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PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019

OF THE CONDITION AND AFFAIRS OF THE

ASSURED GUARANTY MUNICIPAL CORP.

NAIC Group Code 0194 (Current Period), 0194 (Prior Period) NAIC Company Code 18287 Employer's ID Number 13-3250292

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

Country of Domicile United States

Incorporated/Organized 03/16/1984 Commenced Business 09/23/1985

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

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

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

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

Internet Web Site Address www.assuredguaranty.com

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

jringler@agltd.com (E-Mail Address) 212-581-3268 (Fax Number)

OFFICERS

Name	Title	Name	Title
Dominic John Frederico	President & Chief Executive Officer	Gon Ling Chow	General Counsel & Secretary
Alfonso John Pisani #	Treasurer		

OTHER OFFICERS

Howard Wayne Albert	Chief Risk Officer	Robert Adam Bailenson	Chief Financial Officer
Laura Ann Bieling	Chief Accounting Officer and Controller	Russell Brown Brewer II	Chief Surveillance Officer
Stephen Donnarumma	Chief Credit Officer	Andrew Todd Feldstein #	Chief Investment 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	David Allan Buzen
Gon Ling Chow	Stephen Donnarumma	Andrew Todd Feldstein #	Dominic John Frederico
Alfonso John Pisani #	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	Gon Ling Chow	Alfonso John Pisani
President & Chief Executive Officer	General Counsel & Secretary	Treasurer

Subscribed and sworn to before me this 12th day of November, 2019

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

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

EILEEN M. LANZISERA
Notary Public, State of New York
No. 01LA4728044
Qualified in Nassau County
Commission Expires Jan. 31, 2023

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	3,276,929,504		3,276,929,504	3,757,648,225
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	1,073,713,507	0	1,073,713,507	1,127,049,882
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
4.3 Properties held for sale (less $ .... encumbrances)			0	0
5. Cash ($ 1,260,492), cash equivalents ($ 429,981,883) and short-term investments ($ 7,728,354)	438,970,729		438,970,729	176,053,809
6. Contract loans (including $ .... premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	327,530,629		327,530,629	323,573,612
9. Receivables for securities	3,793,229		3,793,229	39,060,659
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)	5,120,937,598	0	5,120,937,598	5,423,386,187
13. Title plants less $ .... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	33,275,399		33,275,399	36,497,125
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	18,148,153	1,402	18,146,751	18,483,822
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	790,515		790,515	1,059,055
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	116,508,573	95,356,321	21,152,252	24,772,522
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	6,576,338	6,251,959	324,379	542,344
21. Furniture and equipment, including health care delivery assets ($ ....)	21,039,022	21,039,022	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	499,958	0	499,958	971,314
24. Health care ($ ....) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	4,957,103	3,314,484	1,642,619	6,758,899
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,322,732,659	125,963,188	5,196,769,471	5,512,471,268
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	5,322,732,659	125,963,188	5,196,769,471	5,512,471,268
DETAILS OF WRITE-INS				
1101.				
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 receivables	580,604		580,604	5,844,776
2502. Prepaid expenses	1,943,608	1,943,608	0	0
2503. Other assets	2,432,891	1,370,876	1,062,015	914,123
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,957,103	3,314,484	1,642,619	6,758,899

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year $ 0)	194,276,915	508,437,461
2. Reinsurance payable on paid losses and loss adjustment expenses	0	211,483
3. Loss adjustment expenses	8,742,057	9,742,407
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	29,703,348	30,676,995
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(682,932)	(921,414)
7.1 Current federal and foreign income taxes (including $ on realized capital gains (losses))	72,385,659	41,897,048
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 $ 642,225,509 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)	1,249,144,337	1,251,419,611
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	13,207,220	11,869,567
13. Funds held by company under reinsurance treaties	25,902,831	41,106,181
14. Amounts withheld or retained by company for account of others	(912)	(912)
15. Remittances and items not allocated		0
16. Provision for reinsurance (including $ certified)	501,350	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	35,591,579	42,375,717
20. Derivatives	0	0
21. Payable for securities	1,780,922	3,545,130
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	1,093,374,976	1,038,619,904
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,723,927,350	2,978,979,178
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	2,723,927,350	2,978,979,178
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	376,362,826	376,362,826
35. Unassigned funds (surplus)	2,081,479,295	2,142,129,264
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)	2,472,842,121	2,533,492,090
38. Totals (Page 2, Line 28, Col. 3)	5,196,769,471	5,512,471,268
DETAILS OF WRITE-INS		
2501. Contingency Reserve	970,170,641	912,906,727
2502. Deferred Investment Gain	21,571,220	27,352,075
2503. Miscellaneous Liability	101,633,115	98,361,102
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,093,374,976	1,038,619,904
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 $ 137,938,343)	130,859,284	178,316,033	213,212,683
1.2 Assumed (written $ 14,799,664)	21,678,212	28,682,703	36,478,465
1.3 Ceded (written $ 44,631,671)	53,323,238	76,669,669	93,005,497
1.4 Net (written $ 108,106,336)	99,214,258	130,329,067	156,685,651
DEDUCTIONS:			
2. Losses incurred (current accident year $ 0):			
2.1 Direct	(411,276)	57,190,227	49,788,932
2.2 Assumed	7,637,714	(242,450)	0
2.3 Ceded	61,913,712	13,913,596	27,376,546
2.4 Net	(54,687,274)	43,034,181	22,412,386
3. Loss adjustment expenses incurred	9,667,152	5,335,393	22,194,461
4. Other underwriting expenses incurred	72,008,757	71,331,188	95,228,109
5. Aggregate write-ins for underwriting deductions	(27,587)	(4,982,469)	(4,982,469)
6. Total underwriting deductions (Lines 2 through 5)	26,961,048	114,718,293	134,852,487
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	72,253,210	15,610,774	21,833,164
INVESTMENT INCOME			
9. Net investment income earned	173,518,465	125,140,908	171,692,513
10. Net realized capital gains (losses) less capital gains tax of $ 5,889,085	8,659,425	(17,220,605)	(29,295,118)
11. Net investment gain (loss) (Lines 9 + 10)	182,177,890	107,920,303	142,397,395
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	10,101,019	30,150,711	39,784,540
15. Total other income (Lines 12 through 14)	10,101,019	30,150,711	39,784,540
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	264,532,119	153,681,788	204,015,099
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)	264,532,119	153,681,788	204,015,099
19. Federal and foreign income taxes incurred	24,599,526	(3,874,067)	31,807,613
20. Net income (Line 18 minus Line 19)(to Line 22)	239,932,593	157,555,855	172,207,486
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	2,533,492,090	2,253,871,049	2,253,871,049
22. Net income (from Line 20)	239,932,593	157,555,855	172,207,486
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $	(59,429,709)	6,858,260	226,788,862
25. Change in net unrealized foreign exchange capital gain (loss)	11,297,120	9,826,919	14,019,884
26. Change in net deferred income tax	(3,360,311)	(13,470,960)	8,803,999
27. Change in nonadmitted assets	(4,424,398)	(12,092,126)	(31,691,705)
28. Change in provision for reinsurance	(501,350)	377,925	883,500
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		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(186,900,000)	(130,800,000)	(170,500,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(57,263,914)	(69,581,432)	59,109,015
38. Change in surplus as regards policyholders (Lines 22 through 37)	(60,649,969)	(51,325,559)	279,621,041
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	2,472,842,121	2,202,545,490	2,533,492,090
DETAILS OF WRITE-INS			
0501. Commutation Gains	(27,587)	(4,982,469)	(4,982,469)
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)	(27,587)	(4,982,469)	(4,982,469)
1401. Miscellaneous Income	10,101,019	30,150,711	39,784,540
1402.		0	0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	10,101,019	30,150,711	39,784,540
3701. Change in Contingency Reserve	(57,263,914)	(69,581,432)	59,109,015
3702.		0	0
3703.		0	0
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)	(57,263,914)	(69,581,432)	59,109,015

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	109,798,961	113,317,123	175,593,585
2. Net investment income	173,523,938	127,108,356	176,281,284
3. Miscellaneous income	275,027	8,048,202	8,503,852
4. Total (Lines 1 to 3)	283,597,926	248,473,681	360,378,721
5. Benefit and loss related payments	413,209,689	140,683,947	132,056,996
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	77,643,796	101,446,211	121,856,128
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	0	12,846,372	85,280,528
10. Total (Lines 5 through 9)	490,853,485	254,976,530	339,193,652
11. Net cash from operations (Line 4 minus Line 10)	(207,255,559)	(6,502,849)	21,185,069
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	838,099,948	681,038,321	844,327,401
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	24,277,667	24,277,667
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	(338)	(595)
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	838,099,948	705,315,650	868,604,473
13. Cost of investments acquired (long-term only):			
13.1 Bonds	164,907,870	622,999,895	754,043,911
13.2 Stocks	4,146,836	0	1,214,000
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	5,863,140	0	0
13.6 Miscellaneous applications	0	1,029,142	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	174,917,846	624,029,037	755,257,911
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)	663,182,102	81,286,613	113,346,562
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	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	186,900,000	130,800,000	170,500,000
16.6 Other cash provided (applied)	(6,109,623)	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(193,009,623)	(130,800,000)	(170,500,000)
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)	262,916,920	(56,016,236)	(35,968,369)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	176,053,809	212,022,178	212,022,178
19.2 End of period (Line 18 plus Line 19.1)	438,970,729	156,005,942	176,053,809

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

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

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

	SSAP #	F/S Page	F/S Line #	Nine Months Ended September 30, 2019	Year Ended December 31, 2018
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)				$ 239,932,593	$ 172,207,486
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None					—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
None					—
(4) NAIC SAP (1-2-3=4)				$ 239,932,593	$ 172,207,486
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)				$ 2,472,842,121	$ 2,533,492,090
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None					—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
None					—
(8) NAIC SAP (5-6-7=8)				$ 2,472,842,121	$ 2,533,492,090

B. Use of Estimates in the Preparation of the Financial Statements
There has been no significant change since the 2018 Annual Statement in the types of estimates and assumptions and estimation process inherent in the preparation of the financial statements.

C. Accounting Policies
There has been no significant change since the 2018 Annual Statement.

D. Going Concern
There are currently no conditions or events to cause management to have any substantial doubt about the Company's ability to continue as a going concern.

2. **Accounting Changes and Corrections of Errors**
There has been no change since the 2018 Annual Statement.

3. **Business Combinations and Goodwill**
A. Statutory Purchase Method. There has been no change since the 2018 Annual Statement.
B. Statutory Merger. There has been no change since the 2018 Annual Statement.
C. Impairment Loss. There has been no change since the 2018 Annual Statement.

4. **Discontinued Operations**
There has been no change since the 2018 Annual Statement.

5. **Investments**
A. Mortgage Loans, including Mezzanine Real Estate Loans. The Company did not hold investments in mortgage loans at September 30, 2019.
B. Debt Restructuring. The Company has no investments in restructured debt in which the Company is a creditor at September 30, 2019.
C. Reverse Mortgages. The Company did not hold reverse mortgages as investments at September 30, 2019.
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:

Description	(1) Amortized cost Before OTTI	(2) OTTI Recognized	(3) 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	—	—	—
c. Total 1st Quarter	$ —	$ —	$ —
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	$ 20,906,152	$ 31,234	$ 20,874,918
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	$ 20,906,152	$ 31,234	$ 20,874,918
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		$ 31,234	

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
23332U-FG-4	$ 639,052	$ 620,053	$ 18,999	$ 620,053	$ 605,299	03/31/2019
83613G-AA-7	3,541,787	3,516,894	24,893	3,516,894	3,450,803	03/31/2019
88157V-AC-1	620,473	519,722	13,983	606,490	606,490	03/31/2019
88157V-AC-1	2,095,520	1,809,720	190,011	1,905,508	1,905,508	9/30/2019
			$ 247,886			

4. The following summarizes gross unrealized investment losses on loan-backed and structured 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	$ (106,164)	$ (7,707,535)
Commercial mortgage-backed securities	(1)	—
Other loan backed & structured securities	(9,062)	(475,363)
Total	1. $ (115,227)	2. $ (8,182,898)

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

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	$ 4,481,911	$ 129,983,299
Commercial mortgage-backed securities	628,222	—
Other loan backed & structured securities	13,715,600	103,053,275
Total	1. $ 18,825,733	2. $ 233,036,574

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 September 30, 2019, 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. Dollar Repurchase Agreements and/or Securities Lending Transactions - The Company did not enter into dollar repurchase agreements or securities lending transactions at September 30, 2019.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - The Company did not enter into repurchase agreements accounted for as secured borrowings at September 30, 2019.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - The Company did not enter into reverse repurchase agreements accounted for as secured borrowings at September 30, 2019.

H. Repurchase Agreements Transactions Accounted for as a Sale - The Company did not enter into repurchase agreements accounted for as a sale at September 30, 2019.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - The Company did not enter into reverse repurchase agreements accounted for as a sale at September 30, 2019.

J. Real Estate – The Company did not hold investments in real estate, recognize any real estate impairments, or engage in any retail land sales at September 30, 2019.

K. Low Income Housing Tax Credits (LIHTC) – The Company did not hold investments in LIHTC at September 30, 2019.

L. Restricted Assets

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

	Gross (Admitted & Nonadmitted) Restricted									Percentage	
	Current Year										
	1	2	3	4	5	6	7	8	9	10	11
Restricted Asset Category	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 Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
(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	5,604,894				5,604,894	5,633,344	(28,450)	—	5,604,894	0.1%	0.1%
(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	262,406,290				262,406,290	258,457,356	3,948,934	—	262,406,290	4.9%	5%
(n) Other restricted assets					—	—	—		—	—%	—%
(o) Total restricted assets	$ 268,011,184	$ —	$ —	$ —	$ 268,011,184	$ 264,090,700	$ 3,920,484	$ —	$ 268,011,184	5.0%	5.2%

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

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

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Collateral Agreement	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Collateral pledged for reinsurance	$ 262,406,290	$ —	$ —	$ —	$ 262,406,290	$ 258,457,356	$ 3,948,934	$ 262,406,290	4.9%	5%
Total (c)	$ 262,406,290	$ —	$ —	$ —	$ 262,406,290	$ 258,457,356	$ 3,948,934	$ 262,406,290	4.9%	5%

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

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

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

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

(4) The Company does not have collateral received and reflected as assets within its financial statements.

M. Working Capital Finance Investments ("WCFI")– The Company did not hold investments for WCFI at September 30, 2019.

N. 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 September 30, 2019.

O. 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)
592248-FU-7	$ 136,798	$ 135,378	$ 135,000	NO
Total	$ 136,798	$ 135,378	$ 135,000	

P. 5GI Securities (unrated, but current on principal and interest) - The Company did not hold investments in 5GI securities at September 30, 2019.

Q. Short Sales - The Company did not sell any securities short in the first nine months of 2019.

R. Prepayment Penalty and Acceleration Fees - The Company had nineteen securities called during the first nine months of 2019 because of a callable feature. Of the nineteen securities called, two had a call price above 100, which generated prepayment penalty and acceleration fee income of $125 thousand.

6. <u>Joint Ventures, Partnerships and Limited Liability Companies</u>

The Company has no investments in joint ventures and its investments in limited partnerships and limited liability companies do not exceed 10% of the admitted assets of the Company as of September 30, 2019.

7. <u>Investment Income</u>

A. Accrued Investment Income
Accrued investment income was $33,275,399 and $36,497,125 as of September 30, 2019 and December 31, 2018, 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. <u>Derivative Instruments</u>

There has been no change since the 2018 Annual Statement.

9. <u>Income Taxes</u>

There has been no significant change since the 2018 Annual Statement.

10. <u>Information Concerning Parent, Subsidiaries and Affiliates</u>

A, C through L, N, O. There has been no significant change from the 2018 Annual Statement.

B. Transactions with Affiliates
The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:

1. The Company made dividend payments of $186.9 million in the first nine months of 2019 to Assured Guaranty Municipal Holdings Inc. (the "Parent" or "AGMH").

2. The Company received dividends of $64 million in the first nine months of 2019 from Municipal Assurance Holdings Inc.

3. On October 1, 2019, Assured Guaranty US Holdings Inc. ("AGUS") and Assured Guaranty Ltd. ("AGL") completed the acquisition of all the outstanding equity interests in BlueMountain Capital Management, LLC ("BlueMountain") and its associated entities, for a purchase price of approximately $160 million ("BlueMountain Acquisition"). As of the date of acquisition, BlueMountain managed $18.3 billion in assets across CLOs and long-duration opportunity funds that build on its corporate credit, asset-backed finance and healthcare experience, as well as certain funds now subject to orderly wind-down. In addition, AGUS contributed $60 million of cash to BlueMountain at closing and intends to contribute an additional $30 million in cash within a year from closing. To fund the BlueMountain Acquisition and the related capital contributions, AGM, Assured Guaranty Corp. ("AGC") and Municipal Assurance Corp. ("MAC") made 10 year, 3.5% interest rate inter-company loans to AGUS totaling $250 million ($145 million from AGM, $87.5 million from AGC and $17.5 million from MAC).

   In connection with the BlueMountain Acquisition, AGL, directly or indirectly through its subsidiaries, expects to invest $500 million in BlueMountain-managed funds, CLOs and separately-managed accounts. In furtherance thereof, AGM, AGC and MAC, together, formed a new subsidiary, AG Asset Strategies LLC, which was capitalized with $500 million of cash on October 18, 2019 ($275 million from AGM, $175 million from AGC and $50 million from MAC).

M. All SCA Investments
(1) Balance Sheet Value (Admitted and Nonadmitted All SCAs (Except 8bi Entities). Not applicable.

(2) NAIC Filing Response Information

SCA Entity (should be same entities as shown in M(1) above.)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resub-mission Required Y/N	Code**
a.SSAP No. 97 8a Entities						
None			$ —			
Total SSAP No. 97 8a Entities	XXX	XXX	—	XXX	XXX	XXX
b.SSAP No. 97 8b(ii) Entities						
None			—			
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	—	XXX	XXX	XXX
c.SSAP No. 97 8b(iii) Entities						
None			—			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	—	XXX	XXX	XXX
d.SSAP No. 97 8b(iv) Entities						
Assured Guaranty (Europe) plc	S-2	6/24/2019	941,249,394	Y	N	M
Assured Guaranty (Europe) S.A.	S-1	10/17/2019	4,146,836	N	N	M
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	945,396,230	XXX	XXX	XXX
e.Total SSAP No. 9 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	945,396,230	XXX	XXX	XXX
f.Aggregate Total (a+e)	XXX	XXX	$ 945,396,230	XXX	XXX	XXX

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing
** I - Immaterial or M - Material

11. Debt

There has been no change since the 2018 Annual Statement.

