

**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, 2019**

**2019**



**QUARTERLY STATEMENT**  
**AS OF SEPTEMBER 30, 2019**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Build America Mutual Assurance Company**

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

Organized under the Laws of New York , State of Domicile or Port of Entry 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  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 200 Liberty St., 27th Floor  
(Street and Number)

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

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

Primary Location of Books and Records 200 Liberty St., 27th Floor  
(Street and Number)

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

Internet Web Site Address www.buildamerica.com

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

bwymbs@buildamerica.com (212)962-1710  
(E-Mail Address) (Fax Number)

**OFFICERS**

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

**OTHERS**

Suzanne Marie Finnegan Bouton, Chief Credit Officer	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
Natalie Rena Cohen #	Seán Wallace McCarthy
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  
(Printed Name)  
 1.  
 Managing Director, Secretary and Chairman  
(Title)

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

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

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2019

- 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 .....	492,063,133		492,063,133	477,687,716
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	95,100		95,100	
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 (\$.....9,238,847), cash equivalents (\$.....37,238,187) and short-term investments (\$.....9,455,045) .....	55,932,079		55,932,079	44,931,455
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....	1,713	1,713		
9. Receivables for securities .....	15,697		15,697	10,998
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	548,107,722	1,713	548,106,009	522,630,169
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	3,921,704		3,921,704	3,527,699
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 .....	3,139,551	3,071,090	68,461	73,272
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	679,453	679,453		
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 .....	1,735,365	995,822	739,543	73,048
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	557,583,795	4,748,078	552,835,717	526,304,188
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	557,583,795	4,748,078	552,835,717	526,304,188
<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 .....	995,822	995,822		
2502. Other assets .....	739,543		739,543	73,048
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,735,365	995,822	739,543	73,048

**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) .....	22,097,033	23,339,022
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	71,055	227,449
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 \$.....178,693,085 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) .....	40,521,706	36,233,633
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	47,986	
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 .....	3,565,000	2,244,070
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 .....	64,453,698	50,525,665
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) .....	130,756,478	112,569,839
27. Protected cell liabilities .....		
28. TOTAL liabilities (Lines 26 and 27) .....	130,756,478	112,569,839
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 .....	234,691,443	191,796,223
33. Surplus notes .....	481,262,739	481,262,739
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	(293,874,943)	(259,324,613)
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) .....	422,079,239	413,734,349
38. TOTALS (Page 2, Line 28, Col. 3) .....	552,835,717	526,304,188
<b>DETAILS OF WRITE-INS</b>		
2501. Mandatory contingency reserve .....	64,277,698	50,325,665
2502. Deposit liability .....	176,000	200,000
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	64,453,698	50,525,665
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 .....	234,691,443	191,796,223
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) .....	234,691,443	191,796,223

**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 \$.....30,337,876)	7,057,329	5,570,190	7,846,158
1.2 Assumed (written \$.....10,600,167)	805,799		88,723
1.3 Ceded (written \$.....35,087,997)	6,301,158	4,425,924	6,314,972
1.4 Net (written \$.....5,850,046)	1,561,970	1,144,266	1,619,909
<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	30,651,642	31,097,495	38,561,191
5. Aggregate write-ins for underwriting deductions			
6. TOTAL underwriting deductions (Lines 2 through 5)	30,651,642	31,097,495	38,561,191
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(29,089,672)	(29,953,229)	(36,941,282)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	8,213,648	5,252,013	2,573,759
10. Net realized capital gains (losses) less capital gains tax of \$.....0	26,065	2,368	(189,502)
11. Net investment gain (loss) (Lines 9 + 10)	8,239,713	5,254,381	2,384,257
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(20,849,959)	(24,698,848)	(34,557,025)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(20,849,959)	(24,698,848)	(34,557,025)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(20,849,959)	(24,698,848)	(34,557,025)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	413,734,349	427,315,050	427,315,050
22. Net income (from Line 20)	(20,849,959)	(24,698,848)	(34,557,025)
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	251,661	447,143	601,682
28. Change in provision for reinsurance			
29. Change in surplus notes			(17,740,069)
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	28,943,188	16,767,416	38,114,711
38. Change in surplus as regards policyholders (Lines 22 through 37)	8,344,890	(7,484,289)	(13,580,701)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	422,079,239	419,830,761	413,734,349
<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	42,895,220	26,925,484	53,675,499
3702. Change in mandatory contingency reserve	(13,952,032)	(10,158,068)	(15,560,788)
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	28,943,188	16,767,416	38,114,711

**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 .....	5,898,029	3,878,122	7,294,955
2. Net investment income .....	8,615,415	5,835,866	3,393,120
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	14,513,444	9,713,988	10,688,075
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 .....	31,061,630	32,614,695	35,374,623
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) .....	31,061,630	32,614,695	35,374,623
11. Net cash from operations (Line 4 minus Line 10) .....	(16,548,186)	(22,900,707)	(24,686,548)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	87,761,154	116,753,721	135,228,012
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 .....	1,316,231	5,916,050	1,737,814
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	89,077,385	122,669,771	136,965,826
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	102,906,278	149,715,625	167,406,481
13.2 Stocks .....	95,100		
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) .....	103,001,378	149,715,625	167,406,481
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) .....	(13,923,993)	(27,045,854)	(30,440,655)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			(17,740,069)
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) .....	41,472,803	26,238,552	52,867,936
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	41,472,803	26,238,552	35,127,867
<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) .....	11,000,624	(23,708,009)	(19,999,336)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	44,931,455	64,930,791	64,930,791
19.2 End of period (Line 18 plus Line 19.1) .....	55,932,079	41,222,782	44,931,455

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

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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 27, 2019. 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.

The Company’s first-loss reinsurance protection is provided by HG Re, Ltd. (“HG Re”) via a reinsurance treaty (the “Reinsurance Agreement”), whereby HG Re assumes 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 the assets held in trusts, which include a beneficial interest in the Series 2018 Surplus Notes as well as other high quality assets, 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 the 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 59% of gross par in force for BAM’s portfolio of financial guaranty policies as of September 30, 2019. The Company’s excess of loss reinsurance protection provided by Fidus is accounted for using deposit accounting.

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

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

### 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, 2019. The permitted practice had no effect on net income for the nine months ended September 30, 2019 or September 30, 2018 or the year ended December 31, 2018, and increased surplus by \$965,719 and \$0 as of September 30, 2019 and December 31, 2018.

