



QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2019 OF THE CONDITION AND AFFAIRS OF THE National Mortgage Insurance Corporation

NAIC Group Code <u>4760</u> , <u>4760</u> <small>(current period) (prior period)</small>	NAIC Company Code <u>13695</u>	Employer's ID Number <u>27-0471418</u>
Organized under the Laws of <u>Wisconsin</u> ,	State of Domicile or Port of Entry <u>WI</u>	
Country of Domicile <u>United States of America</u>		
Incorporated/Organized <u>06/30/2009</u>	Commenced Business <u>05/04/2013</u>	
Statutory Home Office <u>8040 Excelsior Drive, Suite 200</u> <small>(Street and Number)</small>	<u>Madison, WI, US 53717</u> <small>(City or Town, State, Country and Zip Code)</small>	
Main Administrative Office <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Mail Address <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number or P.O. Box)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records <u>2100 Powell Street, 12th Floor</u> <small>(Street and Number)</small>	<u>Emeryville, CA, US 94608</u> <small>(City or Town, State, Country and Zip Code)</small>	
	<u>(855)873-2584</u> <small>(Area Code)(Telephone Number)</small>	
Internet Website Address <u>www.nationalmi.com</u>		
Statutory Statement Contact <u>Byron Tan</u> <small>(Name)</small>	<u>(510)858-0565</u> <small>(Area Code)(Telephone Number)(Extension)</small>	
<u>byron.tan@nationalmi.com</u> <small>(E-Mail Address)</small>	<u>(510)225-3832</u> <small>(Fax Number)</small>	

OFFICERS

Name	Title
Bradley M Shuster	Executive Chairman
William J Leatherberry	Chief Legal Officer
Claudia J Merkle	Chief Executive Officer
Adam Pollitzer	Chief Financial Officer
Robert O Smith	Chief Risk Officer
Patrick L Mathis	Chief Operating Officer

VICE- PRESIDENTS

Mark N Daly, SVP, National Accounts Norman P Fitzgerald, SVP, Field Sales Kellie Ramsower, SVP, Underwriting & Risk Operations Nicholas Ondrejka, SVP, Chief Information Officer	Mary L Sharp, SVP, Chief Human Resources Officer Michael J Dirrane, Senior Managing Director, Chief Sales Officer Julie Norberg, SVP, Controller
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DIRECTORS OR TRUSTEES

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

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

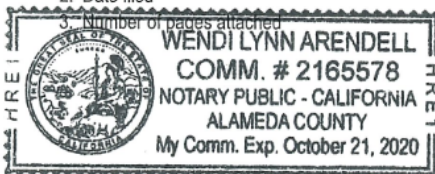
 _____ <small>(Signature)</small> Claudia Merkle _____ <small>(Printed Name)</small> 1. Chief Executive Officer _____ <small>(Title)</small>	 _____ <small>(Signature)</small> William J Leatherberry _____ <small>(Printed Name)</small> 2. EVP, General Counsel and Secretary _____ <small>(Title)</small>	 _____ <small>(Signature)</small> Adam Pollitzer _____ <small>(Printed Name)</small> 3. Chief Financial Officer _____ <small>(Title)</small>
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Subscribed and sworn to before me this 14th day of November, 2019

a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed

Yes[X] No[]
0
0

(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	954,887,343		954,887,343	810,414,908
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....15,598,802), cash equivalents (\$.....36,878,497) and short-term investments (\$.....9,943,125)	62,420,425		62,420,425	38,547,178
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,017,307,768		1,017,307,768	848,962,086
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	6,491,103		6,491,103	5,287,338
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	45,729,529	6,395	45,723,134	35,983,723
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	69,481,962	14,903,685	54,578,277	52,561,290
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	290,874	290,874		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,139,301,236	15,200,954	1,124,100,282	942,794,437
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	1,139,301,236	15,200,954	1,124,100,282	942,794,437
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	290,874	290,874		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	290,874	290,874		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....10,889,205)	15,842,339	9,603,281
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	249,540	102,355
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	414,671	42,533
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,195,883	2,746
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 \$.....18,109,533 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)	127,035,845	128,288,207
10. Advance premium	218	477
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	6,512,960	4,508,349
13. Funds held by company under reinsurance treaties	16,056,296	27,113,509
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	55,286,698	40,554,235
20. Derivatives		
21. Payable for securities	9,999,111	
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	472,366,060	329,437,709
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	704,959,621	539,653,401
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	704,959,621	539,653,401
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	2,530,000	2,530,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	564,573,352	564,573,352
35. Unassigned funds (surplus)	(147,962,691)	(163,962,316)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	419,140,661	403,141,036
38. TOTALS (Page 2, Line 28, Col. 3)	1,124,100,282	942,794,437
DETAILS OF WRITE-INS		
2501. Statutory Contingency Reserve	469,060,369	325,398,876
2502. Deferred Ceding Commission	2,909,361	3,791,518
2503. Premium Refund Reserve	396,330	247,315
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	472,366,060	329,437,709
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned			
1.1 Direct (written \$.....274,417,957)	288,164,841	210,725,443	292,064,497
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....69,151,127)	76,651,099	60,580,877	84,549,951
1.4 Net (written \$.....205,266,830)	211,513,742	150,144,566	207,514,546
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....10,889,205)			
2.1 Direct	10,438,646	4,376,585	7,198,590
2.2 Assumed			
2.3 Ceded	2,442,082	1,050,237	1,747,279
2.4 Net	7,996,564	3,326,348	5,451,311
3. Loss adjustment expenses incurred	188,324	(9,561)	12,139
4. Other underwriting expenses incurred	49,863,089	47,634,651	61,634,784
5. Aggregate write-ins for underwriting deductions	143,661,493	105,082,565	145,642,032
6. TOTAL underwriting deductions (Lines 2 through 5)	201,709,470	156,034,003	212,740,266
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	9,804,272	(5,889,437)	(5,225,720)
INVESTMENT INCOME			
9. Net investment income earned	12,264,864	5,664,994	8,998,707
10. Net realized capital gains (losses) less capital gains tax of \$.....(40,161)	(286,604)	(93,235)	(104,496)
11. Net investment gain (loss) (Lines 9 + 10)	11,978,261	5,571,759	8,894,211
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	21,782,533	(317,678)	3,668,491
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)	21,782,533	(317,678)	3,668,491
19. Federal and foreign income taxes incurred	8,708,638	22,132,554	24,031,409
20. Net income (Line 18 minus Line 19) (to Line 22)	13,073,895	(22,450,232)	(20,362,918)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	403,141,036	344,017,675	344,017,675
22. Net income (from Line 20)	13,073,895	(22,450,232)	(20,362,918)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....220,461	829,352		(829,352)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	2,667,108	21,799,065	22,715,615
27. Change in nonadmitted assets	(570,730)	(163,001)	(12,399,983)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		70,000,000	70,000,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	15,999,625	69,185,832	59,123,361
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	419,140,661	413,203,507	403,141,036
DETAILS OF WRITE-INS			
0501. Statutory Contingency Reserve	143,661,493	105,082,565	145,642,032
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)	143,661,493	105,082,565	145,642,032
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	202,526,321	147,460,622	203,774,743
2. Net investment income	11,784,498	4,882,197	8,672,160
3. Miscellaneous income			
4. TOTAL (Lines 1 to 3)	214,310,819	152,342,819	212,446,902
5. Benefit and loss related payments	1,757,506	1,704,206	2,410,691
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	33,972,681	35,004,264	46,417,070
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	8,668,477	22,229,583	24,139,699
10. TOTAL (Lines 5 through 9)	44,398,664	58,938,053	72,967,460
11. Net cash from operations (Line 4 minus Line 10)	169,912,156	93,404,766	139,479,443
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	59,944,792	122,492,518	134,185,760
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	9,999,111	1,457,930	
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	69,943,903	123,950,448	134,185,760
13. Cost of investments acquired (long-term only):			
13.1 Bonds	204,417,584	287,760,458	322,715,623
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			0
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	204,417,584	287,760,458	322,715,623
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)	(134,473,681)	(163,810,010)	(188,529,863)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		70,000,000	70,000,000
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)	(11,565,228)	10,696,614	(5,227,118)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(11,565,228)	80,696,614	64,772,882
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	23,873,247	10,291,370	15,722,462
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	38,547,178	22,824,717	22,824,717
19.2 End of period (Line 18 plus Line 19.1)	62,420,425	33,116,087	38,547,178

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

20.0001	.....		
20.0002	.....		
20.0003	.....		
20.0004	.....		

Notes to Financial Statement**1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of National Mortgage Insurance Corporation (“NMIC” or the “Company”), are presented on the basis of accounting practices prescribed or permitted by the Wisconsin Office of the Commissioner of Insurance (“Wisconsin OCI”).

