



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

MUNICIPAL ASSURANCE CORP.

NAIC Group Code 0194 (Current Period) 0194 (Prior Period) NAIC Company Code 13559 Employer's ID Number 26-2999764

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

Country of Domicile United States

Incorporated/Organized 08/21/2008 Commenced Business 10/20/2008

Statutory Home Office 1633 Broadway (Street and Number) New York, NY, US 10019 (City or Town, State, Country and Zip Code)

Main Administrative Office 1633 Broadway (Street and Number) New York, NY, US 10019 (City or Town, State, Country and Zip Code) 212-974-0100 (Area Code) (Telephone Number)

Mail Address 1633 Broadway (Street and Number or P.O. Box) New York, NY, US 10019 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1633 Broadway (Street and Number) New York, NY, US 10019 (City or Town, State, Country and Zip Code) 212-974-0100 (Area Code) (Telephone Number)

Internet Web Site Address www.assuredguaranty.com

Statutory Statement Contact John Mahlon Ringler (Name) 212-974-0100 (Area Code) (Telephone Number) (Extension) 212-581-3268 (Fax Number)

jringler@agltd.com (E-Mail Address)

OFFICERS

Name	Title	Name	Title
Dominic John Frederico	President & Chief Executive Officer	James Michael Michener	Executive Vice President & Secretary
Donald Hal Paston	Treasurer		

OTHER OFFICERS

Howard Wayne Albert	Chief Risk Officer	Robert Adam Bailenson	Chief Financial Officer
Laura Ann Bieling	Controller	Russell Brown Brewer II	Chief Surveillance Officer
Gon Ling Chow	U.S. General Counsel & Asst. Secretary	Stephen Donnarumma	Chief Credit Officer
John Mahlon Ringler	Vice President Regulatory Reporting	Benjamin Gad Rosenblum	Chief Actuary
Bruce Elliot Stern	Executive Officer		

DIRECTORS OR TRUSTEES

Howard Wayne Albert	Robert Adam Bailenson	Russell Brown Brewer II	Gon Ling Chow
Stephen Donnarumma	Dominic John Frederico	James Michael Michener	Donald Hal Paston
Benjamin Gad Rosenblum	Bruce Elliot Stern		

State of New York.

County of New York.

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.

Dominic John Frederico President & Chief Executive Officer

James Michael Michener Executive Vice President & Secretary

Donald Hal Paston Treasurer

Subscribed and sworn to before me this 10th day of May, 2017

Eileen M. Lanzisera

EILEEN M. LANZISERA
Notary Public, State of New York
No. 01LA4728044
Qualified in Nassau County
Commission Expires Jan. 31, 2019

- 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

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

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	1,034,335,607		1,034,335,607	1,041,139,558
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$581,583), cash equivalents (\$12,095,211) and short-term investments (\$99,999)	12,776,794		12,776,794	19,183,711
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	25,577,338		25,577,338	25,577,338
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,072,689,739	0	1,072,689,739	1,085,900,607
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	13,894,588		13,894,588	12,791,741
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	31,579		31,579	86,561
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	7,390,053	2,784,054	4,605,999	6,040,542
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	8,125	8,125	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,094,014,084	2,792,179	1,091,221,905	1,104,819,451
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	1,094,014,084	2,792,179	1,091,221,905	1,104,819,451
DETAILS OF WRITE-INS				
1101.			0	0
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Assets	8,125	8,125	0	0
2502.			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	8,125	8,125	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)		0
2. Reinsurance payable on paid losses and loss adjustment expenses	4,129	4,226
3. Loss adjustment expenses		0
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	790,031	930,968
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	32,896	(47,166)
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	19,768,364	14,648,899
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$2,421,000 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	309,840,328	332,918,398
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (including \$ certified)	2,421,000	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	3,689,355	8,905,587
20. Derivatives	0	0
21. Payable for securities	1,181,347	0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	267,273,228	260,512,043
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	605,000,678	617,872,955
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	605,000,678	617,872,955
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	373,670,408	373,670,408
35. Unassigned funds (surplus)	97,550,819	98,276,088
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	486,221,227	486,946,496
38. Totals (Page 2, Line 28, Col. 3)	1,091,221,905	1,104,819,451
DETAILS OF WRITE-INS		
2501. Contingency Reserve.....	267,232,728	260,496,770
2502. Miscellaneous Liability.....	40,500	15,273
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	267,273,228	260,512,043
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 1,118,760)	86,069	48,380	314,459
1.2 Assumed (written \$ 31,579)	21,721,341	26,926,719	140,136,141
1.3 Ceded (written \$ 3,231,000)	810,000	807,750	3,231,000
1.4 Net (written \$ (2,080,661))	20,997,410	26,167,349	137,219,600
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	0	0	0
2.2 Assumed	(1,503)	0	(7,107)
2.3 Ceded		0	0
2.4 Net	(1,503)	0	(7,107)
3. Loss adjustment expenses incurred	5,632	0	13,037
4. Other underwriting expenses incurred	4,762,427	4,963,619	18,661,430
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	4,766,556	4,963,619	18,667,360
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	16,230,854	21,203,730	118,552,240
INVESTMENT INCOME			
9. Net investment income earned	7,537,247	9,744,656	31,753,639
10. Net realized capital gains (losses) less capital gains tax of \$ 17,677	32,830	13,089	8,937,557
11. Net investment gain (loss) (Lines 9 + 10)	7,570,077	9,757,745	40,691,196
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	8	0	(6)
15. Total other income (Lines 12 through 14)	8	0	(6)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	23,800,939	30,961,475	159,243,430
17. Dividends to policyholders		0	0
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)	23,800,939	30,961,475	159,243,430
19. Federal and foreign income taxes incurred	5,101,788	6,817,049	17,645,980
20. Net income (Line 18 minus Line 19)(to Line 22)	18,699,151	24,144,426	141,597,450
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	486,946,496	729,507,549	729,507,549
22. Net income (from Line 20)	18,699,151	24,144,426	141,597,450
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0	0
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	(1,587,381)	(1,269,072)	(4,647,958)
27. Change in nonadmitted assets	3,341,141	(768,816)	(1,206,566)
28. Change in provision for reinsurance	(2,421,000)	(2,423,500)	0
29. Change in surplus notes	0	0	(400,000,000)
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(12,000,000)	0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(6,757,180)	(8,094,344)	21,696,021
38. Change in surplus as regards policyholders (Lines 22 through 37)	(725,269)	11,588,694	(242,561,053)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	486,221,227	741,096,243	486,946,496
DETAILS OF WRITE-INS			
0501.		0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	8	0	(6)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	8	0	(6)
3701. Change in Contingency Reserve	(6,735,958)	(8,094,344)	21,696,021
3702. Change in Accounting	(21,222)		
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(6,757,180)	(8,094,344)	21,696,021