## 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)	E/S		September 30, 2019	December 31, 2018
	SSAP #	Page Line #		
(1) Build America's state basis (Page 4, Line 20, Columns 1 & 2)			\$ (20,849,959)	\$ (34,557,025)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				
Not applicable	N/A	N/A	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:				
Deferred tax liability on MSC	101	N/A	-	-
(4) NAIC SAP (1 - 2 - 3 = 4)			<u>\$ (20,849,959)</u>	<u>\$ (34,557,025)</u>
<b>SURPLUS</b>				
(5) Build America's state basis (Page 3, Line 37, Columns 1 & 2)			\$ 422,079,239	\$ 413,734,349
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				
Not applicable	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>\$ 421,113,520</u>	<u>\$ 413,734,349</u>

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

No significant changes from the 2018 Notes to the Financial Statements.

### C. Accounting Policies

- (1) No significant changes from the 2018 Notes to the Financial Statements.
- (2) No significant changes from the 2018 Notes to the Financial Statements.
- (3) Common stock investments are held at fair value.
- (4) No significant changes from the 2018 Notes to the Financial Statements.
- (5) No significant changes from the 2018 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 accretible 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 2018 Notes to the Financial Statements.
- (8) No significant changes from the 2018 Notes to the Financial Statements.
- (9) No significant changes from the 2018 Notes to the Financial Statements.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations.
- (11) No significant changes from the 2018 Notes to the Financial Statements.
- (12) No significant changes from the 2018 Notes to the Financial Statements.
- (13) No significant changes from the 2018 Notes to the Financial Statements.
- (14) No significant changes from the 2018 Notes to the Financial Statements.
- (15) No significant changes from the 2018 Notes to the Financial Statements.



## Notes to Financial Statement

### 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, 2019 Quarterly 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, 2019.

### 3. Business Combinations and Goodwill

No significant changes from the 2018 Notes to the Financial Statements.

### 4. Discontinued Operations

No significant changes from the 2018 Notes to the Financial Statements.

### 5. Investments

A. No significant changes from the 2018 Notes to the Financial Statements.

B. No significant changes from the 2018 Notes to the Financial Statements.

C. No significant changes from the 2018 Notes to the Financial Statements.

D. Loan-Backed Securities

(1) The Company consistently uses the retrospective method to revalue loan-backed securities using current prepayment assumptions. Prepayment assumptions for single class and multi-class loan-backed securities are obtained from publicly available resources. There were no changes in the methodology utilized by the Company to revalue loan-backed securities.

(2) No significant changes from the 2018 Notes to the Financial Statements.

(3) No significant changes from the 2018 Notes to the Financial Statements.

(4) The Company has not recognized OTTI losses on loan-backed securities for the nine months ended September 30, 2019 or the year ended December 31, 2018. Gross unrealized losses on loan-backed securities and the related fair values were as follows:

<u>Time in Continuous Unrealized Position</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Number of Securities</u>
<u>As of September 30, 2019:</u>			
Less than twelve months	\$ 6,760	\$ 6,382,065	4
Twelve or more months	291,174	22,939,888	8
Total	<u>\$ 297,934</u>	<u>\$29,321,953</u>	<u>12</u>
<u>As of December 31, 2018</u>			
Less than twelve months	\$ 166,474	\$12,782,041	7
Twelve or more months	2,133,605	64,540,398	25
Total	<u>\$ 2,300,079</u>	<u>\$77,322,439</u>	<u>32</u>

(5) The Company had no OTTI losses as of September 30, 2019 or December 31, 2018.

E. No significant changes from the 2018 Notes to the Financial Statements.

F. No significant changes from the 2018 Notes to the Financial Statements.

G. No significant changes from the 2018 Notes to the Financial Statements.

H. No significant changes from the 2018 Notes to the Financial Statements.

I. No significant changes from the 2018 Notes to the Financial Statements.

J. No significant changes from the 2018 Notes to the Financial Statements.

K. No significant changes from the 2018 Notes to the Financial Statements.

STATEMENT AS OF **September 30, 2019** 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									10	11
	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)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
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	95,100	-	-	-	95,100	-	95,100	95,100	95,100	0%	0%
j. On deposit with states	5,019,727	-	-	-	5,019,727	6,109,787	(1,090,060)	-	5,019,727	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	792,589	-	-	-	792,589	792,589	-	-	792,589	0%	0%
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0%	0%
o. Total Restricted Assets	<u>\$ 5,907,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,907,416</u>	<u>\$ 6,902,376</u>	<u>\$ (994,960)</u>	<u>\$ -</u>	<u>\$ 5,907,416</u>	<u>1%</u>	<u>1%</u>

(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									10	11
	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 Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
Held in trust for reinsurance	\$ 720,000	\$ -	\$ -	\$ -	\$ 720,000	\$ 720,000	\$ -	\$ 720,000	0%	0%	
Lease security deposits	72,589	-	-	-	72,589	72,589	-	72,589	0%	0%	
Total (c)	<u>\$ 792,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,589</u>	<u>\$ 792,589</u>	<u>\$ -</u>	<u>\$ 792,589</u>	<u>0%</u>	<u>0%</u>	

(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, 2019 or December 31, 2018.

(4) The Company has no Collateral Received and Reflected as Assets as of September 30, 2019 or December 31, 2018.

**M. Working Capital Finance Investments**

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

**O. Structured Notes**

No significant changes from the 2018 Notes to the Financial Statements.

**P. 5\* Securities**

No significant changes from the 2018 Notes to the Financial Statements.

**Q. Short Sales**

No significant changes from the 2018 Notes to the Financial Statements.

**R. Prepayment Penalty and Acceleration Fees**

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

## Notes to Financial Statement

### 7. Investment Income

No significant changes from the 2018 Notes to the Financial Statements.

### 8. Derivative Instruments

No significant changes from the 2018 Notes to the Financial Statements.

### 9. Income Taxes

The Company generated tax basis ordinary operating losses of \$21,110,928 and \$22,742,927 for the nine months ended September 30, 2019 and September 30, 2018, respectively. The Company has an unused ordinary operating loss carryforward of \$297,198,850 available to offset against future taxable income. Unused ordinary operating losses of \$250,680,383 expire beginning in 2033 through 2038 and unused ordinary operating losses of \$46,518,467 may be carried forward indefinitely.

The Company generated no tax basis capital losses for the nine months ended September 30, 2019 or September 30, 2018. The Company has an unused capital loss carryforward of \$285,391. Unused capital loss carryforwards expire beginning in 2019 through 2023.

