QUARTERLY STATEMENT

OF THE

FINANCIAL GUARANTY INSURANCE COMPANY

OF

New York

IN THE STATE OF

New York

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

AS OF

MARCH 31, 2015

2015

PROPERTY AND CASUALTY

2015

PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

FINANCIAL GUARANTY INSURANCE COMPANY

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 12815 Employer's ID Number 13-2710717

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

Country of Domicile United States

Incorporated/Organized 04/10/1972 Commenced Business 07/01/1972

Statutory Home Office 521 5th Avenue (Street and Number), New York, NY, US 10175 (City or Town, State, Country and Zip Code)

Main Administrative Office 521 5th Avenue (Street and Number) New York, NY, US 10175 (City or Town, State, Country and Zip Code) 212-312-3000 (Area Code) (Telephone Number)

Mail Address 521 5th Avenue (Street and Number or P.O. Box), New York, NY, US 10175 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 521 5th Avenue (Street and Number) New York, NY, US 10175 (City or Town, State, Country and Zip Code) 212-312-3041 (Area Code) (Telephone Number)

Internet Web Site Address http://www.fgic.com

Statutory Statement Contact Karen Brenner (Name) 212-312-3041 (Area Code) (Telephone Number) (Extension)

karen.brenner@fgic.com (E-Mail Address) 212-312-3084 (Fax Number)

OFFICERS

Name	Title	Name	Title
Timothy S. Travers	Chief Executive Officer	A.Edward Turi, III	General Counsel
Michael C. Haines	Chief Financial Officer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Jamie B. Stewart, Jr., Chairman	Cono R. Fusco	Timothy R. Graham	Edward J. Grzybowski
Frederick W. Kanner	Paula A. Price	Timothy S. Travers	

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.

Timothy S. Travers	A.Edward Turi, III	Michael C. Haines
Chief Executive Officer	General Counsel	Chief Financial Officer

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

Subscribed and sworn to before me this 13th day of May 2015

Camille A. Taylor
Notary Public, State of New York
No. 43-01TA4994058
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires March 30, 2018

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	2,019,093,028		2,019,093,028	2,053,376,721
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	26,220,618		26,220,618	24,816,395
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 ($ 3,442,888), cash equivalents ($ 0) and short-term investments ($ 217,427,773)	220,870,661		220,870,661	411,348,166
6. Contract loans (including $ .... premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	0		0	0
9. Receivables for securities	7,400,762		7,400,762	80,850
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	8,066,245	0	8,066,245	8,586,026
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,281,651,314	0	2,281,651,314	2,498,208,158
13. Title plants less $ .... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	19,616,844		19,616,844	19,008,510
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
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			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	32,485		32,485	28,015
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			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets ($ ....)	1,477,644	1,477,644	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	815,543		815,543	582,840
24. Health care ($ ....) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	2,092,236	510,406	1,581,830	1,490,400
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,305,686,066	1,988,050	2,303,698,016	2,519,317,923
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,305,686,066	1,988,050	2,303,698,016	2,519,317,923
DETAILS OF WRITE-INS				
1101. Other Invested Assets	8,066,245		8,066,245	8,586,026
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)	8,066,245	0	8,066,245	8,586,026
2501. Cash Surrender Value of Life Insurance Policies	1,219,064		1,219,064	1,234,042
2502. Premium Taxes and State Income Tax Refunds	262,088		262,088	140,335
2503. Prepaid Expenses	510,406	510,406	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	100,678	0	100,678	116,023
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,092,236	510,406	1,581,830	1,490,400