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

There has been no significant change since the 2018 Annual Statement.

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

1. through 3, 6 through 9, 11 through 13. There has been no significant change since the 2018 Annual Statement.

4. The Company paid dividends to AGMH of $73.9 million on March 19, 2019, $4 million on June 17, 2019, $51 million on September 4, 2019 and $58 million on September 30, 2019.

5. Under New York insurance law, AGM may only pay dividends out of "earned surplus", which is the portion of a company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets. AGM may pay dividends without the prior approval of the New York Superintendent of Financial Services ("New York Superintendent") that, together with all dividends declared or distributed by it during the preceding 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the last annual or quarterly statement filed with the New York Superintendent) or 100% of its adjusted net investment income during that period. The maximum amount available during 2019 for AGM to distribute as dividends without regulatory approval is estimated to be approximately $220 million. Of such $220 million, $186.9 million was distributed by AGM to AGMH in the first nine months of 2019 and $33 million of such $220 million is available for distribution in Fourth Quarter 2019.

10. The portion of unassigned funds (surplus) represented by cumulative unrealized gains is $241,142,175.

14. Liabilities, Contingencies and Assessments

A. through F. There has been no significant change since the 2018 Annual Statement.

G. All Other Contingencies:

Uncollected Premiums:
As of September 30, 2019, the Company had uncollected premiums of $18,148,153. Uncollected premiums more than 90 days past due were $1,402.

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 is involved in litigation with third parties to recover losses paid in prior periods or prevent or reduce losses in the future, including those described in the "Puerto Rico Litigation" section below. The impact, if any, of these and other proceedings on the amount of recoveries the Company receives and losses it pays in the future is uncertain, and the impact of 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 also receives subpoenas *duces tecum* and interrogatories from regulators from time to time.

Puerto Rico Litigation

The Company believes that a number of the actions taken by the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth"), the federal financial oversight board ("Oversight Board") and others with respect to obligations it insures are illegal or unconstitutional or both, and has taken legal action, and may take additional legal action in the future, to enforce its rights with respect to these matters. In addition, the Commonwealth, the Oversight Board and others have taken legal action naming the Company as party.

Currently there are numerous legal actions relating to the default by the Commonwealth and certain of its entities on debt service payments, and related matters, and the Company is a party to a number of them. On July 24, 2019, Judge Laura Taylor Swain of the United States District Court for the District of Puerto Rico ("Federal District Court for Puerto Rico") held an omnibus hearing on litigation matters relating to the Commonwealth. At that hearing, she imposed a stay through November 30, 2019, on a series of adversary proceedings and contested matters amongst the stakeholders and imposed mandatory mediation on all parties through that date. On October 28, 2019, Judge Swain extended the stay until December 31, 2019. Among the goals of the mediation is to reach an agreed-upon schedule for addressing the resolution of numerous issues, including, among others: (a) issues related to the validity, secured status and priority regarding bonds issued by the Commonwealth and certain of its entities; (b) the validity and impact of the Clawback Orders and other diversion of collateral securing certain bonds; (c) classification of claims; (d) constitutional issues; and (e) identification of essential services. A number of the legal actions in which the Company is involved are covered by the stay and mandatory mediation order.

On January 7, 2016, AGM, and its affiliate Assured Guaranty Corp. ("AGC"), and Ambac Assurance Corporation commenced an action for declaratory judgment and injunctive relief in the Federal District Court for Puerto Rico to invalidate the executive orders issued on November 30, 2015 and December 8, 2015 by the then governor of Puerto Rico directing that the Secretary of the Treasury of the Commonwealth of Puerto Rico and the Puerto Rico Tourism Company claw back certain taxes and revenues pledged to secure the payment of bonds issued by Puerto Rico Highways and Transportation Authority ("PRHTA"), the Puerto Rico Convention Center District Authority ("PRCCDA") and the Puerto Rico Infrastructure Financing Authority ("PRIFA"). The Commonwealth defendants filed a motion to dismiss the action for lack of subject matter jurisdiction, which the court denied on October 4, 2016. On October 14, 2016, the Commonwealth defendants filed a notice of automatic stay under the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"). While the PROMESA automatic stay expired on May 1, 2017, on May 17, 2017, the court stayed the action under Title III of PROMESA.

On June 3, 2017, AGC and AGM filed an adversary complaint in the Federal District Court for Puerto Rico seeking (i) a judgment declaring that the application of pledged special revenues to the payment of the PRHTA bonds is not subject to the PROMESA Title III automatic stay and that the Commonwealth has violated the special revenue protections provided to the PRHTA bonds under the United States Bankruptcy Code ("Bankruptcy Code"); (ii) an injunction enjoining the Commonwealth from taking or causing to be taken any action that would further violate the special revenue protections provided to the PRHTA bonds under the Bankruptcy Code; and (iii) an injunction ordering the Commonwealth to remit the pledged special revenues securing the PRHTA bonds in accordance with the terms of the special revenue provisions set forth in the Bankruptcy Code. On January 30, 2018, the court rendered an opinion dismissing the complaint and holding, among other things, that (x) even though the special revenue provisions of the Bankruptcy Code protect a lien on pledged special revenues, those provisions do not mandate the turnover of pledged special revenues to the payment of bonds and (y) actions to enforce liens on pledged special revenues remain stayed. A hearing on AGM and AGC's appeal of the trial court's decision to the United States Court of Appeals for the First Circuit ("First Circuit") was held on November 5, 2018. On March 26, 2019, the First Circuit issued its opinion affirming the trial court's decision and held that Sections 928(a) and 922(d) of the Bankruptcy Code permit, but do not require, continued payments during the pendency of the Title III proceedings. The First Circuit agreed with the trial court that (i) Section 928(a) of the Bankruptcy Code does not mandate the turnover of special revenues or require continuity of payments to the PRHTA bonds during the pendency of the Title III proceedings, and (ii) Section 922(d) of the Bankruptcy Code is not an exception to the automatic stay that would compel PRHTA, or third parties holding special revenues, to apply special revenues to outstanding obligations. On April 9, 2019, AGM, AGC and other petitioners filed a petition with the First Circuit seeking a rehearing by the full court; the petition was denied by the First Circuit on July 31, 2019. On September 20, 2019, AGC, AGM and other petitioners filed a petition for review by the U.S. Supreme Court of the First Circuit's holding.

On June 26, 2017, AGM and AGC filed a complaint in the Federal District Court for Puerto Rico seeking (i) a declaratory judgment that the Puerto Rico Electric Power Authority ("PREPA") restructuring support agreement executed in December 2015 ("2015 PREPA RSA") is a "Preexisting Voluntary Agreement" under Section 104 of PROMESA and the Oversight Board's failure to certify the 2015 PREPA RSA is an unlawful application of Section 601 of PROMESA; (ii) an injunction enjoining the Oversight Board from unlawfully applying Section 601 of PROMESA and ordering it to certify the 2015 PREPA RSA; and (iii) a writ of mandamus requiring the Oversight Board to comply with its duties under PROMESA and certify the 2015 PREPA RSA. On July 21, 2017, in light of its PREPA Title III petition on July 2, 2017, the Oversight Board filed a notice of stay under PROMESA.

On July 18, 2017, AGM and AGC filed in the Federal District Court for Puerto Rico a motion for relief from the automatic stay in the PREPA Title III bankruptcy proceeding and a form of complaint seeking the appointment of a receiver for PREPA. The court denied the motion on September 14, 2017, but on August 8, 2018, the First Circuit vacated and remanded the court's decision. On October 3, 2018, AGM and AGC, together with other bond insurers, filed a motion with the court to lift the automatic stay to commence an action against PREPA for the appointment of a receiver. On May 3, 2019, AGM and AGC entered into a restructuring support agreement ("PREPA RSA") with PREPA and other stakeholders, including a group of uninsured PREPA bondholders, the Commonwealth and the Oversight Board. Under the PREPA RSA, AGM and AGC have agreed to withdraw from the lift stay motion upon the Title III Court's approval of the settlement of claims embodied in the PREPA RSA.

On May 23, 2018, AGM and AGC filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment declaring that (i) the Oversight Board lacked authority to develop or approve the new fiscal plan for Puerto Rico which it certified on April 19, 2018 ("Revised Fiscal Plan"); (ii) the Revised Fiscal Plan and the Fiscal Plan Compliance Law ("Compliance Law") enacted by the Commonwealth to implement the original Commonwealth Fiscal Plan violate various sections of PROMESA; (iii) the Revised Fiscal Plan, the Compliance Law and various moratorium laws and executive orders enacted by the Commonwealth to prevent the payment of debt service (a) are unconstitutional and void because they violate the Contracts, Takings and Due Process Clauses of the U.S. Constitution and (b) are preempted by various sections of PROMESA; and (iv) no Title III plan of adjustment based on the Revised Fiscal Plan can be confirmed under PROMESA. On August 13, 2018, the court-appointed magistrate judge granted the Commonwealth's and the Oversight Board's motion to stay this adversary proceeding pending a decision by the First Circuit in an appeal by Ambac Assurance Corporation of an unrelated adversary proceeding decision, which the First Circuit rendered on June 24, 2019. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019. Pursuant to the request of AGM, AGC and the defendants, Judge Swain ordered on September 6, 2019 that the claims in this complaint be addressed in the Commonwealth plan confirmation process and be subject to her July 24, 2019 stay and mandatory mediation order and be incorporated into the same schedule and mediation process.

On July 23, 2018, AGC and AGM filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment (i) declaring the members of the Oversight Board are officers of the U.S. whose appointments were unlawful under the Appointments Clause of the U.S. Constitution; (ii) declaring void from the beginning the unlawful actions taken by the Oversight Board to date, including (x) development of the Commonwealth's Fiscal Plan, (y) development of PRHTA's Fiscal Plan, and (z) filing of the Title III cases on behalf of the Commonwealth and PRHTA; and (iii) enjoining the Oversight Board from taking any further action until the Oversight Board members have been lawfully appointed in conformity with the Appointments Clause of the U.S. Constitution. The Title III court dismissed a similar lawsuit filed by another party in the Commonwealth's Title III case in July 2018. On August 3, 2018, a stipulated judgment was entered against AGM and AGC at their request based upon the court's July decision in the other Appointments Clause lawsuit and, on the same date, AGM and AGC appealed the stipulated judgment to the First Circuit. On August 15, 2018, the court consolidated, for purposes of briefing and oral argument, AGM and AGC's appeal with the other Appointments Clause lawsuit. The First Circuit consolidated AGM and AGC's appeal with a third Appointments Clause lawsuit on September 7, 2018 and held a hearing on December 3, 2018. On February 15, 2019, the First Circuit issued its ruling on the appeal and held that members of the Oversight Board were not appointed in compliance with the Appointments Clause of the U.S. Constitution but declined to dismiss the Title III petitions citing the (i) de facto officer doctrine and (ii) negative consequences to the many innocent third parties who relied on the Oversight Board's actions to date, as well as the further delay which would result from a dismissal of the Title III petitions. The case was remanded back to the Federal District Court for Puerto Rico for the appellants' requested declaratory relief that the appointment of the board members of the Oversight Board is unconstitutional. The First Circuit delayed the effectiveness of its ruling for 90 days so as to allow the President and the Senate to validate the currently defective appointments or reconstitute the Oversight Board in accordance with the Appointments Clause. On April 23, 2019, the Oversight Board filed a petition for a review by the U.S. Supreme Court of the First Circuit's holding that its members were not appointed in compliance with the Appointments Clause and on the following day filed a motion in the First Circuit to further stay the effectiveness of the First Circuit's February 15, 2019 ruling pending final disposition by the U.S. Supreme Court. On May 24, 2019, AGC and AGM filed a petition for a review by the U.S. Supreme Court of the First Circuit's holding that the de facto officer doctrine allows courts to deny meaningful relief to successful challengers suffering ongoing injury at the hands of unconstitutionally appointed officers. On July 2, 2019, the First Circuit granted the Oversight Board's motion to stay the effectiveness of the First Circuit's February 15, 2019 ruling pending final disposition by the U.S. Supreme Court. On October 15, 2019, the U.S. Supreme Court heard oral arguments on the First Circuit's ruling.

On December 21, 2018, the Oversight Board and the Official Committee of Unsecured Creditors of all Title III Debtors (other than the Puerto Rico Sales Tax Financing Corporation ("COFINA")) filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment declaring that (i) the leases to public occupants entered into by the Puerto Rico Public Buildings Authority ("PBA") are not "true leases" for purposes of Section 365(d)(3) of the Bankruptcy Code and therefore the Commonwealth has no obligation to make payments to the PBA under the leases or Section 365(d)(3) of the Bankruptcy Code, (ii) the PBA is not entitled to a priority administrative expense claim under the leases pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, and (iii) any such claims filed or asserted against the Commonwealth are disallowed. On January 28, 2019, the PBA filed an answer to the complaint. On March 12, 2019, the Federal District Court for Puerto Rico granted, with certain limitations, AGM's and AGC's motion to intervene. On March 21, 2019, AGM and AGC, together with certain other intervenors, filed a motion for judgment on the pleadings. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On January 14, 2019 the Oversight Board and the Official Committee of Unsecured Creditors filed an omnibus objection in the Title III Court to claims filed by holders of approximately $6 billion of Commonwealth general obligation bonds issued in 2012 and 2014, asserting among other things that such bonds were issued in violation of the Puerto Rico constitutional debt service limit, such bonds are null and void, and the holders have no equitable remedy against the Commonwealth. Pursuant to procedures established by Judge Swain, on April 10, 2019, AGM filed a notice of participation in these proceedings. As of September 30, 2019, $222 million of the Company's insured net par outstanding of the general obligation bonds of Puerto Rico were issued on or after March 2012. On May 21, 2019, the Official Committee of Unsecured Creditors filed a claim objection to certain Commonwealth general obligation bonds issued in 2011, approximately $129 million of which are insured by the Company as of September 30, 2019, on substantially the same bases as the January 14, 2019 filing, and which the plaintiffs propose to be subject to the proceedings relating to the 2012 and 2014 bonds. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On May 2, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed an adversary complaint in the Federal District Court for Puerto Rico against various Commonwealth general obligation bondholders and bond insurers, including AGM and AGC, that had asserted in their proofs of claim that their bonds are secured. The complaint seeks a judgment declaring that defendants do not hold consensual or statutory liens and are unsecured claimholders to the extent they hold allowed claims. The complaint also asserts that even if Commonwealth law granted statutory liens, such liens are avoidable under Section 545 of the Bankruptcy Code. On July 24, 2019, Judge Swain of the Federal District Court for Puerto Rico announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On May 20, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed an adversary complaint in the Federal District Court for Puerto Rico against the fiscal agent and holders and/or insurers, including AGC and AGM, that have asserted their PRHTA bond claims are entitled to secured status in PRHTA's Title III case. Plaintiffs are seeking to avoid the PRHTA bondholders' liens and contend that (i) the scope of any lien only applies to revenues that have been both received by PRHTA and deposited in certain accounts held by the fiscal agent and does not include PRHTA's right to receive such revenues; (ii) any lien on revenues was not perfected because the fiscal agent does not have "control" of all accounts holding such revenues; (iii) any lien on the excise tax revenues is no longer enforceable because any rights PRHTA had to receive such revenues are preempted by PROMESA; and (iv) even if PRHTA held perfected liens on PRHTA's revenues and the right to receive such revenues, such liens were terminated by Section 552(a) of the Bankruptcy Code as of the petition date. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On August 23, 2019, AGM and AGC filed in the Federal District Court for Puerto Rico a motion for adequate protection for their property interests in pledged revenues securing PRHTA Bonds or, in the alternative, for relief from the automatic stay to permit AGC and AGM to enforce the application of the pledged revenues to the payment of the PRHTA bonds, including by permitting AGC and AGM to enforce their liens on the pledged revenues. On July 24, 2019, Judge Swain issued an order imposing a stay of a series of adversary proceedings and contested matters through November 30, 2019, with a mandatory mediation element. On August 28, 2019, Judge Swain granted the request of AGC and AGM that her July 24, 2019 stay and mandatory mediation order be extended to this motion, and that this motion be incorporated into the same schedule and mediation process. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On September 30, 2019, certain parties that either had advanced funds to PREPA for the purchase of fuel or had succeeded to such claims ("Fuel Line Lenders") filed an amended adversary complaint in the Federal District Court for Puerto Rico against the Oversight Board, PREPA, the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), U.S. Bank National Association, as trustee for PREPA bondholders, and various PREPA bondholders and bond insurers, including AGC and AGM. The complaint seeks, among other things, declarations that the advances made by the Fuel Line Lenders are Current Expenses as defined in the trust agreement pursuant to which the PREPA bonds were issued and there is no valid lien securing the PREPA bonds unless and until the Fuel Line Lenders are paid in full, as well as orders subordinating the PREPA bondholders' lien and claim to the Fuel Line Lenders' claims and declaring the PREPA RSA null and void. A hearing on a motion to dismiss is scheduled for January 2020.

On October 30, 2019, the retirement system for PREPA employees ("SREAEE") filed an amended adversary complaint in the Federal District Court for Puerto Rico against the Oversight Board, PREPA, AAFAF, the Commonwealth, the Governor, and U.S. Bank National Association, as trustee for PREPA bondholders. The complaint seeks, among other things, declarations that amounts owed to SREAEE are Current Expenses as defined in the trust agreement pursuant to which the PREPA bonds were issued, that there is no valid lien securing the PREPA bonds other than on amounts in the sinking funds and that SREAEE is a third-party beneficiary of certain trust agreement provisions, as well as orders subordinating the PREPA bondholders' lien and claim to the SREAEE claims. On November 7, 2019, the court granted a motion to intervene by AGC and AGM. A hearing on the defendants' motion to dismiss is scheduled for January 2020.

For a discussion of the Company's exposure to Puerto Rico related to the litigation described above, please see Note 21, Other Items - Underwriting Exposure.

15. **Leases**
There has been no material changes since the 2018 Annual Statement.

16. **Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**
The Company provides insurance for public finance and structured finance obligations. Total net principal and interest exposure at September 30, 2019 was $162.1 billion ($158.0 billion for public finance and $4.1 billion for structured finance exposures).

17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**
A. The Company has not sold or transferred any receivables during the first nine months of 2019.
B. The Company has not transferred or serviced any financial assets during the first nine months of 2019.
C. The Company did not engage in any wash sale transactions during the first nine months of 2019.

18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**
There has been no change since the 2018 Annual Statement.

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**
There has been no change since the 2018 Annual Statement.

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

1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3
The Company 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 asset measured at fair value as of September 30, 2019.

