



QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2018 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	Chief Executive Officer
William J Leatherberry	Chief Legal Officer
Claudia J Merkle	President #
Adam Pollitzer	Chief Financial Officer
Robert O Smith	EVP, Chief Risk Officer #
Patrick L Mathis	EVP, Operations & IT

VICE- PRESIDENTS

Mark N Daly, SVP, National Accounts Christopher G Brunetti, SVP, General Counsel and Secretary Michael J Dirrane, Senior Managing Director, Chief Sales Officer Julie Norberg, SVP, Controller Kellie Ramsower, SVP, Underwriting & Risk Operations	Mary L Sharp, SVP, Chief Human Resources Officer Norman P Fitzgerald, SVP, Field Sales Laura E Amato, SVP, Strategic Ops. Initiatives & Servicing Ops. Nicholas Ondrejka, SVP, Chief Information Officer
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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> Bradley M Shuster <small>(Printed Name)</small> 1. Chief Executive Officer <small>(Title)</small>	 _____ <small>(Signature)</small> Christopher G Brunetti <small>(Printed Name)</small> 2. SVP, 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 7th day of November, 2018

a. Is this an original filing? Yes[X] No[]
 b. If no, 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

(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	788,490,836		788,490,836	624,044,345
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 (\$.....8,586,376), cash equivalents (\$.....23,039,102) and short-term investments (\$.....1,490,608)	33,116,087		33,116,087	22,824,717
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	189,117	189,117		
12. Subtotals, cash and invested assets (Lines 1 to 11)	821,796,040	189,117	821,606,923	646,869,062
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	5,455,543		5,455,543	3,847,503
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	34,675,168	30,473	34,644,695	25,168,971
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	65,677,845	1,953,191	63,724,654	41,929,724
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				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	927,604,596	2,172,781	925,431,815	717,815,260
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	927,604,596	2,172,781	925,431,815	717,815,260
DETAILS OF WRITE-INS				
1101. Prepaid Expenses	189,117	189,117		
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)	189,117	189,117		
2501.				
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)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....5,035,120)	8,184,803	6,562,661
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	90,851	119,320
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	468,077	35,680
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	75,993	79,460
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 \$.....33,300,515 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)	129,591,705	122,645,521
10. Advance premium	539	437
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,921,619	3,076,126
13. Funds held by company under reinsurance treaties	30,012,339	34,101,726
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	50,210,533	22,395,793
20. Derivatives		
21. Payable for securities	1,457,930	
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	289,213,919	184,780,861
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	512,228,308	373,797,585
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	512,228,308	373,797,585
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	494,573,352
35. Unassigned funds (surplus)	(153,899,845)	(153,085,677)
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)	413,203,507	344,017,675
38. TOTALS (Page 2, Line 28, Col. 3)	925,431,815	717,815,260
DETAILS OF WRITE-INS		
2501. Statutory Contingency Reserve	284,839,409	179,756,843
2502. Deferred Ceding Commission	4,161,609	5,024,018
2503. Premium Refund Reserve	212,901	
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	289,213,919	184,780,861
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 \$.....210,451,643)	210,725,443	133,695,466	192,325,509
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....53,361,131)	60,580,877	38,347,643	55,198,873
1.4 Net (written \$.....157,090,512)	150,144,566	95,347,823	137,126,636
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....5,035,120)			
2.1 Direct	4,376,585	3,834,701	6,921,888
2.2 Assumed			
2.3 Ceded	1,050,237	926,406	1,733,053
2.4 Net	3,326,348	2,908,295	5,188,835
3. Loss adjustment expenses incurred	(9,561)	11,680	76,185
4. Other underwriting expenses incurred	47,634,651	51,972,433	68,917,359
5. Aggregate write-ins for underwriting deductions	105,082,565	66,663,708	95,898,126
6. TOTAL underwriting deductions (Lines 2 through 5)	156,034,003	121,556,116	170,080,505
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(5,889,437)	(26,208,293)	(32,953,869)
INVESTMENT INCOME			
9. Net investment income earned	5,664,994	764,744	1,418,858
10. Net realized capital gains (losses) less capital gains tax of \$.....97,029	(93,235)	35,115	21,351
11. Net investment gain (loss) (Lines 9 + 10)	5,571,759	799,859	1,440,209
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)	(317,678)	(25,408,434)	(31,513,660)
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)	(317,678)	(25,408,434)	(31,513,660)
19. Federal and foreign income taxes incurred	22,132,554	4,291,564	4,732,425
20. Net income (Line 18 minus Line 19) (to Line 22)	(22,450,232)	(29,699,998)	(36,246,085)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	344,017,675	387,037,430	387,037,430
22. Net income (from Line 20)	(22,450,232)	(29,699,998)	(36,246,085)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	21,799,065	13,925,989	(14,981,681)
27. Change in nonadmitted assets	(163,001)	(19,181,620)	8,208,011
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		
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)	69,185,832	(34,955,629)	(43,019,755)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	413,203,507	352,081,801	344,017,675
DETAILS OF WRITE-INS			
0501. Statutory Contingency Reserve	105,082,565	66,663,708	95,898,126
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)	105,082,565	66,663,708	95,898,126
1401.			
1402. Services			
1403. 0			
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. Quasi-reorganization of net loss cumulative and prior to acquisition by NMI Holdings, Inc.			
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	147,460,622	95,319,890	134,736,950
2. Net investment income	4,882,197	685,400	2,081,774
3. Miscellaneous income			
4. TOTAL (Lines 1 to 3)	152,342,819	96,005,290	136,818,724
5. Benefit and loss related payments	1,704,206	625,130	1,047,534
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	140,086,829	113,805,236	158,114,698
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	22,229,583	4,451,623	4,922,661
10. TOTAL (Lines 5 through 9)	164,020,618	118,881,989	164,084,893
11. Net cash from operations (Line 4 minus Line 10)	(11,677,799)	(22,876,699)	(27,266,169)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	122,492,518	67,920,362	81,002,752
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	1,457,930		
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	123,950,448	67,920,362	81,002,752
13. Cost of investments acquired (long-term only):			
13.1 Bonds	287,760,458	156,805,185	198,538,422
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		1,976,914	
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	287,760,458	158,782,099	198,538,422
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)	(163,810,010)	(90,861,737)	(117,535,670)
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		
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)	115,779,180	70,004,990	108,073,732
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	185,779,180	70,004,990	108,073,732
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)	10,291,370	(43,733,446)	(36,728,107)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	22,824,717	59,552,824	59,552,824
19.2 End of period (Line 18 plus Line 19.1)	33,116,087	15,819,378	22,824,717