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year $)	1,831,611,851	2,018,840,726
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	10,840,471	12,003,247
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	9,292,255	10,417,107
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including $ on realized capital gains (losses))	4,197,197	3,218,718
7.2 Net deferred tax liability		0
8. Borrowed money $ and interest thereon $		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 2,919,806 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)	82,013,481	120,087,792
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (including $ certified)		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		0
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes $ and interest thereon $		0
25. Aggregate write-ins for liabilities	299,342,761	288,350,333
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,237,298,016	2,452,917,923
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	2,237,298,016	2,452,917,923
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock	300,000,000	300,000,000
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	(248,600,000)	(248,600,000)
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)	66,400,000	66,400,000
38. Totals (Page 2, Line 28, Col. 3)	2,303,698,016	2,519,317,923
DETAILS OF WRITE-INS		
2501. Contingency Reserve	298,805,148	287,989,495
2502. Other Liabilities	537,613	360,838
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	299,342,761	288,350,333
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 $ 3,451,292)	41,806,330	7,269,788	27,309,870
1.2 Assumed (written $)		0	0
1.3 Ceded (written $ 129,106)	409,834	655,380	1,960,062
1.4 Net (written $ 3,322,186)	41,396,496	6,614,408	25,349,808
DEDUCTIONS:			
2. Losses incurred (current accident year $):			
2.1 Direct	44,423,530	66,811,884	319,261,114
2.2 Assumed		0	0
2.3 Ceded	(665,637)	(13,782,028)	589,818
2.4 Net	45,089,167	80,593,912	318,671,296
3. Loss adjustment expenses incurred	1,562,824	(5,708,937)	(52,213,608)
4. Other underwriting expenses incurred	7,221,752	7,031,667	29,365,716
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	53,873,743	81,916,643	295,823,404
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(12,477,247)	(75,302,234)	(270,473,596)
INVESTMENT INCOME			
9. Net investment income earned	18,251,895	13,716,890	68,631,762
10. Net realized capital gains (losses) less capital gains tax of $ 322,516	1,290,064	(172,788)	(315,180)
11. Net investment gain (loss) (Lines 9 + 10)	19,541,959	13,544,102	68,316,582
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	10,667,508	59,322,714	96,372,024
15. Total other income (Lines 12 through 14)	10,667,508	59,322,714	96,372,024
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	17,732,220	(2,435,418)	(105,784,990)
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)	17,732,220	(2,435,418)	(105,784,990)
19. Federal and foreign income taxes incurred	3,924,858	119,631	3,489,588
20. Net income (Line 18 minus Line 19)(to Line 22)	13,807,362	(2,555,049)	(109,274,578)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	66,400,000	66,400,000	66,400,000
22. Net income (from Line 20)	13,807,362	(2,555,049)	(109,274,578)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $	1,404,223	2,340,446	16,916,823
25. Change in net unrealized foreign exchange capital gain (loss)	(4,119,470)	2,420,365	(9,930,374)
26. Change in net deferred income tax		0	0
27. Change in nonadmitted assets	(276,462)	19,730	(1,186,623)
28. Change in provision for reinsurance		11,069,726	24,286,589
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		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(10,815,653)	(13,295,218)	79,188,163
38. Change in surplus as regards policyholders (Lines 22 through 37)	0	0	0
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	66,400,000	66,400,000	66,400,000
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	75,955	3,833	1,753,366
1402. Salvage and Subrogation Income	10,591,553	59,318,881	94,618,658
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)	10,667,508	59,322,714	96,372,024
3701. (Increase) Decrease in Contingency Reserves	(10,815,653)	(13,295,218)	79,188,163
3702.		0	0
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(10,815,653)	(13,295,218)	79,188,163

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	3,498,777	3,450,377	28,009,861
2. Net investment income	20,288,412	15,331,136	73,178,496
3. Miscellaneous income	10,667,508	59,322,714	96,372,024
4. Total (Lines 1 to 3)	34,454,697	78,104,228	197,560,381
5. Benefit and loss related payments	235,043,643	(307,469,793)	(349,827,768)
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	8,472,580	4,141,807	27,439,516
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	3,268,895	537,109	736,329
10. Total (Lines 5 through 9)	246,785,118	(302,790,876)	(321,651,923)
11. Net cash from operations (Line 4 minus Line 10)	(212,330,421)	380,895,104	519,212,304
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	31,901,612	31,484,054	168,016,418
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	519,781	7,221,037	7,934,057
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	(2,899)
12.7 Miscellaneous proceeds	0	3,417,144	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	32,421,393	42,122,235	175,947,576
13. Cost of investments acquired (long-term only):			
13.1 Bonds	156,708	87,124,160	866,143,209
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	9,932,865	0	1,737,815
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,089,573	87,124,160	867,881,024
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)	22,331,820	(45,001,925)	(691,933,448)
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	0	0	0
16.6 Other cash provided (applied)	(478,907)	(588,752,650)	(768,708)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(478,907)	(588,752,650)	(768,708)
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)	(190,477,508)	(252,859,472)	(173,489,852)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	411,348,169	584,838,021	584,838,021
19.2 End of period (Line 18 plus Line 19.1)	220,870,661	331,978,549	411,348,169