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

No significant changes from the 2018 Notes to the Financial Statements.

### 11. Debt

A. No significant changes from the 2018 Notes to the Financial Statements.

B. Federal Home Loan Bank

(1) The Company is a member of the FHLB of NY. Membership in the FHLB of NY expands the Company's financial flexibility by providing access to reliable liquidity at a low cost. The Company has not conducted any business with the FHLB of NY and has no borrowings as of September 30, 2019.

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	95,100	95,100	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	<u>\$ 95,100</u>	<u>\$ 95,100</u>	<u>\$ -</u>
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer			\$ 27,640,000
2. Prior Year-end			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	-	-	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer			\$ -

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
1. Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Class B	\$ -	\$ 95,100	\$ -	\$ -	\$ -	\$ -

## Notes to Financial Statement

## (3) Collateral Pledged to FHLB

## a. Amount Pledged as of Reporting Date

	1	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	\$ -	\$ -	\$ -
2. Current Year General Account Total Collateral Pledged	\$ -	\$ -	\$ -
3. Current Year Protected Cell Accounts Total Collateral Pledged	\$ -	\$ -	\$ -
4. Prior Year-end Total General and Protected Cell Accounts Total Collateral Pledged	\$ -	\$ -	\$ -

## b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	\$ -	\$ -	\$ -
2. Current Year General Account Total Collateral Pledged	\$ -	\$ -	\$ -
3. Current Year Protected Cell Accounts Total Collateral Pledged	\$ -	\$ -	\$ -
4. Prior Year-end Total General and Protected Cell Accounts Total Collateral Pledged	\$ -	\$ -	\$ -

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

	1	2	3	4
	Total 2+3	General Account	Protected Cell Account	Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$ -	\$ -	\$ -	
(b) Funding Agreements	-	-	-	\$ -
(c) Other	-	-	-	
(d) Aggregate Total (a+b+c)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -
2. Prior Year-end				
(a) Debt	\$ -	\$ -	\$ -	
(b) Funding Agreements	-	-	-	\$ -
(c) Other	-	-	-	
(d) Aggregate Total (a+b+c)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ -

## b. Maximum Amount during Reporting Period (Current Year)

	1	2	3
	Total 2+3	General Account	Protected Cell Accounts
1. Debt	\$ -	\$ -	\$ -
2. Funding Agreements	-	-	-
3. Other	-	-	-
4. Aggregate Total (Lines 1+2+3)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following agreements (YES/NO)?
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

## Notes to Financial Statement

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

No significant changes from the 2018 Notes to the Financial Statements.

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

- (1) No significant changes from the 2018 Notes to the Financial Statements.
- (2) No significant changes from the 2018 Notes to the Financial Statements.
- (3) No significant changes from the 2018 Notes to the Financial Statements.
- (4) No significant changes from the 2018 Notes to the Financial Statements.
- (5) No significant changes from the 2018 Notes to the Financial Statements.
- (6) No significant changes from the 2018 Notes to the Financial Statements.
- (7) No significant changes from the 2018 Notes to the Financial Statements.
- (8) No significant changes from the 2018 Notes to the Financial Statements.
- (9) No significant changes from the 2018 Notes to the Financial Statements.
- (10) No significant changes from the 2018 Notes to the Financial Statements.
- (11) Surplus Notes

As of September 30, 2019:

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
December 3, 2018	2018	variable	\$ 481,262,739	\$ 481,262,739	\$ -	\$ 28,000,000	\$ 645,503,708	April 1, 2042

The Company has not requested approval for payment of the Series 2018 Surplus Notes during the nine months ended September 30, 2019.

- (12) No significant changes from the 2018 Notes to the Financial Statements.
- (13) No significant changes from the 2018 Notes to the Financial Statements.

### 14. Liabilities, Contingencies and Assessments

No significant changes from the 2018 Notes to the Financial Statements.

### 15. Leases

No significant changes from the 2018 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, 2019 and December 31, 2018 was \$80,877,552,290 and \$70,830,254,400, respectively, excluding the benefit of \$100,000,000 of excess of loss reinsurance provided by Fidus.

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

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

## Notes to Financial Statement

### 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) Assets carried at fair value at September 30, 2019 are as follows:

	Level 1	Level 2	Level 3	Net Asset Value	Total
a. Assets at fair value					
Common Stock					
Industrial and Misc	\$ -	\$ -	\$ 95,100	\$ -	\$ 95,100
Total assets at fair value	\$ -	\$ -	\$ 95,100	\$ -	\$ 95,100

There were no liabilities carried at fair value at September 30, 2019.

- (2) During the nine months ended September 30, 2019 and the year ended December 31, 2018, the Company did not transfer any assets or liabilities into or out of Level 3. As of September 30, 2019, fair value measurements in Level 3 of the fair value hierarchy were as follows:

	Ending Balance as of Prior Year End	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for Current Quarter End
a. Assets										
Common Stock										
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,100	\$ -	\$ -	\$ -	\$ 95,100
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,100	\$ -	\$ -	\$ -	\$ 95,100

The estimated fair value of the liability for net financial guaranty insurance contracts as of September 30, 2019 and December 31, 2018 was \$209,252,681 and \$179,545,907, 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.

#### Common Stocks

The Company's common stock investments relate to holdings in the FHLB of NY. FHLB of NY's capital plan prescribes the par value of the capital stock is \$100 and all capital stock is issued, redeemed, repurchased or transferred at par value. Since there is not an observable market for the FHLB of NY common stock, these securities are held at cost and have been classified as Level 3. The cost basis of the FHLB of NY stock was \$95,100 and \$0 at September 30, 2019 and December 31, 2018, respectively.