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

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

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 mortgage insurance 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:

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>Nine months ended September 30, 2018</u>	<u>Year ended December 31, 2017</u>
Net Income/(Loss)					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (22,450,232)	\$ (36,246,086)
(2) State Prescribed Practices that are an increase / (decrease) from NAIC SAP:					
Change in contingency reserves	00	4	5	(105,082,565)	(95,898,126)
(3) State Permitted Practices that are an increase / (decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 82,632,333</u>	<u>\$ 59,652,040</u>
 SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 413,203,507	\$ 344,017,675
(6) State Prescribed Practices that an increase / (decrease) from NAIC SAP:				—	—
(7) State Permitted practices that an increase / (decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 413,203,507</u>	<u>\$ 344,017,675</u>

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

No significant change from year end 2017.

C. Accounting Policy

The Company uses the following accounting policies:

- (1) - (5) No significant change from year end 2017.
- (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 2017.

D. Going Concern

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

2. Accounting Changes and Corrections of Errors

No significant change from year end 2017.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

No significant change from year end 2017. Not applicable.

B. Statutory Merger

No significant change from year end 2017. Not applicable.

C. Impairment Loss

No significant change from year end 2017. Not applicable.

4. Discontinued Operations

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

No significant change from year end 2017. Not applicable.

B. Change in Plan of Sale or Discontinued Operation

No significant change from year end 2017. Not applicable.

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

No significant change from year end 2017. Not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

No significant change from year end 2017. Not applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

No significant change from year end 2017.

B. Debt Restructuring

No significant change from year end 2017.

C. Reverse Mortgages

No significant change from year end 2017.

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* set forth by the Wisconsin OCI.

(2) The Company has not recognized any other-than-temporary impairments for the nine months ended September 30, 2018.

(3) The Company has not recognized any other-than-temporary impairments for the nine months ended September 30, 2018.

(4) All impaired loan-backed securities where 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	\$	1,354,550
2. 12 Months or Longer		259,847

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

1. Less than 12 Months	\$	132,085,461
2. 12 Months or Longer		10,563,279

(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 capital gains (losses) in the statement of income in the period the determination is made. For the quarter ended September 30, 2018, the Company held no other-than-temporarily impaired securities.

Notes to Financial Statement

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 2017.

K. Low-income housing tax credits (LIHTC)

No significant change from year end 2017.

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

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	\$ 1,406,381	\$ —	\$ —	\$ —	\$ 1,406,381	\$ —	\$ 1,406,381
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	—	—	—	—	—	—	—

Notes to Financial Statement

h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—
j. On deposit with states	5,381,752	—	—	—	5,381,752	6,951,464	(1,569,712)
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	<u>\$ 6,788,133</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,788,133</u>	<u>\$ 6,951,464</u>	<u>\$ (163,331)</u>

(a) Subset of Column 1

(b) Subset of Column 3

Notes to Financial Statement

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 \$	—	\$ 1,406,381	0.15%	0.15%
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	—	5,381,752	0.58%	0.58%
k. On deposit with other regulatory bodies	—	—	—%	—%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—%	—%
m. Pledged as collateral not captured in other categories	—	—	—%	—%
n. Other restricted assets	—	—	—%	—%
o. Total Restricted Assets	—	6,788,133	0.73%	0.73%

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

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

Notes to Financial Statement

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

Not applicable. No significant change from year end 2017.

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

Not applicable. No significant change from year end 2017.

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

Not applicable. No significant change from year end 2017.

M. Working Capital Finance Investments

None.

N. Offsetting and Netting of Assets and Liabilities

None.

O. Structured Notes

No significant change from year end 2017.

P. 5* Securities

No significant change from year end 2017.

Q. Short Sales

No significant change from year end 2017.

R. Prepayment Penalty and Acceleration Fees

No significant change from year end 2017.

6. Joint Ventures, Partnerships and Limited Liability Companies

A - B No significant change from year end 2017.

7. Investment Income

A - B No significant change from year end 2017.

8. Derivative Instruments

A - H No significant change from year end 2017. The Company has no derivative instruments.

9. Income Taxes

A - G No significant change from year end 2017.

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

A. Nature of Relationships

No significant change from year end 2017.

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

On April 18, 2018, the Company received a capital contribution of \$70 million in cash from its parent company, NMI Holdings, Inc. ("NMIH"). The Company recorded the contribution as paid-in and contributed surplus.

C. Change in Terms of Intercompany Arrangements

No significant change from year end 2017.

Notes to Financial Statement**D. Amounts Due to or from Related Parties**

As of September 30, 2018 and December 31, 2017, the Company reported the following amounts due to and due from related parties:

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Due to NMI Holdings Inc.	50,028,955	22,395,793
Due to National Mortgage Reinsurance Inc One	128,419	106,846
Due to NMI Services, Inc.	53,160	21,945
Amounts Due to Related Parties	<u><u>50,210,534</u></u>	<u><u>22,524,584</u></u>

E. Guarantees or Undertaking for Related Parties

No significant change from year end 2017.

F. Management, Service contracts, Cost Sharing Arrangements

On March 10, 2017, NMIH received approval from the State of Wisconsin to allocate the interest expense on its amended term loan due November 2019 (“2015 Term Loan”) to the Company, consistent with the benefits the Company received from the loan proceeds. On May 9, 2018, the State of Wisconsin extended its approval for NMIH to allocate the interest expense for replacement financing to the 2015 Term Loan provided that the replacement financing is secured on better terms and a better interest rate than the 2015 Term loan. The approval also extended to a revolving credit facility of up to \$85 million.