NOTES TO FINANCIAL STATEMENTS

Financial Guaranty Insurance Company (the "Company" or "FGIC"), a New York stock insurance corporation, is a wholly owned subsidiary of FGIC Corporation ("FGIC Corp."), a Delaware corporation which emerged from a proceeding under Chapter 11 of the United States Bankruptcy Code on April 19, 2013.

FGIC previously issued financial guaranty insurance policies insuring public finance, structured finance and other obligations. FGIC is responsible for administering its outstanding policies in accordance with the Rehabilitation Plan (defined below), any NYSDFS Guidelines (defined below) and applicable law. The Company is no longer engaged in the business of writing new insurance policies. The Company's primary regulator is the New York State Department of Financial Services (the "NYSDFS"). FGIC UK Limited ("FGIC UK"), a wholly owned United Kingdom insurance subsidiary of FGIC, previously issued financial guaranties covering public finance, structured finance and other obligations. FGIC UK, whose primary regulator is the UK Prudential Regulation Authority, is responsible for administering its outstanding guaranties in accordance with the terms and conditions of such guaranties and applicable law. FGIC UK is no longer engaged in the business of writing new financial guaranties.

On June 28, 2012, the Supreme Court of the State of New York (the "Rehabilitation Court") issued an order pursuant to Article 74 of the New York Insurance Law (the "NYIL") placing FGIC in rehabilitation (the "Rehabilitation Order"). The Rehabilitation Order (i) appointed the Superintendent of Financial Services of the State of New York as rehabilitator of FGIC (the "Rehabilitator"), (ii) directed the Rehabilitator to take possession of the property and assets of FGIC and to conduct the business thereof, and (iii) directed the Rehabilitator to take steps towards the removal of the causes and conditions that made FGIC's rehabilitation proceeding (the "Rehabilitation Proceeding") necessary. FGIC consented to the commencement of the Rehabilitation Proceeding and, upon such commencement, the board of directors of FGIC resigned. The Rehabilitation Proceeding was styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012.

On June 11, 2013, the Rehabilitation Court approved the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013, together with all exhibits and the plan supplement thereto (as the same may be amended from time to time, collectively, the "Rehabilitation Plan") in an order issued pursuant to Article 74 of the NYIL (the "Approval Order"). The Rehabilitation Plan became effective on August 19, 2013 (the "Effective Date"), whereupon FGIC's rehabilitation proceeding terminated and FGIC resumed possession of its property and conduct of its business subject to the limitations described in the Rehabilitation Plan. In the Approval Order, the Rehabilitation Court also, among other things, approved an initial cash payment percentage ("CPP") of 17.25% subject to adjustment by the Rehabilitator in his sole discretion on or before the Effective Date. By notice dated on the Effective Date, the Rehabilitator set the initial CPP at 17%.