Description for each class of asset	Level 1	Level 2	Level 3	Net Asset Value	TOTAL
a. Assets at fair value					
Bonds					
Special Revenue	$ —	$ —	$ —	$ —	$ —
Industrial & Miscellaneous			46,029,435	—	46,029,435
Total Bonds	—	—	46,029,435	—	46,029,435
Money market mutual funds	—	242,112,079	—	—	242,112,079
Total Assets at Fair Value	$ —	$ 242,112,079	$ 46,029,435	$ —	$ 288,141,514

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 using their pricing models, which take into account: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, industry and economic events, 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.

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. The valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs.

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

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. Money market mutual funds are accounted for at fair value, which approximates amortized cost.

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 July 1, 2019	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 September 30, 2019
Bonds - Industrial & Miscellaneous	$ 48,097,751	$ —	$ —	$ (2,068,316)	$ —	$ —	$ —	$ —	$ —	$ 46,029,435
TOTAL	$ 48,097,751	$ —	$ —	$ (2,068,316)	$ —	$ —	$ —	$ —	$ —	$ 46,029,435

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. There were no transfers in or out of Level 3 of the fair value hierarchy during the three months ended September 30, 2019.

4. Inputs and Techniques Used for Level 3 Fair Values
Most 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); home 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
The Company does not own derivatives at September 30, 2019.

B. Other Fair Value Disclosures
The fair value of the Company's financial guaranty contracts accounted for as insurance was approximately $3.0 billion at September 30, 2019 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 a variety of factors that may include pricing assumptions management has observed for portfolio transfers, commutations, 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 Company 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	Net Asset Value	Not Practicable (Carrying Value)
Bonds	$ 3,465,812,332	$ 3,276,929,505	$ —	$ 2,889,241,721	$ 576,570,611	$ —	$ —
Cash equivalents and short-term investments	438,985,060	438,970,729	173,920,988	265,064,072	—	—	—
Other invested assets	300,409,920	300,365,553	—	—	300,409,920	—	—
Total assets	$ 4,205,207,312	$ 4,016,265,787	$ 173,920,988	$ 3,154,305,793	$ 876,980,531	$ —	$ —

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

E. Instruments Measured Using NAV Practical Expedient
Not applicable

21. **Other Items**

A, B, C, D, E. There has been no change since the 2018 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. The Company's investment guidelines generally permit its outside managers to purchase only a small amount of securities rated lower than BBB- by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") or Baa3 by Moody's Investors Service, Inc. ("Moody's"), and then only those securities rated no lower than B by S&P or B2 by Moody's and subject to certain other specific requirements. Additionally, the managed portfolio must maintain a minimum average rating of A+ by S&P or A1 by Moody's.

As of September 30, 2019	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Residential Mortgage-Backed Securities	$ 226,738,721	$ 237,118,659	$ 237,816,966	$ 37,298,227
Total	$ 226,738,721	$ 237,118,659	$ 237,816,966	$ 37,298,227

(4) Underwriting Exposure

Selected U.S. Public Finance Transactions

The Company had insured exposure to general obligation bonds of the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth") and various obligations of its related authorities and public corporations aggregating $1.9 billion net par as of September 30, 2019, 95% of which was rated below investment grade ("BIG"), while the remainder was rated AA because it relates to second-to-pay policies on obligations insured by an affiliate of the Company. Beginning on January 1, 2016, a number of Puerto Rico exposures have defaulted on bond payments, and the Company has now paid claims on all of its Puerto Rico exposures except for Municipal Finance Agency ("MFA").

On November 30, 2015 and December 8, 2015, the then governor of Puerto Rico issued executive orders ("Clawback Orders") directing the Puerto Rico Department of Treasury and the Puerto Rico Tourism Company to "claw back" certain taxes pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"), Puerto Rico Infrastructure Financing Authority ("PRIFA"), and Puerto Rico Convention Center District Authority ("PRCCDA").

On June 30, 2016, the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") was signed into law. PROMESA established a seven-member financial oversight board ("Oversight Board") with authority to require that balanced budgets and fiscal plans be adopted and implemented by Puerto Rico.

The Company believes that a number of the actions taken by the Commonwealth, the Oversight Board and others with respect to obligations the Company insures are illegal or unconstitutional or both, and has taken legal action, and may take additional legal action in the future, to enforce its rights with respect to these matters. In addition, the Commonwealth, the Oversight Board and others have taken legal action naming the Company as a party.

Currently there are numerous legal actions relating to the default by the Commonwealth and certain of its entities on debt service payments, and related matters, and the Company is a party to a number of them. See Note 14, Liabilities, Contingencies and Assessments.

The Company also participates in mediation and negotiations relating to its Puerto Rico exposure.

The final form and timing of responses to Puerto Rico's financial distress and the devastation of Hurricane Maria eventually taken by the federal government or implemented under the auspices of PROMESA and the Oversight Board or otherwise, and the final impact, after resolution of legal challenges, of any such responses on obligations insured by the Company, are uncertain.

The Company groups its Puerto Rico exposure into three categories:

- *Constitutionally Guaranteed.* The Company includes in this category public debt benefiting from Article VI of the Constitution of the Commonwealth, which expressly provides that interest and principal payments on the public debt are to be paid before other disbursements are made.

- *Public Corporations - Certain Revenues Potentially Subject to Clawback.* The Company includes in this category the debt of public corporations for which applicable law permits the Commonwealth to claw back, subject to certain conditions and for the payment of public debt, at least a portion of the revenues supporting the bonds the Company insures. As a constitutional condition to clawback, available Commonwealth revenues for any fiscal year must be insufficient to pay Commonwealth debt service before the payment of any appropriations for that year. The Company believes that this condition has not been satisfied to date, and accordingly that the Commonwealth has not to date been entitled to claw back revenues supporting debt insured by the Company.

- *Other Public Corporations.* The Company includes in this category the debt of public corporations that are supported by revenues it does not believe are subject to clawback.

Constitutionally Guaranteed

General Obligation. As of September 30, 2019, the Company had $611 million insured net par outstanding of the general obligations of Puerto Rico, which are supported by the good faith, credit and taxing power of the Commonwealth. Despite the requirements of Article VI of its Constitution, the Commonwealth defaulted on the debt service payment due on July 1, 2016, and the Company has been making claim payments on these bonds since that date. The Oversight Board has filed a petition under Title III of PROMESA with respect to the Commonwealth.

On May 9, 2019, the Oversight Board certified a revised fiscal plan for the Commonwealth. The revised certified Commonwealth fiscal plan indicates an expected primary budget surplus, if fiscal plan reforms are enacted, of $13.7 billion that would be available for debt service over the six-year forecast period ending 2024. The Company believes the available surplus set forth in the Oversight Board's revised certified fiscal plan (which assumes certain fiscal reforms are implemented by the Commonwealth) should be sufficient to cover contractual debt service of Commonwealth general obligation issuances and of authorities and public corporations directly implicated by the Commonwealth's general fund during the forecast period. However, the revised certified Commonwealth fiscal plan indicates a net cumulative primary budget deficit through 2049, and there can be no assurance that the fiscal reforms will be enacted or, if they are, that the forecasted primary budget surplus will occur or, if it does, that such funds will be used to cover contractual debt service.

On June 16, 2019, the Oversight Board announced it had entered into a general obligation Plan Support Agreement ("GO PSA") with certain general obligation and Puerto Rico Public Buildings Authority ("PBA") bondholders representing only approximately $3 billion of claims. The GO PSA purports to provide a framework to address approximately $35 billion of claims against the Commonwealth. The Company is not a party to that agreement and does not support it.

The GO PSA provides for different recoveries for bonds issued before 2012 ("Vintage") and bonds issued in 2012 and 2014 ("New") based on the Oversight Board's attempt to invalidate the New general obligation and PBA bonds (see Note 14, Liabilities, Contingencies and Assessments - Recovery Litigation), and the proposed recovery varies depending on the outcome of that litigation. Under the GO PSA:

- Vintage general obligation bondholders generally would receive newly issued Commonwealth bonds and cash equal to 64.3% of their outstanding claims, plus up to approximately 25.1% of their outstanding claims to a cap of 89.4% from settlement and litigation savings from the invalidation lawsuit, as well as a share of excess revenues if the Commonwealth outperforms its fiscal plan in the near term.

- If the Oversight Board loses its invalidation lawsuit, holders of New general obligation bonds generally would receive the same treatment as the holders of Vintage general obligation bonds but would not share in the upside if the Commonwealth outperforms its fiscal plan.

- If the Oversight Board wins its invalidation lawsuit, holders of New general obligation bonds would not receive any recovery.

- In all cases, holders of general obligation bonds supporting the GO PSA are also entitled to certain fees.

On September 27, 2019, the Oversight Board filed with the Title III court a Plan of Adjustment ("POA") to restructure approximately $35 billion of debt (including the general obligation bonds) and other claims against the government of Puerto Rico and certain entities and $50 billion in pension obligations. The POA incorporates the terms related to the general obligation bonds proposed under the GO PSA. The Company believes the POA, as currently constituted, does not comply with the laws and constitution of Puerto Rico and the provisions of PROMESA and does not satisfy the statutory requirements for confirmation of a plan of adjustment under Title III of PROMESA.

PBA. As of September 30, 2019, the Company had $8 million insured net par outstanding of PBA bonds, which are supported by a pledge of the rents due under leases of government facilities to departments, agencies, instrumentalities and municipalities of the Commonwealth, and that benefit from a Commonwealth guaranty supported by a pledge of the Commonwealth's good faith, credit and taxing power. Despite the requirements of Article VI of its Constitution, the PBA defaulted on most of the debt service payment due on July 1, 2016, and the Company has been making claim payments on these bonds since then. On September 27, 2019, the Oversight Board filed a petition under Title III of PROMESA with respect to the PBA to allow the restructuring of the PBA claims through the POA.

Under the GO PSA (which does not include the Company as a party and which the Company does not support):

- Holders of Vintage PBA bonds generally would receive newly issued Commonwealth bonds and cash equal to 72.6% of their outstanding claims, plus up to approximately 16.8% of their outstanding claims to a cap of 89.4% from settlement and litigation savings from the invalidation lawsuit, as well as a share of excess revenues if the Commonwealth outperforms its fiscal plan in the near term.

- If the Oversight Board loses its invalidation lawsuit, holders of New PBA bonds generally would receive the same treatment as the holders of Vintage PBA bonds but would not share in the upside if the Commonwealth outperforms its fiscal plan.

- If the Oversight Board wins its invalidation lawsuit, holders of New PBA bonds would not receive any recovery.

- In all cases, holders of PBA bonds supporting the GO PSA are also entitled to certain fees.

As noted above, on September 27, 2019, the Oversight Board filed with the Title III court a POA to restructure approximately $35 billion of debt (including the PBA bonds) and other claims against the government of Puerto Rico and certain entities and $50 billion in pension obligations. The POA incorporates the terms related to the PBA bonds proposed under the GO PSA. The Company believes the POA, as currently constituted, does not comply with the laws and constitution of Puerto Rico and the provisions of PROMESA and does not satisfy the statutory requirements for confirmation of a plan of adjustment under Title III of PROMESA.

Public Corporations - Certain Revenues Potentially Subject to Clawback

PRHTA. As of September 30, 2019, the Company had $223 million insured net par outstanding of PRHTA (transportation revenue) bonds and $345 million insured net par outstanding of PRHTA (highways revenue) bonds. The transportation revenue bonds are secured by a subordinate gross lien on gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls, plus a first lien on up to $120 million annually of taxes on crude oil, unfinished oil and derivative products. The highways revenue bonds are secured by a gross lien on gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls. The non-toll revenues consisting of excise taxes and fees collected by the Commonwealth on behalf of PRHTA and its bondholders that are statutorily allocated to PRHTA and its bondholders are potentially subject to clawback. Despite the presence of funds in relevant debt service reserve accounts that the Company believes should have been employed to fund debt service, PRHTA defaulted on the full July 1, 2017 insured debt service payment, and the Company has been making claim payments on these bonds since that date. The Oversight Board has filed a petition under Title III of PROMESA with respect to PRHTA.

On June 5, 2019, the Oversight Board certified a revised fiscal plan for PRHTA. The revised certified PRHTA fiscal plan projects very limited capacity to pay debt service over the six-year forecast period.

Other Public Corporations

PREPA. As of September 30, 2019, the Company had $525 million insured net par outstanding of PREPA obligations, which are secured by a lien on the revenues of the electric system. The Company has been making claim payments on these bonds since July 1, 2017. On July 2, 2017, the Oversight Board commenced proceedings for PREPA under Title III of PROMESA. On June 27, 2019, the Oversight Board certified a revised fiscal plan for PREPA.

On May 3, 2019, AGM and AGC entered into a restructuring support agreement with PREPA ("PREPA RSA") and other stakeholders, including a group of uninsured PREPA bondholders, the Commonwealth of Puerto Rico, and the Oversight Board, that is intended to, among other things, provide a framework for the consensual resolution of the treatment of the Company's insured PREPA revenue bonds in PREPA's recovery plan. Upon consummation of the restructuring transaction, PREPA's revenue bonds will be exchanged into new securitization bonds issued by a special purpose corporation and secured by a segregated transition charge assessed on electricity bills. The revised fiscal plan of PREPA certified by the Oversight Board on June 27, 2019 reflects the relevant terms of the PREPA RSA.

The closing of the restructuring transaction is subject to a number of conditions, including approval by the Title III Court of the PREPA RSA and settlement described therein, a minimum of 67% support of voting bondholders for a plan of adjustment that includes this proposed treatment of PREPA revenue bonds and confirmation of such plan by the Title III court, and execution of acceptable documentation and legal opinions. Under the PREPA RSA, the Company has the option to guarantee its allocated share of the securitization exchange bonds, which may then be offered and sold in the capital markets. The Company believes that the additive value created by attaching its guarantee to the securitization exchange bonds would materially improve its overall recovery under the transaction, as well as generate new insurance premiums; and therefore that its economic results could differ from those reflected in the PREPA RSA.

MFA. As of September 30, 2019, the Company had $153 million insured net par outstanding of bonds issued by MFA secured by a lien on local property tax revenues. The MFA bond accounts contained sufficient funds to make the MFA bond payments due through the date of this filing that were guaranteed by the Company, and those payments were made in full.

Resolved Commonwealth Credit

COFINA. On February 12, 2019, pursuant to a plan of adjustment approved by the PROMESA Title III Court on February 4, 2019 ("COFINA Plan of Adjustment"), the Company paid off in full its $264 million net par outstanding of insured COFINA bonds, plus accrued and unpaid interest. Pursuant to the COFINA Plan of Adjustment, the Company received $152 million in initial par of closed lien senior bonds of COFINA validated by the PROMESA Title III Court ("COFINA Exchange Senior Bonds"), along with cash. The total par recovery (cash and COFINA Exchange Senior Bonds) represented 60% of the Company's official Title III claim, which related to amounts owed as of the date COFINA entered Title III proceedings. The fair value of the COFINA Exchange Senior Bonds, excluding accrued interest, was $139 million at February 12, 2019, and was recorded as salvage received. During Third Quarter 2019, the Company sold all of its COFINA Exchange Senior Bonds.

Exposure to the U.S. Virgin Islands

As of September 30, 2019, the Company had $327 million insured net par outstanding to the U.S. Virgin Islands and its related authorities ("USVI"), of which it rated $144 million BIG. The $183 million USVI net par the Company rated investment grade primarily consisted of bonds secured by a lien on matching fund revenues related to excise taxes on products produced in the USVI and exported to the U.S., primarily rum. The $144 million BIG USVI net par consisted of (a) Public Finance Authority bonds secured by a gross receipts tax and the general obligation, full faith and credit pledge of the USVI and (b) bonds of the Virgin Islands Water and Power Authority secured by a net revenue pledge of the electric system.

Hurricane Irma caused significant damage in St. John and St. Thomas, while Hurricane Maria made landfall on St. Croix as a Category 4 hurricane on the Saffir-Simpson scale, causing loss of life and substantial damage to St. Croix's businesses and infrastructure, including the power grid. The USVI is benefiting from the federal response to the 2017 hurricanes and has made its debt service payments to date.

Other Selected U.S. Public Finance Transactions

On February 25, 2015, a plan of adjustment resolving the bankruptcy filing of the City of Stockton, California under chapter 9 of the Bankruptcy Code became effective. As of September 30, 2019, the Company's net par subject to the plan consisted of $59 million of pension obligation bonds. As part of the plan of adjustment, the City will repay any claims paid on the pension obligation bonds from certain fixed payments and certain variable payments contingent on the City's revenue growth.

U.S. Public Finance Loss and LAE

The Company had loss and LAE reserves across its troubled U.S. public finance exposures as of September 30, 2019, including those mentioned above, of $172.6 million compared to $356.6 million as of December 31, 2018. The Company's loss and LAE reserves incorporate management's probability weighted estimates of possible scenarios. Each quarter, the Company may revise its scenarios, update assumptions and/or shift probability weightings of its scenarios based on public information as well as nonpublic information obtained through its surveillance and loss mitigation activities. Management assesses the possible implications of such information on each insured obligation, considering the unique characteristics of each transaction.

The decrease in reserves was primarily attributable to loss payments made on the Company's Puerto Rico exposures. The loss development attributable to the Company's Puerto Rico exposures reflects adjustments the Company made to the assumptions and weightings it uses in its scenarios based on the public information summarized in Note 14, Liabilities, Contingencies and Assessments - Recovery Litigation, as well as nonpublic information related to its loss mitigation activities during the periods presented.

U.S. RMBS Loss Projections

The Company projects losses on its insured U.S. RMBS on a transaction-by-transaction basis by projecting the performance of the underlying pool of mortgages over time and then applying the structural features (i.e., payment priorities and tranching) of the RMBS and any expected representation and warranty ("R&W") recoveries/payables to the projected performance of the collateral over time. The resulting projected claim payments or reimbursements are then discounted using a rate of 4.0%, the approximate taxable equivalent yield on the Company's investment portfolio.

The further behind a mortgage borrower falls in making payments, the more likely it is that he or she will default. The rate at which borrowers from a particular delinquency category (number of monthly payments behind) eventually default is referred to as the “liquidation rate.” The Company derives its liquidation rate assumptions from observed roll rates, which are the rates at which loans progress from one delinquency category to the next and eventually to default and liquidation. The Company applies liquidation rates to the mortgage loan collateral in each delinquency category and makes certain timing assumptions to project near-term mortgage collateral defaults from loans that are currently delinquent.