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.....	1,149,677	(2,733,366)	(1,980,415)
2. Net investment income	10,296,555	14,217,248	55,598,179
3. Miscellaneous income	8	0	(6)
4. Total (Lines 1 to 3)	11,446,240	11,483,882	53,617,758
5. Benefit and loss related payments	0	0	(7,107)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	10,012,830	7,871,429	18,025,133
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	27,296,606
10. Total (Lines 5 through 9)	10,012,830	7,871,429	45,314,632
11. Net cash from operations (Line 4 minus Line 10)	1,433,410	3,612,453	8,303,126
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	23,464,385	28,302,825	198,849,664
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	234
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	23,464,385	28,302,825	198,849,898
13. Cost of investments acquired (long-term only):			
13.1 Bonds	19,304,712	18,012,060	40,548,870
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	10,577,338
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	19,304,712	18,012,060	51,126,208
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	4,159,673	10,290,765	147,723,690
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	(141,181,657)
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	12,000,000	0	0
16.6 Other cash provided (applied).....	0	0	1
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(12,000,000)	0	(141,181,656)
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)	(6,406,917)	13,903,218	14,845,160
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	19,183,711	4,338,551	4,338,551
19.2 End of period (Line 18 plus Line 19.1)	12,776,794	18,241,769	19,183,711

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

1. Summary of Significant Accounting Policies and Going Concern

- A. Accounting Practices
- The financial statements of Municipal Assurance Corp. (the “Company” or “MAC”), are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (“NYSDFS”). The NYSDFS recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the New York Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of New York. The NYSDFS has the right to permit other specific practices that deviate from prescribed practices.

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

	SSAP #	F/S Page	F/S Line #	Three Months Ended March 31, 2017	Year Ended December 31, 2016
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)				\$ 18,699,151	\$ 141,597,450
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None				—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
None				—	—
(4) NAIC SAP (1-2-3=4)				\$ 18,699,151	\$ 141,597,450
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)				\$ 486,221,227	\$ 486,946,496
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None				—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
None				—	—
(8) NAIC SAP (5-6-7=8)				\$ 486,221,227	\$ 486,946,496

- B. Use of Estimates in the Preparation of the Financial Statements
- There has been no significant change since the 2016 Annual Statement.
- C. Accounting Policies
- There has been no significant change since the 2016 Annual Statement.
- D. Going Concern
- There are currently no conditions or events to cause management to have any substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

There has been no change since the 2016 Annual Statement.

3. Business Combinations and Goodwill

There has been no change since the 2016 Annual Statement.

4. Discontinued Operations

There has been no change since the 2016 Annual Statement.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – The Company did not hold investments in mortgage loans at March 31, 2017.
- B. Debt restructuring – The Company has no investments in restructured debt in which the Company is a creditor at March 31, 2017.
- C. Reverse mortgages – The Company did not hold reverse mortgages as investments at March 31, 2017.
- D. Loan-Backed Securities
1. Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
2. The Company had no loan-backed securities with other-than-temporary impairments ("OTTI") due to either the intent to sell the securities or the inability or lack of intent to retain for the time sufficient to recover the amortized cost basis.
3. The Company had no loan-backed securities with current year OTTI that resulted from the present value of projected cash flows expected to be collected being less than the amortized cost of the securities.
4. The following summarizes gross unrealized investment losses on loan-backed securities by the length of time that securities have continuously been in an unrealized loss position.
- a. The aggregate amount of unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ (35,458)	\$ —
Total	1. \$ (35,458)	2. \$ —

- b. The aggregate related fair value of securities with unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ 1,279,277	\$ —
Total	1. \$ 1,279,277	2. \$ —

5. All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position at March 31, 2017, the Company has not made a decision

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

to sell any such securities and does not intend to sell such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. This unrealized loss is primarily attributable to an increase in interest rates since acquisition, market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.

- E. Repurchase Agreements – The Company did not enter into repurchase agreements at March 31, 2017.
- F. Real Estate – The Company did not hold investments in real estate, recognize any real estate impairments, or engage in any retail land sales at March 31, 2017.
- G. Low Income Housing Tax Credits (LIHTC) – The Company did not hold investments in LIHTC at March 31, 2017.
- H. Restricted Assets

(1) Restricted assets (including pledged) summarized by restricted asset category

Restricted Asset Category		Gross (Admitted & Nonadmitted) Restricted							8	9	Percentage	
		Current Year					6	7			10	11
		1	2	3	4	5						
		Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)						
(a)	Subj to contractual oblig by which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—%	—%	
(b)	Collateral held under sec. lending arrangements				—		—			—%	—%	
(c)	Subject to repurchase agreements				—		—			—%	—%	
(d)	Subject to reverse repurchase agreements				—		—			—%	—%	
(e)	Subject to dollar repurchase agreement				—		—			—%	—%	
(f)	Subject to dollar reverse repurchase agreement				—		—			—%	—%	
(g)	Placed under option contracts				—		—			—%	—%	
(h)	Letter stock or securities restricted as to sale - excl. FHLB capital stock				—	—	—			—%	—%	
(i)	FHLB capital stock				—		—			—%	—%	
(j)	On deposit with state	3,983,440			3,983,440	4,016,843	(33,403)		3,983,440	0.4%	0.4%	
(k)	On deposit with other regulatory bodies				—		—			—%	—%	
(l)	Pledged as collateral to FHLB (incl. assets backing funding agreement)				—		—			—%	—%	
(m)	Pledged as collateral not captured in other categories	—			—	3,266,901	(3,266,901)	—	—	—%	—%	
(n)	Other restricted assets				—		—			—%	—%	
(o)	Total restricted assets	\$ 3,983,440	\$ —	\$ —	\$ 3,983,440	\$ 7,283,744	\$ (3,300,304)	\$ —	\$ 3,983,440	0.4%	0.4%	

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of assets pledged as collateral not captured in other categories (reported on line m above)