The Wisconsin OCI recognizes only statutory accounting practices prescribed or permitted by the State of Wisconsin for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Wisconsin Insurance Statutes. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Wisconsin. The state of Wisconsin has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, Wisconsin domiciled companies record changes in the contingency reserve through the income statement as an underwriting deduction. In NAIC SAP, changes in the contingency reserve are recorded directly to unassigned surplus.

The Wisconsin Commissioner of Insurance (the “Commissioner”) has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Wisconsin is shown below:

	SSAP #	F/S Page	F/S Line #	Nine months ended September 30, 2019	Year ended December 31, 2018
Net Income/(Loss)					
(1) State basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 13,073,895	\$ (20,362,918)
(2) State Prescribed Practices that increase/(decrease) from NAIC SAP:					
Change in contingency reserves	00	4	5	(143,661,493)	(145,642,032)
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 156,735,388</u>	<u>\$ 125,279,114</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 419,140,661	\$ 403,141,036
(6) State Prescribed Practices that increase/(decrease) from NAIC SAP:				—	—
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 419,140,661</u>	<u>\$ 403,141,036</u>

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

No significant change from year end 2018.

C. Accounting Policy

The Company uses the following accounting policies:

- (1) - (5) No significant change from year end 2018.
- (6) Loan-backed securities are valued using the retrospective method and are stated at amortized cost or fair value in accordance with their NAIC designation.
- (7) - (13) No significant change from year end 2018.

D. Going Concern

The Company has no substantial doubt about its ability to continue as a going concern.

Notes to Financial Statement**2. Accounting Changes and Corrections of Errors****Statement of Cash Flow - Page Q5**

On the Quarterly Statement as of September 30, 2018, the Company reported the \$105,082,565 change in its Contingency Reserve balance as a component of line 16.6 - Other cash provided (applied) on the Statement of Cash Flow. This balance should have been reported on line 7 - Commissions, expenses paid and aggregate write-ins for deductions. The Statement of Cash Flow on the Quarterly Statement as of September 30, 2019 reflects this correction on the following lines:

	Originally Reported on the 2018 Quarterly Statement - For the Nine Months Ended September 30, 2018	Adjusted amounts on the 2019 Quarterly Statement - For the Nine Months Ended September 30, 2019	Difference
Cash from Operations			
Line 7 - Commissions, expenses paid and aggregate write-ins for deductions	\$140,086,829	\$35,004,264	\$(105,082,565)
Line 11 - Net cash from operations (Line 4 minus Line 10)	\$11,677,799	\$116,760,364	\$105,082,565
Cash from Financing and Miscellaneous Sources			
Line 16.6 - Other cash provided (applied)	\$115,779,180	\$10,696,615	\$(105,082,565)
Line 17 - Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	\$185,779,180	\$80,696,615	\$(105,082,565)

3. Business Combinations and Goodwill

A. Statutory Purchase Method

No significant change from year end 2018. Not applicable.

B. Statutory Merger

No significant change from year end 2018. Not applicable.

C. Impairment Loss

No significant change from year end 2018. Not applicable.

4. Discontinued Operations

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

No significant change from year end 2018. Not applicable.

B. Change in Plan of Sale or Discontinued Operation

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

No significant change from year end 2018. Not applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

No significant change from year end 2018. Not applicable.

Notes to Financial Statement**B. Debt Restructuring**

No significant change from year end 2018. Not applicable.

C. Reverse Mortgages

No significant change from year end 2018. Not applicable.

D. Loan-Backed Securities

- (1) The Company uses widely accepted models for prepayment assumptions in valuing loan-backed securities with inputs from major third-party data providers. The Company's investment policy complies with *SSAP No.43R - Loan-backed and Structured Securities* as adopted by the Wisconsin OCI.
- (2) All securities within the scope of *SSAP No. 43R - Loan-backed and Structured Securities* with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

	(1)	(2)	(3)
	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell	\$ 3,385,697	\$ 381,603	\$ 3,004,094
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
c. Total 1st Quarter	\$ 3,385,697	\$ 381,603	\$ 3,004,094
OTTI recognized 2nd Quarter			
d. Intent to sell	\$ —	\$ —	—
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
f. Total 2nd Quarter	\$ —	\$ —	—
OTTI recognized 3rd Quarter			
g. Intent to sell	\$ —	\$ —	—
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
i. Total 3rd Quarter	\$ —	\$ —	—
OTTI recognized 4th Quarter			
j. Intent to sell	\$ —	\$ —	—
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
l. Total 4th Quarter	\$ —	\$ —	—
m. Annual Aggregate Total	\$ 3,385,697	\$ 381,603	\$ 3,004,094

For the three months ending March 31, 2019, the Company recognized an other-than-temporary impairment of \$381,603 on one security due to a planned sale in April 2019, reported as a component of net realized capital gains (losses) on the Statement of Income. The security was successfully sold in April 2019. The Company has not recognized any other other-than-temporary impairments for the nine months ending September 30, 2019.

Notes to Financial Statement

(3) For the nine months ended September 30, 2019, the Company did not recognize any other-than-temporary impairment on any securities due to the present value of cash flows expected to be collected being less than the amortized cost basis in the security.

(4) All impaired loan-backed securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

(a) The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	19,792
2. 12 Months or Longer	\$	45,230

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

1. Less than 12 Months	\$	13,451,209
2. 12 Months or Longer	\$	5,367,768

(5) Management regularly reviews the value of the Company's investments. If the value of any investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the Company considers its intent to sell the security and whether it is more likely than not that the Company would be required to sell the security before recovery, as well as the extent and duration of the valuation decline, failure of the issuer to make scheduled interest or principal payments, change in rating below investment grade and adverse conditions specifically related to the security, an industry, or a geographic area.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains in the statements of operations in the period such determination is made. The Company recognized an other-than-temporary impairment of \$381,603 for the nine months ended September 30, 2019. The impairment was recognized in the first quarter and as of September 30, 2019, the Company did not hold other-than-temporarily impaired securities

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company does not have any repurchase agreements or securities lending transactions.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

H. Repurchase Agreements Transactions Accounted for as a Sale

None.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None.

J. Real Estate

No significant change from year end 2018.

K. Low-Income Housing Tax Credits (LIHTC)

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

L. Restricted Assets

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activities (b)	Total (1 plus 3)	Total From Prior Year	Increase /(Decrease) (5 minus 6)	
a. Subject to contractual obligation for which liability is not shown	\$ 2,932,875	\$ —	\$ —	\$ —	\$ 2,932,875	\$ 1,414,490	\$ 1,518,385
b. Collateral held under security lending agreements	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale – excluding FHLB	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—
j. On deposit with states	5,253,857	—	—	—	5,253,857	5,224,600	29,257
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding	—	—	—	—	—	—	—

Notes to Financial Statement

m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	\$ 8,186,732	\$ —	\$ —	\$ —	\$ 8,186,732	\$ 6,639,090	\$ 1,547,642

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ 2,932,875	0.26%	0.26%
b. Collateral held under security lending agreements	—	—	—%	—%
c. Subject to repurchase agreements	—	—	—%	—%
d. Subject to reverse repurchase agreements	—	—	—%	—%
e. Subject to dollar repurchase agreements	—	—	—%	—%
f. Subject to dollar reverse repurchase agreements	—	—	—%	—%
g. Placed under option contracts	—	—	—%	—%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	—	—	—%	—%
i. FHLB capital stock	—	—	—%	—%
j. On deposit with states	—	\$ 5,253,857	0.46%	0.47%
k. On deposit with other regulatory bodies	—	—	—%	—%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—%	—%

Notes to Financial Statement

m. Pledged as collateral not captured in other categories	—	—	—%	—%
n. Other restricted assets	—	—	—%	—%
o. Total Restricted Assets	—	8,186,732	0.72%	0.73%

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

(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

No significant change from year end 2018. Not applicable.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

No significant change from year end 2018. Not applicable.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

No significant change from year end 2018. Not applicable.

M. Working Capital Finance Investments

None.

N. Offsetting and Netting of Assets and Liabilities

None.

O. Structured Notes

No significant change from year end 2018. Not applicable.

P. 5* Securities

No significant change from year end 2018. Not applicable.

Q. Short Sales

No significant change from year end 2018. Not applicable.

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	4	—
(2) Aggregate amount of Investment Income	\$100,436	—

6. Joint Ventures, Partnerships and Limited Liability Companies

A - B. No significant change from year end 2018. Not applicable.

7. Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

No significant change from year end 2018.

B. The total amount excluded:

No significant change from year end 2018. The Company did not exclude any investment income for the nine months ended September 30, 2019.

Notes to Financial Statement**8. Derivative Instruments**

A - H. No significant change from year end 2018. The Company has no derivative instruments.