Mortgage borrowers that are not more than one payment behind (generally considered performing borrowers) have demonstrated an ability and willingness to pay through the recession and mortgage crisis, and as a result are viewed as less likely to default than delinquent borrowers. Performing borrowers that eventually default will also need to progress through delinquency categories before any defaults occur. The Company projects how many of the currently performing loans will default and when they will default, by first converting the projected near term defaults of delinquent borrowers derived from liquidation rates into a vector of conditional default rates ("CDR"), then projecting how the CDR will develop over time. Loans that are defaulted pursuant to the CDR after the near-term liquidation of currently delinquent loans represent defaults of currently performing loans and projected re-performing loans. A CDR is the outstanding principal amount of defaulted loans liquidated in the current month divided by the remaining outstanding amount of the whole pool of loans (or “collateral pool balance”). The collateral pool balance decreases over time as a result of scheduled principal payments, partial and whole principal prepayments, and defaults.

In order to derive collateral pool losses from the collateral pool defaults it has projected, the Company applies a loss severity. The loss severity is the amount of loss the transaction experiences on a defaulted loan after the application of net proceeds from the disposal of the underlying property. The Company projects loss severities by sector and vintage based on its experience to date. The Company continues to update its evaluation of these loss severities as new information becomes available.

As of September 30, 2019, the Company had a net R&W payable of $53.8 million to R&W counterparties, compared with a net R&W payable of $14.4 million as of December 31, 2018. The Company’s agreements with providers of R&W generally provide for reimbursement to the Company as claim payments are made and, to the extent the Company later receives reimbursements of such claims from excess spread or other sources, for the Company to provide reimbursement to the R&W providers. When the Company projects receiving more reimbursements in the future than it projects to pay in claims on transactions covered by R&W settlement agreements, the Company will have a net R&W payable.

The Company projects the overall future cash flow from a collateral pool by adjusting the payment stream from the principal and interest contractually due on the underlying mortgages for the collateral losses it projects as described above; assumed voluntary prepayments; and servicer advances. The Company then applies an individual model of the structure of the transaction to the projected future cash flow from that transaction’s collateral pool to project the Company’s future claims and claim reimbursements for that individual transaction. Finally, the projected claims and reimbursements are discounted using a rate that approximates the taxable equivalent yield on the Company's investment portfolio. The Company runs several sets of assumptions regarding mortgage collateral performance, or scenarios, and probability weights them.

The Company's RMBS loss projection methodology assumes that the housing and mortgage markets will continue improving. Each period the Company makes a judgment as to whether to change the assumptions it uses to make 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, and, to the extent it observes changes, it makes a judgment as to whether those changes are normal fluctuations or part of a trend. In Third Quarter 2019, the economic benefit was $26 million for first lien U.S. RMBS and the economic benefit was $12 million for second lien U.S. RMBS. The assumptions that the Company uses to project RMBS losses are shown in the sections below.

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

	September 30, 2019	December 31, 2018
Delinquent/Modified in the Previous 12 Months	20%	20%
30 - 59 Days Delinquent		
Alt-A	30	30
Option ARM	35	35
Subprime	35	40
60 - 89 Days Delinquent		
Alt-A	40	40
Option ARM	45	45
Subprime	45	45
90+ Days Delinquent		
Alt-A	55	50
Option ARM	55	55
Subprime	50	50
Bankruptcy		
Alt-A	45	45
Option ARM	50	50
Subprime	40	40
Foreclosure		
Alt-A	65	60
Option ARM	65	65
Subprime	60	60
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 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 most heavily weighted scenario (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 3.75 years after the initial 36-month CDR plateau period. 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 reperform.

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 had reached historically high levels, and the Company is assuming in the base case that the still elevated levels generally will continue for another 18 months. The Company determines its initial loss severity based on actual recent experience. Each quarter the Company reviews available data and (if necessary) adjusts its severities based on its observations. 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 vintage 2004 - 2008 first lien U.S. RMBS.

Key Assumptions in Base Case Loss Reserve Estimates
First Lien RMBS

	As of September 30, 2019		As of December 31, 2018	
	Range	Weighted Average	Range	Weighted Average
Alt A				
Plateau CDR	2.5% - 8.5%	4.4%	2.8% - 11.4%	5.4%
Final CDR	0.1% - 0.4%	0.2%	0.1% - 0.6%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	70.0%		70.0%	
2007+	70.0%		70.0%	
Option ARM				
Plateau CDR	2.7% - 8.4%	5.7%	2.1% - 8.3%	5.8%
Final CDR	0.1% - 0.4%	0.3%	0.1% - 0.4%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	60.0%		60.0%	
2007+	70.0%		70.0%	
Subprime				
Plateau CDR	3.4% - 7.7%	5.5%	3.1% - 8.6%	6.2%
Final CDR	0.2% - 0.4%	0.3%	0.2% - 0.4%	0.3%
Initial loss severity:				
2005 and prior	80.0%		80.0%	
2006	75.0%		75.0%	
2007+	85.0%		95.0%	

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 conditional prepayment rate ("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, 2018.

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 September 30, 2019 and December 31, 2018.

Total loss and LAE reserves on all first lien U.S. RMBS was $34 million and $101 million as of September 30, 2019 and December 31, 2018, respectively. The decrease was primarily attributable to higher excess spread on certain transactions supported by large portions of fixed rate assets (either originally fixed or modified to be fixed) and with insured floating rate debt linked to London Interbank Offered Rate ("LIBOR"), which decreased in Nine Months 2019. The Company used a similar approach to establish its pessimistic and optimistic scenarios as of September 30, 2019 as it used as of December 31, 2018, increasing and decreasing the periods of stress from those used in the base case. LIBOR may be discontinued, and it is not yet clear how this will impact the calculation of the various interest rates in this portfolio referencing LIBOR.

In the Company's most 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, loss reserves would increase from current projections by approximately $29.7 million for all first lien U.S. RMBS transactions.

In the Company's least 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 $28.7 million for all first lien U.S. RMBS 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 mortgages. 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 CPR of the collateral, the interest rate environment, and assumptions about 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. The Company estimates the amount of loans that will default over the next six months by calculating current representative liquidation rates. 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 CDR period that follows the embedded plateau losses.

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, representing six months of delinquent loan liquidations followed by 28 months of decrease to the steady state CDR, the same as of December 31, 2018.

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. This causes the borrower's total monthly payment to increase, sometimes substantially, at the end of the initial interest-only period. In prior periods, as the HELOC loans underlying the Company's insured HELOC transactions reached their principal amortization period, the Company incorporated an assumption that a percentage of loans reaching their principal amortization periods would default around the time of the payment increase.

The HELOC loans underlying the Company's insured HELOC transactions are now past their original interest-only reset date, although a significant number of HELOC loans were modified to extend the original interest-only period for another five years. As a result, the Company does not apply a CDR increase when such loans reach their principal amortization period. In addition, based on the average performance history, the Company applies a CDR floor of 2.5% for the future steady state CDR on all its HELOC transactions.

When a second lien loan defaults, there is generally a low recovery. The Company assumed, as of September 30, 2019 and December 31, 2018, that it will generally recover 2% of future defaulting collateral at the time of charge-off, with additional amounts of post charge-off recoveries projected to come in over time. A second lien on the borrower’s home may be retained in the Company's second lien transactions after the loan is charged off and the loss applied to the transaction, particularly in cases where the holder of the first lien has not foreclosed. If the second lien is retained and the value of the home increases, the servicer may be able to use the second lien to increase recoveries, either by arranging for the borrower to resume payments or by realizing value upon the sale of the underlying real estate. The Company evaluates its assumptions periodically based on actual recoveries of charged-off loans observed from period to period. In instances where the Company is able to obtain information on the lien status of charged-off loans, it assumes there will be a certain level of future recoveries of the balance of the charged-off loans where the second lien is still intact. The Company projected future recoveries on these charged off loans of 20% as of September 30, 2019 and 10% as of December 31, 2018, with such recoveries to be received evenly over the next five years. The increase in recovery assumptions is attributable to the higher actual recovery rates observed in certain transactions during the year. Increasing the recovery rate to 30% would result in an economic benefit of $44 million, while decreasing the recovery rate back to 10% would result in an economic loss of $44 million.

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 past year) 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 (in the base case), 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 consistent with how the Company modeled the CPR as of December 31, 2018. To the extent that prepayments differ from projected levels it could materially change the Company's projected excess spread and losses.

In estimating expected losses, the Company modeled and probability weighted five scenarios, each with a different CDR curve applicable to the period preceding the return to the long-term steady state CDR. The Company believes that the level of the elevated CDR and the length of time it will persist and the ultimate prepayment rate are the primary drivers behind the amount of losses the collateral will likely suffer.

The Company continues to evaluate the assumptions affecting its modeling results. The Company believes the most important driver of its projected second lien RMBS losses is the performance of its HELOC transactions. Total loss and LAE recoveries on all second lien U.S. RMBS was $16 million as of September 30, 2019 and total loss and LAE reserves on all second lien U.S. RMBS was $34 million as of December 31, 2018. The economic benefit was primarily attributable to higher projected recoveries for previously charged-off loans and improved performance of underlying collateral.

The following table shows the range as well as the average, weighted by net par outstanding, for key assumptions for the calculation of expected loss to be paid for individual transactions for vintage 2004 - 2008 HELOCs.

Key Assumptions in Base Case Loss Reserve Estimates
HELOCs

	As of September 30, 2019		As of December 31, 2018	
	Range	Weighted Average	Range	Weighted Average
Plateau CDR	6.6% - 14.7%	8.7%	4.6% - 14.9%	9.0%
Final CDR trended down to	2.5% - 3.2%	2.5%	2.5% - 3.2%	2.5%
Liquidation Rates:				
Delinquent/Modified in the Previous 12 Months	20%		20%	
30 - 59 Days Delinquent	35		35	
60 - 89 Days Delinquent	45		50	
90+ Days Delinquent	65		70	
Bankruptcy	55		55	
Foreclosure	55		65	
Real Estate Owned	100		100	
Loss severity (1)	98		98	

(1) Loss severities on future defaults.

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. In the Company's most stressful scenario, 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) would increase the loss reserves by approximately $3.6 million for HELOC transactions. On the other hand, in the Company's least stressful scenario, 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 $3.9 million for HELOC transactions.

Underwriting exposure to subprime mortgage risk through Financial Guaranty insurance coverage.

The following table summarizes U.S. subprime loss activity at September 30, 2019:

	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	3,979,744	(51,753,778)	106,774,533	—
c. Other lines (specify):	—	—	—	—
d. Total	$ 3,979,744	$ (51,753,778)	$ 106,774,533	$ —

G. Insurance-Linked Securities (ILS) Contracts
The Company does not participate in any ILS contracts.

22. <u>Events Subsequent</u>
Subsequent events have been considered through November 13, 2019 for these statutory financial statements which are to be issued on November 13, 2019. There were no material events occurring subsequent to September 30, 2019 that have not already been disclosed in these financial statements.

23. <u>Reinsurance</u>
A. The Company has an unsecured reinsurance recoverable of $96,354,993 with an authorized affiliate, MAC, at September 30, 2019.
B. The Company has no reinsurance recoverable in dispute at September 30, 2019.
C. Reinsurance Assumed and Ceded
The following table summarizes ceded and assumed unearned premiums and the related commission equity at September 30, 2019:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ 295,538,986	$ 88,661,688	$ 635,608,964	$ 170,755,067	$ (340,069,978)	$ (82,093,379)
b. All Other	0	—	6,616,545	1,757,528	(6,616,545)	(1,757,528)
c. Total	295,538,986	88,661,688	642,225,509	172,512,595	(346,686,523)	(83,850,907)
d. Direct Unearned Premium Reserve			$ 1,595,830,860			

The Company has no protected cells at September 30, 2019.

D. The Company has no uncollectible reinsurance at September 30, 2019.
E. The effect of the Company's commutation of ceded business is summarized in the table below:

	American Overseas Reinsurance Co. Ltd.	Amount
Paid losses	$ —	$ —
Change in reserves	—	—
(1) Losses incurred	—	—
Paid LAE	—	—
Change in LAE reserves	—	—
(2) Loss adjustment expenses incurred	—	—
Ceded written premium	12,823,945	12,823,945
Change in unearned premium reserve	(12,823,945)	(12,823,945)
(3) Premiums earned	—	—
Return of ceding commission	—	—
Other income (expense)	27,588	27,588
(4) Other	27,588	27,588
Total	$ 27,588	$ 27,588

F. The Company has no retroactive reinsurance in effect at September 30, 2019.
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 September 30, 2019.
I. The Company has no certified reinsurance downgraded or status subject to revocation at September 30, 2019.
J. The Company has no reinsurance agreements qualifying for reinsurer aggregation at September 30, 2019.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination
There has been no change since the 2018 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses
Recovered losses and loss expenses attributable to insured events of prior years were $(45,026,212) for the first nine months ended September 30, 2019. The current year decrease is a result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements
There has been no change since the 2018 Annual Statement.

27. Structured Settlements
There has been no change since the 2018 Annual Statement.

28. Health Care Receivables
There has been no change since the 2018 Annual Statement.

29. Participating Policies
There has been no change since the 2018 Annual Statement.

30. Premium Deficiency Reserves
There has been no change since the 2018 Annual Statement.

31. High Deductibles
There has been no change since the 2018 Annual Statement.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses
The net loss and LAE reserves of $203,018,972 are discounted at a rate of 4.0% amounting to a total discount of $(42,156,474).

B. Nontabular Discount:	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
Financial Guaranty	$ (42,156,474)	$ —	$ —	$ —

33. Asbestos and Environmental Reserves
There has been no change since the 2018 Annual Statement.

34. Subscriber Savings Accounts
There has been no change since the 2018 Annual Statement.

35. Multiple Peril Crop Insurance
There has been no change since the 2018 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2018 Annual Statement.

B. Schedule of Below Investment Grade ("BIG") insured financial obligations as of September 30, 2019:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(dollars in thousands)			
1. Number of risks	61	2	42	105
2. Remaining weighted-average contract period (in yrs)	8.7	8.2	9.0	8.9
Insured contractual payments outstanding:				
3a. Principal	$ 1,814,359	$ 35,058	$ 4,120,557	$ 5,969,974
3b. Interest	880,727	17,071	1,919,737	2,817,535
3c. Total	$ 2,695,086	$ 52,129	$ 6,040,294	$ 8,787,509
4. Gross claim liability	$ 15,669	$ 537	$ 1,995,734	$ 2,011,940
Less:				
5a1. Gross potential recoveries - subrogation	304,464	—	1,532,352	1,836,816
5a2. Ceded claim liability	(42,276)		56,537	14,261
5a. Total gross potential recoveries	262,188	—	1,588,889	1,851,077
5b. Discount, net	(64,736)	377	22,203	(42,156)
6. Net claim liability	$ (181,783)	$ 160	$ 384,642	$ 203,019
7. Unearned premium revenue	$ 18,465	$ 2	$ 26,468	$ 44,935
8. Reinsurance recoverables	$ (238)	$ —	$ 1,015	$ 777

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 [X] No [ ]

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

A new entity, Assured Guaranty (Europe) S.A., was formed as a direct, majority owned subsidiary of AGM. A new entity, AG Assets Strategies LLC, was formed as a direct subsidiary jointly owned by AGM (55%), AGC (35%) and MAC (10%).

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No [ ]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0001273813

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] 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. 12/31/2016

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/30/2018

6.4 By what department or departments?

New York State Department of Financial Services

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] NA [X]

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 [X] No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

The Code of Conduct is revised annually to make ordinary course updates

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	$ 0	$
14.22 Preferred Stock	$ 0	$
14.23 Common Stock	$ 1,127,049,884	$ 1,073,713,507
14.24 Short-Term Investments	$ 0	$
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)	$ 1,127,049,884	$ 1,073,713,507
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

If no, attach a description with this statement.

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0

16.3 Total payable for securities lending reported on the liability page $ 0

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Blackrock Financial Management Inc.	U
New England Asset Management Inc.	U
Wellington Management Company LLP	U
Goldman Sachs Asset Management, L.P.	U
Wasmer, Schroeder & Company, LLC	A
Mackay Shields LLC	U
Assured Guaranty Municipal Corp.	I

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No [ ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No [ ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107-105	Blackrock Financial Management Inc.	549300LVXYIVJKE13M84	Securities and Exchange Commission	NO
105-900	New England Asset Management Inc.	KUR85E5PS4GQFZTFC130	Securities and Exchange Commission	NO
106-595	Wellington Management Company LLP	549300YHP12TEZNLCX41	Securities and Exchange Commission	NO
107-738	Goldman Sachs Asset Management, L.P.	CF5M58QA35CFPUX70H17	Securities and Exchange Commission	NO
105-323	Wasmer, Schroeder & Company, LLC	N/A	Securities and Exchange Commission	DS
107-717	Mackay Shields LLC	549300Y7LLCOFU7R8H16	Securities and Exchange Commission	NO

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

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

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

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

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? 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	(42,156,474)			(42,156,474)	(39,145,093)			(39,145,093)
TOTAL			(42,156,474)	0	0	(42,156,474)	(39,145,093)	0	0	(39,145,093)

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. $

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No [ ]

