/28/2018	PNC SECURITIES CORP	X X X	(16,981)	(17,096)	(23)	1
39081HCA8	GREAT LAKES MI WTR AUTH SWR DI SERIES C		09/18/2018	CITIGROUP FINANCIAL PRODUCTS	X X X	1,450,000	1,450,000		1FE
7599113H1	REGL TRANSPRTN AUTH IL SERIES A 3.013%		09/18/2018	Various	X X X	9,493,940	9,500,000	74,070	1FE
76221RYV9	RHODE ISLAND ST HSG SERIES 69-T 2.700%		08/22/2018	RBC DOMINION SECURITIES	X X X	205,000	205,000		1FE
76221RYW7	RHODE ISLAND ST HSG MTGE FIN C SERIES 69		08/22/2018	RBC DOMINION SECURITIES	X X X	250,000	250,000		1FE
76221RYX5	RHODE ISLAND ST HSG MTGE FIN C SERIES 69		08/22/2018	RBC DOMINION SECURITIES	X X X	170,000	170,000		1FE
882724GP6	TEXAS ST 4.000% 08/29/19		08/22/2018	PIPER JAFFRAY & HOPWOOD	X X X	5,106,000	5,000,000		1FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				X X X	20,713,159	20,657,904	98,207	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
254683CE3	DISCOVER CARD EXECUTION NOTE T SERIES 20		09/18/2018	TORONTO DOMINION SECURTIES (US	X X X	4,000,781	4,000,000	829	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,000,781	4,000,000	829	X X X
8399997	Subtotal - Bonds - Part 3				X X X	45,991,105	45,902,904	155,072	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	45,991,105	45,902,904	155,072	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8999999	Subtotal - Preferred Stocks				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799999	Subtotal - Common Stocks				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	45,991,105	X X X	155,072	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

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**SCHEDULE D - PART 4****Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