#### 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.

# Notes to Financial Statement

## 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, 2019 or December 31, 2018.

- 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 Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
<b>Fair Value Measurements as of September 30, 2019:</b>						
<b>Financial Assets</b>						
Bonds	\$ 509,238,387	\$ 492,063,133	\$ -	\$ 509,238,387		\$ -
Common stocks	95,100	95,100			95,100	
Cash, cash equivalents and short-term investments	55,932,079	55,932,079	55,932,079	-	-	-
Investment income due and accrued	3,921,704	3,921,704	3,921,704	-	-	-
<b>Total Financial Assets</b>	<b>\$ 569,187,270</b>	<b>\$ 552,012,016</b>	<b>\$ 59,853,783</b>	<b>\$ 509,238,387</b>	<b>\$ 95,100</b>	<b>\$ -</b>
<b>Financial Liabilities</b>						
Net financial guaranty insurance contracts	\$ 209,252,681	\$ -	\$ -	\$ -	\$ 209,252,681	\$ -
<b>Total Financial Liabilities</b>	<b>\$ 209,252,681</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 209,252,681</b>	<b>\$ -</b>
<b>Fair Value Measurements as of December 31, 2018:</b>						
<b>Financial Assets</b>						
Bonds	\$ 475,584,201	\$ 477,687,716	\$ -	\$ 475,584,201	\$ -	\$ -
Cash, cash equivalents and short-term investments	44,931,455	44,931,455	44,931,455	-	-	-
Investment income due and accrued	3,527,699	3,527,699	3,527,699	-	-	-
<b>Total Financial Assets</b>	<b>\$ 524,043,355</b>	<b>\$ 526,146,870</b>	<b>\$ 48,459,154</b>	<b>\$ 475,584,201</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financial Liabilities</b>						
Net financial guaranty insurance contracts	\$ 179,545,907	\$ -	\$ -	\$ -	\$ 179,545,907	\$ -
<b>Total Financial Liabilities</b>	<b>\$ 179,545,907</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 179,545,907</b>	<b>\$ -</b>

- D. The Company had no items for which it was not practicable to estimate fair values as of September 30, 2019 or December 31, 2018.  
E. The Company had no items measured using the NAV practical expedient pursuant to SSAP No. 100R – Fair Value as of September 30, 2019 or December 31, 2018.

## 21. Other Items

No significant changes from the 2018 Notes to the Financial Statements.

## 22. Events Subsequent

Pursuant to Statement of Statutory Accounting Principles ("SSAP") No. 9, Subsequent Events, the date through which Type I or Type II subsequent events have been evaluated was November 7, 2019 for the nine months ended September 30, 2019, the date in which the statutory financial statements were available for issue. Based on the evaluation, no material items were noted.

## 23. Reinsurance

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
<b>As of September 30, 2019</b>						
a. Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. All Other	17,783,865	-	178,693,085	42,767,774	(160,909,220)	(42,767,774)
c. Total	<u>\$ 17,783,865</u>	<u>\$ -</u>	<u>\$ 178,693,085</u>	<u>\$ 42,767,774</u>	<u>\$ (160,909,220)</u>	<u>\$ (42,767,774)</u>
d. Direct Unearned Premium Reserve			\$ 219,214,792			
<b>As of December 31, 2018</b>						
a. Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. All Other	7,989,498	-	149,906,246	38,242,830	(141,916,748)	(38,242,830)
c. Total	<u>\$ 7,989,498</u>	<u>\$ -</u>	<u>\$ 149,906,246</u>	<u>\$ 38,242,830</u>	<u>\$ (141,916,748)</u>	<u>\$ (38,242,830)</u>
d. Direct Unearned Premium Reserve			\$ 186,139,879			

## Notes to Financial Statement

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

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

**26. Intercompany Pooling Arrangements**

No significant changes from the 2018 Notes to the Financial Statements.

**27. Structured Settlements**

No significant changes from the 2018 Notes to the Financial Statements.

**28. Health Care Receivables**

No significant changes from the 2018 Notes to the Financial Statements.

**29. Participating Accident and Health Policies**

No significant changes from the 2018 Notes to the Financial Statements.

**30. Premium Deficiency Reserves**

No significant changes from the 2018 Notes to the Financial Statements.

**31. High Deductibles**

No significant changes from the 2018 Notes to the Financial Statements.

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

No significant changes from the 2018 Notes to the Financial Statements.

**33. Asbestos / Environmental Reserves**

No significant changes from the 2018 Notes to the Financial Statements.

**34. Subscriber Savings Accounts**

No significant changes from the 2018 Notes to the Financial Statements.

**35. Multiple Peril Crop Insurance**

No significant changes from the 2018 Notes to the Financial Statements.

**36. Financial Guaranty Insurance**

A. The following disclosures for financial guaranty insurance contracts in force as of September 30, 2019:

(1) The following disclosures are for installment financial guaranty insurance contracts:

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 \$229,945,878 as of September 30, 2019.



## Notes to Financial Statement

- b. The table below summarizes future, undiscounted premiums expected to be collected under installment contracts:

<u>As of September 30, 2019:</u>	Future Expected Undiscounted Premiums Collections
1. (d) 4th Quarter 2019	\$ 34,277
(e) Year 2020	33,238
(f) Year 2021	35,534
(g) Year 2022	390,617
(h) Year 2023	589,195
2. (a) Years 2024 through 2028	3,057,420
(b) Years 2029 through 2033	1,946,586
(c) Years 2034 through 2038	1,324,040
(d) Years 2039 through 2043	894,535
(e) Years 2044 through 2048	581,768
(f) Years 2049 through 2053	402,894
(g) Years 2054 through 2058	-
Total	<u><u>\$ 9,290,104</u></u>

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

<u>As of September 30, 2019:</u>	
1. Expected future premiums - beginning of year	\$ 8,836,673
2. Less: premium payments received for existing installment contracts	(15,377)
3. Add: expected premium payments for new installment contracts	468,808
4. Adjustments to the expected future premium payments	-
5. Expected future premiums - September 30, 2019	<u><u>\$ 9,290,104</u></u>

- (2) The following disclosures are for non-installment financial guaranty insurance contracts in force:

- a. Accelerated net unearned premiums for non-installment contracts were \$89,697 for the nine months ended September 30, 2019. 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:

<u>As of September 30, 2019:</u>	Future Expected Earned Premiums, Net of Reinsurance
1. (d) 4th Quarter 2019	\$ 447,609
(e) Year 2020	1,986,777
(f) Year 2021	2,047,198
(g) Year 2022	2,020,364
(h) Year 2023	2,018,814
2. (a) Years 2024 through 2028	9,855,259
(b) Years 2029 through 2033	8,341,493
(c) Years 2034 through 2038	7,720,669
(d) Years 2039 through 2043	4,295,320
(e) Years 2044 through 2048	1,117,094
(f) Years 2049 through 2053	413,384
(g) Years 2054 through 2058	256,824
(h) Years 2059 through 2063	901
Total	<u><u>\$ 40,521,706</u></u>

- (3) The Company did not have any claim liabilities for financial guaranty insurance contracts in force as of September 30, 2019 or December 31, 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.

## Notes to Financial Statement

### 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.

### 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 to 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, 2019 or December 31, 2018.