9. Income Taxes

As a mortgage guaranty insurance company, the Company is eligible to claim a tax deduction for its statutory contingency reserve, subject to certain limitations outlined under IRC Section 832(e), and only to the extent the Company acquires tax and loss bonds (“T&L Bonds”) in an amount equal to the tax benefit derived from the claimed deduction, which is the intent. This has resulted in an overall decrease to the Company’s interim provision for income taxes for the three and nine months ended September 30, 2019. As of September 30, 2019, the Company held \$7.6 million of T&L Bonds, resulting from current period purchases, which are included in Bonds in the Company’s balance sheet. There were no other significant changes related to income taxes.

A - G. No significant change from year end 2018.

10. Information Concerning Parent, Subsidiaries, and Other Related Parties**A. Nature of Relationships**

No significant change from year end 2018.

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

The Company did not have any transactions greater than ½% of admitted assets for the nine months ended September 30, 2019.

C. Change in Terms of Intercompany Arrangements

See *Note 23 - Reinsurance* for changes in terms of the Intercompany Reinsurance Agreement between the Company and National Mortgage Reinsurance Inc One. There were no other changes in terms of Intercompany Arrangements for the nine months ended September 30, 2019.

D. Amounts Due to or from Related Parties

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Due to NMI Holdings, Inc.	\$ 55,042,815	\$ 40,528,820
Due to National Mortgage Reinsurance Inc One	71,115	10,920
Due to NMI Services, Inc.	172,770	14,495
Amounts Due to Related Parties	<u>\$ 55,286,700</u>	<u>\$ 40,554,235</u>

E. Guarantees or Undertaking for Related Parties

No significant change from year end 2018. Not applicable.

F. Management, Service contracts, Cost Sharing Arrangements

No significant change from year end 2018.

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

No significant change from year end 2018.

H. Amount Deducted for Investment in Upstream Company

No significant change from year end 2018. Not applicable.

I. Detail of Investments in Subsidiaries, Controlled, and Affiliated (“SCA”) Entities in Excess of 10% of Admitted Assets

No significant change from year end 2018. Not applicable.

J. Write downs for Impairment of Investments in SCA entities

No significant change from year end 2018. Not applicable.

K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

L. Downstream Holding Company Valued Using Look-Through Method

No significant change from year end 2018. Not applicable.

M. All SCA Investments

No significant change from year end 2018. Not applicable.

N. Investment in Insurance SCAs

No significant change from year end 2018. Not applicable.

O. SCA Loss Tracking

No significant change from year end 2018. Not applicable.

11. Debt

A. The Company has no debt obligations as of September 30, 2019.

B. FHLB (Federal Home Loan Bank) Agreements

No significant change from year end 2018. The Company has no funding agreements with the FHLB.

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

A. Defined Benefit Plan

The Company has no defined benefit plans.

B. Investment Policies

No significant change from year end 2018. Not applicable.

C. Fair Value of Plan Assets

No significant change from year end 2018. Not applicable.

D. Rate of Return Assumptions

No significant change from year end 2018. Not applicable.

E. Defined contribution plans

No significant change from year end 2018. Not applicable.

F. Multiemployer Plans

No significant change from year end 2018. Not applicable.

G. Consolidated/Holding Company Plans

No significant change from year end 2018. Not applicable.

H. Postemployment benefits and Compensated Absences

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

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

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

No significant change from year end 2018.

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

No significant change from year end 2018.

Notes to Financial Statement

(3) Dividend Restrictions

No significant change from year end 2018.

(4) Dates and Amounts of Dividends Paid

No significant change from year end 2018. The Company did not declare or pay any dividends during the nine months ended September 30, 2019. The Company has never paid any dividends to NMI Holdings, Inc.

(5) Amount of Ordinary Dividends That May Be Paid

No significant change from year end 2018.

(6) Restrictions of Unassigned Funds

No significant change from year end 2018. Not applicable.

(7) Mutual Surplus Advance

No significant change from year end 2018. Not applicable.

(8) Company Stock held for Special Purposes

No significant change from year end 2018. Not applicable.

(9) Changes in Special Surplus Funds

No significant change from year end 2018. Not applicable.

(10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains is \$0, net of capital gains tax, as of September 30, 2019.

(11) Surplus Notes

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

No significant change from year end 2018. Not applicable.

B. Assessments

No significant change from year end 2018. Not applicable.

C. Gain Contingencies

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

E. Product Warranties

No significant change from year end 2018. Not applicable.

F. Joint and Several Liabilities

No significant change from year end 2018. Not applicable.

Notes to Financial Statement**G. All Other Contingencies**

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

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

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

As of September 30, 2019 and December 31, 2018, the company has established contingency reserves in the amount of \$469,060,369 and \$325,398,876, respectively. The contingency reserve calculation is based on 50% of gross premiums earned for the nine months ended September 30, 2019 and December 31, 2018. The Company did not have contingency reserve withdrawals for the nine months ended September 30, 2019 and year ended December 31, 2018.

Per the Wisconsin Code, the Company records changes in the contingency reserve through the income statement as an underwriting expense, which differs from NAIC SAP. *See Note 1 - Item A - Accounting Practices* above.

As of September 30, 2019 and December 31, 2018, the Company had net admitted assets of \$45,723,134 and \$35,983,723 respectively, related to premiums receivable due from policyholders. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any potential uncollectible premiums receivable as of the end of the current year are not expected to exceed the nonadmitted amount, and therefore, no additional provision for uncollected amounts have been recorded. The potential for any additional loss is not expected to be material to the Company's financial condition.

15. Leases**A. Lessee Operating Leases**

No significant change from year end 2018.

B. Lessor Leases

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

No significant change from year end 2018. Not applicable.

B. Transfers and Servicing of Financial Assets

No significant change from year end 2018. The Company had no transfer or servicing of financial assets.

C. Wash Sales

No significant change from year end 2018. The Company had no wash sales involving transactions for securities with a NAIC designation of 3 or below, or unrated.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**A. Administrative Services Only (ASO) Plans**

No significant change from year end 2018. Not applicable.

Notes to Financial Statement**B. Administrative Services Contract (ASC) Plans**

No significant change from year end 2018. Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement contract

No significant change from year end 2018. Not applicable.

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

No significant change from year end 2018. Not applicable.

20. Fair Value Measurements**A. Inputs Used for Assets and Liabilities at Fair Value****(1) Fair Value Measurements at Reporting Date**

Not applicable.

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy

Not applicable.

(3) Policy on transfers between levels of the Fair Value Hierarchy

The Company's policy is to recognize transfers between levels of the Fair Value Hierarchy at the end of the reporting period, consistent with the date of the determination of fair value.

(4) Valuation techniques and inputs used for Level 2 and Level 3 of the Fair Value Hierarchy

See Note 20 - C - Fair Values for All Financial Instruments by Levels 1, 2 and 3

(5) Fair Value Disclosures for Derivative Assets and Liabilities

Not applicable. The Company does not have any derivative assets and liabilities.

B. Other Fair Value Disclosures

Not Applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2, and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three levels as described below.

As of September 30, 2019

Type of Financial Instrument	Fair Value	Admitted Value	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Financial instruments - assets							
Bonds	\$ 984,147,917	\$ 954,887,343	\$ 50,462,582	\$ 933,685,335	\$ —	\$ —	—
Preferred stocks	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—	—
Cash, cash equivalents and short-term investments	62,524,545	62,420,425	62,524,545	—	—	—	—
Total assets	\$ 1,046,672,462	\$ 1,017,307,768	\$ 112,987,127	\$ 933,685,335	\$ —	\$ —	—
Financial instruments - liabilities							
	—	—	—	—	—	—	—
Total liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—

Notes to Financial Statement

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the nine months ended September 30, 2019.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of September 30, 2019.

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

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

The level of market activity used to determine the fair value hierarchy is based on the availability of observable inputs market participants would use to price an asset or a liability, including market value price observations.

D. Not Practicable to Estimate Fair Values

Not Applicable.

E. Investments measured using the NAV practical expedient pursuant to SSAP No. 100R - Fair Value

Not Applicable.

21. Other Items

A. Unusual or Infrequent Items

No significant change from year end 2018. Not applicable.

B. Troubled Debt Restructuring: Debtors

No significant change from year end 2018. Not applicable.

C. Other Disclosures

No significant change from year end 2018.

D. Business Interruption Insurance Recoveries

No significant change from year end 2018. Not applicable.

E. State Transferable and Non-transferable Tax Credits

No significant change from year end 2018. Not applicable.

F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2018. Not applicable.

G. Insurance-Linked Securities (ILS) Contracts

No significant change from year end 2018. Not applicable.

Notes to Financial Statement**22. Subsequent Events**

The Company has performed subsequent event procedures through November 14, 2019. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in the quarterly statement as of September 30, 2019.