On the Effective Date, FGIC emerged from the Rehabilitation Proceeding as a solvent insurance company under the NYIL, with its policies restructured in a manner intended to ensure it remains solvent and the Rehabilitation Plan became the exclusive means for resolving and paying (i) all policy claims, whenever arising, (ii) all other claims arising during, or relating to, the period prior to the Effective Date and (iii) all equity interests in FGIC in existence as of the date of the Rehabilitation Order (June 28, 2012), in each case other than claims (including policy claims) paid in full by FGIC prior to the date of the Rehabilitation Order. Claims arising during or relating to the period on and after the Effective Date (other than policy claims) are not covered by the Rehabilitation Plan and will be resolved and paid by FGIC in the ordinary course of business. FGIC continues to be subject to oversight by the NYSDFS pursuant to the NYIL and the additional requirements set forth in the Rehabilitation Plan (including any guidelines the NYSDFS has or may issue to carry out the purposes and effects of the Rehabilitation Plan ("NYSDFS Guidelines")).

As of the Effective Date, any and all policies in force as of the Effective Date (except for certain policies that were novated on that date) were automatically modified by the Rehabilitation Plan. The Rehabilitation Plan, including the restructured policy terms attached to the Rehabilitation Plan as Exhibit B (the "Restructured Policy Terms"), supersedes any and all provisions of each policy that are inconsistent with the Rehabilitation Plan. FGIC is responsible for administering, reviewing, verifying, reconciling, objecting to, compromising or otherwise resolving all claims

NOTES TO FINANCIAL STATEMENTS

(including policy claims) not resolved prior to the Effective Date, in each case in compliance with the Rehabilitation Plan and any applicable NYSDFS Guidelines.

With respect to any policy claim permitted by FGIC, pursuant to the Rehabilitation Plan and the applicable policy (as modified by the Rehabilitation Plan), FGIC is obligated to pay in cash to the applicable policy payee only an upfront amount equal to the product of the then-existing CPP and the amount of such permitted policy claim (subject to any setoff rights FGIC may have). The portion of such permitted policy claim not paid or deemed to be paid by FGIC generally comprises a deferred payment obligation ("DPO") with respect to the applicable policy. The DPO with respect to any policy generally represents the aggregate amount of all permitted policy claims under such policy minus the aggregate amount paid, or deemed to be paid, in cash by FGIC with respect to such policy (other than DPO Accretion, defined below) from and after the Effective Date, subject to further adjustments as provided in the Rehabilitation Plan. From and after the Effective Date, each policy with an outstanding DPO accrues an amount ("DPO Accretion") based on such DPO (using the balance then applicable pursuant to the Rehabilitation Plan) at a rate of 3% per annum on a daily basis on the basis of a 365-day year. All DPO Accretion is calculated on a simple basis, and no DPO Accretion is added to the amount of any DPO. The DPO for any policy and any related DPO Accretion shall only be payable by FGIC when, if and to the extent provided in the Restructured Policy Terms and the Rehabilitation Plan. In the absence of an upward adjustment of the CPP, FGIC shall have no obligation to pay any portion of any DPO or DPO Accretion.

FGIC is required to re-evaluate the CPP (at least annually) pursuant to the procedures set forth in the Restructured Policy Terms to determine whether the CPP should remain the same or be adjusted upward or downward (each, a "CPP Revaluation"). All CPP Revaluations require review and approval by the board of directors of FGIC, and any change in the CPP (among other things) requires the approval of the NYSDFS. In October 2014, the NYSDFS approved an upward adjustment of the CPP to 21%.

The percentage of permitted policy claims that FGIC ultimately pays in cash in accordance with the Rehabilitation Plan, and the timing of any such payments, are subject to various factors and the outcome of future events, including the performance of FGIC's insured and investment portfolios and the results of FGIC's litigation and other loss mitigation efforts, and no assurance can be given with respect to the amount of any such percentage or the timing of any such payments. Based on the magnitude of FGIC's accrued and projected policy claims, while the CPP may further increase over time, FGIC expects to make payments in cash pursuant to the Rehabilitation Plan of only a fractional portion of its permitted policy claims and it does not expect to make any payments pursuant to the Rehabilitation Plan with respect to no non-policy claims or equity interests.

References to and descriptions of provisions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court included in these financial statements are merely summaries thereof, and do not contain all information necessary to fully understand such provisions and orders. Please refer to the specific terms, requirements and conditions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court for a full understanding thereof, which in all cases shall govern, rather than any summary description contained in these financial statements.