# 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]  
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 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. ..... 12/31/2018 .....
- 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 \$72,589 of cash held in accounts as deposits for various rental properties. Bonds with a carrying value of \$5,019,727 are held by various state regulators as deposits.
- 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	
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	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 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting entity self-designated 5GI securities? Yes[ ] No[X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:

## **GENERAL INTERROGATORIES (Continued)**

- a. The security was purchased prior to January 1, 2018 .
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities?

Yes[ ] No[X]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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

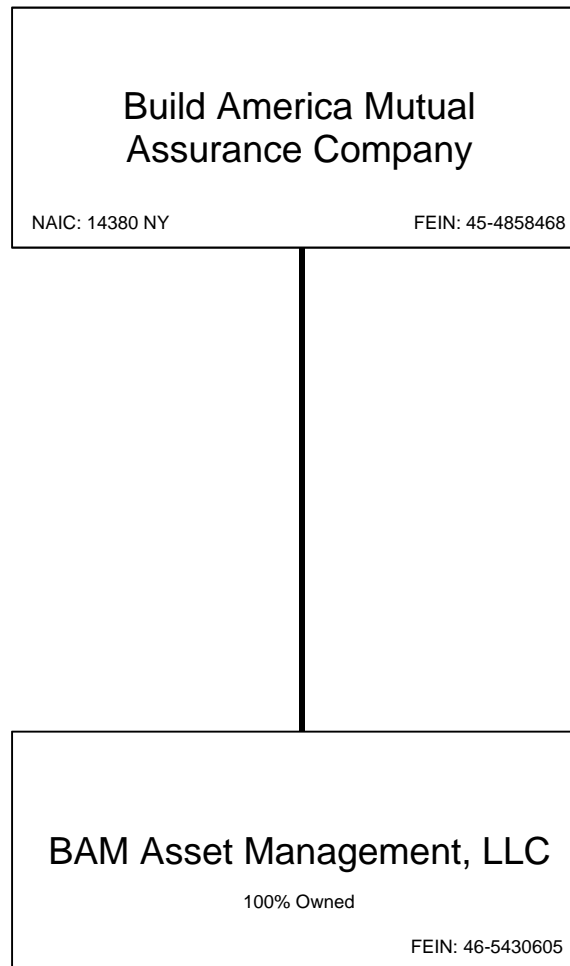
	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	387,195	299,649				
2. Alaska (AK)	L						
3. Arizona (AZ)	L	94,615	224,089				
4. Arkansas (AR)	L	145,875	550,356				
5. California (CA)	L	3,663,790	3,195,771				
6. Colorado (CO)	L	143,672	269,910				
7. Connecticut (CT)	L	221,800	1,879,169				
8. Delaware (DE)	L	58,142					
9. District of Columbia (DC)	L						
10. Florida (FL)	L	116,901	20,654				
11. Georgia (GA)	L	35,000	4,415				
12. Hawaii (HI)	L						
13. Idaho (ID)	L						
14. Illinois (IL)	L	1,477,076	909,982				
15. Indiana (IN)	L	378,020	265,630				
16. Iowa (IA)	L	162,876	191,253				
17. Kansas (KS)	L	251,552	187,083				
18. Kentucky (KY)	L	463,095	362,296				
19. Louisiana (LA)	L	512,786	340,192				
20. Maine (ME)	L						
21. Maryland (MD)	L		25,920				
22. Massachusetts (MA)	L	19,800					
23. Michigan (MI)	L	125,399	412,220				
24. Minnesota (MN)	L	11,365	16,199				
25. Mississippi (MS)	L	236,777	172,499				
26. Missouri (MO)	L	4,464					
27. Montana (MT)	L						
28. Nebraska (NE)	L						
29. Nevada (NV)	L	134,850	5,950				
30. New Hampshire (NH)	L						
31. New Jersey (NJ)	L	486,134	293,848				
32. New Mexico (NM)	L	50,724	71,995				
33. New York (NY)	L	14,646,911	12,325,008				
34. North Carolina (NC)	L	679,343					
35. North Dakota (ND)	L						
36. Ohio (OH)	L	287,366	173,638				
37. Oklahoma (OK)	L	29,435					
38. Oregon (OR)	L	9,669	13,359				
39. Pennsylvania (PA)	L	1,761,283	1,860,587				
40. Rhode Island (RI)	L	11,105					
41. South Carolina (SC)	L	94,713	120,913				
42. South Dakota (SD)	L	15,119					
43. Tennessee (TN)	L	74,324	80,210				
44. Texas (TX)	L	3,284,146	2,543,832				
45. Utah (UT)	L	77,152	45,866				
46. Vermont (VT)	L						
47. Virginia (VA)	L						
48. Washington (WA)	L		108,693				
49. West Virginia (WV)	L		65,391				
50. Wisconsin (WI)	L	185,402	178,749				
51. Wyoming (WY)	L						
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	X X X	30,337,876	27,215,326				
<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, 2019** 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	7,057,329			
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	7,057,329			
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	10,100,253	30,337,876	27,215,326
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	10,100,253	30,337,876	27,215,326
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)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 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. 2016 + Prior .....													
2. 2017 .....													
3. Subtotals 2017 + Prior .....													
4. 2018 .....													
5. Subtotals 2018 + Prior .....													
6. 2019 .....	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 .....	413,734,349										Col. 11, Line 7 As % of Col. 1 Line 7 1.....	Col. 12, Line 7 As % of Col. 2 Line 7 2.....	Col. 13, Line 7 As % of Col. 3 Line 7 3.....
													Col. 13, Line 7 Line 8 4.....