23. Reinsurance

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

Excess of loss reinsurance

The Company has entered into excess-of-loss reinsurance agreements with Oaktown Re. Ltd., Oaktown Re. II, Ltd. and Oaktown Re. III, Ltd. (special purpose reinsurance entities collectively referred to as the “Oaktown Re Vehicles”) effective May 2, 2017, July 25, 2018 and July 30, 2019, respectively. Each agreement provides NMIC with aggregate excess-of-loss reinsurance coverage on a defined portfolio of mortgage insurance policies written during a discrete period. Under each agreement, NMIC retains a first layer of aggregate loss exposure on covered policies and the respective Oaktown Re Vehicle then provides second layer loss protection up to a defined reinsurance coverage amount. NMIC then retains losses in excess of the respective reinsurance coverage amounts.

The respective reinsurance coverage amounts provided by the Oaktown Re Vehicles decrease from the inception of each agreement over a ten-year period as the underlying insured mortgages are amortized or repaid, and/or the mortgage insurance coverage is canceled. The respective outstanding reinsurance coverage amounts stop amortizing if certain credit enhancement or delinquency thresholds, as defined in each agreement, are triggered.

NMIC makes risk premium payments to the Oaktown Re Vehicles for the applicable outstanding reinsurance coverage amount and pays an additional premium amount for anticipated operating expenses (capped at \$300 thousand per year to Oaktown Re Ltd. and \$250 thousand per year to Oaktown Re II, Ltd. and Oaktown Re III, Ltd.). The monthly reinsurance premiums are equal to the interest payable on ILN Notes, less investment income earned on the reinsurance trust balances. NMIC ceded aggregate premiums to the Oaktown Re Vehicles of \$4.4 million and \$10.3 million during the three and nine months ended September 30, 2019, respectively, and \$3.1 million and \$6.4 million during the three and nine months ended September 30, 2018.

NMIC applies claims paid on covered policies against its first layer aggregate retained loss exposure under each excess of loss agreement. NMIC did not cede any incurred losses on covered policies to the Oaktown Re Vehicles during the three and nine months ended September 30, 2019 and 2018, as the aggregate first layer risk retention was not exhausted under each agreement during such periods.

Under the terms of each excess-of-loss reinsurance agreement, each Oaktown Re Vehicle is required to fully collateralize its outstanding reinsurance coverage amount to NMIC with funds deposited into segregated reinsurance trusts. Such trust funds are required to be invested in high credit quality / short-term U.S. Treasury money market funds at all times. Each Oaktown Re Vehicle financed its respective collateral requirement through the issuance of mortgage insurance-linked notes (ILN Notes) to unaffiliated investors. Each ILN note matures ten years from its respective issuance date. The Company refer to the reinsurance agreements with and the ILN Notes issuances by Oaktown Re Ltd., Oaktown Re II, Ltd. and Oaktown Re III, Ltd. individually as the 2017 ILN Transaction, 2018 ILN Transaction and 2019 ILN Transaction, and collectively as the ILN Transactions.

The following tables summarizes the inception date, covered production period, initial and current reinsurance coverage amount, and initial and current first layer retained aggregate loss under each of the ILN Transactions.

<i>(\$ values in thousands)</i>	Inception Date	Covered Production	Initial Reinsurance Coverage	Current Reinsurance Coverage	Initial First Layer Retained Loss	Current First Layer Retained Loss
2017 ILN Transaction	May 2, 2017	1/1/2013 - 12/31/2016	\$ 211,320	\$ 75,639	\$ 126,793	\$ 124,074
2018 ILN Transaction	July 25, 2018	1/1/2017 - 5/31/2018	264,545	231,604	125,312	125,025
2019 ILN Transaction	July 30, 2019	6/1/2018 - 6/30/2019	326,905	326,905	123,424	123,424

NMIC holds optional termination rights under each ILN Transaction in the event of certain occurrences, including, among others, an optional call feature which provides NMIC the discretion to terminate the transaction at five years from inception, and a clean-up call if the outstanding reinsurance coverage amount amortizes to 10% or less of the reinsurance coverage amount at inception or if NMIC reasonably determines that changes to GSE or rating agency asset requirements would cause a material and adverse effect on the capital treatment afforded to NMIC under a given agreement. In addition, there are certain events that trigger mandatory termination of an agreement, including NMIC's

Notes to Financial Statement

failure to pay premiums or consent to reductions in a trust account to make principal payments to noteholders, an early call option, among others.

Under the terms of the 2018 ILN Transaction and the 2019 ILN Transaction, NMIC is required to maintain a certain level of restricted funds in premium deposit accounts with Bank of New York Mellon until the respective notes have been redeemed in full. "Cash and cash equivalents" on our balance sheet includes restricted cash of \$2.9 million as of September 30, 2019. NMIC is not required to deposit additional funds into the premium deposit accounts in the future and the restricted balances will decrease over time as the principal balance of the respective ILN Notes decline.

Quota share reinsurance

NMIC has entered into quota share reinsurance treaties effective September 1, 2016 ("the 2016 QSR Transaction") and January 1, 2018 ("the 2018 QSR Transaction"), which we refer to collectively as the QSR Transactions. Under each of the QSR Transactions, NMIC cedes a proportional share of its risk on eligible policies written during a discrete period to panels of third-party reinsurance providers. Each of the third-party reinsurers has an insurer financial strength rating of A- or better by Standard and Poor's Rating Services (S&P), A.M. Best or both.

Under the 2016 QSR Transaction, NMIC cedes premiums written related to 25% of the risk on eligible primary policies written for all periods through December 31, 2017 and 100% of the risk under our pool agreement with Fannie Mae. The 2016 QSR Transaction is scheduled to terminate on December 31, 2027, except with respect to the ceded pool risk, which is scheduled to terminate on August 31, 2023. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2020, or at the end of any calendar quarter thereafter, which would result in NMIC reassuming the related risk.

Under the 2018 QSR Transaction, NMIC cedes premiums earned related to 25% of the risk on eligible policies written in 2018 and 20% of the risk on eligible policies written in 2019. The 2018 QSR Transaction is scheduled to terminate on December 31, 2029. NMIC has the option, based on certain conditions and subject to a termination fee, to terminate the agreement as of December 31, 2022, or at the end of any calendar quarter thereafter, which would result in NMIC reassuming the related risk.

NMIC may terminate either or both of the QSR Transactions without penalty if, due to a change in PMIERS requirements, it is no longer able to take full PMIERS asset credit for the risk-in-force ("RIF") ceded under the respective agreements. Additionally, under the terms of the QSR Transactions, NMIC may elect to selectively terminate its engagement with individual reinsurers on a run-off basis (i.e., reinsurers continue providing coverage on all risk ceded prior to the termination date, with no new cessions going forward) or cut-off basis (i.e., the reinsurance arrangement is completely terminated with NMIC recapturing all previously ceded risk) under certain circumstances. Such selective termination rights arise when, among other reasons, a reinsurer experiences a deterioration in its capital position below a prescribed threshold and/or a reinsurer breaches (and fails to cure) its collateral posting obligations under the relevant agreement.

Effective April 1, 2019, NMIC elected to terminate its engagement with one reinsurer under the 2016 QSR Transaction on a cut-off basis. In connection with the termination, NMIC recaptured approximately \$500 million of previously ceded primary RIF and stopped ceding new premiums earned or written with respect to the recaptured risk. With this termination, ceded premiums written under the 2016 QSR Transaction decreased from 25% to 20.5% on eligible policies. The termination has no effect on the cession of pool risk under the 2016 QSR Transaction.

For historical reasons, the Company cedes premiums and claims to National Mortgage Reinsurance Inc One ("Re One") on an excess share basis for any primary or pool policy that provides coverage greater than 25% of any insured loan amount. The reinsurance provided by Re One is solely to comply with statutory risk limits that were in effect until January 10, 2019. The reinsurance agreement relating to primary mortgage insurance policies was amended effective September 1, 2016, to reduce the risk ceded by NMIC to Re One, due to the inception of the 2016 QSR Transaction. The amendment was non-disapproved by the OCI in a letter dated September 19, 2016. The agreement was amended on May 2017 to reflect the impact of the 2017 ILN Transaction. OCI non-disapproved the second amendment in a letter dated June 19, 2017.

On March 25, 2019, the Company amended the terms of its intercompany reinsurance agreement with Re One. The amendment in the agreement sets forth formulae to determine reinsurance coverage amounts and reinsurance premiums applicable to certificates issued by NMIC on or after January 1, 2019. Under the formulae, NMIC cedes to Re One, on an excess share basis, the portion of risk on each certificate that exceeds 33.3% of the original loan amount. If the coverage percentage on each certificate is less than 33.3%, no risk will be ceded to Re One. Reinsurance premiums are equal to the portion of risk ceded to Re One divided by the coverage percentage specified on the applicable certificate. The amendment was non-disapproved by the Wisconsin OCI on April 22, 2019.

A. Unsecured Reinsurance Recoverables

No significant change from year end 2018. Not applicable.

Notes to Financial Statement**B. Reinsurance Recoverables in Dispute**

No significant change from year end 2018. Not applicable.