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with statutory accounting practices prescribed or permitted by the NYSDFS as well as those accounting practices detailed in NYSDFS Guidelines, as described below ("SAP"). The March 31, 2015 quarterly statement should be read in conjunction with the FGIC's 2014 Annual Statement, including the notes therein.

SAP differs in some respects from accounting principles generally accepted in the United States ("GAAP"). The effects of the variances from GAAP on the accompanying quarterly statement have not been determined for the three months ended March 31, 2015 and 2014, but are presumed to be material.

NOTES TO FINANCIAL STATEMENTS

NYSDFS Guidelines

Pursuant to the provisions of the Rehabilitation Plan, the NYSDFS has issued NYSDFS Guidelines that define certain accounting practices for FGIC for reporting periods ending on or after the Effective Date. In accordance with such NYSDFS Guidelines, for reporting periods ending on or after the Effective Date, FGIC records loss reserves at the applicable reporting date in an amount equal to the excess of (i) the amount of FGIC's admitted assets minus FGIC's minimum required statutory surplus to policyholders at the reporting date (the "Minimum Surplus Amount," currently $66.4 million) over (ii) the sum of FGIC's statutory reserves excluding loss reserves (e.g., unearned premiums, contingency reserves, loss adjustment expense reserves) and other liabilities. In accordance with such NYSDFS Guidelines, the loss reserve amount comprises the total amount of (i) the sum, net of reinsurance, of (x) the total amount of all policy claims submitted to FGIC in accordance with the Rehabilitation Plan that are unpaid (excluding any portions of such policy claims that are being disputed by FGIC) and (y) the net present value of the total amount of all policy claims that the Company expects to receive in the future in accordance with the Rehabilitation Plan (using the prescribed statutory discount rate which is based on the average rate of return on FGIC's admitted assets) (such sum is referred to as the "Claims Reserve"), (ii) the DPO for all policies at such reporting date and (iii) the DPO Accretion for all policies at such reporting date, *minus* an adjustment (the "Policy Revision Adjustment") in an amount that will permit FGIC to report a surplus to policyholders at such reporting date equal to the Minimum Surplus Amount (See also Note 25, Changes in Incurred Losses and Loss Adjustment Expenses).

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

	State of Domicile	March 31, 2015	December 31, 2014
NET INCOME			
(1) Company state basis (Page 4, Line 20, Columns 1 & 3)	NY	$ 13,807,362	$ (109,274,578)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(3) State Permitted Practices that increase/(decrease) NAIC SAP:			
(4) NAIC SAP (1-2-3=4)	NY	$ 13,807,362	$ (109,274,578)
SURPLUS			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	NY	$ 66,400,000	$ 66,400,000
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(7) State Permitted Practices that increase/(decrease) NAIC SAP:			
(8) NAIC SAP (5-6-7=8)	NY	$ 66,400,000	$ 66,400,000

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates, and those differences could be material. Operating results for the three months ended March 31, 2015 are not necessarily indicative of results that may be expected for the year ending December 31, 2015.

C. Accounting Policies

6) All single class and multi-class mortgage-backed/asset-backed securities are valued at amortized cost using the interest method, including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. All such securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using the retrospective method.

NOTES TO FINANCIAL STATEMENTS

Certain 2014 amounts in the Company's Annual Statement have been reclassified to conform to the March 31, 2015 quarterly statement.

Note 2 – Accounting Changes and Correction of Errors

There were no changes in accounting principles and /or corrections of errors during the three months ended March 31, 2015.

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method – None

B. Statutory Merger – None

C. Impairment Loss - None

Note 4 – Discontinued Operations

None

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – None

B. Debt Restructuring – None

C. Reverse Mortgages – None

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment.