Collateral Agreement	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)					
Collateral pledged for reinsurance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,266,901	\$ (3,266,901)	\$ —	—%	—%
Total (c)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,266,901	\$ (3,266,901)	\$ —	—%	—%

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively

(3) Detail of other restricted assets (reported on line n above)

Other Restricted Assets	Gross (Admitted & Nonadmitted) Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
					—		—		—%	—%	
				NONE	—		—		—%	—%	
Total (c)	—	—	—	—	—	—	—	—	—%	—%	

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)n Columns 9 through 11 respectively

- (4) The Company does not have collateral received and reflected as assets within its financial statements.
- I. Working Capital Finance Investments ("WCFI")– The Company did not hold investments for WCFI at March 31, 2017.
- J. Offsetting and Netting of Assets and Liabilities - The Company has no derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities that are offset and reported net in accordance to SSAP No. 64 at March 31, 2017.
- K. Structured Notes - The following table separately identifies structured notes on a cusip basis, with information by cusip for actual cost, fair value, book/adjusted carrying value, and whether the structured note is a mortgage referenced security:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (YES/NO)
179093-FF-1	\$ 10,821,000	\$ 10,081,300	\$ 10,045,100	NO
592247-H9-4	12,406,240	15,375,640	14,545,807	NO
592247-M2-3	1,805,300	2,215,200	1,988,853	NO
592247-N9-7	4,380,250	5,466,300	5,175,674	NO
592248-EH-7	200,380	183,434	182,819	NO
592248-EJ-3	513,718	473,919	472,079	NO
592248-EK-0	186,607	241,619	203,980	NO
592248-EN-4	912,840	834,448	832,841	NO
592248-EP-9	1,143,437	1,053,413	1,050,756	NO
592248-EQ-7	2,089,093	2,556,974	2,283,580	NO
837227-D5-3	1,073,570	1,040,200	1,016,554	NO
837227-D6-1	1,070,870	1,039,590	1,015,964	NO
Total	\$ 36,603,305	\$ 40,562,037	\$ 38,814,007	XXX

- L. 5* Securities - The Company did not hold investments in 5* investments at March 31, 2017.

6. Joint Ventures, Partnerships and Limited Liability Companies

There has been no change since the 2016 Annual Statement.

7. Investment Income

- A. Accrued Investment Income
Accrued investment income was \$13,894,588 on March 31, 2017 and \$12,791,741 on December 31, 2016. There are no amounts due and accrued over 90 days included in these balances.
- B. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

8. Derivative Instruments

There has been no change since the 2016 Annual Statement.

9. Income Taxes

There has been no significant change since the 2016 Annual Statement.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A, C through N. There has been no significant change from the 2016 Annual Statement.
- B. Transactions with Affiliates
The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:
 - 1. The Company made dividend payments of \$12 million in the first quarter of 2017 to Municipal Assurance Holdings Inc. (the "Parent" or "MAC Holdings").

11. Debt

There has been no change since the 2016 Annual Statement.

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

There has been no change since the 2016 Annual Statement.

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

- 1 through 3, 6 through 13. There has been no significant change since the 2016 Annual Statement.
- 4. The Company paid dividends to its parent, MAC Holdings, of \$12 million on March 17, 2017.
- 5. Under New York insurance law, MAC may only pay dividends out of "earned surplus", which is the portion of a company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets. MAC may pay dividends without the prior approval of the New York Superintendent of Financial Services ("New York Superintendent") that, together with all dividends declared or distributed by it during the preceding 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the last annual or quarterly statement filed with the New York Superintendent) or 100% of its adjusted net investment income during that period. The maximum amount available during 2017 for MAC to distribute as dividends without regulatory approval is estimated to be approximately \$49 million, of which approximately \$37 million is available for distribution in the second quarter of 2017. MAC currently intends to allocate the distribution of such \$37 million over the remaining three quarters in 2017.

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

14. Liabilities, Contingencies and Assessments

There has been no change since the 2016 Annual Statement.

15. Leases

There has been no change since the 2016 Annual Statement.

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

The Company provides insurance for public finance obligations. Total net principal and interest exposure at March 31, 2017 was \$57.2 billion.

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

- A. The Company has not sold or transferred any receivables during the first three months of 2017.
- B. The Company has not transferred or serviced any financial assets during the first three months of 2017.
- C. The Company did not engage in any wash sale transactions during the first three months of 2017.

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

There has been no change since the 2016 Annual Statement.

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

There has been no change since the 2016 Annual Statement.

20. Fair Value

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The Company has not recorded any securities at fair value as of March 31, 2017. In general, and if applicable, the Company categorizes its assets and liabilities that are reported on the balance sheet at fair value into the three-level hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

- Level 1 – Quoted prices for identical instruments in active markets. The Company generally defines an active market as a market in which trading occurs at significant volumes. Active markets generally are more liquid and have a lower bid-ask spread than an inactive market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and observable inputs other than quoted prices, such as interest rates or yield curves and other inputs derived from or corroborated by observable market inputs.
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation. The Company has no assets and liabilities in this category.

An asset or liability's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The Company has no assets or liabilities measured at fair value.

Cash and Short-Term Investments

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost.

Bonds

Bonds with an NAIC designation of 1 and 2 are carried at amortized cost while bonds with an NAIC designation of 3 through 6 are carried at the lower of cost or fair value. The Company had no bonds carried at fair value at March 31, 2017.

The fair value of bonds in the investment portfolio is generally based on prices received from third party pricing services or alternative pricing sources with reasonable levels of price transparency. The pricing services prepare estimates of fair value measurements using their pricing models, which include available relevant market information, benchmark curves, benchmarking of like securities, and sector groupings. Additional valuation factors that can be taken into account are nominal spreads and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news. The market inputs used in the pricing evaluation include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. Benchmark yields have in many cases taken priority over reported trades for securities that trade less frequently or those that are distressed trades, and therefore may not be indicative of the market. The extent of the use of each input is dependent on the asset class and the market conditions. Given the asset class, the priority of the use of inputs may change or some market inputs may not be relevant. Additionally, the valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction would occur.

2. Rollforward of Level 3 Items

Not Applicable

3. Policy on transfers into and out of Level 3

If applicable, transfers in and out of Level 3 are recognized at the end of the quarter when the Company evaluates whether securities with unobservable inputs need to be carried at fair value. There were no transfers between levels at March 31, 2017.