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

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

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama AL	L	601,713	560,388		5,236,206		0
2. Alaska AK	L		0		0		0
3. Arizona AZ	L	322,069	228,588		0		0
4. Arkansas AR	L	200,928	257,306		0		0
5. California CA	L	5,043,555	7,267,518	3,910,250	4,452,122	1,098,813	6,760,670
6. Colorado CO	L	29,348,481	2,059,956		0		0
7. Connecticut CT	L	47,835	541,001		0		0
8. Delaware DE	L	3,055,467	2,808,683	(30,847,458)	(15,426,795)	126,238,131	220,900,310
9. Dist. Columbia DC	L	68,827	79,509		0		0
10. Florida FL	L	3,068,275	2,324,145	181,802	320,701	683,522	751,015
11. Georgia GA	L	568,264	941,150		0		0
12. Hawaii HI	L	43,772	90,419		0		0
13. Idaho ID	L		0		0		0
14. Illinois IL	L	1,046,348	11,177,063	578,127	581,990	(1,093,055)	(526,864)
15. Indiana IN	L	430,664	541,152		0		0
16. Iowa IA	L	277,078	71,983		0		0
17. Kansas KS	L	102,998	98,400		0		0
18. Kentucky KY	L	188,797	109,275		0		0
19. Louisiana LA	L	1,935,783	1,679,507		0		0
20. Maine ME	L		0		0		0
21. Maryland MD	L	911,519	966,282	(6,358,656)	(2,318,221)	(114,484,333)	(84,169,656)
22. Massachusetts MA	L	2,444,802	78,586		0		0
23. Michigan MI	L	555,746	941,545		0		0
24. Minnesota MN	L	71,745	116,875	36,779	(13,018)	(360,043)	(317,568)
25. Mississippi MS	L		1,039,929		0		0
26. Missouri MO	L	3,629,592	59,174		0		0
27. Montana MT	L		0		0		0
28. Nebraska NE	L		135,480		0		0
29. Nevada NV	L	934,263	532,181		0		0
30. New Hampshire NH	L		0		0		0
31. New Jersey NJ	L	614,479	140,760		0		0
32. New Mexico NM	L	27,200	56,883		0		0
33. New York NY	L	54,757,431	49,126,701	38,839,967	11,942,903	18,156,320	79,705,547
34. No. Carolina NC	L	1,057,718	0		0		0
35. No. Dakota ND	L		129,414		0		0
36. Ohio OH	L	213,148	543,390		0		0
37. Oklahoma OK	L		19,554,672		0		0
38. Oregon OR	L		105,374		0		0
39. Pennsylvania PA	L	5,476,265	7,375,816		0		0
40. Rhode Island RI	L	462,075	0		0		0
41. So. Carolina SC	L	45,829	308,711	(6,647)	2,343		0
42. So. Dakota SD	L		0		0		0
43. Tennessee TN	L	249,540	152,247		0		0
44. Texas TX	L	5,653,078	7,075,283		0		0
45. Utah UT	L	292,037	193,706		0		0
46. Vermont VT	L		1,478		0		0
47. Virginia VA	L	111	128		239		0
48. Washington WA	L	127,772	1,842,326		0		0
49. West Virginia WV	L		85,401		0		0
50. Wisconsin WI	L	516,028	130,503		0		0
51. Wyoming WY	L		0		0		0
52. American Samoa AS	N		0		0		0
53. Guam GU	L		0		0		0
54. Puerto Rico PR	L		0	341,864,175	206,286,263	241,287,510	416,487,945
55. U.S. Virgin Islands VI	L		0		0		0
56. Northern Mariana Islands MP	N		0		0		0
57. Canada CAN	N	723,937	852,205		0		0
58. Aggregate Other Alien OT	XXX	12,823,174	16,258,954	0	0	0	0
59. Totals	XXX	137,938,343	138,640,047	348,198,339	211,064,733	271,526,865	639,591,399
DETAILS OF WRITE-INS							
58001. AUS Australia	XXX	513,258	569,311		0		0
58002. AUT Austria	XXX		0		0		0
58003. CYM Cayman Islands	XXX	335,445	(132,214)		0		0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	11,974,471	15,821,857	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	12,823,174	16,258,954	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 54

R – Registered – Non-domiciled RRGs 0

E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) 0

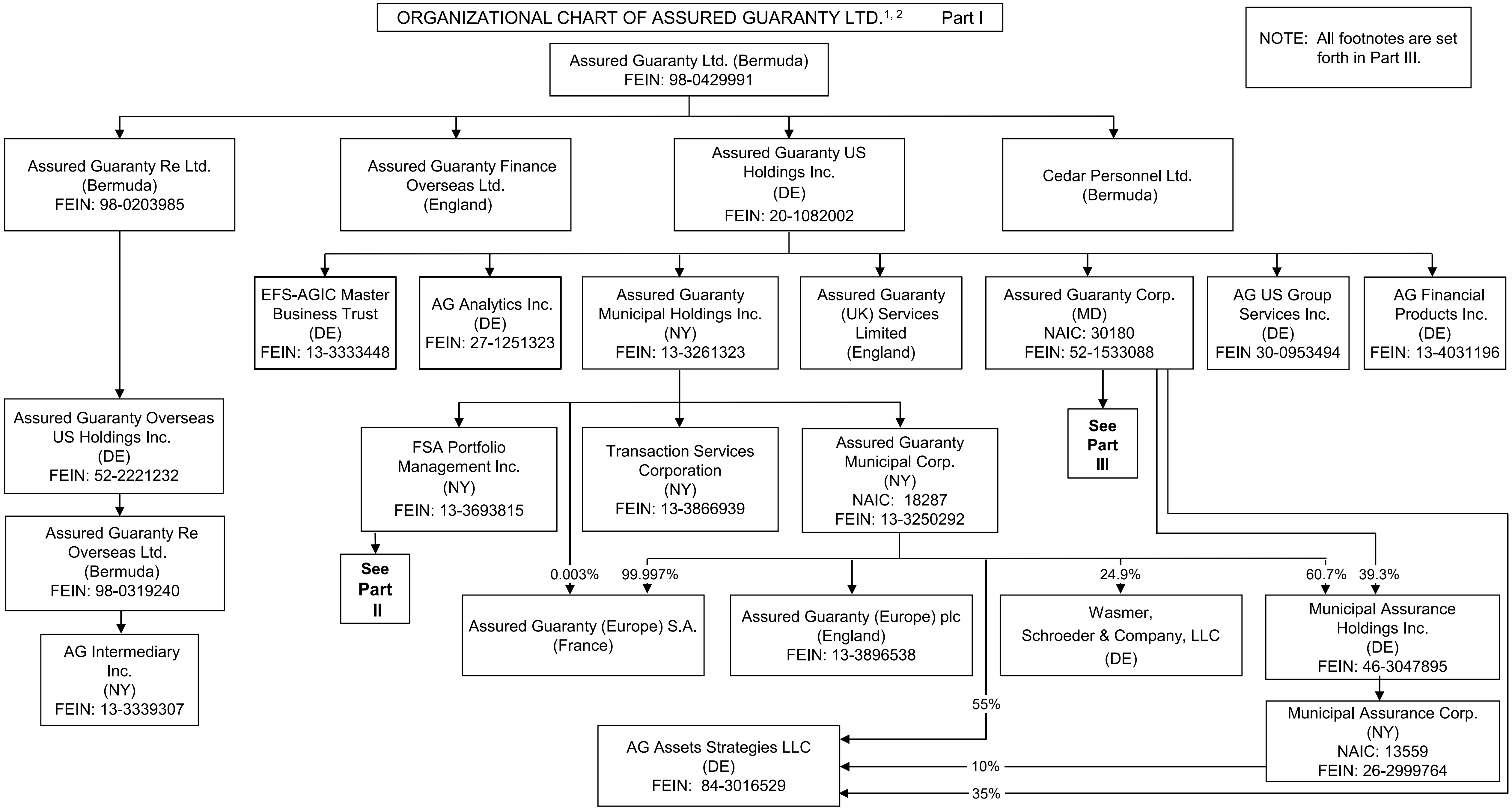
Q – Qualified – Qualified or accredited reinsurer 0

D – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write surplus lines in the state of domicile 0

N – None of the above – Not allowed to write business in the state 3

STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY MUNICIPAL CORP.

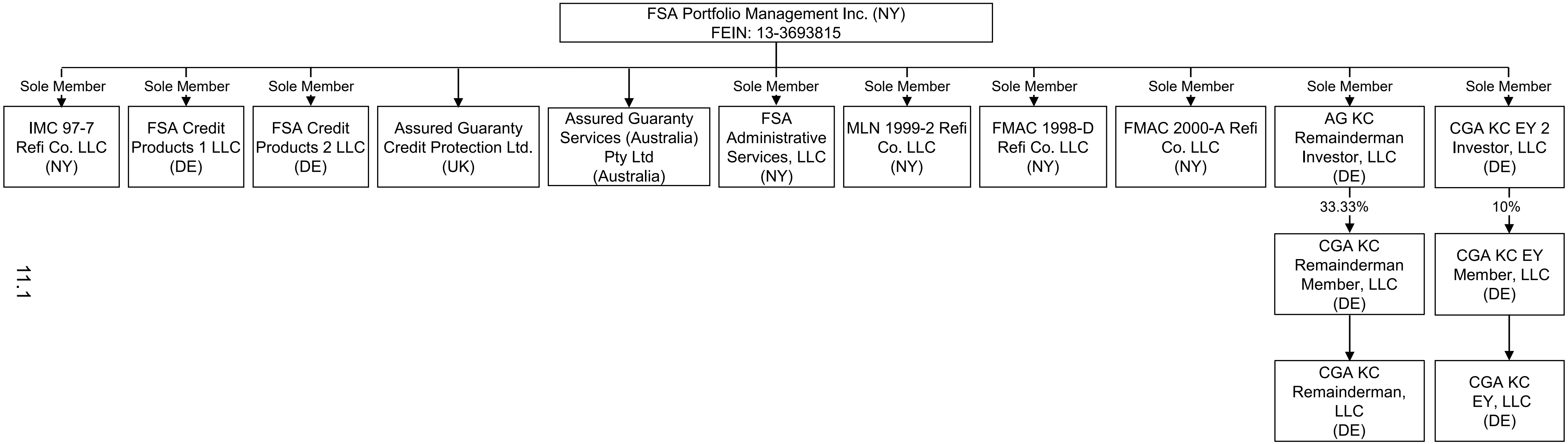
SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

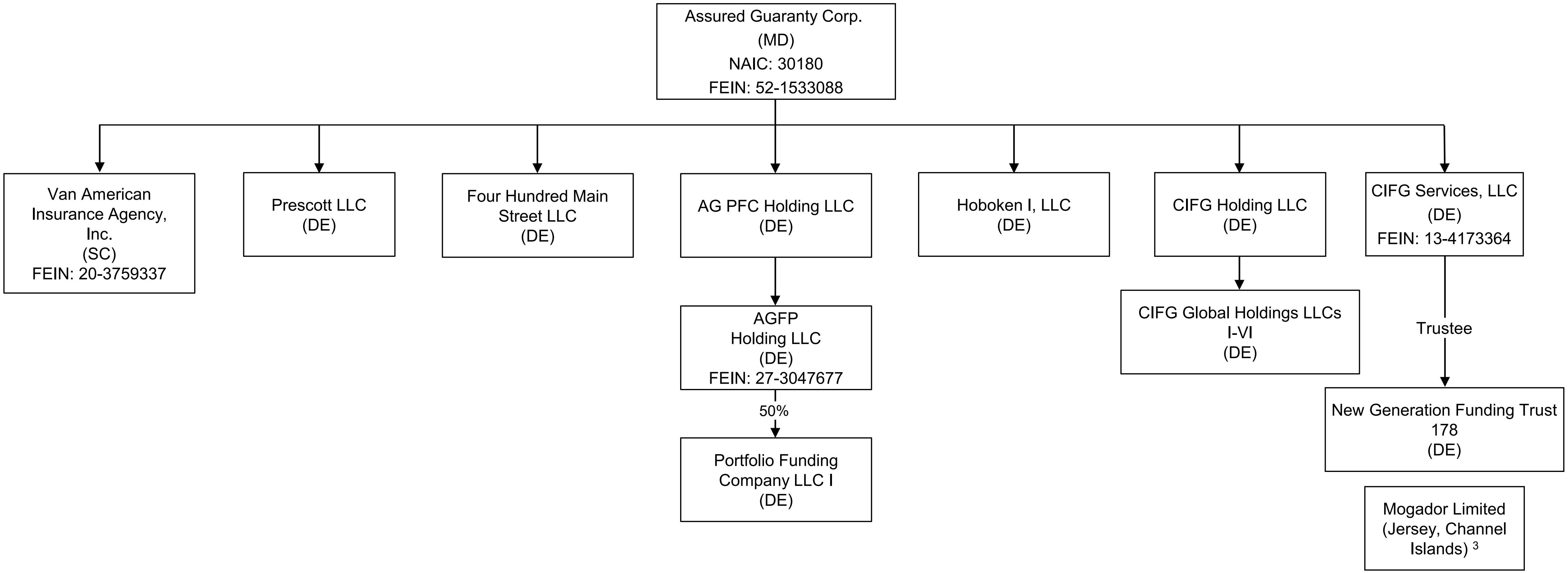
ORGANIZATIONAL CHART OF ASSURED GUARANTY LTD.
Part II: FSA Portfolio Management Inc.



STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

ORGANIZATIONAL CHART OF ASSURED GUARANTY LTD.
Part III: Assured Guaranty Corp.



Footnotes:

1. Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%.
2. All companies listed are corporations, except for (i) limited liability companies (designated as LLCs) and (ii) EFS-AGIC Master Business Trust and New Generation Funding Trust 178 (which are both Delaware trusts).
3. Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is (i) the depositor of New Generation Funding Trust 178 and (ii) the seller of protection on derivatives guaranteed by Assured Guaranty (Europe) plc (as successor to CIFG Europe S.A.) and Assured Guaranty Corp. (as successor to CIFG Assurance North America, Inc.).

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 Names 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 Is an SCA Filing Required? (Y/N)	16 *
00194	Assured Guaranty Ltd.	00000	98-0429991		0001273813	NYSE	Assured Guaranty Ltd.	BMU	UIP			0.0		N	0
00194	Assured Guaranty Ltd.	00000	20-1082002		0001289244		Assured Guaranty US Holdings Inc.	DE	UIP	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000	13-3261323		1111913357		Assured Guaranty Municipal Holdings Inc.	NY	UDP	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	18287	13-3250292				Assured Guaranty Municipal Corp.	NY	RE	Assured Guaranty Municipal Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	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.	N	0
00194	Assured Guaranty Ltd.	00000	13-3866939				Transaction Services Corporation	NY	NIA	Assured Guaranty Municipal Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000	46-3047895				Municipal Assurance Holdings Inc.	DE	DS	Assured Guaranty Municipal Corp.	Ownership	60.7	Assured Guaranty Ltd.	Y	(1)
00194	Assured Guaranty Ltd.	00000					Assured Guaranty (Europe) plc	GBR	DS	Assured Guaranty Municipal Corp.	Ownership	100.0	Assured Guaranty Ltd.	Y	0
00194	Assured Guaranty Ltd.	00000	98-0203985				Assured Guaranty Re Ltd.	BMU	IA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty Finance Overseas Ltd.	GBR	NIA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Cedar Personnel Ltd.	BMU	NIA	Assured Guaranty Ltd.	Ownership	100.0	Assured Guaranty Ltd.	N	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.	N	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.	N	0
00194	Assured Guaranty Ltd.	00000	13-3339307				AG Intermediary Inc.	NY	NIA	Assured Guaranty Re Overseas Ltd.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	13559	26-2999764				Municipal Assurance Corp.	NY	DS	Municipal Assurance Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000	27-1251323				AG Analytics Inc.	DE	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty (UK) Services Limited	GBR	NIA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	30180	52-1533088				Assured Guaranty Corp.	MD	IA	Assured Guaranty US Holdings Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	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.	N	0
00194	Assured Guaranty Ltd.	00000					Prescott LLC	DE	NIA	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					AG PFC Holding LLC	DE	NIA	Assured Guaranty Corp.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000	27-3047677				AGFP Holding LLC	DE	NIA	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Portfolio Funding Company LLC 1	DE	NIA	AGFP Holding LLC	Ownership	50.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					FSA Credit Products 1 LLC	DE	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	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 Names 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 Is an SCA Filing Required? (Y/N)	16 *
00194	Assured Guaranty Ltd	00000					FSA Credit Products 2 LLC	DE	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Assured Guaranty Credit Protection Ltd	GBR	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Assured Guaranty Services (Australia) Pty Ltd	AUS	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					FSA Administrative Services, LLC	NY	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					MLN 1999-2 Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					FMAC 1998-D Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					FMAC 2000-A Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					IMC 97-7 Refi Co. LLC	NY	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	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	N	0
00194	Assured Guaranty Ltd	00000					Four Hundred Main Street LLC	DE	NIA	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	20-3759337				Van American Insurance Agency, Inc	SC	NIA	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Hoboken I, LLC	DE	NIA	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-4173364				CIFG Services, LLC	DE	NIA	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Holding LLC	DE	NIA	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					New Generation Funding Trust	DE	NIA	CIFG Services, LLC	Other	0.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Mogador Limited	JEY	OTH	Sanne Nominees Limited and Sanne Nominees 2 Limited	Ownership	100.0	Sanne Nominees Limited and Sanne Nominees 2 Limited	N	(2)
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings I, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings II, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings III, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings IV, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings V, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					CIFG Global Holdings VI, LLC	DE	NIA	CIFG Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	30-0953494				AG US Group Services Inc	DE	NIA	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	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 Names 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 Is an SCA Filing Required? (Y/N)	16 *
00194	Assured Guaranty Ltd.	00000					AG KC Remainderman Investor, LLC	DE	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					CGA KC Remainderman Member, LLC	DE	NIA	AG KC Remainderman Investor, LLC	Ownership	33.3	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					CGA KC Remainderman, LLC	DE	NIA	CGA KC Remainderman Member, LLC	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Wasmer, Schroeder & Company, LLC	DE	NIA	Assured Guaranty Municipal Corp.	Ownership	24.9	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					CGA KC EY 2 Investor, LLC	DE	NIA	FSA Portfolio Management Inc.	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					CGA KC EY Member, LLC	DE	NIA	CGA KC EY 2 Investor, LLC	Ownership	10.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					CGA KC EY, LLC	DE	NIA	CGA KC EY Member, LLC	Ownership	100.0	Assured Guaranty Ltd.	N	0
00194	Assured Guaranty Ltd.	00000					Assured Guaranty (Europe) S.A.	FRA	DS	Assured Guaranty Municipal Corp.	Ownership	100.0	Assured Guaranty Ltd.	Y	(3)
00194	Assured Guaranty Ltd.	00000	84-3016529				AG Assets Strategies LLC	DE	DS	Assured Guaranty Municipal Corp.	Ownership	55.0	Assured Guaranty Ltd.	N	(4)

Asterisk	Explanation
	(1) The remaining 39.3% of Municipal Assurance Holdings Inc. is directly owned by Assurance Guaranty Corp.
	(2) Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is (1) the depositor of New Generation Funding Trust 178 and (ii) the seller of protection on derivatives guaranteed by Assured Guaranty (Europe) plc (as successor to CIFG Europe S.A.) and Assured Guaranty Corp. (as successor to CIFG Assurance North America, Inc.)
	(3) Assured Guaranty Municipal Holdings Inc. owns 0.003% of Assured Guaranty (Europe) S.A.
	(4) The remaining 45.0% of AG Assets Strategies LLC is directly owned 35.0% by Assured Guaranty Corp. and 10% by Municipal Assurance Corp.