1 CUSIP Identification	2 Description	3 F o r e i g n	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.	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Governments</b>																					
36176XKJ2	GNMA POOL 779107 4.000% 04/15/42		09/01/2018	Paydown	XXX	45,465	45,465	49,877	49,527	(4,062)			(4,062)		45,465				1,341	04/15/2042	1
36179MC24	GNMA POOL MA0089 4.000% 05/20/42		09/01/2018	Paydown	XXX	94,649	94,649	104,166	103,713	(9,064)			(9,064)		94,649				2,541	05/20/2042	1
36179ME30	GNMA POOL MA0154 3.500% 06/20/42		09/01/2018	Paydown	XXX	113,713	113,713	123,263	122,782	(9,069)			(9,069)		113,713				2,644	06/20/2042	1
36179MG61	GNMA POOL MA0221 4.000% 07/20/42		09/01/2018	Paydown	XXX	161,518	161,518	174,540	174,039	(12,522)			(12,522)		161,518				4,214	07/20/2042	1
36179MNX5	GNMA POOL MA0374 2.500% 09/20/27		09/01/2018	Paydown	XXX	202,948	202,948	215,062	212,442	(9,493)			(9,493)		202,948				3,331	09/20/2027	1
36179QPH8	GNMA POOL MA2224 4.000% 09/20/44		09/01/2018	Paydown	XXX	242,305	242,305	257,449	257,093	(14,787)			(14,787)		242,305				6,444	09/20/2044	1
0599999 Subtotal - Bonds - U.S. Governments					XXX	860,598	860,598	924,357	919,596	(58,997)			(58,997)		860,598				20,515	XX XX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
041042WF5	STATE OF ARKANSAS 2.000% 07/01/18		07/01/2018	Maturity	XXX	2,230,000	2,230,000	2,274,712	2,239,867	(9,867)			(9,867)		2,230,000				44,600	07/01/2018	1FE
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions					XXX	2,230,000	2,230,000	2,274,712	2,239,867	(9,867)			(9,867)		2,230,000				44,600	XX XX	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
041796QR7	ARLINGTON TX SERIES C 0.875%		08/15/2018	Maturity	XXX	1,415,000	1,415,000	1,411,264	1,413,903	1,097			1,097		1,415,000				12,381	08/15/2018	1FE
05914FC40	BALTIMORE CNTY MD 0.890% 07/01/18		07/01/2018	Maturity	XXX	1,500,000	1,500,000	1,500,000	1,500,000						1,500,000				13,350	07/01/2018	1FE
190335HC6	COAST CA CMNTY CLG DIST SERIES C 0.914		08/01/2018	Maturity	XXX	1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				9,140	08/01/2018	1FE
624454KZ6	MOUNTAIN VIEW LOS ALTOS CA UNI 1.784%		08/01/2018	Maturity	XXX	1,515,000	1,515,000	1,535,180	1,519,426	(4,426)			(4,426)		1,515,000				27,028	08/01/2018	1FE
661334DS8	N ORANGE CNTY CA CMNTY CLG DIS 1.540%		08/01/2018	Maturity	XXX	1,000,000	1,000,000	1,004,440	1,000,984	(984)			(984)		1,000,000				15,400	08/01/2018	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					XXX	6,430,000	6,430,000	6,450,884	6,434,313	(4,313)			(4,313)		6,430,000				77,299	XX XX	XXX
<b>Bonds - U.S. Special Revenue, Special Assessment</b>																					
040580GC0	ARIZONA HST SCH FACS BRD REVEN 1.368%		07/01/2018	Maturity	XXX	1,485,000	1,485,000	1,471,011	1,483,084	1,916			1,916		1,485,000				20,315	07/01/2018	1FE
040654UZ6	ARIZONA ST TRANSN BRD HWY REV 1.631% 0		07/01/2018	Maturity	XXX	1,000,000	1,000,000	1,006,620	1,001,295	(1,295)			(1,295)		1,000,000				16,310	07/01/2018	1FE
3128M9DF6	FREDDIE MAC GOLD POOL G07002 4.500% 12		09/01/2018	Paydown	XXX	64,791	64,791	69,842	69,599	(4,809)			(4,809)		64,791				1,953	12/01/2041	1
3128MJQK9	FREDDIE MAC GOLD POOL G08457 4.500% 08		09/01/2018	Paydown	XXX	78,896	78,896	84,616	84,265	(5,369)			(5,369)		78,896				2,343	08/01/2041	1
3128MMV59	FHLMC GOLD POOL G18635 2.500% 03/01/32		09/01/2018	Paydown	XXX	152,555	152,555	153,343	133,605	(777)			(777)		152,555				2,486	03/01/2032	1
3128MMVU4	FHLMC GOLD POOL G18626 2.500% 12/01/31		09/01/2018	Paydown	XXX	193,967	193,967	194,437	194,405	(438)			(438)		193,967				3,239	12/01/2031	1
3128MMWZ2	FHLMC GOLD POOL G18663 3.000% 10/01/32		09/01/2018	Paydown	XXX	193,207	193,207	195,520	65,613	(2,294)			(2,294)		193,207				3,047	10/01/2032	1
3128MMXN8	FHLMC GOLD POOL G18684 3.000% 04/01/33		09/01/2018	Paydown	XXX	40,462	40,462	40,190	272	272			272		40,462				155	04/01/2033	1
31307CLJ5	FHLMC POOL J23929 2.500% 05/01/28		09/01/2018	Paydown	XXX	285,024	285,024	278,967	279,982	5,042			5,042		285,024				4,782	05/01/2028	1
31307S2E2	FHLMC GOLD POOL J36173 2.500% 01/01/32		09/01/2018	Paydown	XXX	121,651	121,651	122,716	122,688	(1,036)			(1,036)		121,651				2,018	01/01/2032	1
3138EJJR0	FNMA POOL AL2071 5.500% 03/01/40		09/01/2018	Paydown	XXX	65,851	65,851	72,456	72,098	(6,248)			(6,248)		65,851				2,423	03/01/2040	1
3138LVVX7	FNMA POOL A05161 3.500% 06/01/27		09/01/2018	Paydown	XXX	184,583	184,583	198,340	193,787	(9,205)			(9,205)		184,583				4,370	06/01/2027	1
3138VJY07	FNMA POOL AS8250 2.000% 11/01/31		09/01/2018	Paydown	XXX	251,844	251,844	253,162	253,055	(1,212)			(1,212)		251,844				3,345	11/01/2031	1
31402CUL6	FNMA POOL 725205 5.000% 03/01/34		09/01/2018	Paydown	XXX	39,401	39,401	43,353	42,936	(3,535)			(3,535)		39,401				1,305	03/01/2034	1
31403DGY9	FNMA POOL 745515 5.000% 05/01/36		09/01/2018	Paydown	XXX	57,880	57,880	63,270	62,883	(5,003)			(5,003)		57,880				1,913	05/01/2036	1
3140FMTD8	FNMA POOL BE2347 3.000% 02/01/32		09/01/2018	Paydown	XXX	198,163	198,163	203,736	203,567	(5,404)			(5,404)		198,163				3,966	02/01/2032	1
3140FMTE6	FNMA POOL BE2348 3.000% 02/01/32		09/01/2018	Paydown	XXX	71,152	71,152	73,108	73,016	(1,864)			(1,864)		71,152				1,423	02/01/2032	1
31410KJY1	FNMA POOL 889579 6.000% 05/01/38		09/01/2018	Paydown	XXX	22,268	22,268	24,544	24,420	(2,152)			(2,152)		22,268				880	05/01/2038	1
31410KXL3	FNMA POOL 889983 6.000% 10/01/38		09/01/2018	Paydown	XXX	24,555	24,555	27,195	27,045	(2,490)			(2,490)		24,555				973	10/01/2038	1
31412QFE4	FNMA POOL 931765 4.500% 08/01/39		09/01/2018	Paydown	XXX	161,863	161,863	172,789	171,756	(10,926)			(10,926)		161,863				2,944	08/01/2039	1
31417C7D1	FNMA POOL AB6291 3.000% 09/01/27		09/01/2018	Paydown	XXX	107,061	107,061	112,899	111,756	(4,695)			(4,695)		107,061				2,189	09/01/2027	1
31418CJH8	FNMA POOL MA2963 2.500% 04/01/32		09/01/2018	Paydown	XXX	130,983	130,983	132,088	132,042	(1,059)			(1,059)		130,983				2,173	04/01/2032	1
350805AA5	FOUNTAIN VLY CA PENSN OBLIG SERIES A 2		09/01/2018	Maturity	XXX	125,000	125,000	125,000	125,000						125,000				2,500	09/01/2018	1FE
414005PV4	HARRIS CNTY TX SEREIS D 1.680% 08/15/1		08/15/2018	Maturity	XXX	2,500,000	2,500,000	2,537,900	2,510,980	(10,980)			(10,980)		2,500,000				42,000	08/15/2018	1FE