C. Reinsurance Assumed and Ceded

(1) The maximum amount of return commission that would have been due reinsurers if they or the Company had cancelled the reinsurance agreement as of September 30, 2019, with the return of unearned premium reserves is as follows:

Type of Financial Instrument	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$ —	\$ —	\$ 192,779	\$ 38,556	\$ (192,779)	\$ (38,556)
b. All Other	—	—	17,916,755	3,583,351	(17,916,755)	(3,583,351)
c. Total	\$ —	\$ —	\$ 18,109,534	\$ 3,621,907	\$ (18,109,534)	\$ (3,621,907)
d. Direct Unearned Premium Reserve				<u>\$ 145,145,378</u>		

(2) The additional or return commission, predicted on loss experience or on any other form of profit-sharing arrangements in this annual statement as a result of existing contractual arrangements

No significant change from year end 2018. Not applicable.

(3) Protected Cells

No significant change from year end 2018. Not applicable.

D. Uncollectible Reinsurance

No significant change from year end 2018. Not applicable.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1) Losses incurred	\$	—
(2) Loss adjustment expenses incurred	\$	—
(3) Premiums earned	\$	—
(4) Other	\$	—
(5) <u>Company</u>		<u>Amount</u>
Greenlight Reins Ltd	\$	—

As described in Note 23, effective April 1, 2019, NMIC elected to terminate its engagement with one reinsurer under the 2016 QSR Transaction on a cut-off basis. In connection with the termination, NMIC recaptured approximately \$500 million of previously ceded primary RIF and stopped ceding new premiums earned or written with respect to the recaptured risk. The termination has no effect on the cession of pool risk under the 2016 QSR Transaction.

With this termination, all outstanding primary cessions (including incurred but unpaid losses) to the reinsurer were settled and no future premium will be ceded to this reinsurer on primary risk under the 2016 QSR Transaction. The settlement resulted in a decrease to the Company's funds withheld in an amount equal to the related decrease in the Company's ceded unearned premium reserves and ceded loss reserves. Consequently, the settlement of the primary outstanding cessions had no net income impact, but included a reclassification of \$549,016 from change in ceded losses to ceded losses paid.

F. Retroactive Reinsurance

No significant change from year end 2018. Not applicable.

G. Reinsurance Accounted for as a Deposit

No significant change from year end 2018. Not applicable.

Notes to Financial Statement

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

No significant change from year end 2018. Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

No significant change from year end 2018. Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

No significant change from year end 2018. Not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

No significant change from year end 2018. Not applicable.

B. Method Used to Record Retrospective Premium Adjustments

No significant change from year end 2018. Not applicable.

C. Amount and Percent of Net Retrospective Premiums

No significant change from year end 2018. Not applicable.

D. Medical Loss Ratio Rebates

No significant change from year end 2018. Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

No significant change from year end 2018. Not applicable.

F. Risk-Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO?)

No, the Company did not write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions.

25. Changes in Incurred Losses and Loss Adjustment Expenses

A. Changes in Incurred Losses and Loss Adjustment Expenses

The Company incurred claims and claim adjustment expenses (net of reinsurance) of \$8,184,888 and \$3,316,952 for the nine months ended September 30, 2019 and September 30, 2018, respectively. There was a \$4,502,963 favorable prior year development (net of reinsurance) during the nine months ended September 30, 2019. Loss reserves remaining as of September 30, 2019 for defaults occurring (net of reinsurance) in prior years have been reduced to \$5,202,673, following re-estimation of unpaid claims and claim adjustment expenses. Loss reserves remaining as of September 30, 2019 for all accident years are \$16,091,878. The net increase in loss reserves as of the end of the period is the result of current year defaults of \$10,889,205, partially offset by the settlement of reinsurance recoverable of \$549,016, in conjunction with the termination of one reinsurer under the 2016 QSR transaction on a cut-off basis (*see Note 23 - Reinsurance for further details*). Original loss reserve estimates will be increased or decreased as additional information becomes known regarding individual claims and as claims are settled.

The Company's practice is to establish claim reserves only for loans in default. The Company does not consider a loan to be in default for claim reserve purposes until we receive notice from the servicer that a borrower has failed to make two consecutive regularly scheduled payments and is at least sixty days in default. The Company also reserves for claims incurred but not yet reported. However, and consistent with the industry, the Company does not establish claim reserves for anticipated future claims on insured loans that are not currently in default. The Company does not adjust premiums based on past claim activity.

B. Information about Significant Changes in Methodologies and Assumptions

No significant change from year end 2018. Not applicable.

26. Intercompany Pooling Arrangements

A - G No significant change from year end 2018. Not applicable.

Notes to Financial Statement

27. Structured Settlements

A - B. No significant change from year end 2018. Not applicable.

28. Health Care Receivables

A - B. No significant change from year end 2018. Not applicable.

29. Participating Policies

No significant change from year end 2018. Not applicable.

30. Premium Deficiency Reserves

No significant change from year end 2018.

31. High Deductibles

A - B. No significant change from year end 2018. Not applicable.

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

A - C. No significant change from year end 2018. Not applicable.

33. Asbestos / Environmental Reserves

A - F. No significant change from year end 2018. Not applicable.

34. Subscriber Savings Accounts

No significant change from year end 2018. Not applicable.

35. Multiple Peril Crop Insurance

No significant change from year end 2018. Not applicable.

36. Financial Guaranty Insurance

A - B. Not applicable. The Company is a monoline mortgage guaranty reinsurer and does not engage in the business of financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[X] No[]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[X] No[] N/A[]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[X] No[]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0001547903

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
If yes, complete and file the merger history data file with the NAIC 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. 12/31/2016
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/28/2018
- 6.4 By what department or departments?
Wisconsin Office of the Commissioner of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[] N/A[]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.].

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[X] No[]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
Amended May 9, 2019 to include administrative and other updates, including clarifications to the corporate political contribution policy.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:

- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[] No[X]
 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
 16.3 Total payable for securities lending reported on the liability page \$ 0

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

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Bank, N.A.	600 California Street, San Francisco, CA 94108
The Bank of New York Mellon	385 Rifle Camp Road, 3rd Floor, Woodland Park, NJ 07424

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes[] No[X]
 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

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

1 Name of Firm or Individual	2 Affiliation
First Republic Security Co., LLC	U
Wells Capital Management Incorporated	U

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's 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
105108	First Republic Securities Co., LLC	54930001MDFZDQYB2Q11	SEC	NO
108559	First Republic Investment Management, Inc.	549300D5KLHOKLMLG887	SEC	NO
104973	Wells Capital Management Incorporated	549300B3H210O2L85190	SEC	DS

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

GENERAL INTERROGATORIES (Continued)

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- 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:
- 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?
If yes, attach an explanation. Yes[] No[] N/A[X]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation. Yes[] No[X]
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes[] No[X]
- 3.2 If yes, give full and complete information thereto
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes[] No[X]
- 4.2 If yes, complete the following schedule:

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

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

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
All other insurers						
00000	AA-3191406	Oaktown Re III Ltd	BMU	Unauthorized		