4. Inputs and Techniques Used for Level 3 Fair Values

Not Applicable

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

5. Derivative Fair Values

The Company does not own derivatives at March 31, 2017.

B. Other Fair Value Disclosures

The fair value of the Company's financial guaranty contracts accounted for as insurance was approximately \$319 million at March 31, 2017 and was based on management's estimate of what a similarly rated financial guaranty insurance company would demand to acquire the Company's in-force book of financial guaranty insurance business. This amount was based on the pricing assumptions management has observed for portfolio transfers and acquisitions that have occurred in the financial guaranty market and included adjustments to the carrying value of unearned premium reserve for stressed losses, ceding commissions and return on capital. The significant inputs were not readily observable. The Company accordingly classified this fair value measurement as Level 3.

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

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
(in thousands)						
Bonds	\$ 1,064,159,843	\$ 1,034,335,607	\$ —	\$ 1,064,159,843	\$ —	\$ —
Cash, cash equivalents and short-term investments	12,776,800	12,776,794	7,777,805	4,998,995	—	—
Other invested assets	25,577,338	25,577,338	25,577,338	—	—	—
Total assets	\$ 1,102,513,981	\$ 1,072,689,739	\$ 33,355,143	\$ 1,069,158,838	\$ —	\$ —

D. Financial Instruments for Which it is Not Practical to Estimate Fair Values

Not applicable

21. Other Items

There is no change from the 2016 Annual Statement.

22. Events Subsequent

Subsequent events have been considered through May 11, 2017 for these statutory financial statements which are to be issued on May 11, 2017. There were no material events occurring subsequent to March 31, 2017 that have not already been disclosed in these financial statements.

23. Reinsurance

A. The Company has no unsecured reinsurance recoverable at March 31, 2017.

B. The Company has no reinsurance recoverable in dispute at March 31, 2017.

C. Reinsurance Assumed and Ceded

The following table summarizes assumed and ceded unearned premiums and the related commission equity at March 31, 2017:

	Assumed Reinsurance		Ceded Reinsurance		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. AFFILIATES	\$ 301,300,698	\$ 0	\$ 0	\$ 0	\$ 301,300,698	\$ 0
b. ALL OTHER	0	—	2,421,000	0	(2,421,000)	0
c. TOTAL	301,300,698	—	2,421,000	0	298,879,698	0
d. Direct Unearned Premium Reserve			\$ 10,960,630			

D. The Company has no uncollectible reinsurance at March 31, 2017.

E. The Company has no commutations and reassumptions of ceded business at March 31, 2017.

F. The Company has no retroactive reinsurance in effect at March 31, 2017.

G. The Company does not utilize the deposit method to account for any of its reinsurance transactions at March 31, 2017.

H. The Company has no run-off agreements at March 31, 2017.

I. The Company has no certified reinsurance downgraded or status subject to revocation at March 31, 2017.

J. The Company has no reinsurance agreements qualifying for reinsurer aggregation at March 31, 2017.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There is no change from the 2016 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss expenses attributable to insured events of prior years were \$3,810 for the first three months of 2017. The current year increase is a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

There is no change from the 2016 Annual Statement.

27. Structured Settlements

There is no change from the 2016 Annual Statement.

STATEMENT AS OF MARCH 31, 2017 OF MUNICIPAL ASSURANCE CORP.

28. **Health Care Receivables**
There is no change from the 2016 Annual Statement.

29. **Participating Policies**
There is no change from the 2016 Annual Statement.

30. **Premium Deficiency Reserves**
There is no change from the 2016 Annual Statement.

31. **High Deductibles**
There is no change from the 2016 Annual Statement.

32. **Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**
There is no change from the 2016 Annual Statement.

33. **Asbestos and Environmental Reserves**
There is no change from the 2016 Annual Statement.

34. **Subscriber Savings Accounts**
There is no change from the 2016 Annual Statement.

35. **Multiple Peril Crop Insurance**
There is no change from the 2016 Annual Statement.

36. **Financial Guaranty Insurance**
A. There is no significant change from the 2016 Annual Statement.

B. Schedule of BIG insured financial obligations as of March 31, 2017:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(Dollars in Thousands)			
1. Number of risks	18			18
2. Remaining weighted-average contract period (in yrs)	11.7			11.7
Insured contractual payments outstanding:				
3a. Principal	\$ 278,186	\$ —	\$ —	\$ 278,186
3b. Interest	181,694	—	—	181,694
3c. Total	\$ 459,880	\$ —	\$ —	\$ 459,880
4. Gross claim liability	\$ —	\$ —	\$ —	\$ —
Less:				
5a1. Gross potential recoveries - subrogation	—	—	—	—
5a2. Ceded claim liability	—	—	—	—
5a. Total gross potential recoveries	\$ —	\$ —	\$ —	\$ —
5b. Discount, net	—	—	—	—
6. Net claim liability	\$ —	\$ —	\$ —	\$ —
7. Unearned premium revenue	\$ 3,188	\$ —	\$ —	\$ 3,188
8. Reinsurance recoverables	\$ —	\$ —	\$ —	\$ —

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 ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 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 ☒
- 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 ☒ 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 ☐
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.

Assured Guaranty Corp. purchased Assured Guaranty (London) Ltd., formerly MBIA UK Insurance Limited
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 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	2	3
Name of Entity	NAIC Company Code	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 ☐ NA ☒
- 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.

06/30/2012
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/27/2013
- 6.4

By what department or departments?

New York State Department of Financial Services
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 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 ☒
- 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 ☒
- 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 ☒
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

GENERAL INTERROGATORIES

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?
(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.

Yes [X] No []

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:.....\$

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:\$

13.

Amount of real estate and mortgages held in short-term investments:\$

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No []

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 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	2
Name of Custodian(s)	Custodian Address
The Bank of New York Mellon.....	One Wall Street, New York, NY 10286.....

- 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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2
Name of Firm or Individual	Affiliation
Blackrock Financial Management Inc.....	U.....
General Re-New England Asset Management Inc.....	U.....
Wellington Management Company LLP.....	U.....
Goldman Sachs Asset Management, L.P.....	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	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
107-105.....	Blackrock Financial Management Inc.....	549300LVXYIVJKE13M84.....	Securities and Exchange Commission.....	NO.....
105-900.....	General Re-New England Asset Management Inc.....	KUR85E5PS4GQFZTFC130.....	Securities and Exchange Commission.....	NO.....
106-595.....	Wellington Management Company LLP.....	549300YHP12TEZNL CX41.....	Securities and Exchange Commission.....	NO.....
107-738.....	Goldman Sachs Asset Management, L.P.....	CF5M58QA35CFPUX70H17.....	Securities and Exchange Commission.....	NO.....