On May 24, 2018, NMIH entered into a credit agreement (“2018 Credit Agreement”), which provided for a \$150 million five-year senior secured term loan facility (“2018 Term Loan”) and a \$85 million three-year secured revolving credit facility (“2018 Revolving Credit Facility”). Proceeds from the 2018 Term Loan were used to repay in full the outstanding amount due under NMIH’s 2015 Term Loan and to pay fees and expenses incurred in connection with the 2018 Credit Agreement. The 2018 Credit Agreement replaced the 2015 Term Loan and is secured on better terms and interest rate. Under its terms, the State of Wisconsin approval described in the preceding paragraph applies to the 2018 Credit Agreement.

G. Nature of Relationships that Could Affect Operations

No significant change from year end 2017.

H. Amount Deducted for Investment in Upstream Company

No significant change from year end 2017.

I. Detail of Investments SCA entity that exceeds 10% of Admitted Assets

No significant change from year end 2017.

J. Write downs for Impairment of Investments in SCA entities

No significant change from year end 2017.

K. Foreign Subsidiary Valued Using CARVM

No significant change from year end 2017.

L. Downstream Holding Company Valued Using Look-Through Method

No significant change from year end 2017.

M. All SCA Investments

No significant change from year end 2017.

N. Investment in Insurance SCAs

No significant change from year end 2017.

11. Debt

A. The Company has no debt obligations as of September 30, 2018.

B. FHLB (Federal Home Loan Bank) Agreements

No significant change from year end 2017. 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 2017. Not applicable.

C. Fair Value of Plan Assets

No significant change from year end 2017. Not applicable.

D. Rate of Return Assumptions

No significant change from year end 2017. Not applicable.

E. Defined Contribution Plans

No significant change from year end 2017.

F. Multiemployer Plans

No significant change from year end 2017.

G. Consolidated/Holding Company Plans

No significant change from year end 2017. Not applicable.

H. Post-employment benefits and Compensated Absences

No significant change from year end 2017.

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

No significant change from year end 2017.

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

(1) Outstanding Shares

No significant change from year end 2017.

(2) Dividend Rate of Preferred Stock

No significant change from year end 2017.

(3) Dividend Restrictions

No significant change from year end 2017.

(4) Dates and Amounts of Dividends Paid

No significant change from year end 2017. The Company did not declare or pay any dividends during the nine months ended September 30, 2018.

(5) Amount of Ordinary Dividends That May Be Paid

No significant change from year end 2017.

(6) Restrictions of Unassigned Funds

No significant change from year end 2017.

(7) Mutual Surplus Advance

No significant change from year end 2017.

(8) Company Stock held for Special Purposes

No significant change from year end 2017.

(9) Changes in Special Surplus Funds

No significant change from year end 2017.

(10) Changes in Unassigned Funds

No significant change from year end 2017.

(11) Surplus Notes

No significant change from year end 2017.

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

No significant change from year end 2017.

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

No significant change from year end 2017.

14. Contingencies

A. Contingent Commitments

No significant change from year end 2017.

B. Assessments

No significant change from year end 2017.

C. Gain Contingencies

No significant change from year end 2017.

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

No significant change from year end 2017.

E. Product Warranties

No significant change from year end 2017.

F. Joint and Several Liabilities

No significant change from year end 2017.

G. All Other Contingencies

No significant change from year end 2017.

15. Leases

A. Lessee Operating Lease

No significant change from year end 2017.

B. Lessor Leases

No significant change from year end 2017.

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

No significant change from year end 2017.

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 2017.

B. Transfer and Servicing of Financial Assets

No significant change from year end 2017. The Company had no transfer or servicing of financial assets.

C. Wash Sales

No significant change from year end 2017. 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 2017. Not applicable.

B. Administrative Services Contract (ASC) Plans

No significant change from year end 2017. Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

No significant change from year end 2017. Not applicable.

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

No significant change from year end 2017.

20. Fair Value Measurements

A. Inputs Used for Assets and Liabilities at Fair Value

The Company does not measure and report any assets at fair value in the statement of financial position after initial recognition.

- (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
Not applicable.
- (4) Valuation techniques and inputs used for Level 2 and Level 3 of the Fair Value Hierarchy
Not applicable.
- (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. The fair values are also categorized into the three levels as described above.

As of September 30, 2018

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial instruments - assets						
Bonds	\$ 774,330,543	\$ 788,490,839	\$ 39,771,832	\$ 734,558,711	\$ —	—
Preferred stocks	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Cash, cash equivalents and short term investments	33,123,484	33,116,087	33,123,484	—	—	—
Long-term investments - Other	—	—	—	—	—	—
Total assets	\$ 807,454,027	\$ 821,606,926	\$ 72,895,316	\$ 734,558,711	\$ —	—
Financial instruments - liabilities						
Total liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	—

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the nine months ended September 30, 2018.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held as of September 30, 2018.

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.

Notes to Financial Statement

- 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, the Company 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. Reasons Not Practical to Estimate Fair Values

Not Applicable.

21. Other Items

A. Unusual or Infrequent Items

No significant change from year end 2017.

B. Troubled Debt Restructuring: Debtors

No significant change from year end 2017.

C. Other Disclosures

No significant change from year end 2017.

D. Business Interruption Insurance Recoveries

No significant change from year end 2017.

E. State Transferable and Non-transferable Tax Credits

No significant change from year end 2017.

F. Subprime Mortgage Related Risk Exposure

No significant change from year end 2017.

G. Insurance-Linked Securities (ILS) Contracts

No significant change from year end 2017.

22. Subsequent Events

The Company has performed subsequent event procedures through November 14, 2018.

