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PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2016

OF THE CONDITION AND AFFAIRS OF THE

ASSURED GUARANTY CORP.

NAIC Group Code 0194 (Current Period), 0194 (Prior Period) NAIC Company Code 30180 Employer's ID Number 52-1533088

Organized under the Laws of Maryland, State of Domicile or Port of Entry Maryland

Country of Domicile United States

Incorporated/Organized 10/25/1985 Commenced Business 01/28/1988

Statutory Home Office 31 W 52nd Street (Street and Number), New York, NY, US 10019 (City or Town, State, Country and Zip Code)

Main Administrative Office 31 W 52nd Street (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 31 W 52nd Street (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 31 W 52nd Street (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)

jringler@assuredguaranty.com (E-Mail Address) 212-339-3589 (Fax Number)

OFFICERS

Name	Title	Name	Title
Dominic John Frederico	President & Chief Executive Officer	James Michael Michener	Secretary & General Counsel
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	Deputy General Counsel Corp. & Asst. Secretary	Stephen Donnaruma	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 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.

Dominic John Frederico President & Chief Executive Officer	James Michael Michener Secretary & General Counsel	Donald Hal Paston Treasurer

a. Is this an original filing? Yes [X] No [ ]

Subscribed and sworn to before me this
_______ day of _______ , _______

b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	2,252,142,375		2,252,142,375	2,333,569,632
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	381,067,182	(13,503,990)	394,571,172	392,082,644
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)	2,222,483	2,222,483	0	0
4.2 Properties held for the production of income (less $ encumbrances)	29,376,386		29,376,386	29,776,415
4.3 Properties held for sale (less $ encumbrances)			0	0
5. Cash ($ 28,497,015), cash equivalents ($ 63,406,829) and short-term investments ($ 3,978,381)	95,882,225		95,882,225	87,500,613
6. Contract loans (including $ premium notes)			0	0
7. Derivatives	16,538,366		16,538,366	31,773,073
8. Other invested assets	2,740,489		2,740,489	2,837,677
9. Receivables for securities	1,153,071		1,153,071	1,153,071
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)	2,781,122,577	(11,281,507)	2,792,404,084	2,878,693,125
13. Title plants less $ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	23,359,665		23,359,665	21,913,697
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,162,867	2,946,036	8,216,831	8,823,905
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	7,474,824		7,474,824	(19,957,779)
16.2 Funds held by or deposited with reinsured companies	24,974,800		24,974,800	24,957,389
16.3 Other amounts receivable under reinsurance contracts	(2,345)		(2,345)	4,289
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	132,188,477	59,982,242	72,206,235	66,263,568
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	298,150	50,481	247,669	333,184
21. Furniture and equipment, including health care delivery assets ($)	766,120	766,120	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	27,909,136	639,209	27,269,927	48,497,896
24. Health care ($) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	44,837,988	3,490,210	41,347,778	37,393,186
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,054,092,259	56,592,791	2,997,499,468	3,066,922,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	3,054,092,259	56,592,791	2,997,499,468	3,066,922,460
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. Miscellaneous Receivable	956,011	88,100	867,911	699,357
2502. Prepaid expenses	1,729,800	1,729,800	0	0
2503. Supplemental Executive Retirement Fund	15,695,287		15,695,287	12,753,623
2598. Summary of remaining write-ins for Line 25 from overflow page	26,456,890	1,672,310	24,784,580	23,940,206
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	44,837,988	3,490,210	41,347,778	37,393,186

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year $ 2,399)	154,371,585	204,897,343
2. Reinsurance payable on paid losses and loss adjustment expenses	660,466	1,597,977
3. Loss adjustment expenses	3,487,749	4,918,477
4. Commissions payable, contingent commissions and other similar charges	5,669	4,293
5. Other expenses (excluding taxes, licenses and fees)	28,431,133	64,471,693
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(1,288,036)	(30,879)
7.1 Current federal and foreign income taxes (including $ on realized capital gains (losses))	24,771,948	20,385,274
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 $ 355,327,800 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)	449,007,875	469,100,468
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)	5,689,878	6,152,793
13. Funds held by company under reinsurance treaties	10,119,344	8,905,338
14. Amounts withheld or retained by company for account of others	136,138	(53,364)
15. Remittances and items not allocated		0
16. Provision for reinsurance (including $ certified)	914,531	23,690,199
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	28,454,023	23,912,911
20. Derivatives	0	0
21. Payable for securities		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	876,412,010	873,682,312
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,581,174,313	1,701,634,836
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	1,581,174,313	1,701,634,836
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,480	15,000,480
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	300,000,000	300,000,000
34. Gross paid in and contributed surplus	923,534,126	924,198,345
35. Unassigned funds (surplus)	177,790,549	126,088,800
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)	1,416,325,155	1,365,287,625
38. Totals (Page 2, Line 28, Col. 3)	2,997,499,468	3,066,922,461
DETAILS OF WRITE-INS		
2501. Contingency reserve	795,425,847	795,017,704
2502. Supplemental Executive Retirement Plan	38,215,175	34,966,837
2503. Deferred Investment Gain	37,007,257	37,014,835
2598. Summary of remaining write-ins for Line 25 from overflow page	5,763,731	6,682,936
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	876,412,010	873,682,312
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 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $ 11,658,596)	45,866,516	42,547,310	232,204,614
1.2 Assumed (written $ 1,233,569)	4,930,549	7,205,479	32,670,741
1.3 Ceded (written $ 5,442,206)	23,558,014	20,359,177	104,168,941
1.4 Net (written $ 7,449,959)	27,239,051	29,393,612	160,706,414
DEDUCTIONS:			
2. Losses incurred (current accident year $ 2,400):			
2.1 Direct	15,956,609	(11,731,643)	136,271,583
2.2 Assumed	(9,223,084)	5,406,943	109,002,123
2.3 Ceded	(1,775,120)	5,378,043	100,823,947
2.4 Net	8,508,645	(11,702,743)	144,449,759
3. Loss adjustment expenses incurred	(670,335)	163,849	5,262,985
4. Other underwriting expenses incurred	16,205,320	20,772,556	75,628,509
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	24,043,630	9,233,662	225,341,253
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,195,421	20,159,950	(64,634,839)
INVESTMENT INCOME			
9. Net investment income earned	26,972,387	24,369,646	78,695,142
10. Net realized capital gains (losses) less capital gains tax of $ 884,538	(1,441,696)	12,318,735	13,801,988
11. Net investment gain (loss) (Lines 9 + 10)	25,530,691	36,688,381	92,497,130
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	10,459,505	(1,734,803)	(107,001,585)
15. Total other income (Lines 12 through 14)	10,459,505	(1,734,803)	(107,001,585)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	39,185,617	55,113,528	(79,139,294)
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)	39,185,617	55,113,528	(79,139,294)
19. Federal and foreign income taxes incurred	3,024,418	5,341,517	12,504,132
20. Net income (Line 18 minus Line 19)(to Line 22)	36,161,199	49,772,011	(91,643,426)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	1,365,287,625	1,421,933,749	1,421,933,749
22. Net income (from Line 20)	36,161,199	49,772,011	(91,643,426)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $	(13,388,113)	3,669,901	51,204,424
25. Change in net unrealized foreign exchange capital gain (loss)	303,500	193,407	188,344
26. Change in net deferred income tax	(6,401,142)	(7,526,902)	52,464,110
27. Change in nonadmitted assets	12,658,779	(283,150)	(27,365,494)
28. Change in provision for reinsurance	22,775,668	(1,683,961)	(23,686,703)
29. Change in surplus notes		0	0
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	(664,219)	1,550,886	34,203
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		(20,000,000)	(89,800,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(408,143)	(6,310,924)	71,958,418
38. Change in surplus as regards policyholders (Lines 22 through 37)	51,037,529	19,381,268	(56,646,124)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,416,325,154	1,441,315,017	1,365,287,625
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	10,459,505	(1,734,803)	(107,001,585)
1402.		0	0
1403.		0	0
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)	10,459,505	(1,734,803)	(107,001,585)
3701. Merger with Radian Asset Assurance		0	(8,544,646)
3702. Change in Contingency Reserve	(408,143)	(6,310,924)	79,829,023
3703. Other		0	674,041
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)	(408,143)	(6,310,924)	71,958,418

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	7,179,766	10,644,867	46,600,166
2. Net investment income	18,717,232	26,976,954	77,910,848
3. Miscellaneous income	10,448,728	(1,719,084)	(131,793,175)
4. Total (Lines 1 to 3)	36,345,726	35,902,737	(7,282,161)
5. Benefit and loss related payments	87,404,517	(3,770,177)	(174,822,260)
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	54,280,428	71,972,782	107,662,215
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	(477,718)	1,268,808	63,397,693
10. Total (Lines 5 through 9)	141,207,228	69,471,413	(3,762,352)
11. Net cash from operations (Line 4 minus Line 10)	(104,861,502)	(33,568,676)	(3,519,809)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	163,164,353	603,886,989	1,474,737,264
12.2 Stocks	0	2	20,015,456
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	54,404,137
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	688	0	1,148
12.7 Miscellaneous proceeds	752,443	482,184	2,295,722
12.8 Total investment proceeds (Lines 12.1 to 12.7)	163,917,484	604,369,175	1,551,453,727
13. Cost of investments acquired (long-term only):			
13.1 Bonds	75,467,380	2,732,344	1,079,754,944
13.2 Stocks	0	0	192,087
13.3 Mortgage loans	0	0	0
13.4 Real estate	18,556	0	0
13.5 Other invested assets	0	30,000,008	30,614,784
13.6 Miscellaneous applications	0	0	1,197,454
13.7 Total investments acquired (Lines 13.1 to 13.6)	75,485,936	32,732,352	1,111,759,269
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)	88,431,548	571,636,823	439,694,458
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	(664,219)	1,550,887	34,203
16.3 Borrowed funds	0	200,003,111	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	0	20,000,000	89,800,000
16.6 Other cash provided (applied)	25,475,784	44,328,762	(804,634,061)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	24,811,565	225,882,760	(894,399,858)
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)	8,381,611	763,950,907	(458,225,209)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	87,500,613	545,725,822	545,725,822
19.2 End of period (Line 18 plus Line 19.1)	95,882,224	1,309,676,729	87,500,613

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Non-cash exchange of other invested assets - proceeds		0	0
20.0002. Non-cash exchange of other invested assets - cost		0	0
20.0003. Non-cash exchange of bonds - proceeds		29,776,415	29,776,415
20.0004. Non-cash exchange of real estate - cost		29,776,415	29,776,415

1. **Summary of Significant Accounting Policies**

A. Accounting Practices
The financial statements of Assured Guaranty Corp. (the "Company" or "AGC") are presented on the basis of accounting practices prescribed or permitted by the Maryland Insurance Administration ("MIA"). The MIA recognizes only statutory accounting practices prescribed or permitted by the state of Maryland for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maryland 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 Maryland. The Commissioner of Insurance 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 Maryland Insurance Commissioner and NAIC SAP is shown below:

	Three Months Ended March 31, 2016	Year Ended December 31, 2015
Net Income (Loss), Maryland Basis	$ 36,161,199	$ (91,643,426)
Net Income (Loss), NAIC SAP	36,161,199	(91,643,426)
Statutory Surplus, Maryland Basis	1,416,325,155	1,365,287,625
Statutory Surplus, NAIC SAP	1,416,325,155	1,365,287,625

B. Use of Estimates in the Preparation of the Financial Statements
There has been no significant change since the 2015 Annual Statement in the estimates inherent in the preparation of the financial statements.

C. Accounting Policies
There has been no significant change since the 2015 Annual Statement.

2. **Accounting Changes and Corrections of Errors**
There has been no change since the 2015 Annual Statement.

3. **Business Combinations and Goodwill**
A. Statutory Purchase Method. There has been no change since the 2015 Annual Statement.
B. Statutory Merger. There has been no change since the 2015 Annual Statement.
C. Impairment Loss. There has been no change since the 2015 Annual Statement.

4. **Discontinued Operations**
There has been no change since the 2015 Annual Statement.

5. **Investments**
A. Mortgage Loans, including Mezzanine Real Estate Loans - The Company did not hold investments in mortgage loans at March 31, 2016.
B. Debt Restructuring - The Company has no investments in restructured debt in which the Company is a creditor at March 31, 2016.
C. Reverse Mortgages - The Company did not hold reverse mortgages as investments at March 31, 2016.
D. Loan-Backed Securities
1. Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
2. The following table summarizes by quarter other-than-temporary-impairments ("OTTI") for loan-backed securities recorded during the year because the Company had 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 as cited in the table:

	(1)	(2)	(3)
Description	**Amortized cost Before OTTI**	**OTTI Recognized**	**Fair Value 1 - 2**
OTTI Recognized 1st Quarter			
a. Intent To Sell	$ —	$ —	$ —
b. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	93,064,870	2,988,879	90,075,991
c. Total 1st Quarter	$ 93,064,870	$ 2,988,879	$ 90,075,991
OTTI Recognized 2nd Quarter			
d. Intent To Sell	$ —	$ —	$ —
e. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
f. Total 2nd Quarter	$ —	$ —	$ —
OTTI Recognized 3rd Quarter			
g. Intent To Sell	$ —	$ —	$ —
h. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
i. Total 3rd Quarter	$ —	$ —	$ —
OTTI Recognized 4th Quarter			
j. Intent To Sell	$ —	$ —	$ —
k. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
l. Total 4th Quarter	$ —	$ —	$ —
m. Annual Aggregate Total		$ 2,988,879	

3. The following table summarizes other-than-temporary-impairments recorded for loan-backed securities which the Company still owns at the end of the respective quarters recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

CUSIP	Amortized Cost Before Other-Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
68401N-AE-1	$ 3,867,882	$ 3,772,353	$ 95,529	$ 3,772,353	$ 3,775,948	03/31/2016
			$ 95,529			

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		$ (1,619,100)		$ (1,055,205)
Commercial mortgage-backed securities		—		(7,462)
Other loan backed & structured securities		(318,758)		—
Total	1.	$ (1,937,858)	2.	$ (1,062,667)

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

		Less than 12 months		**12 Months or More**
Residential mortgage-backed securities		$ 8,557,244		$ 31,669,158
Commercial mortgage-backed securities		—		6,029,176
Other loan backed & structured securities		246,757,576		—
Total	1.	$ 255,314,820	2.	$ 37,698,334

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, 2016, the Company has not made a decision 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, 2016.