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	130,859,284	(411,276)	(0.3)	32.1
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	130,859,284	(411,276)	(0.3)	32.1
	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	53,834,750	137,938,343	138,640,047
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	0		0
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	0		0
17.2	Other liability-claims made	0		0
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	0		0
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	0		0
19.3,19.4	Commercial auto liability	0		0
21.	Auto physical damage	0		0
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	0		0
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	53,834,750	137,938,343	138,640,047
	DETAILS OF WRITE-INS			
3401.				
3402.				
3403.				
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2016 + Prior	518,057		518,057	269,732		269,732	202,692			202,692	(45,633)	0	(45,633)
2. 2017	123		123	189		189	327			327	393	0	393
3. Subtotals 2017 + prior	518,180	0	518,180	269,921	0	269,921	203,019	0	0	203,019	(45,240)	0	(45,240)
4. 2018			0	84		84				0	84	0	84
5. Subtotals 2018 + prior	518,180	0	518,180	270,005	0	270,005	203,019	0	0	203,019	(45,156)	0	(45,156)
6. 2019	XXX	XXX	XXX	XXX	6	6	XXX			0	XXX	XXX	XXX
7. Totals	518,180	0	518,180	270,005	6	270,011	203,019	0	0	203,019	(45,156)	0	(45,156)
8. Prior Year-End Surplus As Regards Policy-holders	2,533,492												

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. (8.7)	2. 0.0	3. (8.7)
		Col. 13, Line 7 Line 8
		4. (1.8)

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:

Bar Code:

1. 1 8 2 8 7 2 0 1 9 4 9 0 0 0 0 3

2. 1 8 2 8 7 2 0 1 9 4 5 5 0 0 0 3

3. 1 8 2 8 7 2 0 1 9 3 6 5 0 0 0 3

4. 1 8 2 8 7 2 0 1 9 5 0 5 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

PQ010 Additional Aggregate Lines for Page 10 Line 58.
*SCT

	1 Active Status (a)	2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
58004. CHL Chile	XXX		(741,395)		0		0
58005. FRA France	XXX	11,076	11,691		0		0
58006. IRL Ireland	XXX	2,402,027	2,560,948		0		0
58007. PER Peru	XXX		0		0		0
58008. PRT Portugal	XXX		0		0		0
58009. GBR United Kingdom	XXX	9,561,368	0		0		0
58010.	XXX		13,990,613		0		0
58997. Summary of remaining write-ins for Line 58 from Page 10	XXX	11,974,471	15,821,857	0	0	0	0

SCHEDULE A – VERIFICATION

Real Estate

NONE

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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	323,573,612	393,478,322
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	5,863,140	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	40,375	84,379
5. Unrealized valuation increase (decrease)	(1,946,498)	815,788
6. Total gain (loss) on disposals	0	(675,490)
7. Deduct amounts received on disposals	0	63,338,327
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other-than-temporary impairment recognized	0	6,791,060
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	327,530,629	323,573,612
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	327,530,629	323,573,612

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	4,884,698,108	4,766,785,968
2. Cost of bonds and stocks acquired	349,711,221	758,803,041
3. Accrual of discount	25,876,736	35,464,156
4. Unrealized valuation increase (decrease)	(57,483,211)	225,973,073
5. Total gain (loss) on disposals	28,442,883	1,009,284
6. Deduct consideration for bonds and stocks disposed of	847,161,045	844,678,600
7. Deduct amortization of premium	19,924,494	35,907,784
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	13,641,806	22,932,948
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	124,619	181,918
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	4,350,643,011	4,884,698,108
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	4,350,643,011	4,884,698,108

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)	3,120,096,521	45,318,985	87,455,983	126,753	3,304,798,009	3,120,096,521	3,078,086,276	3,632,195,855
2. NAIC 2 (a)	112,689,757	40,791,996	419,659	(64,217)	74,711,144	112,689,757	152,997,877	95,285,371
3. NAIC 3 (a)	0	0	0	0	0	0	0	0
4. NAIC 4 (a)	0	0	0	0	0	0	0	0
5. NAIC 5 (a)	139,543,107	43,676,488	183,583,326	363,731	148,889,185	139,543,107	0	0
6. NAIC 6 (a)	70,544,466	0	397,274	(1,589,177)	71,554,676	70,544,466	68,558,015	80,108,201
7. Total Bonds	3,442,873,851	129,787,469	271,856,242	(1,162,910)	3,599,953,014	3,442,873,851	3,299,642,168	3,807,589,427
PREFERRED STOCK								
8. NAIC 1	0	0	0	0	0	0	0	0
9. NAIC 2	0	0	0	0	0	0	0	0
10. NAIC 3	0	0	0	0	0	0	0	0
11. NAIC 4	0	0	0	0	0	0	0	0
12. NAIC 5	0	0	0	0	0	0	0	0
13. NAIC 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	3,442,873,851	129,787,469	271,856,242	(1,162,910)	3,599,953,014	3,442,873,851	3,299,642,168	3,807,589,427

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 22,712,664 ; NAIC 2 $ 0 ;
NAIC 3 $ 0 ; NAIC 4 $ 0 ; NAIC 5 $ 0 ; NAIC 6 $ 0

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	7,728,354	XXX	7,673,809	90,431	

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	0	0
2. Cost of short-term investments acquired	7,673,809	0
3. Accrual of discount	54,545	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	0	0
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	7,728,354	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	7,728,354	0

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	172,533,559	202,389,115
2. Cost of cash equivalents acquired	424,017,971	570,598,746
3. Accrual of discount	115,548	567,825
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	(595)
6. Deduct consideration received on disposals	166,684,358	601,021,532
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	837	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	429,981,883	172,533,559
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	429,981,883	172,533,559

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

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 and Administrative Symbol/Market Indicator	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
Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Other - Unaffiliated												
000000-00-0	PETERSHILL PRIVATE EQUITY LP		DE	DIRECT	3	02/27/2017		12,725,000	607,073	0	85,089,343	15.000
2199999 - Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Other - Unaffiliated								12,725,000	607,073	0	85,089,343	XXX
4499999 – Subtotals - Unaffiliated								12,725,000	607,073	0	85,089,343	XXX
4599999 – Subtotals - Affiliated								0	0	0	0	XXX
4699999 Totals								12,725,000	607,073	0	85,089,343	XXX

E03

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
4499999 – Subtotals - Unaffiliated																			
4599999 – Subtotals - Affiliated																			
4699999 Totals																			