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

	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama (AL)	L	1,789,856	1,126,873	30,425	7,099	103,310	64,451
2. Alaska (AK)	L	146,900	129,277				
3. Arizona (AZ)	L	13,948,916	11,901,297	6,154	65,887	993,876	415,417
4. Arkansas (AR)	L	1,094,534	801,687		31,346	96,758	72,558
5. California (CA)	L	32,393,488	26,530,180	322,308	158,784	1,848,398	1,109,452
6. Colorado (CO)	L	8,668,343	6,239,836	63,812	27,458	416,763	172,980
7. Connecticut (CT)	L	2,025,108	1,335,004			252,054	186,112
8. Delaware (DE)	L	893,027	580,879			115,026	17,008
9. District of Columbia (DC)	L	3,643,926	3,076,511			15,695	16,785
10. Florida (FL)	L	15,834,773	10,124,303	76,634	7,590	1,725,052	950,745
11. Georgia (GA)	L	7,140,568	4,819,170	212,196	35,640	341,751	221,287
12. Hawaii (HI)	L	1,283,868	1,038,877			96,947	
13. Idaho (ID)	L	2,467,860	2,368,747			41,791	18,652
14. Illinois (IL)	L	9,681,429	6,892,340	91,244	110,651	896,841	529,887
15. Indiana (IN)	L	4,929,673	3,699,042	11,778		427,624	180,129
16. Iowa (IA)	L	1,480,189	1,175,631	29,220	9,961	170,696	108,022
17. Kansas (KS)	L	1,351,190	1,192,557	72,079	98,342	204,833	74,244
18. Kentucky (KY)	L	1,154,165	750,431		47,359	120,177	29,607
19. Louisiana (LA)	L	1,595,221	1,319,511	27,388	68,913	177,532	176,644
20. Maine (ME)	L	836,904	482,562			20,725	50,818
21. Maryland (MD)	L	8,161,915	5,113,147	42,694		583,990	166,412
22. Massachusetts (MA)	L	6,960,338	3,772,963	21,504		248,874	128,055
23. Michigan (MI)	L	13,499,965	14,973,223	430,399	603,869	2,618,936	1,952,816
24. Minnesota (MN)	L	6,541,084	7,525,181		23,385	546,935	205,116
25. Mississippi (MS)	L	747,906	447,055	90,885		19,774	46,284
26. Missouri (MO)	L	4,364,215	3,298,993	44,074		100,572	106,337
27. Montana (MT)	L	813,099	795,123	40,950		70,290	16,259
28. Nebraska (NE)	L	1,655,876	1,479,565		83,189	93,890	16,717
29. Nevada (NV)	L	5,326,475	4,399,179	89,170		561,504	148,373
30. New Hampshire (NH)	L	1,775,175	1,170,337			120,010	29,225
31. New Jersey (NJ)	L	6,892,990	5,101,039	162,680		1,202,313	509,479
32. New Mexico (NM)	L	918,889	761,418	8,390	20,355	87,428	58,579
33. New York (NY)	L	6,800,795	5,226,061	74,040		549,876	543,175
34. North Carolina (NC)	L	7,642,703	4,975,794	69,980	224,859	346,016	259,644
35. North Dakota (ND)	L	240,240	194,086			10,514	
36. Ohio (OH)	L	7,642,101	5,752,810	67,700	36,040	415,746	150,281
37. Oklahoma (OK)	L	949,369	616,547			191,996	50,046
38. Oregon (OR)	L	4,519,168	3,514,242	46,232		220,370	47,388
39. Pennsylvania (PA)	L	9,059,639	6,467,688	(222)	38,929	417,860	312,905
40. Rhode Island (RI)	L	562,509	376,266			31,123	31,611
41. South Carolina (SC)	L	4,334,610	3,050,147	7,768	22,310	383,341	158,217
42. South Dakota (SD)	L	904,120	691,380	2,305		107,946	29,609
43. Tennessee (TN)	L	4,310,770	2,785,777	22,263	51,449	346,241	97,733
44. Texas (TX)	L	24,679,136	18,433,229	557,986	305,087	1,551,213	801,971
45. Utah (UT)	L	7,112,804	6,168,290			165,826	90,731
46. Vermont (VT)	L	207,657	149,420				
47. Virginia (VA)	L	11,459,773	6,438,366	64,578	38,965	512,758	189,288
48. Washington (WA)	L	8,214,949	6,479,293			137,294	60,557
49. West Virginia (WV)	L	712,826	455,084	34,225	38,261	62,029	13,047
50. Wisconsin (WI)	L	4,614,045	3,879,375	42,021	35,563	361,759	105,688
51. Wyoming (WY)	L	432,880	375,851	63,763		55,928	69,158
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	274,417,957	210,451,643	2,926,623	2,191,291	20,188,201	10,789,499
DETAILS OF WRITE-INS							
58001	X X X						
58002	X X X						
58003	X X X						
58998 Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999 TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

(a) Active Status Counts:

L Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile See DSLI)

D Domestic Surplus Lines Insurer (DSLII) Reporting entities authorized to write surplus lines in the state of domicile.

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R Registered - Non-domiciled RRGs

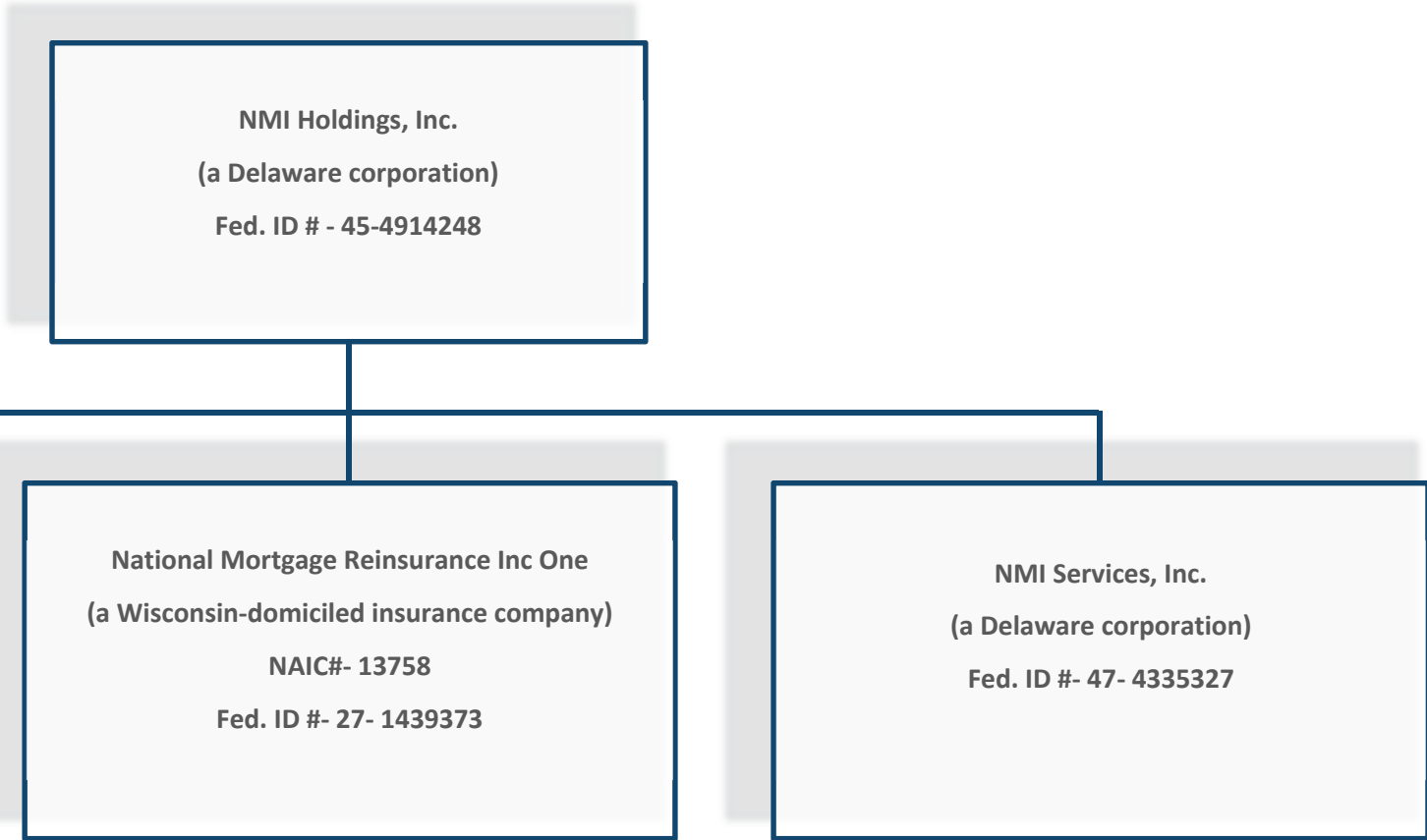
Q Qualified - Qualified or accredited reinsurer

N None of the above Not allowed to write business in the state

6

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

Q11



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
.....	.....	00000	45-4914248	.....	0001547903	NASDAQ Global Market	NMI Holdings, Inc.	DE	UDP	.....	.....	.....	.....	.....	.....
4760	NMI Holdings Grp	13695	27-0471418	.....	.....	.....	National Mortgage Insurance Corporation	WI	RE	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....
4760	NMI Holdings Grp	13758	27-1439373	.....	.....	.....	National Mortgage Reinsurance Inc One	WI	IA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....
4760	NMI Holdings Grp	00000	47-4335327	.....	.....	.....	NMI Services, Inc	DE	NIA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	.....

Asterisk	Explanation
0000001

STATEMENT AS OF **September 30, 2019** OF THE **National Mortgage Insurance Corporation**
PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty	288,164,841	10,438,646	3.623	2.077
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	288,164,841	10,438,646	3.623	2.077
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	100,474,977	274,417,957	210,451,643
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence			
18.2 Products liability - claims made			
19.1 19.2 Private passenger auto liability			
19.3 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business			
35. TOTALS	100,474,977	274,417,957	210,451,643
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	216		216								(216)		(216)
2. 2017	1,836		1,836								(1,836)		(1,836)
3. Subtotals 2017 + Prior	2,052		2,052								(2,052)		(2,052)
4. 2018	7,002	652	7,654	1,799		1,799	5,203	9,173	1,716	16,092		10,237	10,237
5. Subtotals 2018 + Prior	9,054	652	9,706	1,799		1,799	5,203	9,173	1,716	16,092	(2,052)	10,237	8,185
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	9,054	652	9,706	1,799		1,799	5,203	9,173	1,716	16,092	(2,052)	10,237	8,185
8. Prior Year-End Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1 Line 7 1..... (22.664)	Col. 12, Line 7 As % of Col. 2 Line 7 2..... 1,570.092	Col. 13, Line 7 As % of Col. 3 Line 7 3..... 84.329
.....													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.