NOTES TO FINANCIAL STATEMENTS

(2) The following summarizes those securities held at March 31, 2015 for which OTTI was recorded during the three months ended March 31, 2015:

	(1) Amortized Cost Basis Before Other-than-Temporary Impairment	(2) Other-than-Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell	$ 0	$ 0	$ 0
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	$ 0	$ 0	$ 0
c. Total 1st Quarter	$ 0	$ 0	$ 0
OTTI recognized 2nd Quarter			
d. Intent to sell	$	$	$ .....
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	$	$	$ .....
f. Total 2nd Quarter	$	$	$ .....
OTTI recognized 3rd Quarter			
g. Intent to sell	$	$	$ .....
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	$	$	$ .....
i. Total 3rd Quarter	$	$	$ .....
OTTI recognized 4th Quarter			
j. Intent to sell	$	$	$ .....
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	$	$	$ .....
l. Total 4th Quarter	$	$	$ .....
m. Annual Aggregate Total		$ 0	

(3) There was no OTTI recorded on loan–backed securities during the three months ended March 31, 2015.

(4) There were no impaired securities for which an OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains) for the three months ended March 31, 2015.

E. Repurchase Agreements and/ or Securities Lending Transactions – None

F. Real Estate – None

G. Investments in low-income housing tax credits (LIHTC) – None

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
j. On deposit with states	$...3,640,590	$............... 0	$............... 0	$...............0	$...3,640,590	$.. 4,842,257	$ (1,201,667)	$.. 3,640,590	0.2%	............0.2%
k. On deposit with other regulatory bodies	...16,880,658	 0	 0	0	...16,880,658	.. 18,338,848	(1,458,190)	.. 16,880,658	0.7%	............0.7%
o. Total Restricted Assets	$.20,521,248	$............... 0	$............... 0	$...............0	$.20,521,248	$ 23,181,105	$ (2,659,857)	$ 20,521,248	0.9 %	...........0.9 %

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

I. Working Capital Finance Investments – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes - None

Bonds and short-term investments have been valued at amortized cost, except where other values have been prescribed by the NAIC Valuation of Securities Manual. Bond discount and premium for bonds and other than asset and mortgage-backed securities are amortized based on the effective yield method. Asset and mortgage-backed securities are stated at amortized cost using the retrospective method.

The amortized cost and fair value of admitted investments in bonds, other invested assets and short-term investments are as follows:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
		(In Thousands)		
March 31, 2015				
Obligations of states and political subdivisions	**$ 775,036**	**$ 65,879**	**$ –**	**$ 840,915**
Asset-backed and mortgage-backed securities	**540,777**	**26,053**	**–**	**566,830**
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	**94,381**	**11,386**	**–**	**105,767**
Debt securities issued by foreign governments	**19,271**	**929**	**–**	**20,200**
Corporate	**589,628**	**29,626**	**–**	**619,254**
Total bonds	**2,019,093**	**133,873**	**–**	**2,152,966**
Other invested assets	**8,066**	**88,826**	**–**	**96,892**
Short-term investments	**217,428**	**–**	**–**	**217,428**
Total	**$ 2,244,587**	**$ 222,699**	**$ –**	**$ 2,467,286**

NOTES TO FINANCIAL STATEMENTS

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
	(In Thousands)			
December 31, 2014				
Obligations of states and political subdivisions	$ 787,056	$ 64,559	$ –	$ 851,615
Asset-backed and mortgage-backed securities	559,701	23,318	–	583,019
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	94,924	9,792	–	104,716
Debt securities issued by foreign governments	20,659	899	–	21,558
Corporate	591,037	18,835	–	609,872
Total bonds	2,053,377	117,403	–	2,170,780
Other invested assets	8,586	109,401	–	117,987
Short-term investments	406,345	–	–	406,345
Total	$ 2,468,308	$ 226,804	$ –	$ 2,695,112

The Company has determined either that it does not intend to hold certain fixed income securities until their fair value exceeds their amortized cost or that it intends to sell, or it is more likely than not that the Company will be required to sell, certain fixed income securities before recovery of their amortized cost basis. The Company has recorded OTTI of $0.0 million and $0.2 million on its fixed income securities for the three months ended March 31, 2015 and 2014, respectively. OTTI is included in "Net realized capital gains or losses net of tax" in the statutory-basis statements of operations and represents the difference between the amortized cost bases of these securities and their fair values at the balance sheet date.