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/Market Indicator (a)
Bonds - U.S. Governments									
912828-Y8-7	US Treasury N/B		08/12/2019	DEUTSCHE BANK	XXX	2,631,688	2,600,000	1,607	1
0599999 - Bonds - U.S. Governments						2,631,688	2,600,000	1,607	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
30749L-NC-6	FARGO ND PUBLIC SCH DIST #1		07/03/2019	R.W.BAIRD	XXX	4,035,681	3,900,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						4,035,681	3,900,000	0	XXX
Bonds - U.S. Special Revenue									
3137FN-FU-9	FHR4911 MB		08/20/2019	FIRST TENNESSEE	XXX	913,397	890,000	2,151	1
3136B6-HH-9	FNR 2019-58 LP		09/20/2019	JP MORGAN SECURITIES.	XXX	595,474	580,000	1,402	1
74529J-RM-9	PUERTO RICO SALES TAX REVENUE BOND		08/01/2019	EXCHANGE OFFER SECURITY	XXX	33,706,518	35,156,000		5GI
74529J-RN-7	PUERTO RICO SALES TAX REVENUE BOND		08/01/2019	EXCHANGE OFFER SECURITY	XXX	678,723	723,000		5GI
74529J-RP-2	PUERTO RICO SALES TAX REVENUE BOND		08/01/2019	EXCHANGE OFFER SECURITY	XXX	9,291,246	9,691,000		5GI
235036-4M-9	TX DALLAS-FORT WORTH-A		08/08/2019	JP MORGAN SECURITIES.	XXX	1,500,000	1,500,000		1FE
928104-ME-5	VA VA SMALL BUSINESS FIN 95 EXPRES		07/19/2019	JP MORGAN SECURITIES.	XXX	1,058,160	1,000,000		2FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						47,743,518	49,540,000	3,553	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
60920L-AF-1	MONDELEZ INTL HLDINGS NE	D	09/05/2019	BARCLAYS CAPITAL	XXX	1,997,360	2,000,000		2FE
01400E-AB-9	ALCON FINANCE CORP 144A		09/16/2019	BANK OF AMERICA SECURITIES LLC	XXX	523,068	525,000		2FE
03523T-BU-1	ANHEUSER-BUSCH INBEV WOR		08/16/2019	BARCLAYS CAPITAL	XXX	6,408,232	5,025,000	20,540	2FE
035240-AL-4	ANHEUSER-BUSCH INBEV WORLDWIDE I 4		09/23/2019	MORGAN STANLEY CO	XXX	1,105,740	1,000,000	18,000	2FE
00206R-DR-0	AT&T INC		08/19/2019	MILLENNIUM ADVISORS LLC	XXX	1,525,043	1,300,000	32,229	2FE
054561-AJ-4	AXA Equitable Hldgs		08/16/2019	BARCLAYS CAPITAL	XXX	5,230,799	4,900,000	71,050	2FE
06540W-BC-6	BANK 2019-BN19 A2		07/23/2019	WELLS FARGO BROKER SERVICES LLC	XXX	757,452	750,000	427	1FE
05552J-AA-7	BBVA USA		08/20/2019	GOLDMAN SACHS	XXX	849,601	850,000		2FE
20268J-AA-1	COMMONSPIRIT HEALTH		08/07/2019	CITIGROUP GLOBAL MARKETS	XXX	1,326,000	1,326,000		2FE
25755T-AH-3	DOMINOS PIZZA MASTER ISSUER LL 17-		07/19/2019	BANK OF AMERICA MERRILL LYNCH SECURITIES	XXX	2,942,798	2,839,425	28,582	2FE
31428X-BC-9	FEDEX CORP		07/31/2019	BANK OF AMERICA MERRILL LYNCH SECURITIES	XXX	1,029,460	1,000,000	89	2FE
35137L-AB-1	FOX CORP		07/31/2019	CITIGROUP GLOBAL MARKETS	XXX	1,592,700	1,500,000	1,175	2FE
38141G-WZ-3	GOLDMAN SACHS GROUP INC		07/10/2019	MORGAN STANLEY CO	XXX	5,341,600	5,000,000	41,643	1FE
37940X-AB-8	GPN 3.20000 08/15/2029		08/07/2019	BANK OF AMERICA SECURITIES LLC	XXX	573,195	575,000		2FE
416515-BE-3	HARTFORD FINANCIAL SERVICES GROUP		08/08/2019	CREDIT SUISSE SECURITIES (USA)	XXX	842,296	845,000		2FE
446150-AQ-7	HUNTINGTON BANCSHARES INC		07/30/2019	GOLDMAN SACHS	XXX	643,587	645,000		2FE
63861V-AE-7	NATIONWIDE BLDG SOCIETY 144A	D	07/16/2019	CITIGROUP GLOBAL MARKETS	XXX	901,620	900,000		2FE
674599-CW-3	Occidental Petroleum		08/06/2019	CITIGROUP GLOBAL MARKETS	XXX	5,298,104	5,305,000		2FE
674599-CS-2	OCCIDENTAL PETROLEUM COR		08/07/2019	VARIOUS	XXX	3,147,270	3,150,000	173	2FE
70450Y-AE-3	PAYPAL HOLDINGS INC		09/19/2019	GOLDMAN SACHS	XXX	996,630	1,000,000		2FE
693475-AX-3	PNC FINANCIAL SERVICES REG		07/18/2019	PNC CAPITAL MARKETS LLC	XXX	785,497	787,000		1FE
78355H-KN-8	RYDER SYSTEM INC		08/01/2019	U.S. BANCORP INVESTMENTS INC.	XXX	234,810	235,000		2FE
824348-BJ-4	SHW 2.95000 08/15/2029		08/12/2019	CITIGROUP GLOBAL MARKETS	XXX	1,495,005	1,500,000		2FE
82652M-AA-8	SIERRA RECEIVABLES FUNDING CO 19-2		07/16/2019	BARCLAYS CAPITAL	XXX	999,730	1,000,000		1FE
80281G-AD-8	SRT 2019-B A3		07/16/2019	BARCLAYS CAPITAL	XXX	999,818	1,000,000		1FE
855244-AT-6	STARBUCKS CORP		09/19/2019	CREDIT SUISSE FIRST BOSTON	XXX	1,070,520	1,000,000	3,747	2FE
94354K-AA-8	WAAV 2019-1 A		09/30/2019	GOLDMAN SACHS	XXX	1,780,922	1,781,000		1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						50,398,857	47,738,425	217,655	XXX
8399997 - Subtotals - Bonds - Part 3						104,809,744	103,778,425	222,815	XXX
8399999 - Subtotals - Bonds						104,809,744	103,778,425	222,815	XXX
Common Stocks - Parent, Subsidiaries and Affiliates									
F0426#-10-6	ASSURED GUARANTY (EUROPE) S.A.	B	07/19/2019	CAPITAL CONTRIBUTION	799,976.000	4,146,836	XXX	0	V
9199999 - Common Stocks - Parent, Subsidiaries and Affiliates						4,146,836	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						4,146,836	XXX	0	XXX
9799999 - Subtotals - Common Stocks						4,146,836	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						4,146,836	XXX	0	XXX
9999999 Totals						108,956,580	XXX	222,815	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 CUSIP Identi-fication	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation and Administrative Symbol/Market Indicator (a)
Bonds - U.S. Governments																					
36178C-7C-1	GNMA #0AA5391 SF30		08/19/2019	VARIOUS	XXX	4,140,109	3,953,944	4,252,652	4,257,855		7,940		7,940		4,265,795		(125,686)	(125,686)	99,789	06/15/2042	1
36241L-BC-9	GNMA #782735		09/15/2019	PRINCIPAL RECEIPT	XXX	45,062	45,062	49,012	51,390		(6,328)		(6,328)		45,062				1,628	07/15/2039	1
36295W-EN-3	GNMA #682441		09/15/2019	PRINCIPAL RECEIPT	XXX	1,427	1,427	1,533	1,496		(69)		(69)		1,427			0	44	05/15/2023	1
36207R-3A-1	GNMA POOL 440093		09/15/2019	PRINCIPAL RECEIPT	XXX	4	4	3	4				0		4			0		02/15/2027	1
36201F-V2-0	GNMA POOL 582133		09/15/2019	PRINCIPAL RECEIPT	XXX	954	954	1,012	983		(29)		(29)		954			0	41	05/15/2032	1
38381T-KF-1	GNR 2019-29 CB		09/20/2019	PRINCIPAL RECEIPT	XXX	13,296	13,296	13,409			(112)		(112)		13,296			0	61	10/20/2048	1
36179T-Z5-7	GOVERNMENT NATL MTG ASSOC II #MA52		09/20/2019	PRINCIPAL RECEIPT	XXX	242,968	242,968	248,967	248,870		(5,901)		(5,901)		242,968			0	5,851	06/20/2048	1
36179U-CB-6	GOVERNMENT NATL MTG ASSOC II #MA54		09/20/2019	PRINCIPAL RECEIPT	XXX	901,950	901,950	915,958	915,719		(13,769)		(13,769)		901,950			0	21,498	09/20/2048	1
912810-ED-6	US TREASURY BOND		08/15/2019	MATURITY	XXX	2,000,000	2,000,000	2,338,121	2,041,836		(41,836)		(41,836)		2,000,000			0	162,500	08/15/2019	1
0599999 - Bonds - U.S. Governments						7,345,770	7,159,606	7,820,667	7,518,153	0	(60,104)	0	(60,104)	0	7,471,456	0	(125,686)	(125,686)	291,412	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
93974D-ZY-7	WA GO		08/19/2019	JP MORGAN SECURITIES	XXX	4,683,259	3,865,000	4,717,890	4,539,757		(51,695)		(51,695)		4,488,062		195,197	195,197	203,449	08/01/2038	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						4,683,259	3,865,000	4,717,890	4,539,757	0	(51,695)	0	(51,695)	0	4,488,062	0	195,197	195,197	203,449	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																					
16557H-DX-0	CHESTER CNTY PA HEALTH & ED FA		08/09/2019	FIRST TENNESSEE BANK	XXX	612,485	500,000	575,050	571,026		(4,319)		(4,319)		566,707		45,778	45,778	21,667	10/01/2035	1FE
226706-AA-7	CRISP CNTY GA SOL WST MGMT AUTH		07/01/2019	Sink PMT @ 100.0000000	XXX	397,274	397,274	347,832	352,719		44,555		44,555		397,274			0		01/01/2023	6FE
31406C-MA-3	FANNIE MAE POOL# 805953		09/25/2019	PRINCIPAL RECEIPT	XXX	1,221	1,221	1,249	1,225		(4)		(4)		1,221			0	45	12/01/2019	1
3138WE-KW-8	FEDERAL NATIONAL MTG ASSOC #AS4808		09/25/2019	PRINCIPAL RECEIPT	XXX	181,472	181,472	190,574	190,104		(8,632)		(8,632)		181,472			0	3,940	04/01/2045	1
3138YR-QX-9	FEDERAL NATIONAL MTG ASSOC #AZ0469		09/25/2019	PRINCIPAL RECEIPT	XXX	108,794	108,794	114,318	114,740		(5,946)		(5,946)		108,794			0	2,520	05/01/2045	1
3140FC-S9-0	FEDERAL NATIONAL MTG ASSOC #BD5043		09/25/2019	PRINCIPAL RECEIPT	XXX	58,470	58,470	58,351	58,351		119		119		58,470			0	1,238	02/01/2047	1
3128MJ-3U-2	FGLMC PL#G08810		09/15/2019	PRINCIPAL RECEIPT	XXX	132,865	132,865	137,826	137,846		(4,981)		(4,981)		132,865			0	3,703	04/01/2048	1
3128MJ-4R-8	FGLMC PL#G08831		09/15/2019	PRINCIPAL RECEIPT	XXX	232,354	232,354	235,930	235,889		(3,535)		(3,535)		232,354			0	6,386	08/01/2048	1
3128MJ-4S-6	FGLMC PL#G08832		09/15/2019	PRINCIPAL RECEIPT	XXX	236,000	236,000	244,887	244,718		(8,717)		(8,717)		236,000			0	7,029	08/01/2048	1
3128L0-DE-9	FGOLD 30YR		09/15/2019	PRINCIPAL RECEIPT	XXX	6,119	6,119	6,171	6,178		(59)		(59)		6,119			0	245	11/01/2037	1
3128LX-FB-1	FGOLD 30YR GIANT		09/15/2019	PRINCIPAL RECEIPT	XXX	5,071	5,071	4,864	4,791		280		280		5,071			0	151	12/01/2035	1
3128M5-HJ-2	FGOLD 30YR GIANT		09/15/2019	PRINCIPAL RECEIPT	XXX	4,493	4,493	4,538	4,552		(59)		(59)		4,493			0	193	06/01/2036	1
3128M5-LE-8	FGOLD 30YR GIANT		09/15/2019	PRINCIPAL RECEIPT	XXX	9,773	9,773	9,997	10,032		(258)		(258)		9,773			0	403	11/01/2037	1
3128M6-EF-1	FGOLD 30YR GIANT		09/15/2019	PRINCIPAL RECEIPT	XXX	3,053	3,053	2,892	2,847		206		206		3,053			0	92	04/01/2038	1
3128MJ-TP-5	FGOLD 30YR GIANT		09/15/2019	PRINCIPAL RECEIPT	XXX	140,028	140,028	139,448	139,388		640		640		140,028			0	3,324	11/01/2043	1
3128M5-ME-7	FGOLD 30YR GIANT POOL # G03657		09/15/2019	PRINCIPAL RECEIPT	XXX	1,611	1,611	1,668	1,698		(87)		(87)		1,611			0	68	12/01/2037	1
31292H-5P-5	FGOLD POOL # C01754		09/15/2019	PRINCIPAL RECEIPT	XXX	6,258	6,258	6,335	6,340		(83)		(83)		6,258			0	233	01/01/2034	1
31288J-ZR-0	FGOLD POOL # C79752		09/15/2019	PRINCIPAL RECEIPT	XXX	10,485	10,485	10,597	10,587		(102)		(102)		10,485			0	378	05/01/2033	1
3128LX-BJ-8	FGOLD POOL # G01841		09/15/2019	PRINCIPAL RECEIPT	XXX	4,598	4,598	4,610	4,613		(14)		(14)		4,598			0	156	06/01/2035	1
31292H-KJ-2	FGOLD POOL 01197		09/15/2019	PRINCIPAL RECEIPT	XXX	4,910	4,910	4,882	4,881		11		11		4,892		19	19	214	07/01/2031	1
31287M-HU-7	FGOLD POOL 62043		09/15/2019	PRINCIPAL RECEIPT	XXX	783	783	793	790		(7)		(7)		783			0	29	12/01/2031	1
31292G-VZ-6	FGOLD POOL C00632		09/15/2019	PRINCIPAL RECEIPT	XXX	29	29	28	28		1		1		29			0	1	07/01/2028	1
31292H-QR-8	FGOLD POOL C01364		09/15/2019	PRINCIPAL RECEIPT	XXX	1,884	1,884	1,913	1,922		(38)		(38)		1,884			0	79	06/01/2032	1
31293E-EW-6	FGOLD POOL C18249		09/15/2019	PRINCIPAL RECEIPT	XXX	1,416	1,416	1,396	1,404		11		11		1,416			0	66	11/01/2028	1
31294E-HK-8	FGOLD POOL C37434		09/15/2019	PRINCIPAL RECEIPT	XXX	2,101	2,101	2,059	2,074		26		26		2,101			0	94	12/01/2029	1
3128QH-UA-6	FHLMC 5/1 6MO LIBOR HYBRID ARM		09/15/2019	PRINCIPAL RECEIPT	XXX	7,253	7,253	7,385	7,351		(98)		(98)		7,253			0	222	05/01/2037	1
3128M9-WB-4	FHLMC Gold 30 Yr P/T Pool # G07542		09/15/2019	PRINCIPAL RECEIPT	XXX	42,694	42,694	45,589	45,940		(3,247)		(3,247)		42,694			0	1,182	11/01/2043	1
3128MJ-YY-0	FHLMG #G08726		08/19/2019	VARIOUS	XXX	668,970	653,054	679,176	678,129		(1,602)		(1,602)		676,527		(7,557)	(7,557)	14,086	10/11/2046	1
3128MJ-Y5-3	FHLMG #G08731		09/15/2019	PRINCIPAL RECEIPT	XXX	522,179	522,179	486,850	486,938		35,241		35,241		522,179			0	8,537	11/01/2046	1
3128MJ-ZA-1	FHLMG #G08736		09/15/2019	PRINCIPAL RECEIPT	XXX	511,533	511,533	476,925	477,226		34,307		34,307		511,533			0	8,434	12/01/2046	1
3128MJ-3D-0	FHLMG #G08795		09/15/2019	PRINCIPAL RECEIPT	XXX	318,525	318,525	307,899	307,864		10,661		10,661		318,525			0	6,310	01/01/2048	1
31376K-JR-8	FMNA POOL# 357672		09/25/2019	PRINCIPAL RECEIPT	XXX	23,628	23,628	22,817	23,534		94		94		23,628			0	696	12/01/2019	1
31418C-WU-4	FNCL PL#MA3358		09/25/2019	PRINCIPAL RECEIPT	XXX	205,915	205,915	213,669	213,631		(7,716)		(7,716)		205,915			0	6,043	05/01/2048	1
31418C-XN-9	FNCL PL#MA3384		09/25/2019	PRINCIPAL RECEIPT	XXX	113,306	113,306	114,952	114,925		(1,619)		(1,619)		113,306			0	2,952	06/01/2048	1
31418C-YM-0	FNCL PL#MA3415		09/25/2019	PRINCIPAL RECEIPT	XXX	122,756	122,756	124,578	124,548		(1,792)		(1,792)		122,756			0	3,362	07/01/2048	1
31418C-YN-8	FNCL PL#MA3416		09/25/2019	PRINCIPAL RECEIPT	XXX	174,264	174,264	180,649	180,607		(6,343)		(6,343)		174,264			0	4,953	07/01/2048	1
31418C-YT-5	FNJMCK PL#MA3421		09/25/2019	PRINCIPAL RECEIPT	XXX	276,272	276,272	277,913	277,902		(1,630)		(1,630)		276,272			0	6,985	07/01/2048	1
31418C-ZL-1	FNJMCK PL#MA3446		09/25/2019	PRINCIPAL RECEIPT	XXX	271,405	271,405	273,270	273,254		(1,849)		(1,849)		271,405			0	6,800	08/01/2048	1
31418C-WS-9	FNMA #0MA3356 Cnv30		09/25/2019	PRINCIPAL RECEIPT	XXX	250,707	250,707	251,334	251,317		(609)		(609)		250,707			0	5,717	04/01/2048	1
31410F-YJ-8	FNMA 30YR		09/25/2019	PRINCIPAL RECEIPT	XXX	16,711	16,711	16,365	16,269		442		442		16,711			0	484	05/01/2036	1
31403D-T8-2	FNMA 30YR POOL # 745875		09/25/2019	PRINCIPAL RECEIPT	XXX	14,706	14,706	15,062	15,207		(501)		(501)		14,706			0	576	09/01/2036	1
31414U-6M-5	FNMA 30YR POOL # 977076		09/25/2019	PRINCIPAL RECEIPT	XXX	3,986	3,986	3,824	3,757		229		229		3,986			0	130	01/01/2038	1
31405R-AK-2	FNMA 30YR POOL #796610		09/25/2019	PRINCIPAL RECEIPT	XXX	79,974	79,974	79,200	79,056		918		918		79,974			0	2,581	10/01/2034	1
31406M-4A-1	FNMA 30YR POOL #814517		09/25/2019	PRINCIPAL RECEIPT	XXX	6,612	6,612	6,552	6,551		61		61		6,612			0	221	03/01/2035	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 Designation and Administrative Symbol/Market Indicator (a)
31385X-Q9-1	FNMA 30YR POOL#555880		09/25/2019	PRINCIPAL RECEIPT	XXX	15,480	15,480	15,389	15,372		108		108		15,480			0	524	11/01/2033	1
31402D-P7-9	FNMA 30YR POOL#725946		09/25/2019	PRINCIPAL RECEIPT	XXX	21,777	21,777	21,506	21,450		327		327		21,777			0	780	11/01/2034	1
31402Q-SZ-5	FNMA 30YR POOL#735036		09/25/2019	PRINCIPAL RECEIPT	XXX	25,721	25,721	25,411	25,340		381		381		25,721			0	835	12/01/2034	1
31392C-AV-6	FNMA 02-14: 1A		09/25/2019	PRINCIPAL RECEIPT	XXX	2,668	2,668	3,246	3,220		(552)		(552)		2,668			0	122	01/25/2042	1
31407N-ZJ-5	FNMA 15 YR MBS/POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	16,160	16,160	16,152	16,157		3		3		16,160			0	519	10/01/2020	1
31410F-Z2-4	FNMA 15YR MBS/POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	5,450	5,450	5,372	5,440		10		10		5,450			0	178	07/01/2020	1
31413E-UA-1	FNMA 30 YEAR POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	156	156	154	155		1		1		156			0	6	08/01/2037	1
31402R-R9-2	FNMA 30 YR		09/25/2019	PRINCIPAL RECEIPT	XXX	3,642	3,642	3,578	3,556		86		86		3,642			0	115	10/01/2035	1
31409G-MP-8	FNMA 30 YR POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	4,925	4,925	4,926	4,927		(2)		(2)		4,925			0	197	07/01/2036	1
31402C-VP-4	FNMA 30YR		09/25/2019	PRINCIPAL RECEIPT	XXX	11,923	11,923	11,890	11,888		35		35		11,923			0	405	02/01/2034	1
31402Q-WA-5	FNMA 30YR		09/25/2019	PRINCIPAL RECEIPT	XXX	11,700	11,700	11,433	11,377		323		323		11,700			0	384	01/01/2035	1
31417F-3E-6	FNMA 30YR		09/25/2019	PRINCIPAL RECEIPT	XXX	5,846	5,846	5,706	5,706		141		141		5,846			0	112	04/01/2043	1
31410G-AF-0	FNMA 30YR MBS POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	4,379	4,379	4,245	4,217		162		162		4,379			0	136	08/01/2036	1
31410F-T6-2	FNMA 30YR MBS/POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	20,825	20,825	20,582	20,561		264		264		20,825			0	715	02/01/2035	1
31403D-DX-4	FNMA 30YR MBS/POOL# 13442		09/25/2019	PRINCIPAL RECEIPT	XXX	10,818	10,818	10,462	10,352		466		466		10,818			0	370	04/01/2036	1
31403D-PN-3	FNMA 30YR POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	11,416	11,416	11,322	11,298		118		118		11,416			0	410	08/01/2036	1
31410G-AE-3	FNMA 30YR POOL		09/25/2019	PRINCIPAL RECEIPT	XXX	24,150	24,150	22,748	22,303		1,847		1,847		24,150			0	803	12/01/2036	1
31400Y-4J-2	FNMA 30YR POOL 702025		09/25/2019	PRINCIPAL RECEIPT	XXX	476	476	501	508		(32)		(32)		476			0	18	05/01/2033	1
31402R-UN-7	FNMA 30YR pool#735989		09/25/2019	PRINCIPAL RECEIPT	XXX	8,510	8,510	8,458	8,446		64		64		8,510			0	275	02/01/2035	1
31371L-M3-0	FNMA POOL # 255178		09/25/2019	PRINCIPAL RECEIPT	XXX	5,851	5,851	5,868	5,871		(20)		(20)		5,851			0	183	04/01/2034	1
31371L-ZT-9	FNMA POOL # 255554		09/25/2019	PRINCIPAL RECEIPT	XXX	2,355	2,355	2,321	2,316		39		39		2,355			0	76	12/01/2034	1
31385X-EC-7	FNMA POOL # 555531		09/25/2019	PRINCIPAL RECEIPT	XXX	3,251	3,251	3,249	3,250		1		1		3,251			0	114	06/01/2033	1
31401L-PL-1	FNMA POOL # 711527		09/25/2019	PRINCIPAL RECEIPT	XXX	173	173	171	171		2		2		173			0	6	06/01/2033	1
31402B-S7-0	FNMA POOL # 724242		09/25/2019	PRINCIPAL RECEIPT	XXX	119	119	118	118		2		2		119			0	4	07/01/2033	1
31402C-4H-2	FNMA POOL # 725424		09/25/2019	PRINCIPAL RECEIPT	XXX	19,751	19,751	19,871	19,890		(139)		(139)		19,751			0	705	04/01/2034	1
31402D-JF-8	FNMA POOL # 725762		09/25/2019	PRINCIPAL RECEIPT	XXX	15,664	15,664	16,046	16,011		(347)		(347)		15,664			0	608	08/01/2034	1
31402U-4B-5	FNMA POOL # 738918		09/25/2019	PRINCIPAL RECEIPT	XXX	821	821	813	813		8		8		821			0	28	06/01/2033	1
31407E-ZU-0	FNMA POOL # 828855		09/25/2019	PRINCIPAL RECEIPT	XXX	2,472	2,472	2,388	2,363		109		109		2,472			0	68	10/01/2035	1
31407S-A2-8	FNMA POOL #838925		09/25/2019	PRINCIPAL RECEIPT	XXX	53,454	53,454	51,310	51,363		2,091		2,091		53,454			0	1,792	08/01/2035	1
31371K-GA-3	FNMA POOL 254093		09/25/2019	PRINCIPAL RECEIPT	XXX	5,448	5,448	6,019	5,946		(498)		(498)		5,448			0	247	12/01/2031	1
31371L-PJ-2	FNMA POOL 255225		09/25/2019	PRINCIPAL RECEIPT	XXX	3,695	3,695	3,645	3,639		56		56		3,695			0	121	06/01/2034	1
31385H-4Y-5	FNMA POOL 545439		09/25/2019	PRINCIPAL RECEIPT	XXX	1,008	1,008	1,022	1,029		(21)		(21)		1,008			0	44	02/01/2032	1
31385J-K8-0	FNMA POOL 545819		09/25/2019	PRINCIPAL RECEIPT	XXX	1,612	1,612	1,758	1,760		(148)		(148)		1,612			0	68	08/01/2032	1
31385X-F9-3	FNMA POOL 555592		09/25/2019	PRINCIPAL RECEIPT	XXX	343	343	352	354		(10)		(10)		343			0	12	07/01/2033	1
31388W-KN-5	FNMA POOL 616901		09/25/2019	PRINCIPAL RECEIPT	XXX	346	346	348	348		(2)		(2)		346			0	13	12/01/2031	1
31388W-PP-5	FNMA POOL 617030		09/25/2019	PRINCIPAL RECEIPT	XXX	67	67	67	67				0		67			0	3	12/01/2031	1
31388X-X4-1	FNMA POOL 618199		09/25/2019	PRINCIPAL RECEIPT	XXX	1,620	1,620	1,664	1,661		(30)		(30)		1,632		(11)	(11)	55	11/01/2031	1
31390B-XK-9	FNMA POOL 641582		09/25/2019	PRINCIPAL RECEIPT	XXX	6,204	6,204	6,301	6,262		(58)		(58)		6,204			0	260	04/01/2032	1
31391H-RS-5	FNMA POOL 667497		09/25/2019	PRINCIPAL RECEIPT	XXX	49	49	51	53		(4)		(4)		49			0	2	01/01/2033	1
31400P-ZK-4	FNMA POOL 693846		09/25/2019	PRINCIPAL RECEIPT	XXX	682	682	698	698		(16)		(16)		682			0	24	03/01/2033	1
31400R-WZ-0	FNMA POOL 695564		09/25/2019	PRINCIPAL RECEIPT	XXX	319	319	326	325		(6)		(6)		319			0	11	03/01/2033	1
31404R-XU-6	FNMA POOL 776591		09/25/2019	PRINCIPAL RECEIPT	XXX	6,675	6,675	6,574	6,538		138		138		6,675			0	172	04/01/2034	1
31394E-FT-0	FNR 2005-64 PL		09/25/2019	PRINCIPAL RECEIPT	XXX	13,173	13,173	13,625	13,572		(400)		(400)		13,173			0	467	07/25/2035	1
3136B0-YB-6	FNR 2018-1 TE		09/25/2019	PRINCIPAL RECEIPT	XXX	141,982	141,982	141,583	141,580		402		402		141,982			0	2,952	03/25/2044	1
31283H-6G-5	FREDDIE MAC POOL # G01771		09/15/2019	PRINCIPAL RECEIPT	XXX	4,138	4,138	4,146	4,148		(10)		(10)		4,138			0	142	02/01/2035	1
54627R-AC-4	LOUISIANA LOC GOV ENVRNT FAC		08/01/2019	Sink PMT @ 100.0000000	XXX	1,944,558	1,944,558	1,943,821	1,944,511		47		47		1,944,558			0	67,087	02/01/2022	1FE
576049-7Y-0	MASSACHUSETTS WATER RES AUTH		08/01/2019	CALLED @ 100.0000000	XXX	1,000,000	1,000,000	1,003,420	1,000,278		(278)		(278)		1,000,000			0	50,000	08/01/2039	1FE
591745-H9-8	MET ATLANTA GA RAPID TRANSIT A		07/01/2019	CALLED @ 100.0000000	XXX	2,000,000	2,000,000	2,156,080	2,012,148		(12,148)		(12,148)		2,000,000			0	100,000	07/01/2039	1FE
60636P-NR-7	MISSOURI ST ENVIRON UNREFUNDED		07/01/2019	CALLED @ 100.0000000	XXX	30,000	30,000	29,819	29,985		(1)		(1)		29,985		15	15	1,725	07/01/2020	1FE
662858-GD-5	NTTA UNREFUNDED		08/16/2019	CALLED @ 100.0000000	XXX	2,240,000	2,240,000	2,568,877	2,240,000		12,926		12,926		2,252,926		(12,926)	(12,926)	157,500	01/01/2022	1FE
74529J-QK-4	PUERTO RICO SALES TAX 4.55 01JUL40		09/09/2019	BANK OF AMERICA MERRILL LYNCH	XXX	2,465,053	2,402,000	2,338,851			1,184		1,184		2,340,036		125,017	125,017	121,434	07/01/2040	5GI
74529J-QN-8	PUERTO RICO SALES TAX 4.55 01JUL40		08/01/2019	EXCHANGE OFFER SECURITY	XXX	33,706,518	35,156,000	29,408,346			77,156		77,156		29,485,502		4,221,016	4,221,016	1,599,598	07/01/2040	5GI
74529J-QL-2	PUERTO RICO SALES TAX 4.75 01JUL53		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	17,993,404	17,619,000	16,414,741			7,595		7,595		16,422,336		1,571,067	1,571,067	927,567	07/01/2053	5GI
74529J-QP-3	PUERTO RICO SALES TAX 4.75 01JUL53		08/01/2019	EXCHANGE OFFER SECURITY	XXX	678,723	723,000	607,743			524		524		608,267		70,457	70,457	34,343	07/01/2053	5GI
74529J-QR-9	PUERTO RICO SALES TAX F 0.0 01JUL2		09/09/2019	VARIOUS	XXX	2,327,930	2,706,000	2,174,406			48,763		48,763		2,223,169		104,761	104,761		07/01/2024	5GI
74529J-QS-7	PUERTO RICO SALES TAX F 0.0 01JUL2		09/09/2019	BANK OF AMERICA MERRILL LYNCH	XXX	3,617,626	4,582,000	3,224,445			78,258		78,258		3,302,703		314,923	314,923		07/01/2027	5GI
74529J-QT-5	PUERTO RICO SALES TAX F 0.0 01JUL2		09/09/2019	BANK OF AMERICA MERRILL LYNCH	XXX	3,281,572	4,466,000	2,765,035			74,548		74,548		2,839,583		441,990	441,990		07/01/2029	5GI