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSES

No
No
No
No

Explanations:

Bar Codes:

Trusteed Surplus Statement



13695201949000003 2019 Document Code: 490

Supplement A to Schedule T



13695201945500003 2019 Document Code: 455

Medicare Part D Coverage Supplement



13695201936500003 2019 Document Code: 365

Director and Officer Supplement



13695201950500003 2019 Document Code: 505

STATEMENT AS OF **September 30, 2019** OF THE **National Mortgage Insurance Corporation**
SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	810,414,908	624,044,348
2. Cost of bonds and stocks acquired	204,417,577	322,715,623
3. Accrual of discount	479,376	380,721
4. Unrealized valuation increase (decrease)	1,049,813	(1,049,813)
5. Total gain (loss) on disposals	54,839	3,793
6. Deduct consideration for bonds and stocks disposed of	59,944,792	134,185,760
7. Deduct amortization of premium	1,303,211	1,676,503
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized	381,603	
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	100,436	182,499
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	954,887,343	810,414,908
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	954,887,343	810,414,908

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	784,106,803	123,291,719	65,856,229	(326,069)	726,642,117	784,106,803	841,216,224	691,214,882
2. NAIC 2 (a)	141,451,495	8,319,120	6,236,102	22,478	135,926,526	141,451,495	143,556,991	146,536,927
3. NAIC 3 (a)					3,004,095			2,361,470
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	925,558,298	131,610,839	72,092,331	(303,591)	865,572,738	925,558,298	984,773,215	840,113,279
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	925,558,298	131,610,839	72,092,331	(303,591)	865,572,738	925,558,298	984,773,215	840,113,279

(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 \$.....29,885,869; 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	9,943,125	X X X	9,943,125		

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		5,234,589
2. Cost of short-term investments acquired	22,600,819	1,490,608
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	12,657,694	6,725,197
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	9,943,125	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,943,125	

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	34,192,513	11,036,309
2.	Cost of cash equivalents acquired	345,231,649	520,480,573
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	342,545,665	497,324,369
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other-than-temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	36,878,497	34,192,513
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	36,878,497	34,192,513

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)
Bonds - U.S. Governments									
201926904	U. S. MORTGAGE GUARANTY INSURANCE		09/26/2019	DIRECT	X X X	7,625,595	7,625,595		1
0599999 Subtotal - Bonds - U.S. Governments					X X X	7,625,595	7,625,595		X X X
Bonds - U.S. Special Revenue, Special Assessment									
2350364N7	DALLAS FORT WORTH TEX INTL ARP		08/08/2019	CHASE SECURITIES	X X X	3,000,000	3,000,000		1FE
44244CXT9	HOUSTON TEX UTIL SYS REV		09/01/2019	CITIGROUP	X X X	10,000,000	10,000,000		1FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	13,000,000	13,000,000		X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
88579YBJ9	3M CO SR GLBL NT 29		08/19/2019	BANK OF AMERICA SEC LLC	X X X	6,429,670	6,500,000		1FE
037833DN7	APPLE INC		09/04/2019	GOLDMAN SACHS & COMPANY	X X X	4,991,550	5,000,000		1FE
21054PAB1	CONSUMER LN 144A BD TR 2019-P2		09/04/2019	CITIGROUP	X X X	6,999,983	7,000,000		1FE
126650DF4	CVS HEALTH CORP		08/08/2019	BARCLAYS CAPITAL INC	X X X	1,997,740	2,000,000		2FE
26442CAY0	DUKE ENERGY CAROLINAS LLC MTG		08/12/2019	BARCLAYS CAPITAL INC	X X X	4,993,850	5,000,000		1FE
40438DAE9	HPEFS EQUIPMENT TRUST 144A 2019-1		09/12/2019	GOLDMAN SACHS & COMPANY	X X X	1,849,712	1,850,000		1FE
46617FAA2	JGWPT XXVIII LLC 144A 2013-1		09/10/2019	ROBERT W. BAIRD	X X X	659,217	629,371	1,576	1FE
26138EAU3	KEURIG DR PEPPER INC SR GLBL NT 26		08/13/2019	CREDIT SUISSE SECURITIES (USA)	X X X	6,321,380	6,500,000	69,063	2FE
68269BAA6	ONEMAIN FINL 144A TR 2019-2		09/16/2019	BARCLAYS CAPITAL INC	X X X	4,997,869	5,000,000		1FE
68269BAB4	ONEMAIN FINL 144A TR 2019-2		09/16/2019	BARCLAYS CAPITAL INC	X X X	2,499,145	2,500,000		1FE
74153WCL1	PRICOA GLBL 144A FDG I MTN		09/16/2019	CHASE SECURITIES	X X X	4,199,622	4,200,000		1FE
74256LBG3	PRINCIPAL LIFE GLOBAL 144A FDG II		09/09/2019	GOLDMAN SACHS & COMPANY	X X X	4,618,613	4,650,000		1FE
78403DAN0	SBA TOWER TRUST 2019-144A		09/10/2019	BARCLAYS CAPITAL INC	X X X	2,850,000	2,850,000		1FE
828807DF1	SIMON PPTY GROUP LP		09/04/2019	BANK OF AMERICA SEC LLC	X X X	4,204,525	4,250,000		1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	57,612,876	57,929,371	70,639	X X X
8399997 Subtotal - Bonds - Part 3					X X X	78,238,471	78,554,966	70,639	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	78,238,471	78,554,966	70,639	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	78,238,471	X X X	70,639	X X X