F. Real Estate - At March 31, 2016, the Company did not have any real estate held for sale. The Company has one investment in real estate, which is an office building at 400 Main Street in Stockton, California. During the three months ended March 31, 2016, the Company did not purchase investments in real estate, recognize any real estate impairments, or engage in any retail land sales.

G. Low Income Housing Tax Credits (LIHTC) - The Company did not hold investments in LIHTC at March 31, 2016.

H. Restricted Assets

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

Restricted Asset Category		Gross Restricted								Percentage	
		Current Year									
		1	2	3	4	5	6	7	8	9	10
		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 Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
(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	8,735,480				8,735,480	8,857,042	(121,562)	8,735,480	0.3%	0.3%
(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	425,472,013				425,472,013	422,606,958	2,865,055	425,472,013	13.9%	14.2%
(n)	Other restricted assets					—		—		—%	—%
(o)	Total restricted assets	$434,207,493	$ —	$ —	$ —	$ 434,207,493	$ 431,464,000	$ 2,743,493	$ 434,207,493	14.2%	14.5%

(a) Subset of Column 1
(b) Subset of Column 3

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

Collateral Agreement	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5			8	9	10
	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 Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Collateral Pledged Under Certain Derivative Contracts	$ 292,234,760	$ —	$ —	$ —	$ 292,234,760	$291,174,670	$ 1,060,090	$ 292,234,760	9.5%	9.8%
Collateral Pledged for Reinsurance	133,237,254				133,237,254	131,432,287	1,804,967	133,237,254	4.4%	4.4%
Total	$ 425,472,014	$ —	$ —	$ —	$ 425,472,014	$ 422,606,957	$ 2,865,057	$ 425,472,014	13.9%	14.2%

(a) Subset of Column 1
(b) Subset of Column 3

Under certain derivative contracts, the Company is required to post eligible securities as collateral. The need to post collateral under these transactions is generally based on fair value assessments in excess of contractual thresholds. The fair value of the Company's pledged securities totaled $444 million as of March 31, 2016, with corresponding book/adjusted carrying value of $425 million.

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

Other Restricted Assets	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
	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 Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
					—		—		—%	—%
					—		—		—%	—%
Total	—	—	—	—	—	—	—	—	—%	—%

(a) Subset of Column 1
(b) Subset of Column 3

I. Working Capital Finance Investments ("WCFI")– The Company did not hold investments for WCFI at March 31, 2016.

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, 2016.

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)
	$ —	$ —	$ —	
	—	NONE	—	
	—	—	—	
Total	$ —	$ —	$ —	

6. Joint Ventures, Partnerships and Limited Liability Companies
There has been no change since the 2015 Annual Statement.

7. Investment Income
A. Accrued Investment Income
Accrued investment income was $23,359,665 and $21,913,697 as of March 31, 2016 and December 31, 2015, respectively. 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
The derivatives held by the Company are recorded at their aggregate fair value of $16,538,366 as of March 31, 2016. There were unrealized losses of $15,234,707 recognized in surplus during the three months ended March 31, 2016.

9. Income Taxes
There has been no significant change since the 2015 Annual Statement.

10. Information Concerning Parent, Subsidiaries and Affiliates

A through H, J through L. There has been no significant change since the 2015 Annual Statement.

I. Detail of Investments in Affiliates greater than 10% of Admitted Assets
The Company's investment in its subsidiary Municipal Assurance Holdings Inc., recorded at its statutory equity value of $248,150,404, represents 8.3% of the Company's admitted assets as of March 31, 2016.

11. Debt
There has been no change since the 2015 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 2015 Annual Statement.

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

1 through 4, 6 through 9, 12 and 13. There has been no significant change since the 2015 Annual Statement.

5. Under Maryland's insurance law, AGC may, with prior notice to the Maryland Insurance Commissioner, pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. The maximum amount available during 2016 for AGC to distribute as ordinary dividends is approximately $79 million, of which approximately $24 million is available for distribution in the second quarter of 2016.

10. The portion of unassigned funds (surplus) represented by cumulative unrealized losses is $11,024,966.

11. On December 18, 2009, the Company borrowed $300 million from an affiliate, AGM, a New York domiciled insurance company, in exchange for $300 million of surplus notes, all of which were outstanding at March 31, 2016. These notes were interest bearing at a rate of 5% per annum through December 31, 2015. In April 2016, the Company executed an amendment to change the interest rate to 3.5% per annum, effective January 1, 2016. The amendment was approved by the MIA and received non-disapproval by the New York State Department of Financial Services.

14. Liabilities, Contingencies and Assessments

A through F. There has been no change since the 2015 Annual Statement.

G. All Other Contingencies:

Uncollected Premiums
As of March 31, 2016, the Company had uncollected premiums of $11,162,867. Uncollected premiums more than 90 days past due were $2,946,036.

Legal Proceedings

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position or liquidity, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations in a particular quarter or year.

In addition, in the ordinary course of its business, the Company asserts claims in legal proceedings against third parties to recover losses paid in prior periods. The amounts, if any, the Company will recover in proceedings to recover losses are uncertain, and recoveries, or failure to obtain recoveries, in any one or more of these proceedings during any quarter or year could be material to the Company's results of operations in that particular quarter or year.

The Company receives subpoenas *duces tecum* and interrogatories from regulators from time to time.

There have been no significant changes since the 2015 Annual Statement, except for the following:

On November 28, 2011, Lehman Brothers International (Europe) (in administration) ("LBIE") sued AGFP, an affiliate of AGC which in the past had provided credit protection to counterparties under credit default swaps. AGC acts as the credit support provider of AGFP under these credit default swaps. LBIE's complaint, which was filed in the Supreme Court of the State of New York, alleged that AGFP improperly terminated nine credit derivative transactions between LBIE and AGFP and improperly calculated the termination payment in connection with the termination of 28 other credit derivative transactions between LBIE and AGFP. Following defaults by LBIE, AGFP properly terminated the transactions in question in compliance with the agreement between AGFP and LBIE, and calculated the termination payment properly. AGFP calculated that LBIE owes AGFP approximately $29 million in connection with the termination of the credit derivative transactions, whereas LBIE asserted in the complaint that AGFP owes LBIE a termination payment of approximately $1.4 billion. On February 3, 2012, AGFP filed a motion to dismiss certain of the counts in the complaint, and on March 15, 2013, the court granted AGFP's motion to dismiss the count relating to improper termination of the nine credit derivative transactions and denied AGFP's motion to dismiss the counts relating to the remaining transactions. On February 22, 2016, AGFP filed a motion for summary judgment on the remaining causes of action asserted by LBIE and on AGFP's counterclaims. LBIE's administrators disclosed in an April 10, 2015 report to LBIE's unsecured creditors that LBIE's valuation expert has calculated LBIE's damages in aggregate for the 28 transactions to range between a minimum of approximately $200 million and a maximum of approximately $500 million, depending on what adjustment, if any, is made for AGFP's credit risk and excluding any applicable interest. Notwithstanding the range calculated by LBIE's valuation expert, the Company cannot reasonably estimate the possible loss, if any, that may arise from this lawsuit.

Recovery Litigation

Public Finance Transactions

On November 1, 2013, Radian Asset commenced a declaratory judgment action in the U.S. District Court for the Southern District of Mississippi against Madison County, Mississippi (the "County") and the Parkway East Public Improvement District (the "District") to establish its rights under a contribution agreement from the County supporting the District's Special Assessment Bonds, Series 2005, insured by Radian Asset (now AGC). As of March 31, 2016, $21 million of such bonds were outstanding. The County maintained that its payment obligation is limited to two years of annual debt service, while AGC contended the County's obligations under the contribution agreement continue so long as the bonds remain outstanding. On April 27, 2016, the Court granted AGC's motion for summary judgment, agreeing with AGC's interpretation of the County's obligations. The Court's action is subject to appeal.

15. <u>Leases</u>
There has been no change since the 2015 Annual Statement.

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

The Company provides insurance for public finance and structured finance obligations. Total net principal and interest exposure at March 31, 2016 was $64.2 billion ($50.3 billion for public finance and $13.9 billion for structured finance exposures).

17. <u>Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities</u>

A. The Company has not sold or transferred any receivables during the first three months of 2016.
B. The Company has not transferred or serviced any financial assets during the first three months of 2016.
C. The Company did not engage in any wash sale transactions during the first three months of 2016.

18. <u>Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans</u>
There has been no change since the 2015 Annual Statement.

19. <u>Direct Premium Written/Produced by Managing General Agents/Third Party Administrators</u>
There has been no change since the 2015 Annual Statement.

20. <u>Fair Value</u>
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 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.

An asset or liability's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Bonds are generally recorded at amortized cost. Stocks, excluding those for investments in subsidiaries, are reported at fair value on a recurring basis. The following fair value hierarchy table presents information about the Company's assets measured at fair value as of March 31, 2016.

Description for each class of asset or liability	Level 1	Level 2	Level 3	TOTAL
a. Assets at fair value				
Bonds				
US Governments	$ —	$ —	$ —	$ —
Industrial & Miscellaneous	—	—	87,061,713	87,061,713
Total Bonds	—	—	87,061,713	87,061,713
Derivative instruments				
Credit default swap	—	—	16,538,366	16,538,366
Total Derivative Instruments	—	—	16,538,366	16,538,366
Total Assets at Fair Value	$ —	$ —	$ 103,600,079	$ 103,600,079

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 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.

Stocks
The Company's stocks are comprised of investments in subsidiaries. Investments in subsidiaries are carried on the equity basis, to the extent admissable.

2. Rollforward of Level 3 Items
For fair value measurements categorized within Level 3 of the fair value hierarchy, the following table is a reconciliation from the opening balance to the closing balance disclosing changes year-to-date:

Description:	Beg. Balance at January 1, 2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains & Losses incl in Net Income	Total Gains & Loss incl in Surplus	Purchase	Issuance	Sales	Settle-ment	Ending Balance at March 31, 2016
Residential mortgage backed securities	$ 44,518,074	$44,705,353	$ 204,846	$(1,956,868)	$ —	$ —	$ —	$ —	$ —	$ 87,061,713
Cash equivalents and short-term investments	149,995	—	—	—	—	—	—	—	149,995	—
Derivatives	31,773,073	—	—	—	(15,234,707)	—	—	—	—	16,538,366
TOTAL	$ 76,441,142	$44,705,353	$ 204,846	$(1,956,868)	$ (15,234,707)	$ —	$ —	$ —	$ 149,995	$103,600,079

3. Policy on Transfers Into and Out of Level 3
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.

- During the first three months of 2016, one short-term municipal security that was carried at fair value at December 31, 2015 in Level 3 of the fair value hierarchy matured.

- During the first three months of 2016, the Company transferred five additional lots of an existing December 31, 2015 Level 3 fair valued RMBS security into Level 3 of the fair value hierarchy.

4. Inputs and Techniques Used for Level 3 Fair Values
The level 3 securities were priced with the assistance of an independent third party. The pricing is based on a discounted cash flow approach using the third party's proprietary pricing models. The models use, as applicable, inputs such as projected prepayment speeds; severity assumptions; recovery lag assumptions; estimated default rates (determined on the basis of an analysis of collateral attributes, historical collateral performance, borrower profiles and other features relevant to the evaluation of collateral credit quality); house price depreciation/appreciation rates based on macroeconomic forecasts and recent trading activity. The yield used to discount the projected cash flows is determined by reviewing various attributes of the bond, including collateral type, weighted average life, sensitivity to losses, vintage and convexity, in conjunction with market data on comparable securities. Significant changes to any of these inputs could materially change the expected timing of cash flows within these securities which is a significant factor in determining the fair value of the securities.

5. Derivative Fair Values
Derivatives were fair valued using Bloomberg L.P.'s CDSW pricing model at March 31, 2016.

B. Other Fair Value Disclosures
The fair value of the Company's financial guaranty contracts accounted for as insurance was approximately $3.2 billion at March 31, 2016 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)
Bonds	$ 2,359,116,481	$ 2,252,142,375	$ —	$ 1,975,425,148	$ 383,691,333	$ —
Cash equivalents and short-term investments	95,882,072	95,882,225	92,656,735	3,225,337	—	—
Derivative instruments	16,538,366	16,538,366	—	—	16,538,366	—
Total assets	$ 2,471,536,919	$ 2,364,562,966	$ 92,656,735	$ 1,978,650,485	$ 400,229,699	$ —

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

21. Other Items
A, B, C, D, E. There has been no change since the 2015 Annual Statement.
F. Subprime Mortgage-Related Risk Exposure
(1) through (3)

The Company purchased securities with subprime mortgage related exposures that it has insured, and for which it has loss reserves, in order to mitigate the economic effect of insured losses ("loss mitigation bonds"). These securities were purchased at a discount and are accounted for excluding the effects of the Company's insurance on the securities. Securities rated lower than A-/A3 by S&P or Moody's are not eligible to be purchased for the Company's portfolio unless acquired for loss mitigation or risk management strategies.

As of March 31, 2016	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Residential Mortgage Backed Securities	$ 7,749,804	$ 7,812,518	$ 7,903,452	$ 162,920
Total	$ 7,749,804	$ 7,812,518	$ 7,903,452	$ 162,920

(4) Underwriting Exposure

Selected U.S. Public Finance Transactions

The Company has insured exposure to general obligation bonds of the Commonwealth of Puerto Rico and various obligations of its related authorities and public corporations aggregating $1.7 billion net par as of March 31, 2016, all of which is rated below investment grade ("BIG").

Puerto Rico has experienced significant general fund budget deficits in recent years. In addition to high debt levels, Puerto Rico faces a challenging economic environment.

In June 2014, the Puerto Rico legislature passed the Puerto Rico Public Corporation Debt Enforcement and Recovery Act (the "Recovery Act") in order to provide a legislative framework for certain public corporations experiencing severe financial stress to restructure their debt, including Puerto Rico Highway and Transportation Authority ("PRHTA") and Puerto Rico Electric Power Authority ("PREPA"). Subsequently, the Commonwealth stated PREPA might need to seek relief under the Recovery Act due to liquidity constraints. Investors in bonds issued by PREPA filed suit in the United States District Court for the District of Puerto Rico challenging the Recovery Act. On February 6, 2015, the U.S. District Court for the District of Puerto Rico ruled the Recovery Act is preempted by the U.S. Bankruptcy Code and is therefore void. On July 6, 2015, the U.S. Court of Appeals for the First Circuit upheld that ruling, and on December 4, 2015, the U.S. Supreme Court granted petitions for writs of certiorari relating to that ruling. Oral arguments were held on March 22, 2016. Typical Supreme Court practice suggests a decision could be announced in June 2016, but there is no assurance that an opinion will be announced at such time, especially in light of the Supreme Court vacancy.