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# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**RESPONSES**

- |  |    |
|--|----|
| 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, 2019** OF THE **Build America Mutual Assurance Company**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

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

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	477,687,716	447,003,248
2. Cost of bonds and stocks acquired .....	103,001,378	167,406,481
3. Accrual of discount .....	303,317	214,794
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	26,065	(189,502)
6. Deduct consideration for bonds and stocks disposed of .....	87,761,154	135,228,012
7. Deduct amortization of premium .....	1,099,089	1,519,293
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) .....	492,158,233	477,687,716
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	492,158,233	477,687,716

## 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) .....	491,439,162	53,208,671	46,048,667	(259,183)	488,239,836	491,439,162	498,339,983	481,201,320
2. NAIC 2 (a) .....	5,174,700			3,495	5,651,769	5,174,700	5,178,195	5,648,999
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	496,613,862	53,208,671	46,048,667	(255,688)	493,891,605	496,613,862	503,518,178	486,850,319
<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 .....	496,613,862	53,208,671	46,048,667	(255,688)	493,891,605	496,613,862	503,518,178	486,850,319

(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 \$.....11,455,045; 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 .....	9,455,045	X X X	9,459,604		10,853

**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 .....	9,162,603	25,185,431
2. Cost of short-term investments acquired .....	23,625,600	14,406,745
3. Accrual of discount .....	47,198	5,858
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	23,370,000	30,340,000
7. Deduct amortization of premium .....	10,356	95,431
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) .....	9,455,045	9,162,603
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	9,455,045	9,162,603

**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 .....	29,227,662	16,088,293
2.	Cost of cash equivalents acquired .....	160,799,311	302,065,680
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	152,788,136	288,926,311
7.	Deduct amortization of premium .....	650	
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) .....	37,238,187	29,227,662
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	37,238,187	29,227,662

**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 and Administrative Symbol/ Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
9128285V8	US TREASURY N B 2.500% 01/15/22		07/01/2019	GOLDMAN SACHS AND CO NEW YORK	X X X	3,972,516	3,900,000	45,249	1
912828J76	US TREASURY N B 1.750% 03/31/22		08/05/2019	GOLDMAN SACHS AND CO NEW YORK	X X X	1,657,734	1,650,000	10,098	1
912828WZ9	US TREASURY N B 1.750% 04/30/22		09/06/2019	BANK OF AMERICA INTL NY UNITED	X X X	1,510,078	1,500,000	9,416	1
0599999	Subtotal - Bonds - U.S. Governments				X X X	7,140,328	7,050,000	64,763	X X X
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
23223PFH5	CUYAHOGA CNTY OH SERIES B 1.838% 12/01		08/28/2019	MORGAN STANLEY AND CO., LLC	X X X	2,000,000	2,000,000		1FE
365298Y28	GARDEN GROVE CA UNIF SCH DIST SERIES B		09/25/2019	RAYMOND JAMES AND ASSOCIATES	X X X	295,000	295,000		1FE
365298Y36	GARDEN GROVE CA UNIF SCH DIST SERIES B		09/25/2019	RAYMOND JAMES AND ASSOCIATES	X X X	400,000	400,000		1FE
406036JP9	HALL CNTY NE SCH DIST 1.951% 12/15/20		08/08/2019	D.A. DAVIDSON AND CO	X X X	740,000	740,000		1FE
508336DG6	LAKE CNTY IL SERIES A 5.125% 11/30/27		08/13/2019	BOFA SECURITIES INC	X X X	2,015,180	2,000,000	21,354	1FE
544290JF7	LOS ALTOS CA SCH DIST SERIES B 2.086%		09/27/2019	RAYMOND JAMES AND ASSOCIATES	X X X	2,000,000	2,000,000		1Z
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	7,450,180	7,435,000	21,354	X X X
<b>Bonds - U.S. Special Revenue, Special Assessment</b>									
3128MDKE2	FHLMC GOLD POOL G14593 4.000% 05/01/27		09/26/2019	JANNEY MONTGOMERY, SCOTT INC	X X X	1,001,299	960,479	3,095	1
3132D53W0	FHLMC POOL SB8013 2.500% 09/01/34		09/09/2019	BARCLAYS BANK PLC	X X X	1,205,131	1,190,161	827	1
3136B6HH9	FANNIE MAE SERIES 2019-58 CLASS LP 3.0		09/20/2019	JPMORGAN CHASE BANK	X X X	1,108,814	1,080,000	2,610	1
3137FNBV1	FREDDIE MAC SERIES 4908 CLASS BD 3.000		08/22/2019	ROBERT W. BAIRD CO. INCORPORAT	X X X	516,016	500,000	1,208	1
3137FNFU9	FREDDIE MAC SERIES 4911 CLASS MB 3.000		08/20/2019	FIRST TENNESSEE BANK BOND DIVI	X X X	949,317	925,000	2,235	1
44244CXJ1	HOUSTON TX UTILITY SYS REVENUE SERIES C		09/03/2019	PIPER JAFFRAY & HOPWOOD	X X X	4,188,498	4,195,000		1FE
59333P4X3	MIAMI DADE CNTY FL AVIATION RE SERIES E		08/23/2019	BARCLAYS BANK PLC	X X X	775,000	775,000		1FE
672319CD0	OAKLAND CA PENSN OBLG 4.000% 12/15/22		09/03/2019	BNY CAPITAL MARKETS, INC.	X X X	2,114,280	2,000,000	17,778	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				X X X	11,858,355	11,625,640	27,753	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
02007JAC1	ALLY AUTO RECEIVABLES TRUST SERIES 2018-		07/26/2019	BARCLAYS BANK PLC	X X X	1,317,132	1,305,000	1,631	1FE
06051GEU9	BANK OF AMERICA CORP SERIES MTN 3.300%		09/20/2019	MORGAN STANLEY AND CO., LLC	X X X	1,032,100	1,000,000	6,692	1FE
14313YAD0	CARMAX AUTO OWNER TRUST SERIES 2016-1 CL		07/01/2019	TORONTO DOMINION SECURITIES (US	X X X	997,500	1,000,000	940	1FE
17305EGL3	CITIBANK CREDIT CARD ISSUANCE SERIES 201		07/01/2019	BNP PARIBAS U.S.A NEW YORK BRA	X X X	1,849,928	1,850,000	1,812	1FE
254683CK9	DISCOVER CARD EXECUTION NOTE T SERIES 20		07/15/2019	TORONTO DOMINION SECURITIES (US	X X X	2,557,227	2,500,000	422	1FE
254687FJ0	WALT DISNEY COMPANY THE 1.650% 09/01/2		09/03/2019	JP Morgan	X X X	2,494,575	2,500,000		1FE
65478NAD7	NISSAN AUTO RECEIVABLES OWNE SERIES 2018		08/22/2019	Various	X X X	2,571,723	2,514,000	3,108	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	12,820,185	12,669,000	14,605	X X X
8399997	Subtotal - Bonds - Part 3				X X X	39,269,048	38,779,640	128,475	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	39,269,048	38,779,640	128,475	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	39,269,048	X X X	128,475	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....1.