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

QE04

SCHEDULE D - PART 4

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

1	2	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 Administrative 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. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Special Revenue, Special Assessment																						
01026CAC5	ALABAMA ECONOMIC SETTLEMENT AU		09/15/2019	Sink PMT @ 100.0000000	X X X	465,000	465,000	465,000	465,000						465,000				7,354	09/15/2025	1FE	
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	465,000	465,000	465,000	465,000						465,000				7,354	X X X	X X X	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
03065MAF4	AMERICREDIT AUTO RECV 2015-4		09/08/2019	PRINCIPAL RECEIPT	X X X	444,724	444,724	444,641	444,712		12			12	444,724				7,765	07/08/2021	1FE	
053532AA6	AVANT LOANS FDG TR 2018-B- 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	194,837	194,837	194,829	194,829		8			8	194,837				4,316	01/18/2022	1FE	
053529AA5	AVNT 18A A 144A		09/29/2019	PRINCIPAL RECEIPT	X X X	758,686	758,686	758,667	758,485		201			201	758,686				18,415	06/15/2021	1FE	
12189PAK8	BURLINGTON NORTH SF 2001-2		07/15/2019	PRINCIPAL RECEIPT	X X X	16,715	16,715	19,296	17,285		(570)			(570)	16,715				1,643	01/15/2021	1FE	
14149YBHO	CARDINAL HEALTH INC		09/24/2019	WELLS FARGO	X X X	2,530,150	2,500,000	2,500,000	2,500,000						2,500,000		30,150		60,083	06/15/2024	2FE	
20268MAA4	CBSLT 18BGS A1 144A		09/25/2019	PRINCIPAL RECEIPT	X X X	218,941	218,941	218,929	218,929		12			12	218,941				4,854	09/25/2045	1FE	
125634AN5	CLI FDG V LLC 2014-1 144A		09/18/2019	PRINCIPAL RECEIPT	X X X	69,959	69,959	68,939	68,939		984			984	69,959				1,366	06/18/2029	1FE	
12563LAL1	CLU FDG VI LLC 144A 2019-1		09/18/2019	PRINCIPAL RECEIPT	X X X	115,588	115,588	115,587	115,587		1			1	115,588				814	05/18/2044	1FE	
20826JAA6	CONNRS RECV FDG LLC 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	233,725	233,725	233,715	233,710		15			15	233,725				4,825	07/17/2023	2FE	
21052NAAO	CONSUMER LOAN UNDERLYING BOND CLUB		09/15/2019	PRINCIPAL RECEIPT	X X X	622,826	622,826	622,825	622,825		1			1	622,826				13,541	10/15/2025	1FE	
518887AC8	DRB 17B BFX		09/25/2019	PRINCIPAL RECEIPT	X X X	100,706	100,706	100,706	100,706						100,706				1,873	08/25/2042	1FE	
23341KAB1	DRB PRIME ST 144A LN TR 2015-D		09/25/2019	PRINCIPAL RECEIPT	X X X	523,812	523,812	525,857	525,857		(2,045)			(2,045)	523,812				4,531	01/25/2040	1FE	
35040JAA9	FOUNDATION FIN TR 2017 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	157,158	157,158	157,135	157,147		11			11	157,158				3,139	07/15/2033	1FE	
38218GAA0	GOODGREEN 2018- 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	140,556	140,556	140,541	140,541		15			15	140,556				2,838	10/15/2053	1FE	
46620VAA2	HENDR 172 A		09/15/2019	PRINCIPAL RECEIPT	X X X	40,431	40,431	40,413	40,414		17			17	40,431				882	09/15/2060	1FE	
42771LAB8	HERO FDG 2017-2 144A	C	09/20/2019	PRINCIPAL RECEIPT	X X X	68,263	68,263	68,254	68,253		10			10	68,263				1,925	09/20/2048	1FE	
46617FAA2	JGWPT XXVIII LLC 144A 2013-1		09/15/2019	PRINCIPAL RECEIPT	X X X	5,043	5,043	5,282	5,282		(239)			(239)	5,043				14	04/15/2067	1FE	
518887AB0	LAUREL RD PRIME SL TR 2017 144A		09/25/2019	PRINCIPAL RECEIPT	X X X	680,605	680,605	661,782	661,648		18,957			18,957	680,605				11,612	08/25/2042	1FE	
543190AA0	LONGTRAIN LEASING III 2015-3 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	46,197	46,197	45,906	45,978		219			219	46,197				816	01/15/2045	1FE	
57109GAA2	MARLETTE FDG TR 2018-4 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	388,996	388,996	388,965	388,965		31			31	388,996				8,897	12/15/2028	1FE	
61946FAA3	MOSAIC SOLAR LNS- 144A		09/20/2019	PRINCIPAL RECEIPT	X X X	177,974	177,974	177,965	177,965		9			9	177,974				4,398	06/22/2043	1FE	
80285TEA4	SANTANDER DRIVE AUTO 2018-1		09/16/2019	PRINCIPAL RECEIPT	X X X	1,787,877	1,787,877	1,787,750	1,787,807		70			70	1,787,877				33,788	07/15/2022	1FE	
83405QAA7	SOFI CONSUMER LN PRGRM 2017-6 144A		09/04/2019	VARIOUS	X X X	195,857	195,857	195,782	195,678		179			179	195,857				3,311	11/25/2026	1FE	
83401LAB0	SOFI PRFSSNAL LN PRGRM 2015-A 144A		09/25/2019	PRINCIPAL RECEIPT	X X X	47,443	47,443	47,182	46,980		463			463	47,443				741	03/25/2030	1FE	
78470NAB2	SOFI PRFSSNAL LN PRGRM 2015-D 144A		09/25/2019	PRINCIPAL RECEIPT	X X X	91,194	91,194	90,732	90,554		640			640	91,194				1,558	10/25/2036	1FE	
834423AA3	SOLVAY FIN AMER LLC 144 A		09/30/2019	CALLED @ 101.4231380	X X X	3,549,810	3,500,000	3,499,510	3,499,802		75			75	3,499,877		123	123	147,985	12/03/2042	2FE	
84474YAA4	SOUTHWEST AIRLINES 2007-1		08/01/2019	PRINCIPAL RECEIPT	X X X	276,938	276,938	313,807	291,684		(14,746)			(14,746)	276,938				17,032	02/01/2024	1FE	
86212VAF1	STORE MSTR FDG I-VI 2018-1		09/20/2019	PRINCIPAL RECEIPT	X X X	1,250	1,250	1,249	1,249		1			1	1,250				34	10/20/2048	1FE	
87407PAP5	TAL ADVANTAGE V LLC 2014-2 144 A		09/20/2019	PRINCIPAL RECEIPT	X X X	55,458	55,458	54,570	55,075		383			383	55,458				1,158	05/20/2039	1FE	
89679HAA3	TRITON CONTAIN FIN VI 2017-1 144A		09/20/2019	PRINCIPAL RECEIPT	X X X	100,342	100,342	100,324	100,327		15			15	100,342				2,180	06/20/2042	1FE	
89679HAA4	TRITON CONTAIN FIN VI 2018-144A		09/20/2019	PRINCIPAL RECEIPT	X X X	110,625	110,625	110,583	110,586		39			39	110,625				2,570	03/20/2043	1FE	
90932QAA4	UNITED AIRLINES PT CERT 2014-2		09/03/2019	PRINCIPAL RECEIPT	X X X	115,737	115,737	117,473	116,922		(1,185)			(1,185)	115,737				4,416	03/03/2028	1FE	
90931LAA6	UNITED AIRLINES PT CERT 2016-1		07/07/2019	PRINCIPAL RECEIPT	X X X	65,954	65,954	65,954	65,954						65,954				1,022	01/07/2030	1FE	
92347XAA4	VERIZON OWNER TR 2016-1 144A		08/20/2019	PRINCIPAL RECEIPT	X X X	205,344	205,344	205,309	205,327		16			16	205,344				2,328	01/20/2021	1FE	
95058XAC2	WENDYS FDG LLC 2015-1 144A		09/15/2019	PRINCIPAL RECEIPT	X X X	2,500	2,500	2,487	2,491		9			9	2,500				56	06/15/2045	2FE	
96328DAU8	WHEELS SPV 2 LLC 2016-1 144A		09/20/2019	PRINCIPAL RECEIPT	X X X	712,616	712,616	712,601	712,613		3			3	712,616				8,765	05/20/2025	1FE	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	14,854,837	14,774,877	14,795,546	14,124,416		3,611			3,611	14,774,754		30,273	30,273	385,491	X X X	X X X	
8399997 Subtotal - Bonds - Part 4					X X X	15,319,837	15,239,877	15,260,546	14,589,416		3,611			3,611	15,239,754		30,273	30,273	392,845	X X X	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		X X X			X X X	X X X		X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	15,319,837	15,239,877	15,260,546	14,589,416		3,611			3,611	15,239,754		30,273	30,273	392,845	X X X	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		X X X			X X X	X X X		X X X	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		X X X			X X X	X X X		X X X	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		X X X			X X X	X X X		X X X	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		X X X			X X X	X X X		X X X	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		X X X			X X X	X X X		X X X	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	15,319,837	X X X	15,260,546	14,589,416		3,611			3,611	15,239,754		30,273	30,273	392,845	X X X	X X X	

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

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

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

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

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

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

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

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
First Republic Bank	San Francisco, CA					745,572	912,513	929,406	X X X
Wells Fargo Bank	San Francisco, CA					1,218,004	432,869	591,355	X X X
First Republic Bank	San Francisco, CA			47,586		11,357,852	7,934,718	13,956,916	X X X
Wells Fargo Bank	San Francisco, CA						64,050	121,125	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	47,586		13,321,428	9,344,150	15,598,802	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	47,586		13,321,428	9,344,150	15,598,802	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	47,586		13,321,428	9,344,150	15,598,802	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
Bonds - U.S. Governments - Issuer Obligations								
	UNITED STATES TREAS BILLS		09/30/2019	0.000	10/03/2019	9,999,111		
0199999	Subtotal - Bonds - U.S. Governments - Issuer Obligations					9,999,111		
0599999	Subtotal - Bonds - U.S. Governments					9,999,111		
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations								
	INTERCONTINENTALEXCHANGE GRP 0% DI		07/12/2019	0.000	10/09/2019	9,943,633	51,274	
3299999	Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					9,943,633	51,274	
3899999	Subtotal - Bonds - Industrial & Miscellaneous (Unaffiliated)					9,943,633	51,274	
7799999	Subtotal - Bonds - Total Bonds - Issuer Obligations					19,942,744	51,274	
8399999	Subtotal - Bonds - Total Bonds					19,942,744	51,274	
Exempt Money Market Mutual Funds - as Identified by SVO								
09248U551	BLACKROCK LIQUIDITY FDS		09/01/2019	0.000	X X X	2,932,875		26,755
233809300	DAILY MONEY FD		12/31/2018	0.000	X X X			80
31846V419	FIRST AMERN FDS INC		06/04/2019	0.000	X X X	1		1
94975H296	WELLS FARGO FDS TR	SD	09/04/2019	0.000	X X X	25,089		415
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO					2,957,965		27,251
All Other Money Market Mutual Funds								
177366200	CITIZENSSELECT FDS		06/03/2019	0.000	X X X	2		3
269999280	EAGLE BANK SWEEP TIER 1 FRB		09/01/2019	0.000	X X X	59,763		226
8AMMF0416	US BANK MONEY MARKET (MMDA) IT&C		06/01/2019	0.000	X X X	12		27
993086123	WFB INST BANK DEPOSIT ACCOUNT		07/11/2018	0.000	X X X			
996085254	DREYFUS CASH MGMT FUND		06/01/2018	0.000	X X X			
999999998	FIRST REPUBLIC BANK MONEY MARKET		06/01/2018	0.000	X X X			
VP4520012	WELLS FARGO 100% TREASURY MONEY MA		09/30/2019	0.000	X X X	13,918,012	33,047	231,183
8699999	Subtotal - All Other Money Market Mutual Funds					13,977,789	33,047	231,439
8899999	Total - Cash Equivalents					36,878,498	84,321	258,690

QE13

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