23. Reinsurance

Excess of loss reinsurance

2017 ILN Transaction

In May 2017, NMIC entered into a reinsurance agreement with Oaktown Re Ltd. (“Oaktown Re”), a Bermuda domiciled special purpose reinsurer, that provides for up to \$211.3 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies written from 2013 through December 31, 2016. For the reinsurance coverage period, NMIC will retain the first layer of \$126.8 million of aggregate losses and Oaktown Re will then provide second layer coverage up to the outstanding reinsurance coverage amount. NMIC will then retain losses in excess of the outstanding reinsurance coverage amount. The outstanding reinsurance coverage amount decreases from \$211.3 million at inception over a ten-year period as the underlying covered mortgages amortize and/or are repaid and was \$144.1 million as of September 30, 2018. The outstanding reinsurance coverage amount will cease amortizing if certain credit enhancement or delinquency thresholds are triggered.

Oaktown Re financed the coverage by issuing mortgage insurance-linked notes in an aggregate amount of \$211.3 million to unaffiliated investors (the Notes). The Notes mature on April 26, 2027. All of the proceeds paid to Oaktown Re from the sale of the Notes were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re to NMIC under the reinsurance agreement. At all times, funds in the reinsurance trust account are required to be invested in high credit quality money market funds. We refer collectively to NMIC’s reinsurance agreement with Oaktown Re and the issuance of the Notes by Oaktown Re as the 2017 ILN Transaction. Under the terms of the 2017 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re for anticipated operating expenses (capped at \$300 thousand per year). For the three and nine months ended September 30, 2018, NMIC ceded risk premiums of \$1.5 million and \$4.8 million, respectively. NMIC did not cede any losses to Oaktown Re during the three and nine month periods ended September 30, 2017 and 2018.

Under the 2017 ILN Transaction, NMIC holds an optional termination right if certain events occur, including, among others, a clean-up call if the outstanding reinsurance coverage 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 the agreement. In addition, there are certain

Notes to Financial Statement

events that will result in mandatory termination of the agreement, including NMIC's failure to pay premiums or consent to reductions in the trust account to make principal payments to noteholders, among others.

2018 ILN Transaction

In July 2018, NMIC entered into a reinsurance agreement with Oaktown Re II Ltd. ("Oaktown Re II"), a Bermuda domiciled special purpose reinsurer, that provides for up to \$264.5 million of aggregate excess-of-loss reinsurance coverage at inception for new delinquencies on an existing portfolio of mortgage insurance policies written between January 1, 2017 and May 31, 2018. For the reinsurance coverage period, NMIC will retain the first layer of \$125.3 million of aggregate losses and Oaktown Re II will then provide second layer coverage up to the outstanding reinsurance coverage amount. NMIC retains losses in excess of the outstanding reinsurance coverage amount. The outstanding reinsurance coverage amount decreases from \$264.5 million at inception over a ten-year period as the underlying covered mortgages are amortized or repaid, and/or the mortgage insurance coverage is canceled, and was \$264.5 million as of September 30, 2018. The outstanding reinsurance coverage amount will begin amortizing after an initial period in which a target level of credit enhancement is obtained and will stop amortizing if certain credit enhancement or delinquency thresholds are triggered.

Oaktown Re II financed the coverage by issuing mortgage insurance-linked notes in an aggregate amount of \$264.5 million to unaffiliated investors (the 2018 Notes). The 2018 Notes mature on July 25, 2028. All of the proceeds paid to Oaktown Re II from the sale of the 2018 Notes were deposited into a reinsurance trust to collateralize and fund the obligations of Oaktown Re II to NMIC under the reinsurance agreement. Funds in the reinsurance trust account are required to be invested in high credit quality money market funds at all times. We refer collectively to NMIC's reinsurance agreement with Oaktown Re II and the issuance of the 2018 Notes by Oaktown Re II as the 2018 ILN Transaction, and the 2017 ILN Transaction and 2018 ILN Transaction as the ILN Transactions. Under the terms of the 2018 ILN Transaction, NMIC makes risk premium payments for the applicable outstanding reinsurance coverage amount and pays Oaktown Re II for anticipated operating expenses (capped at \$250 thousand per year). For the three and nine months ended September 30, 2018, NMIC ceded risk premiums of \$1.6 million. NMIC did not cede any losses to Oaktown Re II.

Under the 2018 ILN Transaction, NMIC holds an optional termination right if certain events occur, including, among others, 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 the agreement. In addition, there are certain events that will result in mandatory termination of the agreement, including NMIC's failure to pay premiums or consent to reductions in the trust account to make principal payments to noteholders, among others.

Under the terms of the 2018 ILN Transaction, NMIC is required to maintain a certain level of restricted funds in a premium deposit account with the Bank of New York Mellon until the 2018 Notes are no longer outstanding. Cash Equivalents on our balance sheet include restricted cash of \$1.4 million as of September 30, 2018. The balance will decrease over time as the principal balance of the 2018 Notes declines, and we will not be required to deposit additional funds into the premium deposit account.

*Quota share reinsurance**2018 QSR Transaction*

Effective January 1, 2018, NMIC entered into the 2018 QSR Transaction with a panel of third-party reinsurers. 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 2018 QSR Transaction, NMIC will cede 25% of its eligible policies written in 2018 and 20% to 30% (such amount to be determined by NMIC at its sole election by December 1, 2018) of eligible policies written in 2019.

The 2018 QSR Transaction is scheduled to terminate on December 31, 2029. However, 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.

2016 QSR Transaction.

Effective September 1, 2016, NMIC entered into the 2016 QSR Transaction with a panel of third-party reinsurers. Each of the third-party reinsurers has an insurer financial strength rating of A- or better by S&P, A.M. Best or both.

Under the 2016 QSR Transaction, NMIC ceded premiums written related to:

- 25% of existing risk written on eligible policies as of August 31, 2016;
- 100% of existing risk under our pool agreement with Fannie Mae; and
- 25% of risk on eligible policies written from September 1, 2016 through December 31, 2017.

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. However, 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.

STATEMENT AS OF **September 30, 2018** OF THE **National Mortgage Insurance Corporation**
Notes to Financial Statement

A. Unsecured Reinsurance Recoverables

No significant change from year end 2017.

B. Reinsurance Recoverables in Dispute

No significant change from year end 2017.