The amortized cost and fair value of investments in bonds at March 31, 2015, by contractual maturity date, are shown below. As asset-backed and mortgage-backed securities are generally more likely to be prepaid than other fixed maturity securities, they are shown separately. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(In Thousands)	
Due in one year	$ 20,167	$ 20,328
Due after one through five years	256,014	268,138
Due after five years through ten years	664,008	695,146
Due after ten years	538,127	602,524
Asset-backed and mortgage-backed securities	540,777	566,830
Total	$ 2,019,093	$ 2,152,966

NOTES TO FINANCIAL STATEMENTS

Net investment income was derived from the following sources:

	Three Months Ended March 31,	
	2015	2014
	(In Thousands)	
Income from bonds	**$ 18,870**	$ 14,136
Income from cash, cash equivalents and short-term investments	**63**	43
Total investment income	**18,933**	14,179
Investment expenses	**(681)**	(462)
Net investment income	**$ 18,252**	$ 13,717

For the three months ended March 31, 2015 and 2014, proceeds from sales of investments in bonds carried at amortized cost were $0.8 million and $0.5 million, respectively. For the three months ended March 31, 2015 and 2014, there were no realized gains or losses from such sales. Included in realized gains for the three months ended March 31, 2015 and 2014 is $1.6 million and $0.0 million, respectively, in distributions from previously impaired securities.

The carrying values of the Company's investment in the equity of subsidiaries were $26.2 million and $24.8 million as of March 31, 2015 and December 31, 2014, respectively. Included in the change in net unrealized gains for the three months ended March 31, 2015 were gains of $1.4 million related to the change in carrying values of the Company's investments in subsidiaries.

Other income for the three months ended March 31, 2015 and 2014 includes $8.5 million and $0.0 million, respectively, of distributions received on the units in the ResCap Liquidating Trust held by FGIC. Other income for the three months ended March 31, 2014 includes $58.8 million of realized gains from the sale by FGIC in the first quarter of 2014 of approximately one-half of the units in the ResCap Liquidating Trust that it received in connection with the resolution of its claims in the ResCap bankruptcy. No units in the ResCap Liquidating Trust were sold during the three months ended March 31, 2015.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its admitted assets at March 31, 2015.

There were no impairment write downs of investments in Joint Ventures, Partnerships and Limited Liability Companies due to impairments during the three months ended March 31, 2015.

Note 7 – Investment Income

All investment income due and accrued was admitted at March 31, 2015.

Note 8 – Derivative Investments

During the three months ended March 31, 2015, the Company did not enter into any derivative contracts and there were no derivative contracts outstanding as of March 31, 2015.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. The following table presents the total of deferred tax assets and liabilities by tax character:

	3/31/2015 *(in Thousands)*		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	**$ 1,184,596**	**$ 24,827**	**$ 1,209,423**
(b) Statutory Valuation Allowance Adjustments	**$ 752,329**	**$ 24,712**	**$ 777,041**
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	**$ 432,267**	**$ 115**	**$ 432,382**
(d) Deferred Tax Assets Nonadmitted	**$ 0**	**$**	**$ 0**
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	**$ 432,267**	**$ 115**	**$ 432,382**
(f) Deferred Tax Liabilities	**$ 432,267**	**$ 115**	**$ 432,382**
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	**$ 0**	**$ 0**	**$ 0**

	12/31/2014 *(in Thousands)*		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 1,253,176	$ 24,827	$ 1,278,003
(b) Statutory Valuation Allowance Adjustments	$ 750,733	$ 24,378	$ 775,111
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$ 502,443	$ 449	$ 502,892
(d) Deferred Tax Assets Nonadmitted	$ 0	$ 0	$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ 502,443	$ 449	$ 502,892
(f) Deferred Tax Liabilities	$ 502,443	$ 449	$ 502,892
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 0	$ 0	$ 0