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?
- Yes ☒ No ☐

- 18.2 If no, list exceptions:
-

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] NA [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:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
						0				0
TOTAL			0	0	0	0	0	0	0	0

5. Operating Percentages:
5.1 A&H loss percent %
5.2 A&H cost containment percent %
5.3 A&H expense percent excluding cost containment expenses %

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..... \$
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..... \$

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

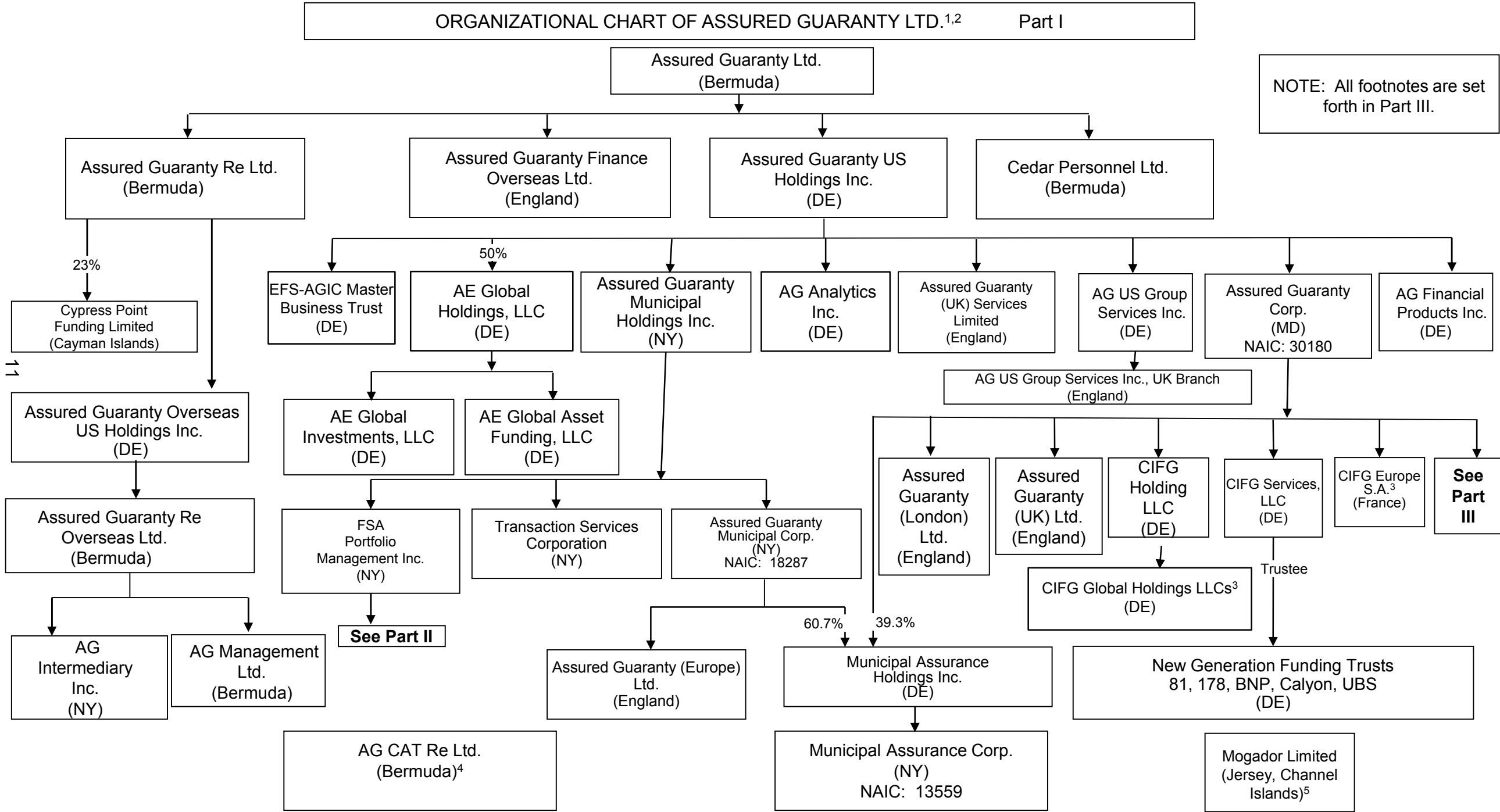
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date – Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L		.0		.0		.0
2. Alaska	AK L		.0		.0		.0
3. Arizona	AZ L	20,341	.0		.0		.0
4. Arkansas	AR L		.0		.0		.0
5. California	CA L	61,081	.0		.0		.0
6. Colorado	CO L		.0		.0		.0
7. Connecticut	CT L		.0		.0		.0
8. Delaware	DE L		.0		.0		.0
9. Dist. Columbia	DC L		.0		.0		.0
10. Florida	FL L		.0		.0		.0
11. Georgia	GA L		.0		.0		.0
12. Hawaii	HI L		.0		.0		.0
13. Idaho	ID L		.0		.0		.0
14. Illinois	IL L	60,853	.0		.0		.0
15. Indiana	IN L		.0		.0		.0
16. Iowa	IA L	10,665	.0		.0		.0
17. Kansas	KS L		.0		.0		.0
18. Kentucky	KY L		.0		.0		.0
19. Louisiana	LA L	59,252	.0		.0		.0
20. Maine	ME L		.0		.0		.0
21. Maryland	MD L		.0		.0		.0
22. Massachusetts	MA L		.0		.0		.0
23. Michigan	MI L		21,500		.0		.0
24. Minnesota	MN L		.0		.0		.0
25. Mississippi	MS L		.0		.0		.0
26. Missouri	MO L		.0		.0		.0
27. Montana	MT L		.0		.0		.0
28. Nebraska	NE L		.0		.0		.0
29. Nevada	NV L		.0		.0		.0
30. New Hampshire	NH L		.0		.0		.0
31. New Jersey	NJ L	8,301	9,900		.0		.0
32. New Mexico	NM L		.0		.0		.0
33. New York	NY L	709,466	177,060		.0		.0
34. No. Carolina	NC L		.0		.0		.0
35. No. Dakota	ND L		.0		.0		.0
36. Ohio	OH L		.0		.0		.0
37. Oklahoma	OK L		.0		.0		.0
38. Oregon	OR L		.0		.0		.0
39. Pennsylvania	PA L	106,124	76,522		.0		.0
40. Rhode Island	RI L	17,730	.0		.0		.0
41. So. Carolina	SC L		.0		.0		.0
42. So. Dakota	SD L		.0		.0		.0
43. Tennessee	TN L		.0		.0		.0
44. Texas	TX L	37,247	103,865		.0		.0
45. Utah	UT L		.0		.0		.0
46. Vermont	VT L		.0		.0		.0
47. Virginia	VA L		.0		.0		.0
48. Washington	WA L		.0		.0		.0
49. West Virginia	WV L		.0		.0		.0
50. Wisconsin	WI L	27,700	.0		.0		.0
51. Wyoming	WY L		.0		.0		.0
52. American Samoa	AS N		.0		.0		.0
53. Guam	GU N		.0		.0		.0
54. Puerto Rico	PR L		.0		.0		.0
55. U.S. Virgin Islands	VI N		.0		.0		.0
56. Northern Mariana Islands	MP N		.0		.0		.0
57. Canada	CAN N		.0		.0		.0
58. Aggregate Other Alien	OT XXX	.0	.0	.0	.0	.0	.0
59. Totals	(a) 52	1,118,760	388,847	0	0	0	0
DETAILS OF WRITE-INS							
58001.	XXX						
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX	.0	.0	.0	.0	.0	.0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0