C. Reinsurance Assumed and Ceded

(1) The maximum amount of return commission that would have been due reinsurers if they or the Company had canceled the reinsurance agreement as of September 30, 2018 with the return of unearned premium reserves is as follows:

As of September 30, 2018	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
Type of Financial Instrument						
a. Affiliates	\$ —	\$ —	\$ 242,746	\$ 48,549	\$ (242,746)	\$ (48,549)
b. All Other	—	—	33,057,768	6,611,554	(33,057,768)	(6,611,554)
c. Total	—	—	33,300,514	6,660,103	(33,300,514)	(6,660,103)

d. Direct Unearned Premium Reserve - \$162,892,219

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements - None.

(3) Risks associated with Protected Cells - None.

D. Uncollectible Reinsurance

No significant change from year end 2017.

E. Commutation of Ceded Reinsurance

No significant change from year end 2017.

F. Retroactive Reinsurance

No significant change from year end 2017.

G. Reinsurance Accounted for as a Deposit

No significant change from year end 2017.

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

No significant change from year end 2017.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

No significant change from year end 2017.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

No significant change from year end 2017.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate

No significant change from year end 2017. Not applicable.

B. Method Used to Record

No significant change from year end 2017. Not applicable.

C. Amount and Percent of Net Retrospective Premiums

No significant change from year end 2017. Not applicable.

D. Medical Loss Ratio Rebates

No significant change from year end 2017. Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

No significant change from year end 2017. 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. The Company incurred claims and claim adjustment expenses (net of reinsurance) of \$3,316,952 and \$2,919,975 for the nine months ended September 30, 2018 and 2017, respectively. There was a \$1,718,168 favorable prior year loss development (net of reinsurance) during the nine months ended September 30, 2018. Loss reserves remaining as of September 30, 2018 for defaults occurring (net of reinsurance) in prior years have been reduced to \$3,277,104, following re-estimation of unpaid claims and claim adjustment expenses. The increase in loss reserves as of the end of the period is the result of current year defaults. 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 of policies currently in-force based on past claim activity.

B. No significant change from year end 2017.

26. Intercompany Pooling Arrangements

No significant change from year end 2017.

27. Structured Settlements

A - B No significant change from year end 2017.

28. Health Care Receivables

A - B No significant change from year end 2017. Not applicable.

29. Participating Policies

No significant change from year end 2017.

30. Premium Deficiency Reserves

No significant change from year end 2017.

31. High Deductibles

A - B No significant change from year end 2017. Not applicable.

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

A - C No significant change from year end 2017. Not applicable.

33. Asbestos/Environmental Reserves

A - F No significant change from year end 2017. Not applicable.

34. Subscriber Savings Accounts

No significant change from year end 2017.

35. Multiple Peril Crop Insurance

No significant change from year end 2017.

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[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]

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

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[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]
- 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[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] 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

- 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:

GENERAL INTERROGATORIES (Continued)

	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
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 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 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

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

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 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 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.	549300D5KLHOKMLG887	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 No

18.2 If no, list exceptions:

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
 a. Documentation necessary to permit a full credit analysis of the security does not exist.
 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 5*GI securities? Yes No

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
U.S. insurers						
13056	37-0915434	RLI INS CO	IL	Authorized .....	.....	.....
10829	06-1481194	MARKEL GLOBAL REINS CO	DE	Authorized .....	.....	.....
19453	13-5616275	TRANSATLANTIC REINS CO	NY	Authorized .....	.....	.....
All other insurers						
00000	AA-3191371	Oaktown Re II Ltd	BMU	Unauthorized .....	.....	.....

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

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama (AL)	L	1,126,873	612,981	7,099		64,451	14,722
2. Alaska (AK)	L	129,277	79,179				
3. Arizona (AZ)	L	11,901,297	6,767,019	65,887		415,417	132,346
4. Arkansas (AR)	L	801,687	582,483	31,346		72,558	
5. California (CA)	L	26,530,180	19,937,535	158,784	250,620	1,109,452	637,527
6. Colorado (CO)	L	6,239,836	4,302,670	27,458		172,980	99,493
7. Connecticut (CT)	L	1,335,004	821,537			186,112	96,623
8. Delaware (DE)	L	580,879	261,319			17,008	
9. District of Columbia (DC)	L	3,076,511	3,265,540			16,785	
10. Florida (FL)	L	10,124,303	5,915,486	7,590		950,745	311,599
11. Georgia (GA)	L	4,819,170	2,949,736	35,640		221,287	60,754
12. Hawaii (HI)	L	1,038,877	520,357				
13. Idaho (ID)	L	2,368,747	1,421,241			18,652	15,361
14. Illinois (IL)	L	6,892,340	4,855,459	110,651		529,887	294,518
15. Indiana (IN)	L	3,699,042	2,172,592			180,129	45,283
16. Iowa (IA)	L	1,175,631	928,641	9,961		108,022	28,681
17. Kansas (KS)	L	1,192,557	1,014,236	98,342	109,134	74,244	152,419
18. Kentucky (KY)	L	750,431	454,099	47,359		29,607	9,089
19. Louisiana (LA)	L	1,319,511	971,766	68,913		176,644	152,775
20. Maine (ME)	L	482,562	309,842			50,818	32,659
21. Maryland (MD)	L	5,113,147	3,758,425			166,412	10,344
22. Massachusetts (MA)	L	3,772,963	2,212,758			128,055	66,117
23. Michigan (MI)	L	14,973,223	10,037,576	603,869	162,786	1,952,816	1,467,486
24. Minnesota (MN)	L	7,525,181	4,857,642	23,385		205,116	121,734
25. Mississippi (MS)	L	447,055	169,653			46,284	2,882
26. Missouri (MO)	L	3,298,993	2,348,806			106,337	95,785
27. Montana (MT)	L	795,123	476,562			16,259	14,025
28. Nebraska (NE)	L	1,479,565	807,430	83,189		16,717	24,260
29. Nevada (NV)	L	4,399,179	2,165,513			148,373	60,795
30. New Hampshire (NH)	L	1,170,337	647,466			29,225	7,787
31. New Jersey (NJ)	L	5,101,039	4,304,501			509,479	276,572
32. New Mexico (NM)	L	761,418	510,164	20,355		58,579	56,117
33. New York (NY)	L	5,226,061	3,061,671			543,175	157,502
34. North Carolina (NC)	L	4,975,794	3,048,095	224,859		259,644	188,363
35. North Dakota (ND)	L	194,086	91,496				
36. Ohio (OH)	L	5,752,810	3,629,714	36,040	26,854	150,281	120,365
37. Oklahoma (OK)	L	616,547	587,915			50,046	99,515
38. Oregon (OR)	L	3,514,242	1,920,303			47,388	50,271
39. Pennsylvania (PA)	L	6,467,688	4,325,812	38,929		312,905	328,348
40. Rhode Island (RI)	L	376,266	612,422			31,611	
41. South Carolina (SC)	L	3,050,147	2,028,351	22,310	110,266	158,217	69,582
42. South Dakota (SD)	L	691,380	360,648			29,609	19,591
43. Tennessee (TN)	L	2,785,777	1,951,759	51,449		97,733	99,279
44. Texas (TX)	L	18,433,229	10,850,451	305,087	47,488	801,971	263,981
45. Utah (UT)	L	6,168,290	5,233,894		11,122	90,731	58,181
46. Vermont (VT)	L	149,420	68,121				
47. Virginia (VA)	L	6,438,366	5,895,653	38,965		189,288	104,557
48. Washington (WA)	L	6,479,293	3,624,280			60,557	53,685
49. West Virginia (WV)	L	455,084	847,809	38,261		13,047	43,682
50. Wisconsin (WI)	L	3,879,375	3,303,453	35,563		105,688	66,579
51. Wyoming (WY)	L	375,851	251,977			69,158	35,355
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	210,451,643	142,134,038	2,191,291	718,270	10,789,499	6,046,589
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.