On June 28, 2015, Governor García Padilla of Puerto Rico (the "Governor") publicly stated that the Commonwealth's public debt, considering the current level of economic activity, is unpayable and that a comprehensive debt restructuring may be necessary, and he has made similar statements since then.

On September 9, 2015, the Working Group for the Fiscal and Economic Recovery of Puerto Rico (“Working Group”) established by the Governor published its “Puerto Rico Fiscal and Economic Growth Plan” (the “FEGP”). The FEGP included a recommendation that the Commonwealth’s advisors begin to work on a voluntary exchange offer to its creditors as part of the FEGP.

On November 30, 2015, and December 8, 2015, the Governor issued executive orders (“Clawback Orders”) directing the Puerto Rico Department of Treasury and the Puerto Rico Tourism Company to retain or transfer certain taxes pledged to secure the payment of bonds issued by PRHTA, Puerto Rico Infrastructure Finance Authority ("PRIFA") and Puerto Rico Convention Center District Authority ("PRCCDA"). On January 7, 2016 the Company sued various Puerto Rico governmental officials in the United States District Court, District of Puerto Rico asserting that this attempt to “claw back” pledged taxes is unconstitutional, and demanding declaratory and injunctive relief.

On January 1, 2016, PRIFA defaulted on payment of a portion of the interest due on its bonds on that date. For those PRIFA bonds the Company had insured, the Company paid approximately $451 thousand of claims for the interest payments on which PRIFA had defaulted.

On April 6, 2016, the Governor signed into law the Puerto Rico Emergency Moratorium & Financial Rehabilitation Act (the “Moratorium Act”). The Moratorium Act purportedly empowers the Governor to declare a moratorium, entity by entity, on debt service payments on debt of the commonwealth and its related authorities and public corporations, as well as instituting a stay against related litigation, among other things. It is possible that a court may find any attempt to exercise the power to declare a moratorium on debt service payments purportedly granted by the Moratorium Act to be unconstitutional, and the impact of any attempt to exercise such power on the Puerto Rico credits insured by the Company is uncertain. Shortly after signing it into law, the Governor used the authority of the Moratorium Act to declare an emergency period with respect to the Government Development Bank (the “GDB”), placing restrictions on its disbursements and certain of its other activities and moving the clearing of payroll of Commonwealth and GDB employees from the GDB.

On April 30, 2016, the Governor signed an order under the Moratorium Act ordering a moratorium on the debt service payment of approximately $422 million due to be made by the GDB on May 2, 2016. On May 1, 2016, the GDB announced a tentative agreement with a group of creditors of the GDB (the “Ad Hoc Group”) for a restructuring of GDB’s notes and that the GDB would pay the interest due on May 2, 2016. According to the announcement, the Ad Hoc Group agreed to forbear from initiating litigation for 30 days during the pendency of negotiations. The GDB noted in its May 1 announcement that the tentative agreement requires 100% participation of the GDB’s creditors and that it would be unlikely to reach that level of participation without a restructuring law enabling it to bind non-consenting creditors. The Company does not insure any debt issued by the GDB. The April 30 order also declared an emergency period at PRIFA, but did not declare a moratorium on the payment of its debt.

There have been a number of other proposals, plans and legislative initiatives offered in Puerto Rico and in the United States aimed at addressing Puerto Rico’s fiscal issues. Among the responses proposed is a federal financial control board and access to bankruptcy courts or another restructuring mechanism. In addition, the Working Group has made several proposals for voluntary exchanges that include terms such as discounts, extensions and subordination. The final shape and timing of responses to Puerto Rico’s distress eventually enacted or implemented by Puerto Rico or the United States, if any, and the impact of any such actions on obligations insured by the Company, is uncertain and may differ substantially from the recommendations of the Working Group or any other proposals or plans described in the press or offered to date or in the future.

S&P, Moody’s and Fitch Ratings have lowered the credit rating of the Commonwealth’s bonds and on its public corporations several times over the past approximately two years, and the Commonwealth has disclosed its liquidity has been adversely affected by rating agency downgrades and by the limited market access for its debt, and also noted it has relied on short-term financings and interim loans from the GDB and other private lenders, which reliance has constrained its liquidity and increased its near-term refinancing risk.

PREPA

As of March 31, 2016, the Company had $73 million insured net par outstanding of PREPA obligations. On July 1, 2015, PREPA made full payment of the $416 million of principal and interest due on its bonds, including bonds insured by AGM and AGC. However, that payment was conditioned on and facilitated by AGM and AGC agreeing, also on July 1, to purchase a portion of $131 million of interest-bearing bonds to help replenish certain of the operating funds PREPA used to make the $416 million of principal and interest payments. On July 31, 2015, AGM and AGC purchased $74 million aggregate principal amount of those bonds, ($73.9 million for AGM and $0.1 million for AGC); the bonds were repaid in full in 2016.

On December 24, 2015, AGM and AGC entered into a Restructuring Support Agreement (“RSA”) with PREPA, an ad hoc group of uninsured bondholders and a group of fuel-line lenders that would, subject to certain conditions, result in, among other things, modernization of the utility and a restructuring of current debt. Upon finalization of the contemplated restructuring transaction, insured PREPA revenue bonds (with no reduction to par or stated interest rate or extension of maturity) will be supported by securitization bonds issued by a special purpose corporation and secured by a transition charge assessed on ratepayers. To facilitate the securitization transaction, which enables PREPA to achieve debt relief and more efficient capital markets financing, Assured Guaranty will issue surety insurance policies in an aggregate amount not expected to exceed $113 million in exchange for a market premium and to support a portion of the reserve fund for the securitization bonds. Certain of the creditors also agreed, subject to certain conditions, to participate in a bridge financing. The Company’s share of the bridge financing is approximately $2.5 million. Legislation meeting the requirements of the RSA was enacted on February 16, 2016. The closing of the restructuring transaction, the issuance of the surety bonds and the closing of the bridge financing are subject to certain conditions, including confirmation that the enacted legislation meets all requirements of the RSA and execution of acceptable documentation and legal opinions. On May 11, 2016, PREPA demanded the funding by May 12, 2016 of the $111 million bridge financing, including the Company's $2.5 million, asserting that the RSA required it.

There can be no assurance that the conditions in the RSA will be met or that, if the conditions are met, the RSA’s other provisions, including those related to the restructuring of the insured PREPA revenue bonds, will be implemented. In addition, the impact of the Moratorium Act or any attempt to exercise the power purportedly granted by the Moratorium Act on the implementation of the RSA is uncertain. PREPA, during the pendency of the agreements, has suspended deposits into its debt service fund.

PRHTA

As of March 31, 2016, the Company had $476 million insured net par outstanding of PRHTA (Transportation revenue) bonds and $100 million net par of PRHTA (Highway revenue) bonds. The Clawback Orders cover Commonwealth derived taxes that are allocated PRHTA. The Company believes that such sources represented a substantial majority of PRHTA's revenues in 2015.

Puerto Rico Convention Center District Authority

As of March 31, 2016, the Company had $82 million insured net par outstanding of PRCCDA bonds, which are secured by certain hotel tax revenues. These revenues are sensitive to the level of economic activity in the area and are subject to the Clawback Orders.

Puerto Rico Aqueduct and Sewer Authority ("PRASA")

As of March 31, 2016, the Company had $296 million insured par outstanding to PRASA bonds, which are secured by the gross revenues of the system. On September 15, 2015, PRASA entered into a settlement with the U.S. Justice Department and the U.S. Environmental Protection Agency that requires it to spend $1.6 billion to upgrade and improve its sewer system island-wide. According to a material event notice PRASA filed on March 4, 2016, it owed its contractors $140 million.

Municipal Finance Agency ("MFA")

As of March 31, 2016, the Company had $65 million net par outstanding of bonds issued by MFA secured by a pledge of local property tax revenues. On October 13, 2015, the Company filed a motion to intervene in litigation between Centro de Recaudación de Ingresos Municipales ("CRIM") and the GDB in which CRIM was seeking to ensure that the pledged tax revenues are, and will continue to be, available to support the MFA bonds. While the Company's motion to intervene was denied, the GDB and CRIM have reported that they executed a new deed of trust that requires the GDB, as fiduciary, to keep the pledged tax revenues separate from any other GDB monies or accounts and that governs the manner in which the pledged revenues may be invested and dispersed.

Other U.S. Public Finance Transactions

The Company has approximately $21 million of net par exposure as of March 31, 2016 to bonds issued by Parkway East Public Improvement District, which is located in Madison County, Mississippi. The bonds, which are rated BIG, are payable from special assessments on properties within the District, as well as amounts paid under a contribution agreement with the County in which the County covenants that it will provide funds in the event special assessments are not sufficient to make a debt service payment. The special assessments have not been sufficient to pay debt service in full. In earlier years, the County provided funding to cover the balance of the debt service requirement, but the County now claims that the District's failure to reimburse it within the two years stipulated in the contribution agreement means that the County is not required to provide funding until it is reimbursed. On April 27, 2016, the court granted the Company's motion for summary judgment in a declaratory judgment action, agreeing with the Company's interpretation of the County's obligations under the contribution agreement.

U.S. Public Finance Loss and LAE

The Company has loss and LAE reserves across its troubled Puerto Rico and other U.S. public finance credits, which incorporated the likelihood of the various outcomes, as of March 31, 2016 of $251.2 million compared to $245.5 million as of December 31, 2015. The higher loss reserves are primarily attributable to Puerto Rico exposures.

First Quarter 2016 U.S. RMBS Loss Projections

Based on its observation during the period of the performance of its insured transactions (including early stage delinquencies, late stage delinquencies and loss severity) as well as the residential property market and economy in general, the Company chose to use the same general assumptions to project RMBS losses as of March 31, 2016 as it used as of December 31, 2015, but increased severities for specific vintages of Alt-A first lien and subprime transactions based on observed data.

U.S. First Lien RMBS Loss Projections: Alt-A First Lien, Option ARM, Subprime and Prime

The majority of projected losses in first lien RMBS transactions are expected to come from non-performing mortgage loans (those that are or in the past twelve months have been two or more payments behind, have been modified, are in foreclosure, or have been foreclosed upon). Changes in the amount of non-performing loans from the amount projected in the previous period are one of the primary drivers of loss development in this portfolio. In order to determine the number of defaults resulting from these delinquent and foreclosed loans, the Company applies a liquidation rate assumption to loans in each of various non-performing categories. The Company arrived at its liquidation rates based on data purchased from a third party provider and assumptions about how delays in the foreclosure process and loan modifications may ultimately affect the rate at which loans are liquidated. Each quarter the Company reviews the most recent twelve months of this data and (if necessary) adjusts its liquidation rates based on its observations. The following table shows liquidation assumptions for various non-performing categories.

First Lien Liquidation Rates

	March 31, 2016	December 31, 2015
Current Loans Modified in the Previous 12 Months	25%	25%
Current Loans Delinquent in the Previous 12 Months	25	25
30 - 59 Days Delinquent		
Alt-A and Prime	35	35
Option ARM	40	40
Subprime	45	45
60 - 89 Days Delinquent		
Alt-A and Prime	45	45
Option ARM	50	50
Subprime	55	55
90+ Days Delinquent		
Alt-A and Prime	55	55
Option ARM	60	60
Subprime	60	60
Bankruptcy		
Alt-A and Prime	45	45
Option ARM	50	50
Subprime	40	40
Foreclosure		
Alt-A and Prime	65	65
Option ARM	70	70
Subprime	70	70
Real Estate Owned		
All	100	100

While the Company uses liquidation rates as described above to project defaults of non-performing loans (including current loans modified or delinquent within the last 12 months), it projects defaults on presently current loans by applying a conditional default rate ("CDR") trend. The start of that CDR trend is based on the defaults the Company projects will emerge from currently nonperforming, recently nonperforming and modified loans. The total amount of expected defaults from the non-performing loans is translated into a constant CDR (i.e., the CDR plateau), which, if applied for each of the next 36 months, would be sufficient to produce approximately the amount of defaults that were calculated to emerge from the various delinquency categories. The CDR thus calculated individually on the delinquent collateral pool for each RMBS is then used as the starting point for the CDR curve used to project defaults of the presently performing loans.

In the base case, after the initial 36-month CDR plateau period, each transaction's CDR is projected to improve over 12 months to an intermediate CDR (calculated as 20% of its CDR plateau); that intermediate CDR is held constant for 36 months and then trails off in steps to a final CDR of 5% of the CDR plateau. In the base case, the Company assumes the final CDR will be reached 7.5 years after the initial 36-month CDR plateau period, which is the same assumption used at December 31, 2015. Under the Company's methodology, defaults projected to occur in the first 36 months represent defaults that can be attributed to loans that were modified or delinquent in the last 12 months or that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected CDR trend after the first 36-month period represent defaults attributable to borrowers that are currently performing or are projected to re-perform.

Another important driver of loss projections is loss severity, which is the amount of loss the transaction incurs on a loan after the application of net proceeds from the disposal of the underlying property. Loss severities experienced in first lien transactions have reached historically high levels, and the Company is assuming in the base case that these high levels generally will continue for another 18 months. The Company determines its initial loss severity based on actual recent experience. As a result, as of March 31, 2016, the Company updated severities for specific vintages of Alt-A first lien and subprime transactions based on observed data. The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning after the initial 18 month period, declining to 40% in the base case over 2.5 years.

The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions used in the calculation of loss reserves for individual transactions for direct vintage 2004 - 2008 first lien U.S. RMBS.