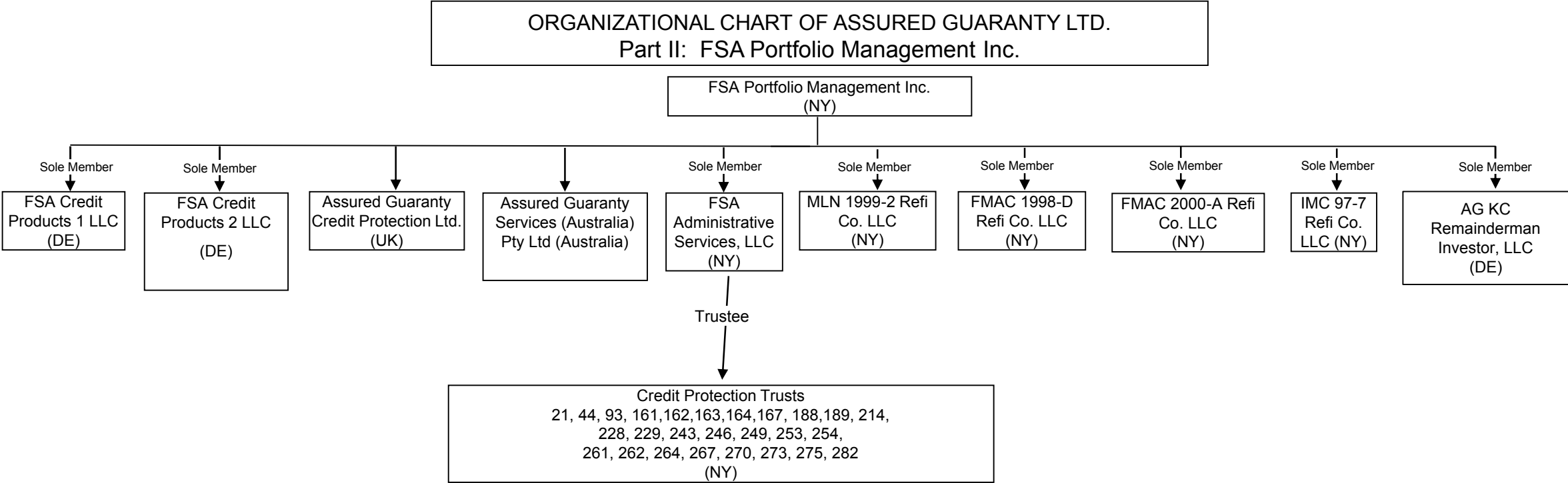
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile – see DSLI); (D) DSLI – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

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

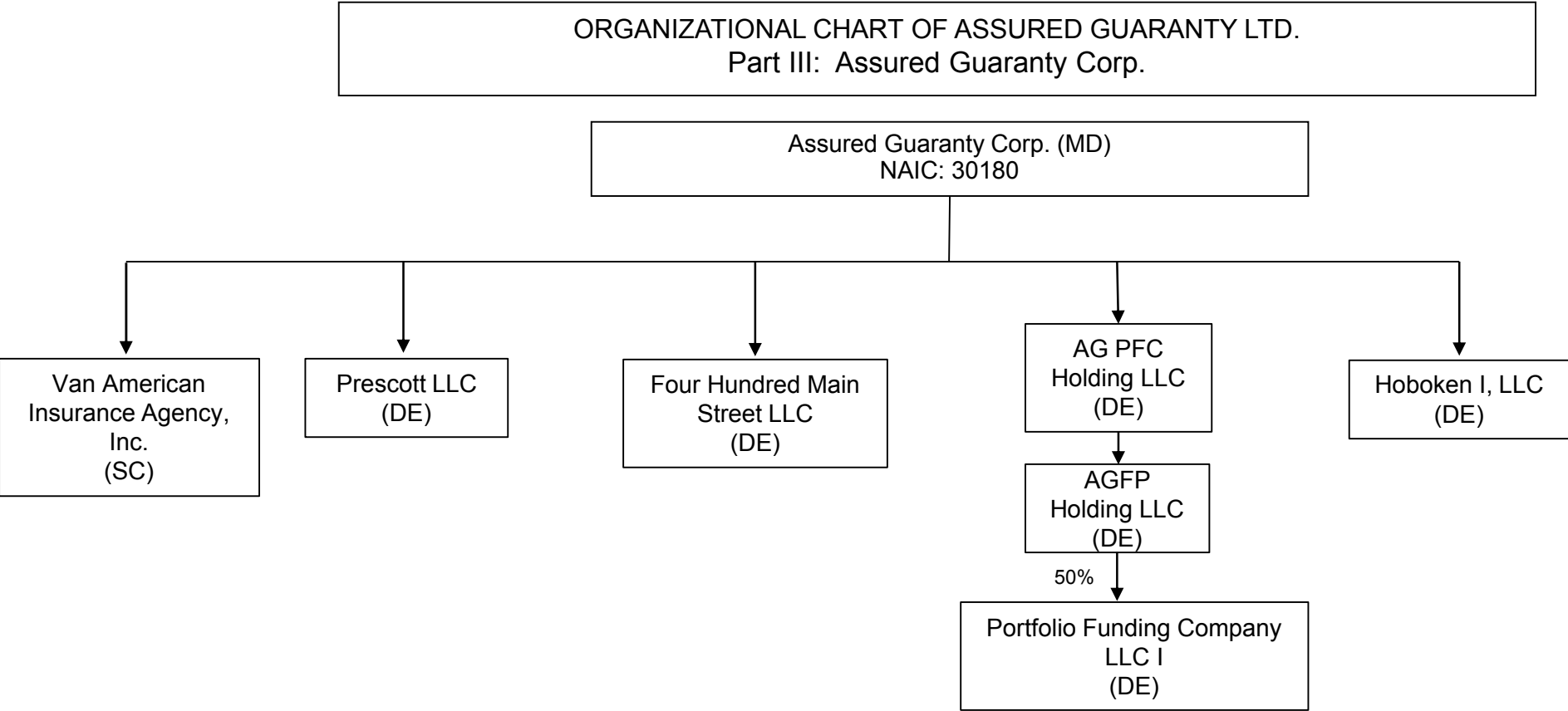
STATEMENT as of MARCH 31, 2017 of the MUNICIPAL ASSURANCE CORP.
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of MARCH 31, 2017 of the MUNICIPAL ASSURANCE CORP.
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of MARCH 31, 2017 of the MUNICIPAL ASSURANCE CORP.
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