51

R Registered - Non-domiciled RRGs

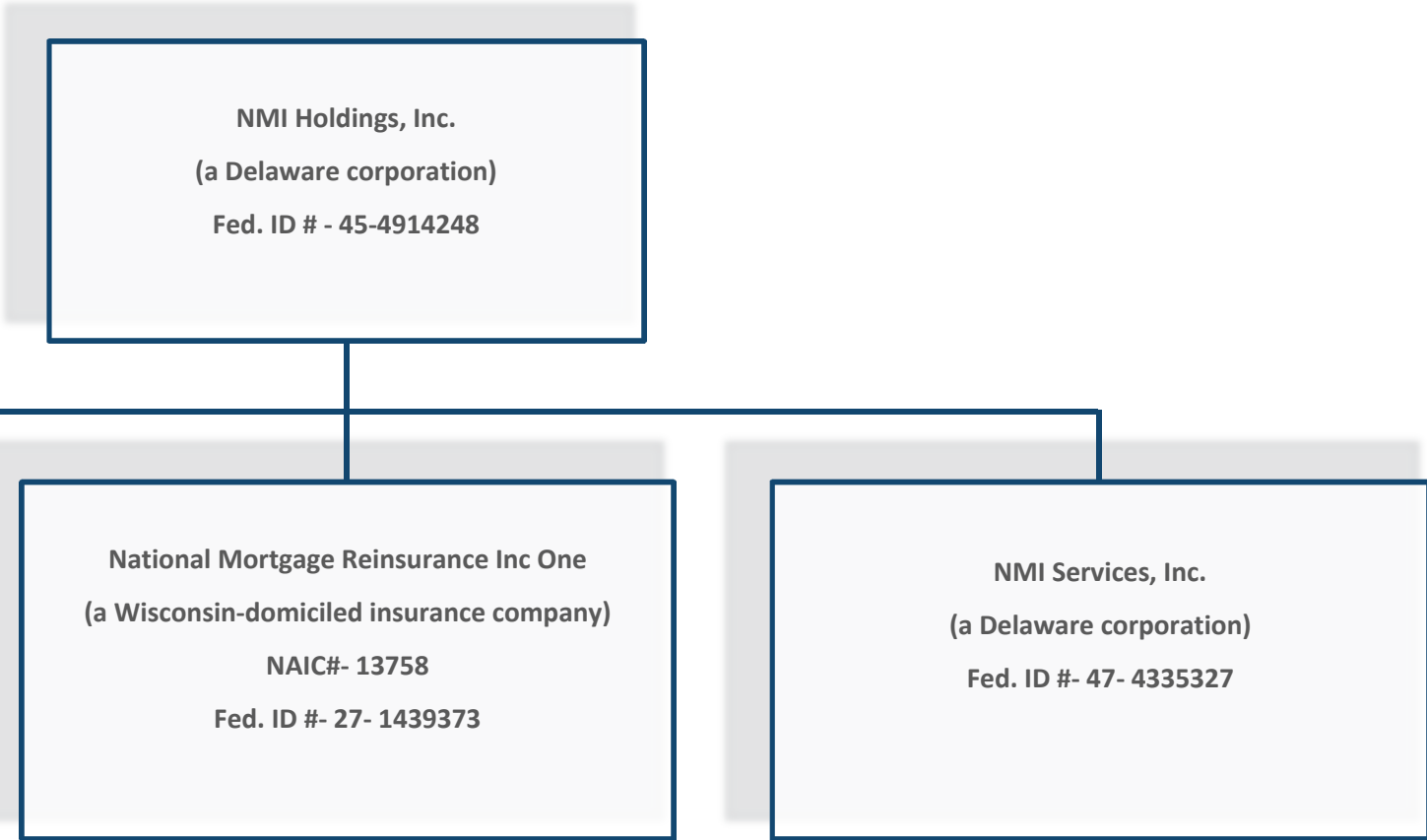
Q Qualified - Qualified or accredited reinsurer

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					N	
4760	NMI Holdings Grp	13695	27-0471418	.....		National Mortgage Insurance Corporation	NMI Holdings, Inc.	WI	RE	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	
4760	NMI Holdings Grp	13758	27-1439373	.....		National Mortgage Reinsurance Inc One	NMI Holdings, Inc.	WI	IA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	
4760	NMI Holdings Grp	00000	47-4335327	.....		NMI Services, Inc	NMI Holdings, Inc.	DE	NIA	NMI Holdings, Inc.	Ownership	100.0	NMI Holdings, Inc.	N	