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 11	12	13	14	15	16	17	18	19	20	21	22
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 and Administrative Symbol/Market Indicator (a)
74529J-QU-2	PUERTO RICO SALES TAX F 0.0 01JUL3		09/09/2019	BANK OF AMERICA MERRILL LYNCH	XXX	3,853,375	5,755,000	3,139,468			89,844		89,844		3,229,311		624,064	624,064		07/01/2031	5GI
74529J-QV-0	PUERTO RICO SALES TAX F 0.0 01JUL3		09/09/2019	BANK OF AMERICA MERRILL LYNCH	XXX	4,030,961	6,477,000	3,115,567			92,865		92,865		3,208,432		822,529	822,529		07/01/2033	5GI
74529J-QW-8	PUERTO RICO SALES TAX F 0.0 01JUL4		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	16,109,855	61,648,000	12,384,467			422,215		422,215		12,806,682		3,303,174	3,303,174		07/01/2046	5GI
74529J-QX-6	PUERTO RICO SALES TAX F 0.0 01JUL5		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	9,642,240	50,220,000	7,211,090			250,201		250,201		7,461,290		2,180,950	2,180,950		07/01/2051	5GI
74529J-QJ-7	PUERTO RICO SALES TAX F 4.5 01JUL3		09/11/2019	BANK OF AMERICA MERRILL LYNCH	XXX	5,027,580	4,743,000	4,676,503			1,774		1,774		4,678,277		349,303	349,303	238,336	07/01/2034	5GI
74529J-QM-0	PUERTO RICO SALES TAX F 5.0 01JUL5		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	46,447,545	44,554,000	43,097,975			7,366		7,366		43,105,341		3,342,202	3,342,202	2,469,034	07/01/2058	5GI
74529J-QQ-1	PUERTO RICO SALES TAX F 5.0 01JUL5		08/01/2019	EXCHANGE OFFER SECURITY	XXX	9,291,246	9,691,000	8,185,600			5,142		5,142		8,190,742		1,100,505	1,100,505	484,550	07/01/2058	5GI
74529J-RM-9	PUERTO RICO SALES TAX REVENUE BOND		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	35,595,450	35,156,000	33,706,518			4,743		4,743		33,711,261		1,884,189	1,884,189	164,873	07/01/2040	5GI
74529J-RN-7	PUERTO RICO SALES TAX REVENUE BOND		09/11/2019	BANK OF AMERICA MERRILL LYNCH	XXX	721,193	723,000	678,723			59		59		678,782		42,410	42,410	3,826	07/01/2053	5GI
74529J-RP-2	PUERTO RICO SALES TAX REVENUE BOND		09/06/2019	BANK OF AMERICA MERRILL LYNCH	XXX	9,896,934	9,691,000	9,291,246			365		365		9,291,611		605,323	605,323	50,225	07/01/2058	5GI
83756C-FR-1	SOUTH DAKOTA HSG DEV AUTH		09/26/2019	CALLED @ 100.0000000	XXX	105,000	105,000	112,736	109,195		(550)		(550)		108,645		(3,645)	(3,645)	2,576	11/01/2044	1FE
880461-DL-9	TENNESSEE HSG DEV AGY RSDL FIN		09/03/2019	CALLED @ 100.0000000	XXX	105,000	105,000	114,715	110,353		(615)		(615)		109,738		(4,738)	(4,738)	4,373	07/01/2039	1FE
31329K-W8-3	UMBS- FN ZA2471		09/25/2019	PRINCIPAL RECEIPT	XXX	111,664	111,664	114,229	114,097		(2,433)		(2,433)		111,664			0	2,193	09/01/2037	1
3131X6-LG-3	UMBS- FN ZK3027		09/25/2019	PRINCIPAL RECEIPT	XXX	85,158	85,158	84,745	84,839		319		319		85,158			0	1,894	04/01/2026	1
3132A5-HC-2	UMBS- FN ZS4727		09/25/2019	PRINCIPAL RECEIPT	XXX	102,040	102,040	107,501	107,560		(5,520)		(5,520)		102,040			0	2,523	07/01/2047	1
3132A8-TX-7	UMBS- FN ZS7766		09/25/2019	PRINCIPAL RECEIPT	XXX	159,764	159,764	163,109	162,969		(3,205)		(3,205)		159,764			0	3,584	06/01/2032	1
3131WK-QC-7	UMBS-FN ZI6751		09/25/2019	PRINCIPAL RECEIPT	XXX	14,634	14,634	14,706	13,753		(83)		(83)		14,634			0	1,780	11/01/2037	1
3131XR-YY-4	UMBS-FN ZL9727		09/25/2019	PRINCIPAL RECEIPT	XXX	108,698	108,698	112,417	112,878		(4,180)		(4,180)		108,698			0	2,478	06/01/2045	1
3132A1-B8-6	UMBS-FN ZS0963		09/25/2019	PRINCIPAL RECEIPT	XXX	680	680	651	520		36		36		680			0	83	12/01/2035	1
3132AC-EX-4	UMBS-FN ZT0150		09/25/2019	PRINCIPAL RECEIPT	XXX	188,552	188,552	195,357	195,436		(6,884)		(6,884)		188,552			0	3,954	06/01/2042	1
31418C-U7-7	UMBS-FNMA POOL MA3305		09/25/2019	PRINCIPAL RECEIPT	XXX	108,188	108,188	111,476			(3,288)		(3,288)		108,188			0	316	03/01/2048	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						219,283,378	310,779,770	197,440,015	14,423,690	0	1,205,589	0	1,205,589	0	198,162,565	0	21,120,815	21,120,815	6,643,458	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
000000-00-0	ADVANTAGE CAPITAL		09/30/2019	USE OF A TAX CREDIT	XXX	42,321	42,321	42,321	42,321				0		42,321			0		12/01/2020	1FE
02315Q-AA-6	AMBAC LSNI LLC	D	07/01/2019	CALLED @ 100.0000000	XXX		0						0					0		02/12/2023	1FE
874060-AK-2	TAKEDA PHARMACEUTICAL 144A	D	08/29/2019	CALLED @ 102.3726600	XXX	409,491	400,000	399,894	399,900		34		34		399,934		66	66	21,017	11/26/2020	2FE
00083B-AB-1	ACE 2007-D1 A2		09/25/2019	PRINCIPAL RECEIPT	XXX	41,082	41,082	33,892	33,892		7,190		7,190		41,082			0		02/25/2038	1FM
00083B-AA-3	ACE SECURITIES CORP		09/25/2019	PRINCIPAL RECEIPT	XXX	117,475	117,475	91,668	79,090		38,385		38,385		117,475			0		02/25/2038	1FM
026934-AC-3	AHMA 2007-4 A3		09/25/2019	PRINCIPAL RECEIPT	XXX	3,106,773	3,106,773	2,441,051	2,681,964		424,809		424,809		3,106,773			0		08/25/2037	1FM
056059-AA-6	BX 18-IND A		09/16/2019	PRINCIPAL RECEIPT	XXX	21,476	21,476	21,476	21,476				0		21,476			0	519	10/15/2020	1FM
200474-BC-7	COMM 2015-LC19 A4		08/19/2019	MORGAN STANLEY CO	XXX	9,556,345	9,080,000	9,752,133	9,570,203		(49,469)		(49,469)		9,520,733		35,612	35,612	207,931	02/10/2048	1FM
23242L-AB-9	CWHEL 2006-F 2A1A		09/15/2019	PRINCIPAL RECEIPT	XXX	1,118,626	1,118,626	623,718	643,844		474,782		474,782		1,118,626			0		07/15/2036	1FM
126682-AA-1	CWHEL 2007-A A		09/15/2019	PRINCIPAL RECEIPT	XXX	383,003	383,003	252,437	256,714		126,289		126,289		383,003			0		04/15/2037	1FM
12666U-AF-0	CWL 2006-15 A5B		09/25/2019	PRINCIPAL RECEIPT	XXX	437,695	437,695	255,713	277,723		159,972		159,972		437,695			0		10/25/2046	1FM
126698-AC-3	CWL 2007-13 2A1		09/25/2019	PRINCIPAL RECEIPT	XXX	983,661	983,661	620,894	629,713		353,948		353,948		983,661			0		02/25/2036	1FM
126698-AB-5	CWL 2007-13 2A2M		09/25/2019	PRINCIPAL RECEIPT	XXX	96,663	96,663	14,045	19,205		77,458		77,458		96,663			0		10/25/2047	1FM
12668W-AD-9	CWL 2007-4 A4W		09/25/2019	PRINCIPAL RECEIPT	XXX	74,332	74,332	53,933	54,568		19,764		19,764		74,332			0		04/25/2047	1FM
25157G-AG-7	DMSI 2006-PR1 3AF2		09/15/2019	PRINCIPAL RECEIPT	XXX	142,132	142,132	136,759	136,867		5,265		5,265		142,132			0		04/15/2036	1FM
25157G-AP-7	DMSI 2006-PR1 4AF1		09/15/2019	PRINCIPAL RECEIPT	XXX	84,756	84,756	79,617	81,791		2,965		2,965		84,756			0		04/15/2036	1FM
25755T-AH-3	DOMINOS PIZZA MASTER ISSUER LL 17-		07/25/2019	PRINCIPAL RECEIPT	XXX	7,225	7,225	7,488			(263)		(263)		7,225			0	74	07/25/2047	2FE
23332U-FG-4	DSLA 2005-AR5 2A1B Mtge		09/19/2019	PRINCIPAL RECEIPT	XXX	23,363	23,363	19,031			4,319	584	3,735		23,363			0	13	09/19/2045	1FM
43284B-AA-0	HILTON GRAND VACATIONS TRUST 18-AA		09/25/2019	PRINCIPAL RECEIPT	XXX	37,134	37,134	37,133	37,133		1		1		37,134			0	805	02/25/2032	1FE
43730W-AA-4	HOME PARTNERS OF AMERICA TRUST 18-		09/19/2019	PRINCIPAL RECEIPT	XXX	129,851	129,851	129,851	129,851				0		129,851			0	2,506	07/17/2037	1FE
46187V-AA-7	INVITATION HOMES TRUST 18-SFR3 A		09/19/2019	PRINCIPAL RECEIPT	XXX	13,721	13,721	13,721	13,721				0		13,721			0	308	07/17/2037	1FE
46638U-AC-0	JPMCC 2012-C8 A3		07/17/2019	PRINCIPAL RECEIPT	XXX	267,981	267,981	260,863	266,072		1,909		1,909		267,981			0	4,060	10/15/2045	1FM
576456-AA-5	MABS 2007-NCW A1		09/25/2019	PRINCIPAL RECEIPT	XXX	1,303,101	1,303,101	999,914	1,019,692		283,409		283,409		1,303,101			0		05/25/2037	1FM
57645N-AR-1	MARM 2007-3 22A3		09/25/2019	PRINCIPAL RECEIPT	XXX	122,258	122,258	93,432	99,974		22,284		22,284		122,258			0		05/25/2047	1FM
576456-AB-3	MASTR ASSET BACKED SECURITIES TRUS		09/25/2019	PRINCIPAL RECEIPT	XXX	4,612,750	4,612,750	3,346,794	3,421,958		1,190,792		1,190,792		4,612,750			0		05/25/2037	1FM
585055-BC-9	MEDTRONIC INC		07/12/2019	CALLED @ 103.1200000	XXX	3,805,128	3,690,000	3,700,542	3,695,848		(584)		(584)		3,695,264		(5,264)	(5,264)	336,182	03/15/2024	1FE
585055-BR-6	MEDTRONIC INC		07/12/2019	CALLED @ 99.8710000	XXX	2,295,036	2,298,000	2,293,197	2,295,751		357		357		2,296,107		(1,072)	(1,072)	36,194	03/15/2022	1FE

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 Designation and Administrative Symbol/Market Indicator (a)
64352V-MP-3	NCHET 2005-A A5W		09/25/2019	PRINCIPAL RECEIPT	XXX	73,113	73,113	43,251	48,917		24,196		24,196		73,113			0		08/25/2035	1FM
65538P-AD-0	NOMURA ASSET ACCEPTANCE CORP		09/25/2019	PRINCIPAL RECEIPT	XXX	152,482	152,482	109,389	109,389		43,093		43,093		152,482			0		03/25/2047	1FM
68403B-AC-9	OOMLT 2007-FXD2 2A2		09/25/2019	PRINCIPAL RECEIPT	XXX	44,106	44,106	31,925	32,748		11,358		11,358		44,106			0		03/25/2037	1FM
68403B-AD-7	OOMLT 2007-FXD2 2A3		09/25/2019	PRINCIPAL RECEIPT	XXX	67,648	67,648	48,384	50,304		17,344		17,344		67,648			0		03/25/2037	1FM
68403B-AE-5	OOMLT 2007-FXD2 2A4		09/25/2019	PRINCIPAL RECEIPT	XXX	42,061	42,061	29,445	31,184		10,877		10,877		42,061			0		03/25/2037	1FM
827304-AA-4	PROJECT SILVER 19-1 A		09/15/2019	PRINCIPAL RECEIPT	XXX	22,436	22,436	22,436					0		22,436			0	74	07/15/2044	1FE
82652M-AA-8	SIERRA RECEIVABLES FUNDING CO 19-2		09/20/2019	PRINCIPAL RECEIPT	XXX	81,604	81,604	81,582			22		22		81,604			0	81	05/20/2036	1FE
83613G-AA-7	SVHE 2008-1 A1		09/25/2019	PRINCIPAL RECEIPT	XXX	101,568	101,568	73,713	75,320		26,708	461	26,247		101,568			0		02/25/2038	1FM
83613G-AC-3	SVHE 2008-1 A3 MTGE		09/25/2019	PRINCIPAL RECEIPT	XXX	250,136	250,136	181,434			68,702		68,702		250,136			0	747	02/25/2038	1FM
88156V-AB-4	TMTS 2006-10SL A2		09/25/2019	PRINCIPAL RECEIPT	XXX	58,040	58,040	46,197	48,759		9,281		9,281		58,040			0		10/25/2037	1FM
88157V-AB-3	TMTS 2007-6 ALT A2		09/25/2019	PRINCIPAL RECEIPT	XXX	1,158,782	1,158,782	764,559	775,888		382,894		382,894		1,158,782			0		08/25/2038	1FM
88157V-AC-1	TMTS 2007-6 ALT A3		09/25/2019	PRINCIPAL RECEIPT	XXX	114,468	114,468	61,505	93,578		21,471	581	20,890		114,468			0		08/25/2038	1FM
88156V-AA-6	TMTS..06-10SL A1		09/25/2019	PRINCIPAL RECEIPT	XXX	1,004,102	1,004,102	392,953	464,557		539,545		539,545		1,004,102			0		10/25/2037	1FM
92903P-AA-7	VNO 2010-VNO A1		09/13/2019	PRINCIPAL RECEIPT	XXX	36,245	36,245	36,245	36,245				0		36,245			0	640	09/13/2028	1
95058X-AE-8	WENDY'S FUNDING LLC		09/15/2019	PRINCIPAL RECEIPT	XXX	12,500	12,500	12,602			(102)		(102)		12,500			0	121	03/15/2048	2FE
92938C-AC-1	WFRBS 2013-C15 A3		09/15/2019	PRINCIPAL RECEIPT	XXX	2,756,258	2,756,258	2,783,699	2,765,105				0		2,765,105		(8,848)	(8,848)	73,612	08/15/2046	1FM
00913R-AD-8	AIR LIQUIDE FINANCE	D	08/19/2019	JANE STREET EXECUTION SERVICES	XXX	1,689,857	1,675,000	1,668,669	1,669,969		376		376		1,670,345		19,512	19,512	37,688	09/27/2026	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						36,898,785	36,285,930	32,109,505	32,111,234	0	4,299,381	1,626	4,297,755	0	36,734,158	0	40,006	40,006	722,572	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						268,211,192	358,090,305	242,088,077	58,592,834	0	5,393,171	1,626	5,391,545	0	246,856,241	0	21,230,332	21,230,332	7,860,891	XXX	XXX
8399999 - Subtotals - Bonds						268,211,192	358,090,305	242,088,077	58,592,834	0	5,393,171	1,626	5,391,545	0	246,856,241	0	21,230,332	21,230,332	7,860,891	XXX	XXX
9999999 Totals						268,211,192	XXX	242,088,077	58,592,834	0	5,393,171	1,626	5,391,545	0	246,856,241	0	21,230,332	21,230,332	7,860,891	XXX	XXX

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
BNY MELLON	NEW YORK, NY			0		0	0	0	XXX
BNY MELLON GLOBAL CUSTODY	BRUSSELS, BELGIUM			(470)		2,214,169	5,406,090	1,033,689	XXX
CITIBANK	NEW YORK, NY					2,554	2,178	1,803	XXX
FIRST AMERICAN TREASURY OBLIG FUND	NORTH CAROLINA			176	164	50,000	50,000	50,000	XXX
REGIONS BANK CD/CASH DEPOSIT	ARKANSAS					100,000	100,000	100,000	XXX
FIRST NATIONAL BANK IN ALTUS	OKLAHOMA			262	124	75,000	75,000	75,000	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	(32)	287	2,441,723	5,633,268	1,260,492	XXX
0399999 Total Cash on Deposit		XXX	XXX	(32)	287	2,441,723	5,633,268	1,260,492	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX	XXX				XXX
0599999 Total		XXX	XXX	(32)	287	2,441,723	5,633,268	1,260,492	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Bonds - U.S. Governments - Issuer Obligations								
XXX	TREASURY BILL		09/26/2019		10/22/2019	14,984,310		3,532
0199999 - Bonds - U.S. Governments - Issuer Obligations						14,984,310	0	3,532
0599999 - Bonds - U.S. Governments - Subtotals - U.S. Governments						14,984,310	0	3,532
7799999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						14,984,310	0	3,532
8399999 - Bonds - Total Bonds - Subtotals - Bonds						14,984,310	0	3,532
Sweep Accounts								
XXX	BNY-DDA Sweep Account		09/30/2019	1.000	10/01/2019	160,367,448		1,240,937
XXX	BNY MELLON CASH RESERVE FUND		09/30/2019	0.500	10/01/2019	12,518,047		96,866
8499999 - Sweep Accounts						172,885,495	0	1,337,803
All Other Money Market Mutual Funds								
26200X-10-0	Dreyfus Institutional Preferred Governme		09/30/2019	2.100	XXX	242,112,078		1,873,484
8699999 - All Other Money Market Mutual Funds						242,112,078	0	1,873,484
8899999 Total Cash Equivalents						429,981,883	0	3,214,819