Footnotes:

1. Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control, except that percentages in parentheses represent economic interest where voting control and economic interest are different.
2. All companies listed are corporations, except for (i) limited liability companies (designated as LLCs) , (ii) EFS-AGIC Master Business Trust and the New Generation Funding Trusts (which are Delaware trusts;) and (iii) the Credit Protection Trusts (which are New York trusts).
3. In order to comply with a French law in effect at the time CIFG Europe S.A. was organized mandating that corporations have at least seven (7) shareholders, Assured Guaranty Corp. ("AGC") has loaned one share of CIFG Europe S.A. to each of the following six Delaware limited liability companies, each of which is wholly owned by CIFG Holding LLC, a direct, wholly owned subsidiary of AGC: CIFG Global Holdings I, LLC, CIFG Global Holdings II, LLC, CIFG Global Holdings III, LLC, CIFG Global Holdings IV, LLC, CIFG Global Holdings V, LLC, and CIFG Global Holdings VI, LLC.
4. AG CAT Re Ltd. is wholly owned by Conyers Trust Company (Bermuda) Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.
5. Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is the depositor of the New Generation Funding Trusts and the seller of protection on derivatives guaranteed by CIFG Europe S.A.

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

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)	*
00194.....	Assured Guaranty Ltd.....	00000.....	98-0429991.....		0001573813	NYSE	Assured Guaranty Ltd.....	BMU.....	UIP.....			0.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	20-1082002.....		0001289244		Assured Guaranty US Holdings Inc.....	DE.....	UIP.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3261323.....		1111913357		Assured Guaranty Municipal Holdings Inc.....	NY.....	UIP.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	18287.....	13-3250292.....				Assured Guaranty Municipal Corp.....	NY.....	UIP.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3693815.....				FSA Portfolio Management Inc. Transaction Services Corporation.....	NY.....	NIA.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3866939.....				Municipal Assurance Holdings Inc.....	NY.....	NIA.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	46-3047895.....					DE.....	UDP.....	Assured Guaranty Municipal Corp.....	Ownership.....	60.7	Assured Guaranty Ltd.....	Y.....	(1)
00194.....	Assured Guaranty Ltd.....	00000.....	13-3896538.....				Assured Guaranty (Europe) Ltd.....	GBR.....	IA.....	Assured Guaranty Municipal Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	Y.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Cypress Point Funding Ltd.....	CYM.....	NIA.....	Assured Guaranty Re Ltd.....	Ownership.....	23.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0203985.....				Assured Guaranty Re Ltd.....	BMU.....	IA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Finance Overseas Ltd.....	GBR.....	NIA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Cedar Personnel Ltd.....	BMU.....	NIA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	52-2221232.....				Assured Guaranty Overseas US Holdings Inc.....	DE.....	NIA.....	Assured Guaranty Re Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0319240.....				Assured Guaranty Re Overseas Ltd.....	BMU.....	IA.....	Assured Guaranty Overseas US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AG Management Ltd.....	BMU.....	NIA.....	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3339307.....				AG Intermediary Inc.....	NY.....	NIA.....	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	13559.....	26-2999764.....				Municipal Assurance Corp.....	NY.....	RE.....	Municipal Assurance Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	27-1251323.....				AG Analytics Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (UK) Services Limited.....	GBR.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	30180.....	52-1533088.....				Assured Guaranty Corp.....	MD.....	UIP.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-4031196.....				AG Financial Products Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Prescott LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	52-1533088.....				AG PFC Holding LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (UK) Ltd.....	GBR.....	IA.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	Y.....	

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

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)	*
00194.....	Assured Guaranty Ltd.....	00000.....	27-3047677.....				AGFP Holding LLC.....	DE.....	NIA.....	AG PFC Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Portfolio Funding Company LLC 1.....	DE.....	NIA.....	AGFP Holding LLC.....	Ownership.....	50.0.....	Assured Guaranty Ltd.....	N.....	
00000.....	Conyers Trust Company (Bermuda) Limited.....	00000.....					AG CAT Re Ltd.....	BMU.....	OTH.....	Conyers Trust Company (Bermuda) Limited.....	Other.....	0.0.....	Conyers Trust Company (Bermuda) Limited.....	N.....	(2)
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 1 LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 2 LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Credit Protection Ltd.....	GBR.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Services (Australia) Pty Ltd.....	AUS.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Administrative Services, LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					MLN 1992-2 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 1998-D Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 2000-A Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					IMC 97-7 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Credit Protection Trusts.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Other.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3333448.....				EFS-AGIC Master Business Trust.....	DE.....	NIA.....	Assured Guaranty US Holdings, Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	36-4446928.....				AE Global Holdings, LLC.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	50.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Investments, LLC.....	DE.....	NIA.....	AE Global Holdings, LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Asset Funding, LLC.....	DE.....	NIA.....	AE Global Holdings, LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Four Hundred Main Street, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	20-3759337.....				Van American Insurance Agency, Inc.....	SC.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Hoboken I, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-4173364.....				CIFG Services, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0647426.....				CIFG Europe S. A.....	FRA.....	IA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	Y.....	(3)
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Holding LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