Asterisk	Explanation
0000001
0000002

STATEMENT AS OF **September 30, 2018** 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	210,725,443	4,376,585	2.077	2.868
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	210,725,443	4,376,585	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	73,607,324	210,451,643	142,134,038
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	73,607,324	210,451,643	142,134,038
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

PART 3 (000 omitted)
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2015 + Prior	50		50								(50)		(50)
2. 2016	613		613								(613)		(613)
3. Subtotals 2016 + Prior	663		663								(663)		(663)
4. 2017	5,562	458	6,020	1,723		1,723	3,277			3,277	(562)	(458)	(1,020)
5. Subtotals 2017 + Prior	6,225	458	6,683	1,723		1,723	3,277			3,277	(1,225)	(458)	(1,683)
6. 2018	X X X	X X X	X X X	X X X			X X X	4,173	826	4,999	X X X	X X X	X X X
7. Totals	6,225	458	6,683	1,723		1,723	3,277	4,173	826	8,276	(1,225)	(458)	(1,683)
8. Prior Year-End Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1 Line 7 1..... (19.679)	Col. 12, Line 7 As % of Col. 2 Line 7 2..... (100.000)	Col. 13, Line 7 As % of Col. 3 Line 7 3..... (25.183)
													Col. 13, Line 7 Line 8 4.....

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:

1. Not Applicable.
2. Not Applicable.
3. Not Applicable.
4. Not Applicable.

Bar Codes:

Trusteed Surplus Statement



Supplement A to Schedule T



Medicare Part D Coverage Supplement



Director and Officer Supplement



STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
0597. Summary of remaining write-ins for Line 5 (Lines 0504 through 0596)
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)
3704. Other
3797. Summary of remaining write-ins for Line 37 (Lines 3704 through 3796)

STATEMENT AS OF **September 30, 2018** OF THE **National Mortgage Insurance Corporation**
SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	624,044,345	507,702,041
2. Cost of bonds and stocks acquired	287,760,458	198,538,421
3. Accrual of discount	250,677	382,214
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	3,794	355,195
6. Deduct consideration for bonds and stocks disposed of	122,492,518	81,002,752
7. Deduct amortization of premium	1,258,419	1,787,167
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		143,607
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	182,499	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	788,490,836	624,044,345
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	788,490,836	624,044,345

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)	632,629,584	116,496,945	94,791,949	(302,424)	542,830,362	632,629,584	654,032,156	524,779,498
2. NAIC 2 (a)	130,131,467	19,121,646	709,186	2,898,970	112,945,344	130,131,467	151,442,897	101,580,333
3. NAIC 3 (a)	2,903,955			(2,903,955)	2,911,539	2,903,955		2,919,107
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	765,665,006	135,618,591	95,501,135	(307,409)	658,687,245	765,665,006	805,475,053	629,278,938
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	765,665,006	135,618,591	95,501,135	(307,409)	658,687,245	765,665,006	805,475,053	629,278,938

(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 \$.....16,984,213; 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	1,490,608	X X X	1,490,608		

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	42,795,825
2. Cost of short-term investments acquired	1,490,608	187,379,292
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	5,234,589	224,940,528
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)	1,490,608	5,234,589
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,490,608	5,234,589

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	11,036,309	.....
2.	Cost of cash equivalents acquired	383,745,277	42,027,063
3.	Accrual of discount .....	.....	.....
4.	Unrealized valuation increase (decrease) .....	.....	.....
5.	Total gain (loss) on disposals .....	.....	.....
6.	Deduct consideration received on disposals	371,742,484	30,990,754
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)	23,039,102	11,036,309
11.	Deduct total nonadmitted amounts .....	.....	.....
12.	Statement value at end of current period (Line 10 minus Line 11)	23,039,102	11,036,309