QE04

# 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/ Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation and Admini- strative Symbol/ 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>																						
36176XKU2	GNMA POOL 779107 4.000% 04/15/42		09/01/2019	Paydown	X X X	5,987	5,987	6,567	6,535		(548)		(548)		5,987				160	04/15/2042	1	
36179MC24	GNMA POOL MA0089 4.000% 05/20/42		09/01/2019	Paydown	X X X	97,985	97,985	107,837	107,141		(9,157)		(9,157)		97,985				2,641	05/20/2042	1	
36179ME30	GNMA POOL MA0154 3.500% 06/20/42		09/01/2019	Paydown	X X X	97,064	97,064	105,216	104,586		(7,522)		(7,522)		97,064				2,267	06/20/2042	1	
36179MG61	GNMA POOL MA0221 4.000% 07/20/42		09/01/2019	Paydown	X X X	138,053	138,053	149,184	148,376		(10,323)		(10,323)		138,053				3,698	07/20/2042	1	
36179MMX5	GNMA POOL MA0374 2.500% 09/20/27		09/01/2019	Paydown	X X X	196,350	196,350	208,070	204,431		(8,080)		(8,080)		196,350				3,228	09/20/2027	1	
36179QPH8	GNMA POOL MA2224 4.000% 09/20/44		09/01/2019	Paydown	X X X	198,557	198,557	210,967	210,490		(11,933)		(11,933)		198,557				5,297	09/20/2044	1	
912828TNO	US TREASURY N B 1.000% 08/31/19		08/31/2019	Maturity	X X X	3,450,000	3,450,000	3,421,025	3,441,986		8,014		8,014		3,450,000				34,500	08/31/2019	1	
912828VW6	US TREASURY N B 1.625% 07/31/19		07/31/2019	Maturity	X X X	1,650,000	1,650,000	1,657,670	1,651,746		(1,746)		(1,746)		1,650,000				26,813	07/31/2019	1	
0599999 Subtotal - Bonds - U.S. Governments						X X X	5,833,996	5,833,996	5,866,536	5,875,291		(41,295)		(41,295)		5,833,996				78,604	X X X	X X X
<b>Bonds - U.S. States, Territories and Possessions</b>																						
882723EZ8	TEXAS ST SERIES E 2.412% 08/01/19		08/01/2019	Maturity	X X X	1,105,000	1,105,000	1,123,907	1,110,746		(5,746)		(5,746)		1,105,000				26,653	08/01/2019	1FE	
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions						X X X	1,105,000	1,105,000	1,123,907	1,110,746		(5,746)		(5,746)		1,105,000				26,653	X X X	X X X
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																						
190335HD4	COAST CA CMNTY CLG DIST SERIES C 1.131		08/01/2019	Maturity	X X X	810,000	810,000	810,000	810,000						810,000				9,161	08/01/2019	1FE	
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						X X X	810,000	810,000	810,000	810,000					810,000				9,161	X X X	X X X	
<b>Bonds - U.S. Special Revenue, Special Assessment</b>																						
3128M9DF6	FREDDIE MAC GOLD POOL G07002 4.500% 12		09/01/2019	Paydown	X X X	76,590	76,590	82,561	82,009		(5,419)		(5,419)		76,590				2,247	12/01/2041	1	
3128MJQK9	FREDDIE MAC GOLD POOL G08457 4.500% 08		09/01/2019	Paydown	X X X	85,551	85,551	91,753	91,400		(5,849)		(5,849)		85,551				2,764	08/01/2041	1	
3128MMV59	FHLMC GOLD POOL G18635 2.500% 03/01/32		09/01/2019	Paydown	X X X	131,581	131,581	132,260	132,213		(632)		(632)		131,581				2,175	03/01/2032	1	
3128MMVU4	FHLMC GOLD POOL G18626 2.500% 12/01/31		09/01/2019	Paydown	X X X	210,910	210,910	211,421	211,356		(445)		(445)		210,910				3,507	12/01/2031	1	
3128MMWZ2	FHLMC GOLD POOL G18663 3.000% 10/01/32		09/01/2019	Paydown	X X X	197,188	197,188	199,548	199,421		(2,233)		(2,233)		197,188				3,948	10/01/2032	1	
3128MMXN8	FHLMC GOLD POOL G18684 3.000% 04/01/33		09/01/2019	Paydown	X X X	73,183	73,183	72,691	72,701		482		482		73,183				1,476	04/01/2033	1	
31307CLJ5	FHLMC POOL J23929 2.500% 05/01/28		09/01/2019	Paydown	X X X	281,605	281,605	275,621	276,926		4,679		4,679		281,605				4,770	05/01/2028	1	
31307S2E2	FHLMC GOLD POOL J36173 2.500% 01/01/32		09/01/2019	Paydown	X X X	159,445	159,445	160,841	160,721		(1,275)		(1,275)		159,445				2,709	01/01/2032	1	
3138EJUR0	FNMA POOL AL2071 5.500% 03/01/40		09/01/2019	Paydown	X X X	54,171	54,171	59,605	59,195		(5,024)		(5,024)		54,171				2,028	03/01/2040	1	
3138LVWX7	FNMA POOL A05161 3.500% 06/01/27		09/01/2019	Paydown	X X X	29,816	29,816	32,039	31,702		(1,886)		(1,886)		29,816				696	06/01/2027	1	
3138WJEY0	FNMA POOL AS8250 2.000% 11/01/31		09/01/2019	Paydown	X X X	282,717	282,717	284,196	283,994		(1,277)		(1,277)		282,717				3,764	11/01/2031	1	
3140ZCU67	FNMA POOL 725205 5.000% 03/01/34		09/01/2019	Paydown	X X X	33,931	33,931	37,335	36,800		(2,869)		(2,869)		33,931				1,125	03/01/2034	1	
3140ZDGY9	FNMA POOL 745515 5.000% 05/01/36		09/01/2019	Paydown	X X X	51,218	51,218	55,988	55,430		(4,212)		(4,212)		51,218				1,721	05/01/2036	1	
3140FMTD8	FNMA POOL BE2347 3.000% 02/01/32		09/01/2019	Paydown	X X X	60,499	60,499	62,201	62,020		(1,520)		(1,520)		60,499				1,216	02/01/2032	1	
3140FMTF6	FNMA POOL BE2348 3.000% 02/01/32		09/01/2019	Paydown	X X X	129,017	129,017	132,565	132,157		(3,141)		(3,141)		129,017				2,631	02/01/2032	1	
3140Q9T94	FNMA POOL CA2375 4.000% 09/01/48		09/01/2019	Paydown	X X X	134,651	134,651	137,660	137,660		(3,009)		(3,009)		134,651				2,362	09/01/2048	1	
31410KJY1	FNMA POOL 889579 6.000% 05/01/38		09/01/2019	Paydown	X X X	14,970	14,970	16,499	16,374		(1,404)		(1,404)		14,970				595	05/01/2038	1	
31410KXL3	FNMA POOL 889983 6.000% 10/01/38		09/01/2019	Paydown	X X X	20,104	20,104	22,265	22,087		(1,983)		(1,983)		20,104				803	10/01/2038	1	
31412QFE4	FNMA POOL 931765 4.500% 08/01/39		09/01/2019	Paydown	X X X	150,202	150,202	160,341	160,113		(9,910)		(9,910)		150,202				4,619	08/01/2039	1	
31417C7D1	FNMA POOL AB6291 3.000% 09/01/27		09/01/2019	Paydown	X X X	133,340	133,340	140,612	138,415		(5,075)		(5,075)		133,340				2,639	09/01/2027	1	
31418CJH8	FNMA POOL MA2963 2.500% 04/01/32		09/01/2019	Paydown	X X X	150,460	150,460	151,729	151,596		(1,137)		(1,137)		150,460				2,481	04/01/2032	1	
350805AB3	FOUNTAIN VLY CA PENS OBLIG SERIES A 2		09/01/2019	Maturity	X X X	130,000	130,000	128,400	129,724		276		276		130,000				2,763	09/01/2019	1FE	
38381VH45	GOVERNMENT NATIONAL MORTGAGE SERIES 2019		09/01/2019	Paydown	X X X	8,867	8,867	8,852			15		15		8,867				68	12/20/2048	1	
641494DE6	NEVADA ST SYS OF HGR EDU COPS SERIES B		07/01/2019	Maturity	X X X	200,000	200,000	200,000	200,000						200,000				4,160	07/01/2019	1FE	
882724GP6	TEXAS ST 4.000% 08/29/19		08/29/2019	Maturity	X X X	5,000,000	5,000,000	5,106,000	5,071,061		(71,061)		(71,061)		5,000,000				196,164	08/29/2019	1FE	
91756TAG6	UTAH ST MUNI PWR AGY PWR SPLY SERIES A		07/01/2019	Maturity	X X X	1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				16,300	07/01/2019	1FE	
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment						X X X	8,800,016	8,800,016	8,962,983	8,777,415		(123,909)		(123,909)		8,800,016				269,731	X X X	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																						
14313YAD0	CARMAX AUTO OWNER TRUST SERIES 2016-1 CL		09/15/2019	Paydown	X X X	207,271	207,271	205,521	73,225		1,750		1,750		207,271				2,250	06/15/2021	1FE	