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)	*
00194.....	Assured Guaranty Ltd.....	00000.....	13-4173364.....				New Generation Funding Trusts.....	DE.....	NIA.....	CIFG Services, LLC.....	Other.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Mogador Limited.....	JEY.....	OTH.....	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	Ownership.....	100.0.....	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	N.....	(4)
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings I, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings II, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings III, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings IV, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings V, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings VI, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (London) Ltd.....	GBR.....	IA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	Y.....	
00194.....	Assured Guaranty Ltd.....	00000.....	30-0953494.....				AG US Group Services Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AG US Group Services Inc., UK Branch.....	GBR.....	NIA.....	AG US Group Services Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AG KC Remainderman Investor, LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	

Asterisk	Explanation
	(1) The remaining 39.3% of Municipal Assurance Holdings Inc. is directly owned by Assured Guaranty Corp.....
	(2) AG CAT Re Ltd. is wholly owned by Conyers Trust Company (Bermuda) Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.....
	(3) In order to comply with a French law in effect at the time CIFG Europe S.A. was organized, mandating that corporations have at least seven shareholders, Assured Guaranty Corp. has loaned one share of CIFG Europe S.A. to each of the following six Delaware limited liability companies, each of which is wholly owned by CIFG Holding LLC, a direct, wholly owned subsidiary of Assured Guaranty Corp.: CIFG Global Holdings I, LLC, CIFG Global Holdings II, LLC, CIFG Global Holdings III, LLC, CIFG Global Holdings IV, LLC, CIFG Global Holdings V, LLC, and CIFG Global Holdings VI, LLC.....
	(4) Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is the depositor of the New Generation Funding Trusts and the seller of protection on derivatives guaranteed by CIFG Europe S.A.....

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			0.0	0.0
2.	Allied lines			0.0	0.0
3.	Farmowners multiple peril			0.0	0.0
4.	Homeowners multiple peril			0.0	0.0
5.	Commercial multiple peril			0.0	0.0
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine			0.0	0.0
10.	Financial guaranty	86,069		0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake			0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation			0.0	0.0
17.1	Other liability occurrence			0.0	0.0
17.2	Other liability-claims made			0.0	0.0
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence			0.0	0.0
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability			0.0	0.0
19.3,19.4	Commercial auto liability			0.0	0.0
21.	Auto physical damage			0.0	0.0
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft			0.0	0.0
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	86,069	0	0.0	0.0
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	0		0
2.	Allied lines	0		0
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	0		0
5.	Commercial multiple peril	0		0
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	0		0
10.	Financial guaranty	1,118,760	1,118,760	388,847
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	0		0
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	0		0
17.2	Other liability-claims made	0		0
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	0		0
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	0		0
19.3,19.4	Commercial auto liability	0		0
21.	Auto physical damage	0		0
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	0		0
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	1,118,760	1,118,760	388,847
DETAILS OF WRITE-INS				
3401.	.....		
3402.	.....		
3403.	.....		
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

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)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 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 Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2014 + Prior .....			.....0			.....0				.....0	.....0	.....0	.....0
2. 2015 .....			.....0			.....0				.....0	.....0	.....0	.....0
3. Subtotals 2015 + prior .....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4. 2016.....			.....0	.....4		.....4				.....0	.....4	.....0	.....4
5. Subtotals 2016 + prior .....	.....0	.....0	.....0	.....4	.....0	.....4	.....0	.....0	.....0	.....0	.....4	.....0	.....4
6. 2017 .....	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....XXX			.....0	.....XXX	.....XXX	.....XXX
7. Totals	0	0	0	4	0	4	0	0	0	0	4	0	4
8. Prior Year-End Surplus As Regards Policy-holders	486,946										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 0.0	2. 0.0	3. 0.0
											Col. 13, Line 7 Line 8		
											4. 0.0		

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.


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

Explanation:

- 1.
- 2.
- 3.
- 4.


Bar Code:

1.




13559201749000001

2.




13559201745500001

3.



13559201736500001

4.



13559201750500001

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	25,577,338	15,000,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		10,577,338
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	25,577,338	25,577,338
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	25,577,338	25,577,338

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,041,139,558	1,463,400,550
2. Cost of bonds and stocks acquired	20,486,058	40,548,869
3. Accrual of discount	470,473	1,898,387
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	50,507	13,749,855
6. Deduct consideration for bonds and stocks disposed of	23,464,385	456,349,840
7. Deduct amortization of premium	4,346,604	22,108,267
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,034,335,607	1,041,139,558
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,034,335,607	1,041,139,558

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	1,054,214,130	34,006,727	44,992,571	(9,358,634)	1,033,869,652	0	0	1,054,214,130
2. NAIC 2 (a).....	5,150,245	2,024,800		5,486,131	12,661,176	0	0	5,150,245
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	1,059,364,375	36,031,527	44,992,571	(3,872,503)	1,046,530,828	0	0	1,059,364,375
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	1,059,364,375	36,031,527	44,992,571	(3,872,503)	1,046,530,828	0	0	1,059,364,375

(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 \$7,096,222 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	100,000	XXX	100,000	309	0

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	134,999	135,000
2. Cost of short-term investments acquired		3,358,297
3. Accrual of discount		8,602
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	34,999	3,366,900
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	100,000	134,999
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	100,000	134,999

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	18,089,818	2,254,139
2. Cost of cash equivalents acquired	15,545,466	53,847,717
3. Accrual of discount	3,621	3,999
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		231
6. Deduct consideration received on disposals	21,543,694	38,016,268
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	12,095,211	18,089,818
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	12,095,211	18,089,818

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF MARCH 31, 2017 OF THE MUNICIPAL ASSURANCE CORP.

SCHEDULE E - PART 1 - CASH

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

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