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
201824208	U. S. MORTGAGE GUARANTY INSURANCE		08/31/2018	DIRECT	X X X	1,000	1,000		1
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,000	1,000		X X X
Bonds - U.S. States, Territories and Possessions									
20772KER6	CONNECTICUT ST		09/01/2018	SIEBERT BRANDFORD SHANK & CO	X X X	2,023,060	2,000,000		1FE
20772KES4	CONNECTICUT ST		09/01/2018	SIEBERT BRANDFORD SHANK & CO	X X X	3,057,780	3,000,000		1FE
1799999 Subtotal - Bonds - U.S. States, Territories and Possessions					X X X	5,080,840	5,000,000		X X X
Bonds - U.S. Special Revenue, Special Assessment									
59333P3L0	MIAMI-DADE CNTY FLA AVIATION R		08/16/2018	CHASE SECURITIES	X X X	2,290,000	2,290,000		1FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	2,290,000	2,290,000		X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
65557CAY9	NORDEA BK AB MTN 144A	C	08/22/2018	GOLDMAN SACHS & COMPANY	X X X	1,997,300	2,000,000		1FE
65557CAZ6	NORDEA BK AB MTN 144A	C	08/22/2018	GOLDMAN SACHS & COMPANY	X X X	3,000,000	3,000,000		1FE
00912XBE3	AIR LEASE CORP		09/10/2018	CHASE SECURITIES	X X X	3,971,600	4,000,000		2FE
05377RCV4	AVIS BUD RENTAL FDG 2017-2		09/27/2018	GOLDMAN SACHS & COMPANY	X X X	1,457,930	1,500,000	1,526	1FE
06051GHL6	BANK AMER CORP		09/19/2018	BNP PARIBAS	X X X	3,997,920	4,000,000	24,901	1FE
14913Q2P3	CATERPILLAR FINL SVCS MTNS BE		09/04/2018	CHASE SECURITIES	X X X	2,000,000	2,000,000		1FE
20268MAA4	CBSLT 18BGS A1 144A		07/26/2018	WELLS FARGO	X X X	3,299,824	3,300,000		1FE
20826JAA6	CONNS RECV FDG LLC 144A		08/09/2018	CREDIT SUISSE SECURITIES (USA)	X X X	3,239,870	3,240,000		2AM
21052NAA0	CONSUMER LOAN UNDERLYING BOND CLUB		09/18/2018	CHASE SECURITIES	X X X	4,999,989	5,000,000		1FE
24422EUJ6	DEERE JOHN CAP CORP MTNS BE		09/05/2018	GOLDMAN SACHS & COMPANY	X X X	2,000,000	2,000,000		1FE
31677QBM0	FIFTH THIRD BK CIN OHIO MTN BE		07/23/2018	MORGAN STANLEY & CO.	X X X	4,000,000	4,000,000		1FE
41284LAA2	HARLEY MARINE FING LLC 2018-1 144A		07/23/2018	GUGGENHEIM CAPITAL MARKETS	X X X	1,712,743	1,721,350	2,717	2FE
518887AB0	LAUREL RD PRIME SL TR 2017 144A		09/26/2018	BANK OF AMERICA SEC LLC	X X X	8,235,056	8,469,284	1,955	1FE
677050AC0	OGLETHORPE PWR CORP 144A		08/27/2018	ROBERT W. BAIRD	X X X	6,835,200	6,000,000	59,158	1FE
70466WAA7	PEACHTREE CORNERS FDG TR 144A		09/06/2018	BARCLAYS CAPITAL INC	X X X	1,966,860	2,000,000	5,522	2AM
74456QBW5	PUBLIC SVC ELEC GAS CO MTN BE		09/05/2018	MITSUBISHI SECURITIES	X X X	3,992,920	4,000,000		1FE
75951AAJ7	RELIANCE STD LIFE GLOB FDG II 144A		09/12/2018	CREDIT SUISSE SECURITIES (USA)	X X X	7,995,680	8,000,000		1FE
78490DAB0	SOFI PRFSSNAL LN PRGRM 144A 2018-C		08/07/2018	DEUTSCHE BANK SECURITIES	X X X	7,346,432	7,350,000		1FE
913017DD8	UNITED TECHNOLOGIES CORP		09/19/2018	GOLDMAN SACHS & COMPANY	X X X	3,976,960	4,000,000	15,361	2FE
92887MAB2	Volvo Financial Equipment Master O		07/24/2018	WELLS FARGO	X X X	5,000,000	5,000,000		1FE
959802AX7	WESTERN UN CO		08/21/2018	VARIOUS	X X X	4,253,613	4,250,000	36,125	2FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	85,279,897	84,830,634	147,265	X X X
8399997 Subtotal - Bonds - Part 3					X X X	92,651,737	92,121,634	147,265	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	92,651,737	92,121,634	147,265	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	92,651,737	X X X	147,265	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 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
9799999	Subtotal - Common Stocks				XXX		XXX													XXX	XXX	
9899999	Subtotal - Preferred and Common Stocks				XXX		XXX													XXX	XXX	
9999999	Total - Bonds, Preferred and Common Stocks				XXX	41,889,297	XXX	41,836,960	26,597,324		(30,306)		(30,306)		41,760,691		(13,894)	(13,894)		921,050	XXX	XXX

(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					3,677,717	5,442,831	8,287,027	X X X
Wells Fargo Bank	San Francisco, CA					667,756	351,999	299,350	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			4,345,473	5,794,830	8,586,376	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			4,345,473	5,794,830	8,586,376	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			4,345,473	5,794,830	8,586,376	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Cusip	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Bonds - U.S. Governments - Issuer Obligations								
	UNITED STATES TREAS BILLS		09/27/2018	0.000	10/04/2018	14,995,138	2,778	
0199999	Subtotals - Bonds - U.S. Governments - Issuer Obligations							
0599999	Subtotals - Bonds - U.S. Governments							
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations								
	NEXTERA ENERGY CAPITAL DISC C/P CP		08/23/2018	0.000	10/10/2018	498,467	1,245	
3299999	Subtotals - Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							
3899999	Subtotals - Bonds - Industrial & Miscellaneous (Unaffiliated)							
7799999	Subtotals - Bonds - Total Bonds - Issuer Obligations							
7899999	Subtotals - Bonds - Total Bonds - Residential Mortgage-Backed Securities							
7999999	Subtotals - Bonds - Total Bonds - Commercial Mortgage-Backed Securities							
8099999	Subtotals - Bonds - Total Bonds - Other Loan-Backed and Structured Securities							
8199999	Subtotals - Bonds - SVO Identified Funds							
8399999	Subtotals - Bonds - Total Bonds							
8499999	Subtotals - Sweep Accounts							
Exempt Money Market Mutual Funds - as Identified by SVO								
09248U551	BLACKROCK LIQUIDITY FDS		09/01/2018	0.000	X X X	1,406,381		4,413
31846V419	FIRST AMERN FDS INC		07/01/2018	0.000	X X X			363
94975H296	WELLS FARGO FDS TR	SD	09/05/2018	0.000	X X X	25,172		238
8599999	Subtotals - Exempt Money Market Mutual Funds - as Identified by SVO							
All Other Money Market Mutual Funds								
177366200	CITIZENSSELECT FDS		09/04/2018	0.000	X X X	250		932
269999280	EAGLE BANK SWEEP TIER 1 FRB		09/01/2018	0.000	X X X	37,248		119
8AMMF0416	US BANK MONEY MARKET (MMDA) IT&C		09/01/2018	0.000	X X X	6,652		858
993086123	WFB INST BANK DEPOSIT ACCOUNT		07/11/2018	0.000	X X X			103,544
996085254	DREYFUS CASH MGMT FUND		06/01/2018	0.000	X X X			336
999999998	FIRST REPUBLIC BANK MONEY MARKET		06/01/2018	0.000	X X X			868
VP4520012	WELLS FARGO 100% TREASURY MONEY MA		09/28/2018	0.000	X X X	6,069,795	36,915	50,861
8699999	Subtotals - All Other Money Market Mutual Funds							
8799999	Subtotals - Other Cash Equivalents							
8899999	Total - Cash Equivalents							

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