Key Assumptions in Base Case Loss Reserve Estimates
First Lien RMBS (1)

	As of March 31, 2016		As of December 31, 2015	
	Range	Weighted Average	Range	Weighted Average
Alt-A First Lien				
Plateau CDR	0.9% - 27.8%	5.7%	1.7% - 26.4%	5.8%
Intermediate CDR	0.2% - 5.6%	1.1%	0.3% - 5.3%	1.2%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.0% - 1.4%	0.3%	0.1% - 1.3%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	80.0%		70.0%	
2007	65.0%		65.0%	
Initial conditional prepayment rate ("CPR")	5.1% - 31.6%	11.8%	4.6% - 32.5%	11.5%
Final CPR (2)	15.0%		15.0%	
Option ARM				
Plateau CDR	4.6% - 9.1%	7.4%	4.8% - 9.3%	7.5%
Intermediate CDR	0.9% - 1.8%	1.5%	1.0% - 1.9%	1.5%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.2% - 0.5%	0.4%	0.2% - 0.5%	0.4%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	70.0%		70.0%	
2007	65.0%		65.0%	
Initial CPR	3.4% - 13.7%	5.5%	3.0% - 10.9%	5.1%
Final CPR (2)	15.0%		15.0%	
Subprime				
Plateau CDR	4.2% - 14.4%	8.5%	4.7% - 12.7%	8.2%
Intermediate CDR	0.8% - 2.9%	1.7%	0.9% - 2.5%	1.6%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.2% - 0.7%	0.4%	0.2% - 0.6%	0.4%
Initial loss severity:				
2005 and prior	80.0%		75.0%	
2006	90.0%		90.0%	
2007	90.0%		90.0%	
Initial CPR	2.2% - 9.2%	4.2%	0.0% - 10.1%	3.6%
Final CPR (2)	15.0%		15.0%	

(1) Represents variables for most heavily weighted scenario (the “base case”).

(2) For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used.

The rate at which the principal amount of loans is voluntarily prepaid may impact both the amount of losses projected (since that amount is a function of the CDR, the loss severity and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the voluntary CPR follows a similar pattern to that of the CDR. The current level of voluntary prepayments is assumed to continue for the plateau period before gradually increasing over 12 months to the final CPR, which is assumed to be 15% in the base case. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. These CPR assumptions are the same as those the Company used for December 31, 2015.

In estimating loss reserves, the Company modeled and probability weighted sensitivities for first lien transactions by varying its assumptions of how fast a recovery is expected to occur. One of the variables used to model sensitivities was how quickly the CDR returned to its modeled equilibrium, which was defined as 5% of the initial CDR. The Company also stressed CPR and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios as of March 31, 2016. The Company used a similar approach to establish its pessimistic and optimistic scenarios as of March 31, 2016 as it used as of December 31, 2015, increasing and decreasing the periods of stress from those used in the base case.

In a somewhat more stressful environment than that of the base case, where the CDR plateau was extended six months (to be 42 months long) before the same more gradual CDR recovery and loss severities were assumed to recover over 4.5 rather than 2.5 years (and subprime loss severities were assumed to recover only to 60% and Option ARM and Alt A loss severities to only 45%), expected loss to be paid would increase from current projections by approximately $1.9 million for Alt-A first liens, $0.5 million for Option ARM, $5.4 million for subprime and $0.1 million for prime transactions.

In an even more stressful scenario where loss severities were assumed to rise and then recover over nine years and the initial ramp-down of the CDR was assumed to occur over 15 months and other assumptions were the same as the other stress scenario, loss reserves would increase from current projections by approximately $5.2 million for Alt-A first liens, $0.5 million for Option ARM, $6.9 million for subprime and $0.4 million for prime transactions.

In a scenario with a somewhat less stressful environment than the base case, where CDR recovery was somewhat less gradual, loss reserves would decrease from current projections by approximately $0.6 million for Alt-A first lien, $2.5 million for Option ARM, would increase by $0.4 million for subprime and would decrease $11.0 thousand for prime transactions.

In an even less stressful scenario where the CDR plateau was six months shorter (30 months, effectively assuming that liquidation rates would improve) and the CDR recovery was more pronounced, (including an initial ramp-down of the CDR over nine months), loss reserves would decrease from current projections by approximately $2.4 million for Alt-A first liens, $3.5 million for Option ARM, $2.4 million for subprime and $0.1 million for prime transactions.

U.S. Second Lien RMBS Loss Projections

Second lien RMBS transactions include both home equity lines of credit ("HELOC") and closed end second lien transactions. The Company believes the primary variable affecting its loss reserves in second lien RMBS transactions is the amount and timing of future losses in the collateral pool supporting the transactions. Loss reserves are also a function of the structure of the transaction; the voluntary prepayment rate (typically also referred to as CPR of the collateral); the interest rate environment; and assumptions about the draw rate and loss severity.

In second lien transactions the projection of near-term defaults from currently delinquent loans is relatively straightforward because loans in second lien transactions are generally “charged off” (treated as defaulted) by the securitization’s servicer once the loan is 180 days past due. Most second lien transactions report the amount of loans in five monthly delinquency categories (i.e., 30-59 days past due, 60-89 days past due, 90-119 days past due, 120-149 days past due and 150-179 days past due). The Company estimates the amount of loans that will default over the next five months by calculating current representative liquidation rates. A liquidation rate is the percent of loans in a given cohort (in this instance, delinquency category) that ultimately default. Similar to first liens, the Company then calculates a CDR for six months, which is the period over which the currently delinquent collateral is expected to be liquidated. That CDR is then used as the basis for the plateau period that follows the embedded five months of losses. Liquidation rates assumed as of March 31, 2016, were from 25% to 100%.

For the base case scenario, the CDR (the “plateau CDR”) was held constant for six months. Once the plateau period has ended, the CDR is assumed to gradually trend down in uniform increments to its final long-term steady state CDR. (The long-term steady state CDR is calculated as the constant CDR that would have yielded the amount of losses originally expected at underwriting.) In the base case scenario, the time over which the CDR trends down to its final CDR is 28 months. Therefore, the total stress period for second lien transactions is 34 months, comprising five months of delinquent data, a one month plateau period and 28 months of decrease to the steady state CDR the same as of December 31, 2015.

HELOC loans generally permit the borrower to pay only interest for an initial period (often ten years) and, after that period, require the borrower to make both the monthly interest payment and a monthly principal payment, and so increase the borrower's aggregate monthly payment. Some of the HELOC loans underlying the Company's insured HELOC transactions have reached their principal amortization period. The Company has observed that the increase in monthly payments occurring when a loan reaches its principal amortization period, even if mitigated by borrower relief offered by the servicer, is associated with increased borrower defaults. Thus, most of the Company's HELOC projections incorporate an assumption that a percentage of loans reaching their amortization periods will default around the time of the payment increase. These projected defaults are in addition to those generated using the CDR curve as described above. This assumption is similar to the one used at December 31, 2015. For March 31, 2016, the Company used the same general approach it had refined in the fourth quarter of 2015 to calculate the number of additional delinquencies as a function of the number of modified loans in the transaction and the final steady state CDR.

When a second lien loan defaults, there is generally a very low recovery. The Company had assumed as of March 31, 2016 that it will generally recover only 2% of the collateral defaulting in the future and declining additional amounts of post-default receipts on previously defaulted collateral. This is the same assumption used as of December 31, 2015.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected as well as the amount of excess spread. In the base case, an average CPR (based on experience of the most recent three quarters) is assumed to continue until the end of the plateau before gradually increasing to the final CPR over the same period the CDR decreases. The final CPR is assumed to be 15% for second lien transactions, which is lower than the historical average but reflects the Company’s continued uncertainty about the projected performance of the borrowers in these transactions. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. This pattern is generally consistent with how the Company modeled the CPR as of December 31, 2015. To the extent that prepayments differ from projected levels it could materially change the Company’s projected excess spread and losses.

The Company uses a number of other variables in its second lien loss projections, including the spread between relevant interest rate indices. These variables have been relatively stable and in the relevant ranges have less impact on the projection results than the variables discussed above. However, in a number of HELOC transactions the servicers have been modifying poorly performing loans from floating to fixed rates, and, as a result, rising interest rates would negatively impact the excess spread available from these modified loans to support the transactions. The Company incorporated these modifications in its assumptions.

In estimating loss reserves, the Company modeled and probability weighted five possible CDR curves applicable to the period preceding the return to the long-term steady state CDR. The Company used five scenarios at March 31, 2016 and December 31, 2015. The Company believes that the level of the elevated CDR and the length of time it will persist, the ultimate prepayment rate, and the amount of additional defaults because of the expiry of the interest only period, are the primary drivers behind the likely amount of losses the collateral will suffer. The Company continues to evaluate the assumptions affecting its modeling results.

Most of the Company's projected second lien RMBS losses are from HELOC transactions. The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions for the calculation of expected loss to be paid for individual transactions for direct vintage 2004 - 2008 HELOCs.

Key Assumptions in Base Case Loss Reserve Estimates
HELOCs (1)

	As of March 31, 2016		As of December 31, 2015	
	Range	Weighted Average	Range	Weighted Average
Plateau CDR	8.4% - 14.8%	11.5%	7.0% - 13.0%	7.6%
Final CDR trended down to	0.5% - 2.2%	1.4%	0.5% - 2.2%	1.3%
Period until final CDR	34 months		34 months	
Initial CPR	11.0%		10.9%	
Final CPR (2)	10.0% - 15.0%	13.3%	10.0% - 15.0%	13.3%
Loss severity	98.0%		98.0%	

(1) Represents variables for most heavily weighted scenario (the "base case").

(2) For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used.

The Company's base case assumed a six month CDR plateau and a 28 month ramp-down (for a total stress period of 34 months). The Company also modeled a scenario with a longer period of elevated defaults and another with a shorter period of elevated defaults. Increasing the CDR plateau to eight months and increasing the ramp-down by three months to 31 months (for a total stress period of 39 months), and doubling the defaults relating to the end of the interest only period would increase the loss reserves by approximately $9.3 million for HELOC transactions. On the other hand, reducing the CDR plateau to four months and decreasing the length of the CDR ramp-down to 25 months (for a total stress period of 29 months), and lowering the ultimate prepayment rate to 10% would decrease the loss reserves by approximately $3.4 million for HELOC transactions.

Breaches of Representations and Warranties

The Company entered into agreements with R&W providers under which those providers made payments to the Company, agreed to make payments to the Company in the future, and / or repurchased loans from the transactions, all in return for releases of related liability by the Company.

The Company has included in its net loss reserve estimates as of March 31, 2016 an estimated net benefit of $9 million (net of reinsurance). Most of the amount projected to be received pursuant to agreements with R&W providers benefits from eligible assets placed in trusts to collateralize the R&W provider's future reimbursement obligation, with the amount of such collateral subject to increase or decrease from time to time as determined by rating agency requirements. Currently the Company has agreements with two counterparties where a future reimbursement obligation is collateralized by eligible assets held in trust:

- **Bank of America**. Under Assured Guaranty's agreement with Bank of America Corporation and certain of its subsidiaries ("Bank of America"), Bank of America agreed to reimburse Assured Guaranty for 80% of claims on the first lien transactions covered by the agreement that Assured Guaranty pays in the future, until the aggregate lifetime collateral losses (not insurance losses or claims) on those transactions reach $6.6 billion. As of March 31, 2016, aggregate lifetime collateral losses on those transactions was $4.4 billion, ($4.1 billion for AGM and $0.3 billion for AGC), and Assured Guaranty was projecting in its base case that such collateral losses would eventually reach $5.2 billion, ($4.8 billion for AGM and $0.4 billion for AGC). Bank of America's reimbursement obligation is secured by $79 million of collateral held in trust for the Company's benefit and $357 million of collateral held in trust that is available for either AGC or AGM.

- **Deutsche Bank**. Under Assured Guaranty's agreement with Deutsche Bank AG and certain of its affiliates (collectively, "Deutsche Bank"), Deutsche Bank agreed to reimburse Assured Guaranty for certain claims it pays in the future on eight first and second lien transactions, including 80% of claims it pays on those transactions until the aggregate lifetime claims (before reimbursement) reach $319 million. As of March 31, 2016, Assured Guaranty was projecting in its base case that such aggregate lifetime claims would remain below $319 million. In the event aggregate lifetime claims paid exceed $389 million, Deutsche Bank must reimburse Assured Guaranty for 85% of such claims paid (in excess of $389 million) until such claims paid reach $600 million. Deutsche Bank's reimbursement obligation is secured by $16 million of collateral held in trust for the Company's benefit and $0.8 million of collateral held in trust that is available for either AGC or AGM.

The Company uses the same RMBS projection scenarios and weightings to project its future R&W benefit as it uses to project RMBS losses on its portfolio. To the extent the Company increases its loss projections, the R&W benefit generally will also increase, subject to the agreement limits and thresholds described above. Similarly, to the extent the Company decreases its loss projections, the R&W benefit generally will also decrease, subject to the agreement limits and thresholds described above.

Triple-X Life Insurance Transactions

The Company had $706 million of net par exposure to Triple-X life insurance transactions as of March 31, 2016. Two of these transactions, with $208 million of net par outstanding, are rated BIG. The Triple-X life insurance transactions are based on discrete blocks of individual life insurance business. In older vintage Triple-X life insurance transactions, which include the two BIG-rated transactions, the amounts raised by the sale of the bonds insured by the Company were used to capitalize a special purpose vehicle that provides reinsurance to a life insurer or reinsurer. The monies are invested at inception in accounts managed by third-party investment managers. In the case of the two BIG-rated transactions, material amounts of their assets were invested in U.S. RMBS. Based on its analysis of the information currently available, including estimates of future investment performance, and projected credit impairments on the invested assets and performance of the blocks of life insurance business at March 31, 2016, the Company's loss and LAE recoveries are $25.3 million.

TruPS and other structured finance

The Company insures $9.0 billion net par of TruPS and other structured finance transactions, of which $0.9 billion is rated BIG. As of March 31, 2016, the Company has loss and LAE reserves of $(94.7) million for TruPS and other structured finance transactions, including transactions backed by manufactured housing loans, compared to $(79.1) million as of December 31, 2015.

Underwriting exposure to subprime mortgage risk through Financial Guaranty insurance coverage.
The following table summarizes U.S. subprime loss (benefit) activity at March 31, 2016:

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at the End of Current Period	IBNR Reserves at the End of Current Period
a. Mortgage Guaranty coverage	$ —	$ —	$ —	$ —
b. Financial Guaranty coverage	1,451,476	(1,173,164)	24,780,149	—
c. Other lines (specify):	—	—	—	—
d. Total	$ 1,451,476	$ (1,173,164)	$ 24,780,149	$ —

22. Events Subsequent

On April 12, 2016, AGC entered into an agreement and plan of merger to acquire CIFG Holding Inc. ("CIFG"), the parent of financial guaranty insurer CIFG Assurance North America, Inc. ("CIFG NA"). AGC expects to pay $450 million in cash to acquire CIFG, subject to adjustments as contemplated in the agreement, and the acquisition is expected to be completed mid-2016, subject to receipt of anti-trust and insurance regulatory approvals as well as satisfaction of customary closing conditions. CIFG's stockholders have already approved the acquisition. As part of the transaction, CIFG NA will merge into AGC, which will be the surviving entity. As of December 31, 2015, CIFG had a consolidated insured portfolio of $5.6 billion of net par and approximately $637 million of consolidated qualified statutory capital.