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## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	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.								
46246KH70 61075TKY3	IOWA ST FIN AUTH 3.280% 08/01/18 MONROE CNTY NY INDL DEV CORP R 1.744%		08/01/2018	Maturity	XXX	955,000	955,000	1,017,256	964,622		(9,622)		(9,622)		955,000				31,324	08/01/2018	1FE	
641494DD8	NEVADA ST SYS OF HGR EDU COPS SERIES B		07/01/2018	Maturity	XXX	1,100,000	1,100,000	1,100,000	1,100,000						1,100,000				19,184	07/01/2018	1FE	
79742GAB7	SAN DIEGO CNTY CA REGL ARPT AU 2.537%		07/01/2018	Maturity	XXX	200,000	200,000	200,000	200,000						200,000				3,596	07/01/2018	1FE	
837545JZ6	SOUTH DAKOTA ST CONSERVANCY DI SERIES A		07/01/2018	Maturity	XXX	300,000	300,000	306,717	301,663		(1,663)		(1,663)		300,000				7,611	07/01/2018	1FE	
857536SR8	ST UNIV OF IOWA UNIV REVENUE SERIES D		08/01/2018	Maturity	XXX	785,000	785,000	795,032	787,827		(2,827)		(2,827)		785,000				12,717	08/01/2018	1FE	
			07/01/2018	Maturity	XXX	1,055,000	1,055,000	1,078,041	1,059,459		(4,459)		(4,459)		1,055,000				21,100	07/01/2018	1FE	
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment						XXX	11,951,157	11,951,157	12,154,148	11,680,692		(92,132)		(92,132)		11,951,157				224,584	XXX	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																						
254683BQ7	DISCOVER CARD EXECUTION NOTE T SERIES 20		09/15/2018	Paydown	XXX	4,000,000	4,000,000	3,999,472	3,999,627		373		373		4,000,000				43,500	03/15/2021	1FE	
34530YAD5	FORD CREDIT AUTO OWNER TRUST SERIES 2015		09/15/2018	Paydown	XXX	184,945	184,945	184,735	184,902		43		43		184,945				1,739	02/15/2020	1FE	
43814LAC3	HONDA AUTO RECEIVABLES OWNER T SERIES 20		09/21/2018	Paydown	XXX	433,252	433,252	433,193	433,234		18		18		433,252				3,547	09/23/2019	1FE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						XXX	4,618,197	4,618,197	4,617,400	4,617,763		434		434		4,618,197				48,786	XXX	XXX
8399997 Subtotal - Bonds - Part 4						XXX	26,089,952	26,089,952	26,421,501	25,892,231		(164,875)		(164,875)		26,089,952				415,784	XXX	XXX
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
8399999 Subtotal - Bonds						XXX	26,089,952	26,089,952	26,421,501	25,892,231		(164,875)		(164,875)		26,089,952				415,784	XXX	XXX
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
8999999 Subtotal - Preferred Stocks						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
9799999 Subtotal - Common Stocks						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks						XXX	XXX	XXX	XXX	XXX		XXX		XXX		XXX				XXX	XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks						XXX	26,089,952	26,421,501	25,892,231		(164,875)		(164,875)		26,089,952				415,784	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