QE05

## 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 and Admini- strative Symbol/ Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
254683AY1	DISCOVER CARD EXECUTION NOTE T		07/15/2019	Paydown	XXX	2,255,000	2,255,000	2,245,487	2,253,633				1,367	1,367	2,255,000					21,967	01/18/2022	1FE
375558BR3	GILEAD SCIENCES INC 1.850%		09/20/2019	Maturity	XXX	3,100,000	3,100,000	3,105,456	3,101,975				(1,975)	(1,975)	3,100,000					57,350	09/20/2019	1FE
44918LAE2	HYUNDAI AUTO RECEIVABLES TRUST		09/15/2019	Paydown	XXX	548,384	548,384	547,013	548,235				149	149	548,384					6,328	11/15/2021	1FE
882508AU8	TEXAS INSTRUMENTS INC 1.650%		08/03/2019	Maturity	XXX	3,594,000	3,594,000	3,572,077	3,592,047				1,953	1,953	3,594,000					59,301	08/03/2019	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	9,704,655	9,704,655	9,675,554	9,569,115				3,244	3,244	9,704,655					147,196	XXX	XXX
8399997	Subtotal - Bonds - Part 4				XXX	26,253,667	26,253,667	26,438,980	26,142,567				(167,706)	(167,706)	26,253,667					531,345	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	26,253,667	26,253,667	26,438,980	26,142,567				(167,706)	(167,706)	26,253,667					531,345	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	26,253,667	26,253,667	26,438,980	26,142,567				(167,706)	(167,706)	26,253,667					531,345	XXX	XXX

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

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

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

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

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

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

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

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



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

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
First Republic Bank .....	San Francisco, California .....					3,855,509	4,613,502	9,194,584	X X X
Bank of New York Mellon .....	New York, New York .....					6,438	19,022	43,262	X X X
Federal Home Loan Bank .....	New York, New York .....			1		1,001	1,001	1,001	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	1		3,862,948	4,633,525	9,238,847	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	1		3,862,948	4,633,525	9,238,847	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	1		3,862,948	4,633,525	9,238,847	X X X

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

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
Cusip	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Bonds - U.S. Special Revenue, Special Assessment - Issuer Obligations</b>								
	WEST VIRGINIA ST UNIV REVENUES SERIES B .....		09/10/2019 .....	2.158 .....	10/01/2019 .....	2,000,000 .....	21,580 .....	(19,302) .....
2599999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment - Issuer Obligations .....					2,000,000 .....	21,580 .....	(19,302) .....
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment .....					2,000,000 .....	21,580 .....	(19,302) .....
7799999	Subtotal - Bonds - Total Bonds - Issuer Obligations .....					2,000,000 .....	21,580 .....	(19,302) .....
8399999	Subtotal - Bonds - Total Bonds .....					2,000,000 .....	21,580 .....	(19,302) .....
<b>Exempt Money Market Mutual Funds - as Identified by SVO</b>								
261941108	DREYFUS TRSY PRIME CASH MGMT .....		09/26/2019 .....	0.000 .....	X X X .....	34,518,187 .....		37,976 .....
261941108	DREYFUS TRSY PRIME CASH MGMT .....		06/28/2019 .....	0.000 .....	X X X .....			
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO .....					34,518,187 .....		37,976 .....
<b>All Other Money Market Mutual Funds</b>								
000000000	GOLDMAN FS TRSY INST .....		04/18/2018 .....	0.000 .....	X X X .....	720,000 .....		
000000000	GOLDMAN FS TRSY INST .....		04/18/2018 .....	0.000 .....	X X X .....			
8699999	Subtotal - All Other Money Market Mutual Funds .....					720,000 .....		
8899999	Total - Cash Equivalents .....					37,238,187 .....	21,580 .....	18,674 .....

## **Amended Statement Cover**

**NONE**

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