Subsequent events have been considered through May 11, 2016 for these statutory financial statements which are to be issued on May 13, 2016. There were no material events occurring subsequent to March 31, 2016 that have not already been disclosed in these financial statements.

23. Reinsurance

A. The Company has no unsecured reinsurance recoverable at March 31, 2016.
B. The Company has no reinsurance recoverable in dispute at March 31, 2016.
C. Reinsurance Assumed and Ceded
The following table summarizes ceded and assumed unearned premiums and the related commission equity at March 31, 2016:

	Assumed Reinsurance		Ceded Reinsurance		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. AFFILIATES	$ 40,591,153	$ 11,178,831	$ 350,039,857	$ 50,273,528	$ (309,448,704)	$ (39,094,697)
b. ALL OTHER	41,094,116	10,361,280	5,287,943	1,092,885	35,806,173	9,268,395
c. TOTAL	$ 81,685,269	$ 21,540,111	$ 355,327,800	$ 51,366,413	$ (273,642,531)	$ (29,826,302)
d. Direct Unearned Premium Reserve			$ 722,650,406			

D. The Company has no uncollectible reinsurance at March 31, 2016.
E. There is no Company effect from commutation and reassumption of ceded and assumed business at March 31, 2016.
F. The Company has no retroactive reinsurance in effect at March 31, 2016.
G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.
H. The Company has no run-off agreements at March 31, 2016.
I. The Company has no certified reinsurance downgraded or status subject to revocation at March 31, 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change since 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 $7,835,911 for the first three months of 2016. The current year decrease 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 has been no change since the 2015 Annual Statement.

27. Structured Settlements

There has been no change since the 2015Annual Statement.

28. Health Care Receivables

There has been no change since the 2015 Annual Statement.

29. Participating Policies

There has been no change since the 2015 Annual Statement.

30. Premium Deficiency Reserves

There has been no change since the 2015 Annual Statement.

31. High Deductibles

There has been no change since the 2015 Annual Statement.

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

The net loss and LAE reserves of $157,859,334 are discounted at a rate of 4.0%, the approximate taxable equivalent yield on the Company's investment portfolio, amounting to a total discount of $156,977,139.

Nontabular Discount:	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
Financial Guaranty	$ 156,977,139	$ —	$ —	$ —

33. Asbestos and Environmental Reserves

There has been no change since the 2015 Annual Statement.

34. Subscriber Savings Accounts

There has been no change since the 2015 Annual Statement.

35. Multiple Peril Crop Insurance

There has been no change since the 2015 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2015 Annual Statement.

B. Schedule of BIG insured financial obligations as of March 31, 2016:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(Dollars in Thousands)			
1. Number of risks	174	72	110	356
2. Remaining weighted-average contract period (in yrs)	9.4	15.0	11.5	11.6
Insured contractual payments outstanding:				
3a. Principal	$ 3,700,824	$ 2,443,338	$ 1,566,509	$ 7,710,671
3b. Interest	1,310,371	1,729,196	206,232	3,245,799
3c. Total	$ 5,011,195	$ 4,172,534	$ 1,772,741	$ 10,956,470
4. Gross claim liability	$ 41,248	$ 743,887	$ 457,918	$ 1,243,053
Less:				
5a1. Gross potential recoveries - subrogation	217,054	126,447	73,619	417,120
5a2. Ceded claim liability	(11,281)	163,704	359,590	512,013
5a. Total gross potential recoveries	$ 205,773	$ 290,151	$ 433,209	$ 929,133
5b. Discount, net	(16,528)	182,385	(8,880)	156,977
6. Net claim liability	$ (147,997)	$ 271,351	$ 33,589	$ 156,943
7. Unearned premium revenue	$ 40,490	$ 32,883	$ 642	$ 74,015
8. Reinsurance recoverables	$ 6,398	$ 90	$ 747	$ 7,235

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 [ ]

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.

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 [ ] NA [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. 12/31/2011

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. 12/31/2011

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). 06/21/2013

6.4 By what department or departments?

Maryland Insurance Administration

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 [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [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

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? 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 [X] No [ ]

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: $ 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 [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$ 379,123,401	$ 381,067,182
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)	$ 379,123,401	$ 381,067,182
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 [X] No [ ]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] 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 $

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

16.3 Total payable for securities lending reported on the liability page $

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

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	One Wall Street, New York, NY 10286
Wilmington Trust	1800 Washington Blvd. Baltimore, Md 21230
The Northern Trust Company	50 South Lasalle Street, Chicago, IL 60675

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

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

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
107-105	Blackrock Financial Management Inc.	40 East 52nd St., New York, NY 10022
105-900	General Re-New England Asset Managment Inc.	76 Batterson Ave., Farmington, CT 06032
106-595	Wellington Management Company LLP	75 State St., Boston, MA 02109
107-738	Goldman Sachs Asset Management, L.P.	200 West Street, 37th Floor, New York, NY 10282

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

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 [X] No [ ]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1 Line of Business	2 Maximum Interest	3 Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
Financial Guaranty		4.000	156,977,139			156,977,139	30,869,016			30,869,016
TOTAL			156,977,139	0	0	156,977,139	30,869,016	0	0	30,869,016

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. $

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

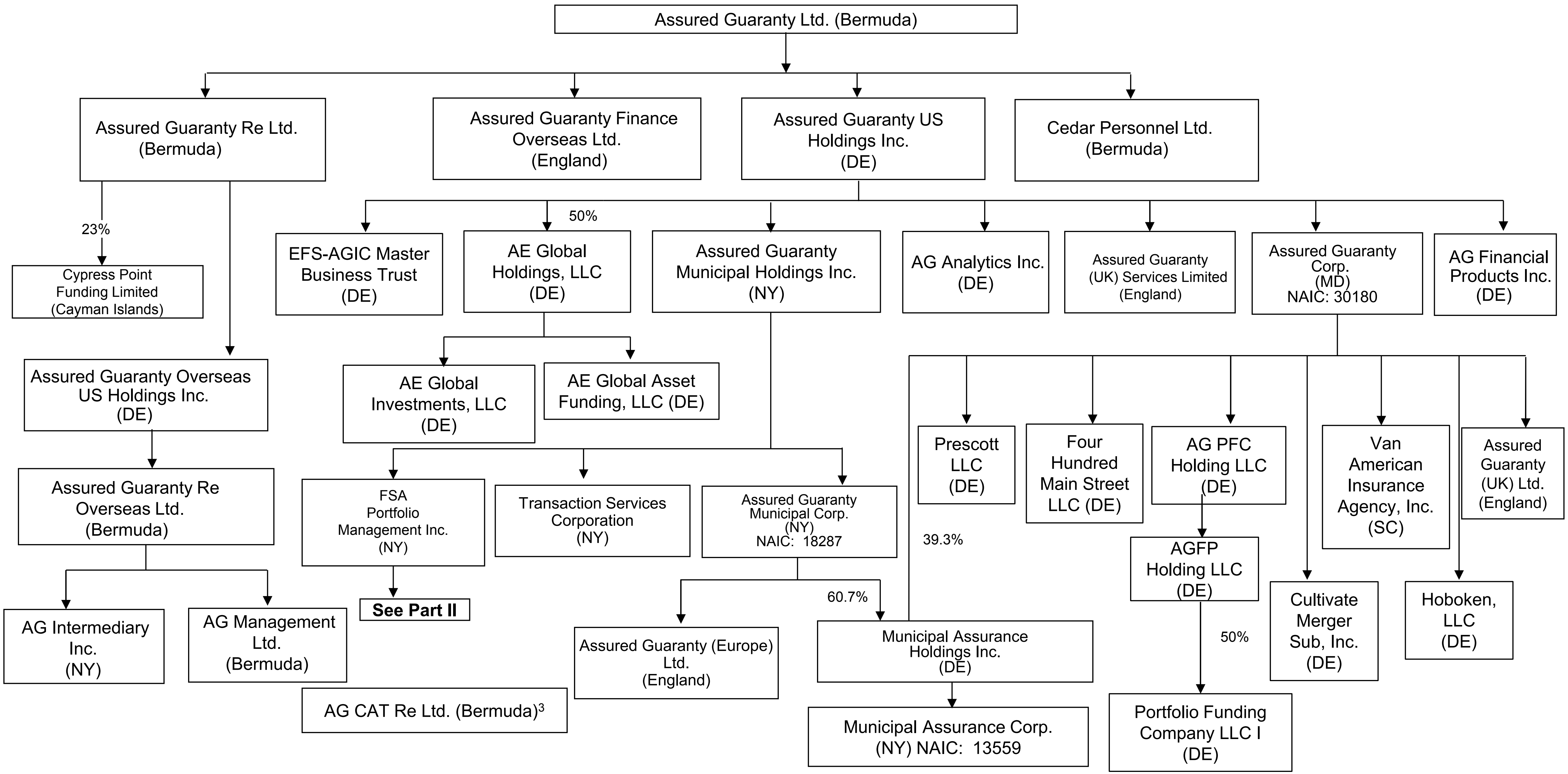
States, etc.	1 Active Status	Direct Premiums Written 2 Current Year To Date	Direct Premiums Written 3 Prior Year To Date	Direct Losses Paid (Deducting Salvage) 4 Current Year To Date	Direct Losses Paid (Deducting Salvage) 5 Prior Year To Date	Direct Losses Unpaid 6 Current Year To Date	Direct Losses Unpaid 7 Prior Year To Date
1. Alabama AL	L		0		0		0
2. Alaska AK	L		0		0		0
3. Arizona AZ	L		0		0		0
4. Arkansas AR	L	27,168	89,981	(104,002)	(176,242)	4,221,127	2,015,309
5. California CA	L	9,165	8,881	150,902	34,511	4,168,372	2,860,741
6. Colorado CO	L		0		0		0
7. Connecticut CT	L		0		0		0
8. Delaware DE	L	1,466,353	2,171,144	(180,939)	239,343	4,822,728	4,256,270
9. Dist. Columbia DC	L		0		0		0
10. Florida FL	L		0		0	1,283,424	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	188,222	299,139	33,650	42,049	783,859	1,034,225
15. Indiana IN	L		0		0		0
16. Iowa IA	L		0		0		0
17. Kansas KS	L		0		0		0
18. Kentucky KY	L		250		0	6,277,500	6,888,500
19. Louisiana LA	L		0		0		0
20. Maine ME	L		0		0		0
21. Maryland MD	L	305,340	330,445	4,063	(30,525)	383,476	589,360
22. Massachusetts MA	L	34,148	74,886	363,526	(147,914)	6,173,435	4,828,957
23. Michigan MI	L		0		0	10,623,464	12,143,543
24. Minnesota MN	L	222,436	269,394		0		0
25. Mississippi MS	L		0		0	10,788,255	0
26. Missouri MO	L	1,250,000	800,000		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	57,667	590,184		0		0
32. New Mexico NM	L		0		0		0
33. New York NY	L	7,153,049	9,707,753	50,893,530	253,270	18,431,632	(38,467,168)
34. No. Carolina NC	L		22,342		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		0		0	2,479,814	0
40. Rhode Island RI	L		0		(183,261)		(34,545,000)
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	47,881	59,567		0		0
45. Utah UT	L		0		0		0
46. Vermont VT	L	254,917	254,917		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		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	134,061,023	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	642,250	701,500	0	0	0	0
59. Totals	(a) 52	11,658,596	15,380,383	51,160,730	31,231	204,498,109	(38,395,263)
DETAILS OF WRITE-INS							
58001. CYM Cayman Islands	XXX	642,250	701,500		0		0
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	642,250	701,500	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; (N) None of the above - Not allowed to write business in the state.

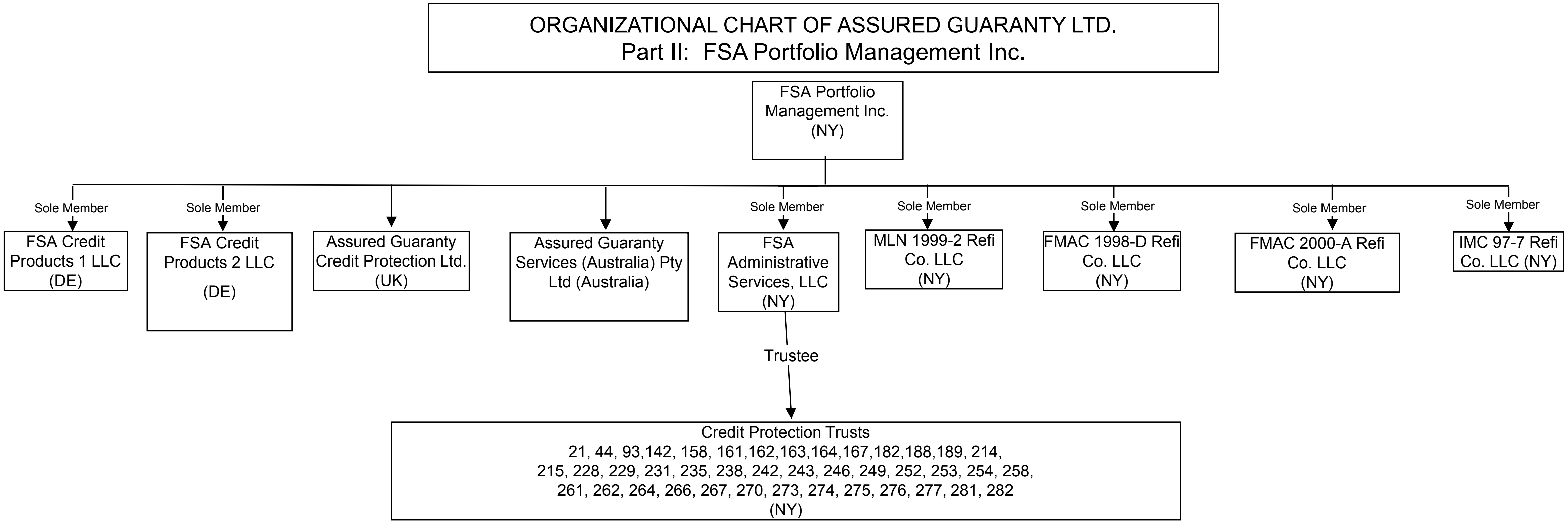
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

ORGANIZATIONAL CHART OF ASSURED GUARANTY LTD. Part I



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



Notes:

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 limited liability companies (designated as LLCs) and the Credit Protection Trusts (which are New York grantor trusts).
3. AG CAT Re Ltd. is wholly owned by Codan Trust Company 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.