QE05.1

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

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

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

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

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

**E10 Schedule 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	7	8	
					First Month	Second Month	Third Month	
<b>open depositories</b>								
First Republic Bank ..... San Francisco, California .....					13,557,442	16,660,656	17,083,716	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			13,557,442	16,660,656	17,083,716	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....	X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....	X X X	X X X						X X X
0399999 Total Cash On Deposit .....	X X X	X X X			13,557,442	16,660,656	17,083,716	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			13,557,442	16,660,656	17,083,716	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
Cusip	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
7799999	Subtotals - Bonds - Total Bonds - Issuer Obligations							
7899999	Subtotals - Bonds - Total Bonds - Residential Mortgage-Backed Securities							
7999999	Subtotals - Bonds - Total Bonds - Commercial Mortgage-Backed Securities							
8099999	Subtotals - Bonds - Total Bonds - Other Loan-Backed and Structured Securities							
8199999	Subtotals - Bonds - SVO Identified Funds							
8399999	Subtotals - Bonds - Total Bonds							
8499999	Subtotals - Sweep Accounts							
<b>Exempt Money Market Mutual Funds - as Identified by SVO</b>								
261941108	DREYFUS TRSY PRIME CASH MGMT		09/25/2018	0.000	X X X	10,981,571		17,698
38142B500	GOLDMAN FS TRSY INST 506		09/28/2018	0.000	X X X	720,000		4,538
8599999	Subtotals - Exempt Money Market Mutual Funds - as Identified by SVO					11,701,571		22,236
8699999	Subtotals - All Other Money Market Mutual Funds							
8799999	Subtotals - Other Cash Equivalents							
8899999	Total - Cash Equivalents					11,701,571		22,236

QE13

## **Amended Statement Cover**

**NONE**



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