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
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00194	Assured Guaranty Ltd.	00000	98-0429991		0001573813	NYSE	Assured Guaranty Ltd.	BMU	UIP			0.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	20-1082002		0001289244		Assured Guaranty US Holdings Inc.	DE	UDP	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	13-3261323		1111913357		Assured Guaranty Municipal Holdings Inc.	NY	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	18287	13-3250292				Assured Guaranty Municipal Corp.	NY	IA	Assured Guaranty Municipal Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	13-3693815				FSA Portfolio Management Inc.	NY	NIA	Assured Guaranty Municipal Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	13-3866939				Transaction Services Corporation	NY	NIA	Assured Guaranty Municipal Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	46-3047895				Municipal Assurance Holdings Inc.	DE	DS	Assured Guaranty Municipal Corp.	Ownership	60.7	Assured Guaranty Ltd.	(1)
00194	Assured Guaranty Ltd.	00000	13-3896538				Assured Guaranty (Europe) Ltd.	GBR	IA	Assured Guaranty Municipal Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Cypress Point Funding Ltd.	CYM	NIA	Assured Guaranty Re Ltd.	Ownership	23.0	Assured Guaranty Ltd.	0
												0.0		0
00194	Assured Guaranty Ltd.	00000	98-0203985				Assured Guaranty Re Ltd.	BMU	IA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty Finance Overseas Ltd.	GBR	NIA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Cedar Personnel Ltd.	BMU	NIA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
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.	0
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.	0
00194	Assured Guaranty Ltd.	00000					AG Management Ltd.	BMU	NIA	Assured Guaranty Re Overseas Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	13-3339307				AG Intermediary Inc.	NY	NIA	Assured Guaranty Re Overseas Ltd.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	13559	26-2999764				Municipal Assurance Corp.	NY	DS	Municipal Assurance Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	27-1251323				AG Analytics Inc.	DE	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty (UK) Services Limited	GBR	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	30180	52-1533088				Assured Guaranty Corp.	MD	RE	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	13-4031196				AG Financial Products Inc.	DE	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Prescott LLC	DE	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	52-1533088				AG PFC Holding LLC	DE	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/ Person(s)	15 *
00194	Assured Guaranty Ltd.	00000					Assured Guaranty (UK) Ltd.	GBR	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	27-3047677				AGFP Holding LLC	DE	DS	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Portfolio Funding Company LLC 1	DE	DS	AGFP Holding LLC	Ownership	50.0	Assured Guaranty Ltd.	0
	Codan Trust Company Ltd.	00000					AG CAT Re Ltd.	BMU	OTH	Codan Trust Company Limited	Other	0.0	Codan Trust Company Limited	(2)
00194	Assured Guaranty Ltd.	00000					FSA Credit Products 1 LLC	DE	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					FSA Credit Products 2 LLC	DE	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty Credit Protection Ltd.	GBR	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty Services (Australia) Pty Ltd.	AUS	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					FSA Administrative Services, LLC	NY	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
												0.0		0
00194	Assured Guaranty Ltd.	00000					MLN 1992-2 Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					FMAC 1998-D Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					FMAC 2000-A Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					IMC 97-7 Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	0
												0.0		0
00194	Assured Guaranty Ltd.	00000					Credit Protection Trusts	NY	NIA	FSA Portfolio Management Inc.	Other	100.0	Assured Guaranty Ltd.	0
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.	0
00194	Assured Guaranty Ltd.	00000	36-4746928				AE Global Holdings, LLC	DE	NIA	Assured Guaranty US Holdings Inc.	Ownership	50.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					AE Global Investments, LLC	DE	NIA	AE Global Holdings, LLC	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					AE Global Asset Funding, LLC	DE	NIA	AE Global Holdings, LLC	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Four Hundred Main Street, LLC	DE	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000	20-3759337				Van American Insurance Agency, Inc.	SC	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Hoboken, LLC	DE	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0
00194	Assured Guaranty Ltd.	00000					Cultivate Merger Sub, Inc.	DE	DS	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	0

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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 Codan Trust Company 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.

PART 1 - LOSS EXPERIENCE

	Line of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date 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	45,866,516	15,956,609	34.8	(27.6)
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	45,866,516	15,956,609	34.8	(27.6)
	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	11,658,596	11,658,596	15,380,133
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		250
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	11,658,596	11,658,596	15,380,383
	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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2016 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2013 + Prior	191,486	300	191,786	59,518		59,518	138,271		300	138,571	6,303	0	6,303
2. 2014	(2,380)		(2,380)	80		80	(2,183)			(2,183)	277	0	277
3. Subtotals 2014 + prior	189,106	300	189,406	59,598	0	59,598	136,088	0	300	136,388	6,580	0	6,580
4. 2015	20,410		20,410	197		197	21,469			21,469	1,256	0	1,256
5. Subtotals 2015 + prior	209,516	300	209,816	59,795	0	59,795	157,557	0	300	157,857	7,836	0	7,836
6. 2016	XXX	XXX	XXX	XXX	0	0	XXX	2		2	XXX	XXX	XXX
7. Totals	209,516	300	209,816	59,795	0	59,795	157,557	2	300	157,859	7,836	0	7,836
8. Prior Year-End Surplus As Regards Policy-holders	1,365,288												

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. 3.7	2. 0.0	3. 3.7
		Col. 13, Line 7 Line 8
		4. 0.6

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. 3 0 1 8 0 2 0 1 6 4 9 0 0 0 0 1

2. 3 0 1 8 0 2 0 1 6 4 5 5 0 0 0 1

3. 3 0 1 8 0 2 0 1 6 3 6 5 0 0 0 1

4. 3 0 1 8 0 2 0 1 6 5 0 5 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.
*ASSETS

	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
2504. COLI Assets	21,296,305		21,296,305	21,348,863
2505. Other Assets	5,160,585	1,672,310	3,488,275	2,591,343
2506.			0	
2507.			0	0
2508.			0	0
2597. Summary of remaining write-ins for Line 25 from Page 02	26,456,890	1,672,310	24,784,580	23,940,206

PQ003 Additional Aggregate Lines for Page 03 Line 25.
*LIAB

	1 Current Statement Date	2 December 31, Prior Year
2504. Miscellaneous Liability	5,763,731	6,682,936
2505.		
2506.		0
2597. Summary of remaining write-ins for Line 25 from Page 03	5,763,731	6,682,936

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	32,029,255	2,374,265
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	29,776,415
2.2 Additional investment made after acquisition	18,556	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	448,942	121,425
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	31,598,869	32,029,255
10. Deduct total nonadmitted amounts	2,222,483	2,252,840
11. Statement value at end of current period (Line 9 minus Line 10)	29,376,386	29,776,415

SCHEDULE B – VERIFICATION

Mortgage Loans

NONE

	1 Year To Date	2 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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,837,677	27,278,198
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		30,000,008
2.2 Additional investment made after acquisition		614,776
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	(97,188)	(3,163,158)
6. Total gain (loss) on disposals		2,511,990
7. Deduct amounts received on disposals		54,404,137
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)	2,740,489	2,837,677
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	2,740,489	2,837,677

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	2,712,693,035	3,091,797,948
2. Cost of bonds and stocks acquired	75,467,380	1,079,947,032
3. Accrual of discount	11,084,078	23,805,521
4. Unrealized valuation increase (decrease)	1,943,782	39,225,012
5. Total gain (loss) on disposals	2,526,562	27,564,178
6. Deduct consideration for bonds and stocks disposed of	163,164,353	1,524,529,135
7. Deduct amortization of premium	4,256,516	19,349,833
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized	3,084,409	5,767,688
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,633,209,559	2,712,693,035
11. Deduct total nonadmitted amounts	(13,503,990)	(12,959,242)
12. Statement value at end of current period (Line 10 minus Line 11)	2,646,713,549	2,725,652,277

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)	2,224,761,532	179,239,326	262,732,684	6,098,484	2,147,366,658	0	0	2,224,761,532
2. NAIC 2 (a)	34,698,098		14,315	(75,299)	34,608,484	0	0	34,698,098
3. NAIC 3 (a)	0			87,111	87,111	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)	140,360,312		532,037	(2,362,942)	137,465,333	0	0	140,360,312
7. Total Bonds	2,399,819,942	179,239,326	263,279,036	3,747,354	2,319,527,586	0	0	2,399,819,942
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	2,399,819,942	179,239,326	263,279,036	3,747,354	2,319,527,586	0	0	2,399,819,942

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 62,021,113 ; NAIC 2 $;
NAIC 3 $; NAIC 4 $; NAIC 5 $; NAIC 6 $

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	3,978,381	XXX	3,977,711		

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	853,831	189,937,166
2. Cost of short-term investments acquired	36,307,621	430,410,301
3. Accrual of discount	673	74,125
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	(212)	0
6. Deduct consideration received on disposals	33,183,532	619,459,468
7. Deduct amortization of premium		96,650
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		11,643
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,978,381	853,831
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,978,381	853,831

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	31,773,073
2.	Cost Paid/(Consideration Received) on additions	
3.	Unrealized Valuation increase/(decrease)	(15,234,707)
4.	Total gain (loss) on termination recognized	
5.	Considerations received/(paid) on terminations	
6.	Amortization	
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
8.	Total foreign exchange change in Book/Adjusted Carrying Value	
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8)	16,538,366
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	16,538,366

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

NONE

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)				0
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote – Cumulative Cash Change column)				0
3.1	Add:				
	Change in variation margin on open contracts – Highly Effective Hedges				
3.11	Section 1, Column 15, current year to date minus	0			
3.12	Section 1, Column 15, prior year	0	0		
	Change in variation margin on open contracts – All Other				
3.13	Section 1, Column 18, current year to date minus	0			
3.14	Section 1, Column 18, prior year	0	0	0	
3.2	Add:				
	Change in adjustment to basis of hedged item				
3.21	Section 1, Column 17, current year to date minus	0			
3.22	Section 1, Column 17, prior year	0	0		
	Change in amount recognized				
3.23	Section 1, Column 19, current year to date minus	0			
3.24	Section 1, Column 19, prior year	0	0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item				
4.22	Amount recognized		0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)				0
7.	Deduct total nonadmitted amounts				
8.	Statement value at end of current period (Line 6 minus Line 7)				0

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check	
1.	Part A, Section 1, Column 14	16,538,366	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote – Total Ending Cash Balance	0	
3.	Total (Line 1 plus Line 2)		16,538,366
4.	Part D, Section 1, Column 5	16,538,366	
5.	Part D, Section 1, Column 6	0	
6.	Total (Line 3 minus Line 4 minus Line 5)		0
		Fair Value Check	
7.	Part A, Section 1, Column 16	16,538,366	
8.	Part B, Section 1, Column 13	0	
9.	Total (Line 7 plus Line 8)		16,538,366
10.	Part D, Section 1, Column 8	16,538,366	
11.	Part D, Section 1, Column 9	0	
12.	Total (Line 9 minus Line 10 minus Line 11)		0
		Potential Exposure Check	
13.	Part A, Section 1, Column 21	0	
14.	Part B, Section 1, Column 20	0	
15.	Part D, Section 1, Column 11	0	
16.	Total (Line 13 plus Line 14 minus Line 15)		0

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	65,396,475	332,548,940
2. Cost of cash equivalents acquired	67,464,324	1,111,810,389
3. Accrual of discount	3,533	28,092
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	900	1,148
6. Deduct consideration received on disposals	69,458,403	1,378,992,094
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)	63,406,829	65,396,475
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	63,406,829	65,396,475

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by purchase								
Office Building at 400 Main Street	Stockton	CA	02/25/2015					18,556
0199999 - Acquired by purchase					0	0	0	18,556
0399999 Totals					0	0	0	18,556

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1	Location		4	5	6	7	8	Changes in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A. C.V. (11-9-10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain(Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
0399999 Totals																			

NONE

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
NONE								
3399999 Totals						0	0	0

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Re-corded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Re-corded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
NONE																	
0599999 Totals																	

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
4499999 – Subtotals - Unaffiliated								0	0	0	0	XXX
4599999 – Subtotals - Affiliated								0	0	0	0	XXX
4699999 Totals								0	0	0	0	XXX

NONE

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Real Estate - Affiliated																			
000000-00-0												0						0	
4499999 – Subtotals - Unaffiliated							0	0	0	0	0	0	0	0	0	0	0	0	0
4599999 – Subtotals - Affiliated							0	0	0	0	0	0	0	0	0	0	0	0	0
4699999 Totals							0	0	0	0	0	0	0	0	0	0	0	0	0

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									
912828-P3-8	UNITED STATES TREASURY NOTE		03/09/2016	Various		17,025,497	16,900,000	30,875	1
912828-P4-6	UNITED STATES TREASURY NOTE		03/04/2016	BARCLAYS CAPITAL		17,028,134	17,450,000	16,359	1
0599999 - Bonds - U.S. Governments						34,053,631	34,350,000	47,234	XXX
Bonds - U.S. States, Territories and Possessions									
882723-ZD-4	TEXAS ST		02/08/2016	GOLDMAN SACHS		2,559,900	2,000,000	36,389	1FE
93974D-TM-0	WASHINGTON ST		02/05/2016	GOLDMAN SACHS		4,302,754	3,375,000		1FE
1799999 - Bonds - U.S. States, Territories and Possessions						6,862,654	5,375,000	36,389	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
014393-VG-4	ALDINE TEXAS INDEPENDENT SCHOOL DI		01/21/2016	WELLS FARGO BROK SER LLC		3,761,430	3,000,000	3,750	1FE
208418-ZB-2	CONROE TEXAS INDEPENDENT SCHOOL DI		01/15/2016	JP MORGAN SECURITIES		2,749,745	2,160,000	3,000	1FE
346604-JN-2	FORSYTH CNTY GA SCH DIST REF 5.000		01/22/2016	CITIGROUP GLOBAL MARKETS		2,965,089	2,350,000		1FE
613681-3F-0	MONTGOMERY, TEXAS (COUNTY OF) RFDG		01/13/2016	Hytchinson Shocky Erley & Co		1,603,767	1,265,000	4,392	1FE
779240-KA-7	ROUND ROCK TEXAS INDEPENDENT SCHOO		01/14/2016	WELLS FARGO BROK SER LLC		1,465,175	1,155,000		1FE
969887-W6-1	WILLIAMSON, TEXAS (COUNTY OF) CTFS		01/13/2016	RAMIREZ		1,864,765	1,490,000	47,804	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						14,409,971	11,420,000	58,946	XXX
Bonds - U.S. Special Revenue									
254845-MF-4	DISTRICT COLUMBIA WATER & SEWER AU		01/21/2016	LOOP CAPITAL MARKETS, LLC		3,102,800	2,500,000		1FE
44244C-GJ-0	HOUSTON TEX UTIL SYS REV FOR ISSUE		02/10/2016	WELLS FARGO BROK SER LLC		3,232,225	2,500,000		1FE
41422E-FH-1	METROPOLITAN TRANSIT AUTHORITY OF		01/21/2016	RAMIREZ		2,787,391	2,225,000	26,267	1FE
89602N-5F-7	TRIBOROUGH BRIDGE AND TUNNEL AUTHO		01/22/2016	CITIGROUP GLOBAL MARKETS		5,014,240	4,000,000		1FE
982674-KN-2	WYANDOTTE CNTY KANS CITY KANS UNI		01/14/2016	US BANCORP PIPER JAFFRAY		1,227,530	1,000,000		1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						15,364,186	12,225,000	26,267	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
035242-AP-1	ANHEUSER-BUSCH INBEV FINA		01/13/2016	BARCLAYS CAPITAL		4,742,068	4,750,000		1FE
494368-BU-6	KIMBERLY-CLARK CORPORATION		02/17/2016	CITIGROUP GLOBAL MARKETS		34,870	35,000		1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						4,776,938	4,785,000	0	XXX
8399997 - Subtotals - Bonds - Part 3						75,467,380	68,155,000	168,836	XXX
8399999 - Subtotals - Bonds						75,467,380	68,155,000	168,836	XXX
9999999 Totals						75,467,380	XXX	168,836	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36202F-SE-7	G2 5017		03/20/2016	PRINCIPAL RECEIPT		319,342	319,342	354,869	356,311		(36,969)		(36,969)		319,342			0	1,603	04/20/2041	1
36295N-NT-0	GNMA PASST 675502		03/15/2016	PRINCIPAL RECEIPT		3,723	3,723	3,919	3,906		(183)		(183)		3,723			0	28	06/15/2023	1
36296U-3B-4	GNMA PASST 701994		03/15/2016	PRINCIPAL RECEIPT		913	913	961	952		(39)		(39)		913			0	7	01/15/2024	1
3620A5-MN-6	GNMA PASST 719565		03/15/2016	PRINCIPAL RECEIPT		2,526	2,526	2,658	2,630		(105)		(105)		2,526			0	19	09/15/2024	1
36202E-Q2-8	GNMA PASSTHRU 004073		03/20/2016	PRINCIPAL RECEIPT		3,284	3,284	3,601	3,602		(318)		(318)		3,284			0	25	01/20/2038	1
36202E-RE-1	GNMA PASSTHRU 004085		03/20/2016	PRINCIPAL RECEIPT		7,878	7,878	8,638	8,652		(774)		(774)		7,878			0	51	02/20/2038	1
36202E-TA-7	GNMA PASSTHRU 004145		03/20/2016	PRINCIPAL RECEIPT		4,231	4,231	4,639	4,637		(407)		(407)		4,231			0	34	05/20/2038	1
36202E-WE-5	GNMA PASSTHRU 004245		03/20/2016	PRINCIPAL RECEIPT		3,894	3,894	4,268	4,280		(387)		(387)		3,894			0	31	09/20/2038	1
36202F-VG-8	GNMA PASSTHRU 005115		03/28/2016	VARIOUS		4,410,481	4,108,130	4,534,301	4,525,669		(72,616)		(72,616)		4,453,053		(42,572)	(42,572)	55,783	07/20/2041	1
36295B-5R-0	GNMA PASSTHRU 666056		03/15/2016	PRINCIPAL RECEIPT		109,889	109,889	115,658	115,032		(5,142)		(5,142)		109,889			0	1,208	03/15/2023	1
36296A-WC-4	GNMA PASSTHRU 685643		03/15/2016	PRINCIPAL RECEIPT		8,487	8,487	8,933	8,814		(326)		(326)		8,487			0	64	04/15/2023	1
36296F-JW-4	GNMA PASSTHRU 689777		03/15/2016	PRINCIPAL RECEIPT		1,279	1,279	1,346	1,335		(56)		(56)		1,279			0	10	07/15/2023	1
36296J-M3-6	GNMA PASSTHRU 692578		03/15/2016	PRINCIPAL RECEIPT		1,063	1,063	1,162	1,174		(112)		(112)		1,063			0	10	05/15/2039	1
36296K-P4-8	GNMA PASSTHRU 693543		03/15/2016	PRINCIPAL RECEIPT		3,524	3,524	3,709	3,670		(146)		(146)		3,524			0	27	07/15/2023	1
36296N-ZS-8	GNMA PASSTHRU 696553		03/15/2016	PRINCIPAL RECEIPT		264	264	278	274		(10)		(10)		264			0	2	08/15/2023	1
36296Q-BP-3	GNMA PASSTHRU 697646		03/15/2016	PRINCIPAL RECEIPT		130	130	141	141		(11)		(11)		130			0	1	10/15/2038	1
36296U-S7-6	GNMA PASSTHRU 701742		03/15/2016	PRINCIPAL RECEIPT		2,844	2,844	3,111	3,092		(248)		(248)		2,844			0	26	03/15/2039	1
36296U-ZS-2	GNMA PASSTHRU 701953		03/15/2016	PRINCIPAL RECEIPT		1,156	1,156	1,217	1,203		(47)		(47)		1,156			0	12	06/15/2024	1
36296X-X9-0	GNMA PASSTHRU 704604		03/15/2016	PRINCIPAL RECEIPT		17,650	17,650	18,576	18,266		(616)		(616)		17,650			0	84	07/15/2024	1
3620A2-EJ-1	GNMA PASSTHRU 716637		03/15/2016	PRINCIPAL RECEIPT		6,497	6,497	6,839	6,701		(204)		(204)		6,497			0	49	08/15/2024	1
3620A3-SN-5	GNMA PASSTHRU 717925		03/15/2016	PRINCIPAL RECEIPT		3,239	3,239	3,409	3,239				0		3,239			0	24	09/15/2024	1
3620A3-XL-3	GNMA PASSTHRU 718083		03/15/2016	PRINCIPAL RECEIPT		9,811	9,811	10,328	10,107		(296)		(296)		9,811			0	74	12/15/2024	1
3620A4-WJ-7	GNMA PASSTHRU 718949		03/15/2016	PRINCIPAL RECEIPT		4,293	4,293	4,519	4,466		(173)		(173)		4,293			0	32	10/15/2024	1
3620A9-MU-2	GNMA PASSTHRU 723171		03/15/2016	PRINCIPAL RECEIPT		20,359	20,359	21,428	21,129		(770)		(770)		20,359			0	139	10/15/2024	1
3620AA-R6-7	GNMA PASSTHRU 724209		03/15/2016	PRINCIPAL RECEIPT		5,121	5,121	5,390	5,285		(165)		(165)		5,121			0	29	08/15/2024	1
3620AC-U9-3	GNMA PASSTHRU 726108		03/15/2016	PRINCIPAL RECEIPT		14,444	14,444	15,202	14,846		(402)		(402)		14,444			0	146	12/15/2024	1
3620AC-2Q-6	GNMA PASSTHRU 726283		03/15/2016	PRINCIPAL RECEIPT		7,223	7,223	7,602	7,570		(347)		(347)		7,223			0	75	09/15/2024	1
3620AD-AL-6	GNMA PASSTHRU 726411		03/15/2016	PRINCIPAL RECEIPT		10,630	10,630	11,188	10,963		(333)		(333)		10,630			0	105	10/15/2024	1
3620AF-Y3-5	GNMA PASSTHRU 728930		03/15/2016	PRINCIPAL RECEIPT		1,374	1,374	1,446	1,412		(38)		(38)		1,374			0	10	12/15/2024	1
3620AJ-ZA-0	GNMA PASSTHRU 731637		03/15/2016	PRINCIPAL RECEIPT		3,611	3,611	3,931	3,874		(262)		(262)		3,611			0	49	03/15/2040	1
36176X-KT-5	GNMA PASSTHRU 779106		03/15/2016	PRINCIPAL RECEIPT		343,013	343,013	371,285	369,907		(26,894)		(26,894)		343,013			0	1,941	04/15/2042	1
36178C-6M-0	GNMA PASSTHRU AA5376		03/15/2016	PRINCIPAL RECEIPT		227,482	227,482	246,898	247,404		(19,922)		(19,922)		227,482			0	782	06/15/2042	1
36179M-E4-8	GNMA PASSTHRU MA0155		03/20/2016	PRINCIPAL RECEIPT		600,628	600,628	661,465	633,551		(32,924)		(32,924)		600,628			0	2,631	06/20/2042	1
912828-P4-6	UNITED STATES TREASURY NOTE		03/08/2016	BARCLAYS CAPITAL		17,122,813	17,450,000	17,028,134			422		422		17,028,556		94,256	94,256	17,917	02/15/2026	1
912828-QJ-2	US Treas Note/Bond		02/29/2016	MATURITY		17,000,000	17,000,000	17,056,351	17,005,323		(5,323)		(5,323)		17,000,000			0	180,625	02/29/2016	1
0599999 - Bonds - U.S. Governments						40,283,096	40,307,929	40,527,400	23,409,417	0	(206,143)	0	(206,143)	0	40,231,411	0	51,684	51,684	263,653	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
13063A-5G-5	CALIFORNIA ST		03/21/2016	BARCLAYS CAPITAL		4,196,686	2,815,000	3,748,088	3,688,611		(4,368)		(4,368)		3,684,243		512,444	512,444	102,134	04/01/2039	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						4,196,686	2,815,000	3,748,088	3,688,611	0	(4,368)	0	(4,368)	0	3,684,243	0	512,444	512,444	102,134	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
614121-RE-3	MONTGOMERY TEX INDPT SCH DIST SCH		02/15/2016	CALLED @ 100.0000000		3,485,000	3,485,000	3,480,057	3,484,869		131		131		3,485,000			0	87,125	02/15/2037	1FE
73474M-KN-4	PORT NECHES-GROVES TEX INDPT PRREF		02/15/2016	CALLED @ 100.0000000		885,000	885,000	903,036	885,473		(473)		(473)		885,000			0	22,125	02/15/2032	1FE
73474M-KS-3	PORT NECHES-GROVES TEX INDPT UNREF		02/15/2016	CALLED @ 100.0000000		1,060,000	1,060,000	1,081,603	1,060,566		(566)		(566)		1,060,000			0	26,500	02/15/2032	1FE
73474M-JF-3	PORT NECHES-GROVES TX INDPT PRE-RE		02/15/2016	CALLED @ 100.0000000		2,740,000	2,740,000	2,795,842	2,741,463		(1,463)		(1,463)		2,740,000			0	68,500	02/15/2032	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						8,170,000	8,170,000	8,260,538	8,172,371	0	(2,371)	0	(2,371)	0	8,170,000	0	0	0	204,250	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
047856-EX-3	ATLANTA GA URBAN RESIDENTIAL		03/01/2016	Sink PMT @ 100.0000000		100,000	100,000	104,900	101,412		(33)		(33)		101,378		(1,378)	(1,378)	505	03/01/2041	1FE
235241-QS-8	DALLAS TX AREA RAPID TRANSIT PRERE		03/28/2016	CITIGROUP GLOBAL MARKETS		3,806,856	3,700,000	3,683,313	3,695,032		1,283		1,283		3,696,315		110,541	110,541	61,667	12/01/2036	1FE
3132QP-Y9-9	FEDERAL HOME LN MTG CORP #Q33435		03/15/2016	PRINCIPAL RECEIPT		31,319	31,319	32,591	32,537		(1,218)		(1,218)		31,319			0	120	05/01/2045	1
3132QQ-TT-9	FEDERAL HOME LN MTG CORP #Q34161		03/15/2016	PRINCIPAL RECEIPT		226,938	226,938	234,703	234,611		(7,673)		(7,673)		226,938			0	1,026	06/01/2045	1
3138EP-RJ-5	FEDERAL NATIONAL MTG ASSOC #AL6788		03/25/2016	PRINCIPAL RECEIPT		20,532	20,532	21,497	21,469		(938)		(938)		20,532			0	78	05/01/2045	1
3138WE-C5-6	FEDERAL NATIONAL MTG ASSOC #AS4591		03/25/2016	PRINCIPAL RECEIPT		680,784	680,784	731,524	730,853		(50,069)		(50,069)		680,784			0	3,992	03/01/2045	1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
3138WE-J5-9	FEDERAL NATIONAL MTG ASSOC #AS4783		03/25/2016	PRINCIPAL RECEIPT		72,343	72,343	75,768	75,691		(3,348)		(3,348)		72,343			0	367	04/01/2045	1
3138WE-UD-9	FEDERAL NATIONAL MTG ASSOC #AS5079		03/25/2016	PRINCIPAL RECEIPT		70,724	70,724	74,177	74,061		(3,337)		(3,337)		70,724			0	515	06/01/2045	1
3138WE-VX-4	FEDERAL NATIONAL MTG ASSOC #AS5129		03/25/2016	PRINCIPAL RECEIPT		179,322	179,322	187,952	187,865		(8,543)		(8,543)		179,322			0	644	06/01/2045	1
3138YM-Q2-8	FEDERAL NATIONAL MTG ASSOC #AY7672		03/25/2016	PRINCIPAL RECEIPT		25,742	25,742	26,784	26,746		(1,004)		(1,004)		25,742			0	124	04/01/2045	1
3128PU-HG-0	FG J14731		03/15/2016	PRINCIPAL RECEIPT		124,542	124,542	123,945	123,968		574		574		124,542			0	449	03/01/2026	1
3132HN-KN-8	FHLMC GOLD 30YR		03/15/2016	PRINCIPAL RECEIPT		101,826	101,826	103,211	103,228		(1,401)		(1,401)		101,826			0	563	10/01/2042	1
3132QP-X5-8	FHLMC GOLD 30YR		03/15/2016	PRINCIPAL RECEIPT		61,310	61,310	61,253	61,254		56		56		61,310			0	405	05/01/2045	1
3132QP-X8-2	FHLMC GOLD 30YR		03/15/2016	PRINCIPAL RECEIPT		75,963	75,963	75,821	75,823		140		140		75,963			0	375	05/01/2045	1
3132QP-Y5-7	FHLMC GOLD 30YR		03/15/2016	PRINCIPAL RECEIPT		249,352	249,352	259,988	259,774		(10,422)		(10,422)		249,352			0	1,129	05/01/2045	1
3136AN-HV-2	FNMA..15-19		03/25/2016	PRINCIPAL RECEIPT		309,412	309,412	325,091	324,835		(15,424)		(15,424)		309,412			0	1,652	12/25/2041	1
3137BC-BE-7	FREDDIE MAC -4366 GA		03/15/2016	PRINCIPAL RECEIPT		107,563	107,563	109,378	109,206		(1,644)		(1,644)		107,563			0	357	03/15/2040	1
3137BC-TN-8	FREDDIE MAC -4376 HA		03/15/2016	PRINCIPAL RECEIPT		42,057	42,057	42,753	42,684		(627)		(627)		42,057			0	134	04/15/2040	1
454898-NT-0	INDIANA MUN PWR AGY PWR SUPPLY SYS		03/17/2016	US BANCORP PIPER JAFFRAY		6,204,540	6,000,000	6,200,340	6,026,025		(5,362)		(5,362)		6,020,663		183,877	183,877	217,500	01/01/2042	1FE
490580-DW-4	Kent MI Hos Spectrum		03/17/2016	CITIGROUP GLOBAL MARKETS		1,651,365	1,500,000	1,673,400	1,571,962		(5,062)		(5,062)		1,566,900		84,465	84,465	26,458	11/15/2018	1FE
48543B-NB-0	KS DFA KU Health 11H		03/17/2016	US BANCORP PIPER JAFFRAY		1,137,990	1,000,000	1,087,330	1,046,841		(2,208)		(2,208)		1,044,633		93,357	93,357	27,917	03/01/2020	1FE
59259Y-DC-0	METROPOLITAN TRANSN		03/21/2016	BARCLAYS CAPITAL		13,459,000	10,000,000	12,964,400	12,719,819		(17,574)		(17,574)		12,702,245		756,755	756,755	239,618	11/15/2040	1FE
59261E-AK-5	METROPOLITAN TRANSN AUTH N Y S		03/21/2016	STIFEL NICOLAUS & CO INC		4,196,000	4,000,000	4,018,600	4,016,998		(785)		(785)		4,016,213		179,787	179,787	88,193	07/01/2024	1FE
60636X-8E-6	MO HSG SF PAC		03/01/2016	Sink PMT @ 100.0000000		105,000	105,000	113,090	105,000				0		105,000			0	26	11/01/2027	1FE
60535G-AX-0	MS HSG PAC		03/01/2016	Sink PMT @ 100.0000000		60,000	60,000	64,623	62,372		(36)		(36)		62,336		(2,336)	(2,336)	12	12/01/2031	1FE
79765R-TK-5	SAN FRANCISCO CALIF		03/21/2016	RAYMOND JAMES		11,380,770	9,000,000	11,286,810	11,072,918		(15,856)		(15,856)		11,057,062		323,708	323,708	214,500	11/01/2040	1FE
850578-QK-4	SPRINGFIELD ILL ELEC REV ELE		03/01/2016	CALLED @ 100.0000000		5,000,000	5,000,000	5,189,150	5,003,966		(3,966)		(3,966)		5,000,000			0	125,000	03/01/2035	1FE
882756-R8-4	TX PFA Unemploy C16 S10A		01/01/2016	CALLED @ 100.0000000		6,415,000	6,415,000	7,155,163	6,415,000				0		6,415,000			0	160,375	01/01/2017	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						55,896,250	49,259,727	56,027,555	54,321,950	0	(154,477)	0	(154,477)	0	54,167,474	0	1,728,776	1,728,776	1,173,701	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
01449T-AA-1	ALESCO PREF FDG IX	F	03/23/2016	PRINCIPAL RECEIPT		477	477	268	281		196		196		477			0	1	06/23/2036	2FE
01449C-AB-6	ALESCO PREF FDG VIII	F	03/23/2016	PRINCIPAL RECEIPT		816	816	458	453		363		363		816			0	2	12/23/2035	2FE
01450D-AB-0	ALESCO PREF FDG XII	F	01/15/2016	PRINCIPAL RECEIPT		13,022	13,022	7,307	7,625		5,397		5,397		13,022			0		07/15/2037	2FE
05565Q-BR-8	BP CAP MKTS P L C		03/02/2016	MERRILL LYNCH		1,600,024	1,495,000	1,748,986	1,655,466		(4,928)		(4,928)		1,650,538		(50,514)	(50,514)	34,659	03/11/2021	1FE
89708B-AB-9	TROPIC CDO CORP OTHE		01/15/2016	PRINCIPAL RECEIPT		4,560	4,560	2,508	2,513		2,047		2,047		4,560			0	7	07/15/2036	1AM
000292-AB-8	AAA 2007-2 A2		03/01/2016	PRINCIPAL RECEIPT		28,384,796	29,849,711	10,749,964	19,544,805		8,839,991		8,839,991		28,384,796			0		01/27/2046	1FM
000759-DG-2	ABFS 2003-1 M		03/15/2016	PRINCIPAL RECEIPT		9,693	9,693	7,835	7,835		1,858		1,858		9,693			0		08/15/2033	1FM
000759-DM-9	ABFS MORTGAGE LOAN TRUST 2003-2		03/25/2016	PRINCIPAL RECEIPT		150,924	150,924	125,802	127,168		23,757		23,757		150,924			0		04/25/2034	1FM
G0159X-AA-7	ALESCO PREFERRED FUNDING LTD		03/23/2016	PRINCIPAL RECEIPT		1,200	1,200	673	690		510		510		1,200			0	3	12/23/2037	1AM
058521-AC-9	BALLANTYNE RE PLC 2006-1A A2B		03/02/2016	PRINCIPAL RECEIPT		532,037	532,037	390,332	421,591		110,445		110,445		532,037			0		05/02/2036	6AM
12629E-AF-2	CSAB MTG-BCKKD TR 2007-1		03/25/2016	PRINCIPAL RECEIPT		2,754,437	2,754,437	2,754,437	2,754,437				0		2,754,437			0		05/25/2037	1FM
02149Q-AE-0	CWALT INC 2007 OA10		03/25/2016	PRINCIPAL RECEIPT		162,435	162,435	65,937	74,762		87,673		87,673		162,435			0		09/25/2047	1FM
68401N-AE-1	OPTION ONE OOWLT 2004-1 M		03/25/2016	PRINCIPAL RECEIPT		154,681	154,681	115,997	117,545		37,137		37,137		154,681			0		02/25/2034	1FM
872227-AH-6	TBW MTG BKD TR 2007-2		03/25/2016	PRINCIPAL RECEIPT		488,812	488,812	301,231	329,478		159,334		159,334		488,812			0		07/25/2037	1FM
88158A-AJ-1	TERWIN MORTGAGE TRUST 07-09 SL		03/25/2016	PRINCIPAL RECEIPT		235,514	235,514	139,468	149,387		86,127		86,127		235,514			0		06/25/2038	1FM
88158A-AA-0	TERWIN MTG TR 2007-SL9		03/25/2016	PRINCIPAL RECEIPT		99,857	99,857	78,322	88,711		11,146		11,146		99,857			0		06/25/2038	1FM
G9301N-AA-7	US CAPITAL FUNDING LTD		01/10/2016	PRINCIPAL RECEIPT		209	209	115	118		91		91		209			0		10/10/2040	1AM
931142-CB-7	WAL MART STORES INC		03/23/2016	CITIGROUP GLOBAL MARKETS		2,930,112	2,400,000	2,898,305	2,854,846		(3,555)		(3,555)		2,851,291		78,821	78,821	72,800	09/01/2035	1FE
98977E-AB-8	ZOHAR II 2005-1 A2 LT 0.00 20JAN17		01/20/2016	PRINCIPAL RECEIPT		7,444,022	7,444,022	7,376,922	7,393,856		50,166		50,166		7,444,022			0		01/20/2017	1AM
98977E-AC-6	ZOHAR II 2005-1 A3 LT 0.00 20JAN17		02/02/2016	PRINCIPAL RECEIPT		5,955,218	5,955,218	5,901,537	5,915,085		40,133		40,133		5,955,218			0	16,303	01/20/2017	1AM
05565Q-BP-2	BP CAPITAL MKT PLC	R	03/02/2016	SUNTRUST CAPITAL MARKETS INC.		3,695,475	3,500,000	3,480,785	3,489,795		329		329		3,490,124		205,351	205,351	68,250	10/01/2020	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						54,618,321	55,252,625	36,147,189	44,936,447	0	9,448,217	0	9,448,217	0	54,384,663	0	233,658	233,658	192,025	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						163,164,353	155,805,281	144,710,770	134,528,796	0	9,080,858	0	9,080,858	0	160,637,791	0	2,526,562	2,526,562	1,935,763	XXX	XXX
8399999 - Subtotals - Bonds						163,164,353	155,805,281	144,710,770	134,528,796	0	9,080,858	0	9,080,858	0	160,637,791	0	2,526,562	2,526,562	1,935,763	XXX	XXX
9999999 Totals						163,164,353	XXX	144,710,770	134,528,796	0	9,080,858	0	9,080,858	0	160,637,791	0	2,526,562	2,526,562	1,935,763	XXX	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig- nation or Market Indicator (a)

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment To Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (b)
Swaps - Swaps - Hedging Other - Credit Default																						
Hedge of Second to Pay Risk		NA	Credit	Citibank N.A., NY-E570DZWZ7FF32TWEFA76	08/07/2013	03/20/2017	1	50,000,000	Credit Event	10,500,000			8,269,182		8,269,182	(7,617,355)						0/0
Hedge of Second to Pay Risk		NA	Credit	JPMorgan Chase Bank-7H6GLXDRUGQFU57RNE97	06/25/2014	03/20/2017	1	25,000,000	Credit Event	4,125,000			4,134,592		4,134,592	(3,808,676)						0/0
Hedge of Second to Pay Risk		NA	Credit	JPMorgan Chase Bank-7H6GLXDRUGQFU57RNE97	06/25/2014	03/20/2017	1	25,000,000	Credit Event	4,062,500			4,134,592		4,134,592	(3,808,676)						0/0
0929999 - Swaps - Hedging Other - Credit Default										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX
0969999 - Swaps - Subtotal - Hedging Other										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX
1169999 - Swaps - Total Swaps - Subtotal - Credit Default										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX
1209999 - Swaps - Subtotal - Total Swaps										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX
1269999 Subtotal - Forwards										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX
1399999 Subtotal - Hedging Effective										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX
1409999 Subtotal - Hedging Other										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX
1419999 Subtotal - Replication										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX
1429999 Subtotal - Income Generation										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX
1439999 Subtotal - Other										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX
1449999 Totals										18,687,500	0	0	16,538,366	XXX	16,538,366	(15,234,707)	0	0	0	0	XXX	XXX

(a)	Code	Description of Hedged Risk(s)

(b)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Items(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point
NONE																					
1449999 – Totals												0	0	0	0	0	0	0	0	XXX	XXX

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
Total Net Cash Deposits			

(a)	Code	Description of Hedged Risk(s)

(b)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book/Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book/Adjusted Carrying Value >0	Contracts With Book/Adjusted Carrying Value <0	Exposure Net of Collateral	Contracts With Fair Value >0	Contracts With Fair Value <0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
NAIC 1 Designation											
Citibank N.A., NY- E570DZWZ7FF32TWEFA76	Y	N		8,269,183		8,269,183	8,269,183		8,269,183		
JPMorgan Chase Bank- 7H6GLXDRUGQFU57RNE97	Y	N		8,269,183		8,269,183	8,269,183		8,269,183		
0299999 - Total NAIC 1 Designation			0	16,538,366	0	16,538,366	16,538,366	0	16,538,366	0	0
0999999 Gross Totals			0	16,538,366	0	16,538,366	16,538,366	0	16,538,366	0	0

1. Offset per SSAP No. 64		
2. Net after right of offset per SSAP No. 64	16,538,366	

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

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 6 First Month	7 Second Month	8 Third Month	9 *
Open Depositories								
JP MORGAN CHASE NEW YORK, NY			0		15,250,739	25,693,344	22,371,550	XXX
JP MORGAN CHASE LONDON, UK					294,317	302,337	318,286	XXX
NATIONAL AUSTRALIA BANK SYDNEY, AUSTRALIA					74,726	13,529	11,880	XXX
BNYMELLON NEW YORK, NY					100	100	3,795,804	XXX
WELLS FARGO BANK SAN FRANCISCO, CA					2,242,156	2,329,937	1,997,805	XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	0	0	17,862,038	28,339,247	28,495,325	XXX
0399999 Total Cash on Deposit	XXX	XXX	0	0	17,862,038	28,339,247	28,495,325	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX	1,291	1,892	1,690	XXX
0599999 Total	XXX	XXX	0	0	17,863,329	28,341,139	28,497,015	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds: U.S. Governments - Issuer Obligations							
TREASURY BILL		03/29/2016	0.000	05/12/2016	1,999,556	0	0
0199999 - Bonds: U.S. Governments - Issuer Obligations					1,999,556	0	0
0599999 - Bonds: U.S. Governments - Subtotals					1,999,556	0	0
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
CASH RESERVE FUND		03/31/2016	0.010	12/31/9999	61,407,273	0	29,807
3299999 - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					61,407,273	0	29,807
3899999 - Industrial and Miscellaneous (Unaffiliated) - Subtotals					61,407,273	0	29,807
7799999 - Total Bonds - Subtotals - Issuer Obligations					63,406,829	0	29,807
8399999 - Total Bonds - Subtotals - Bonds					63,406,829	0	29,807
8699999 Total Cash Equivalents					63,406,829	0	29,807