	Change *(in Thousands)*		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ (68,580)	$ 0	$ (68,580)
(b) Statutory Valuation Allowance Adjustments	$ 1,596	$ 334	$ 1,930
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$ (70,176)	$ (334)	$ (70,510)
(d) Deferred Tax Assets Nonadmitted	$ 0	$ 0	$ 0
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ (70,176)	$ (334)	$ (70,510)
(f) Deferred Tax Liabilities	$ (70,176)	$ (334)	$ (70,510)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 0	$ 0	$ 0

In accordance with SSAP 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP 101"), the Company evaluates its deferred income tax asset to determine if valuation allowances are required. SSAP 101 requires that companies assess whether valuation allowances should be established based on the consideration of all available evidence using a "more likely than not" standard. In making such judgments, significant weight is given to evidence that can be objectively verified. Management believes it is more likely than not that the amortization of the net unearned premium reserve, collection of future installment premiums on contracts already written, and income from the investment portfolio will not generate sufficient taxable income to realize the entire deferred tax asset that currently exists. Accordingly, a full valuation allowance was established against the Company's domestic net deferred tax asset of $777.0 million as of March 31, 2015. The Company will continue to analyze the need for a valuation allowance on a quarterly basis.

B. None

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

1. Current Income Tax

		March 31,2015	December 31, 2014	Change
			(In Thousands)	
(a)	Federal	**$ 3,847**	$ 3,105	$ 742
(b)	Foreign	**$ 77**	$ 385	$ (308)
(c)	Subtotal	**$ 3,924**	$ 3,490	$ 434
(d)	Federal income tax on net capital gains	**$ 323**	$ (79)	$ 402
(e)	Utilization of capital loss carry-forwards	**$ -**	$ -	$ -
(f)	Other	**$ -**	$ -	$ -
(g)	Federal and foreign income taxes incurred	**$ 4,247**	$ 3,411	$ 836

There was no change in net deferred income taxes, inclusive of non-admitted assets, for the three months ended March 31, 2015.

The tax effects of temporary differences that give rise to significant portions of the net deferred tax asset at March 31, 2015 and December 31, 2014 are presented below by tax component:

			March 31, 2015	December 31, 2014	Change
2.	Deferred Tax Assets:			*(In Thousands)*	
	(a)	Ordinary			
		(1) Discounting of unpaid losses	$ 0	$ 0	$ 0
		(2) Unearned premium reserve	$ 2,870	$ 4,211	$ (1,341)
		(3) Policyholder reserves	$ 0	$ 0	$ 0
		(4) Investments	$ 0	$ 0	$ 0
		(5) Deferred acquisition costs	$ 0	$ 0	$ 0
		(6) Policyholder dividends accrual	$ 0	$ 0	$ 0
		(7) Fixed assets	$ 2,409	$ 2,472	$ (63)
		(8) Compensation and benefits accrual	$ 1,081	$ 2,364	$ (1,283)
		(9) Pension accrual	$ 0	$ 0	$ 0
		(10) Receivables – nonadmitted	$ 0	$ 0	$ 0
		(11) Net operating loss carry-forward	$ 1,135,606	$ 1,206,837	$ (71,231)
		(12) Tax credit carry-forward	$ 585	$ 585	$ 0
		(13) Other (including items <5% of total ordinary tax assets)	$ 42,045	$ 36,707	$ 5,338
		(99) Subtotal	$ 1,184,596	$ 1,253,176	$ (68,580)
	(b)	Statutory valuation allowance adjustment	$ 752,329	$ 750,733	$ (1,596)
	(c)	Nonadmitted	$ 0	$ 0	$ 0
	(d)	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 432,267	$ 502,443	$ (70,176)
	(e)	Capital:			
		(1) Investments	$ 24,827	$ 24,827	$ -
		(2) Net capital loss carry-forward	**$ -**	$ -	$ -
		(3) Real estate	**$ -**	$ -	$ -
		(4) Other (including items <5% of total capital tax assets)	**$ -**	$ -	$ -
		(99) Subtotal	**$ 24,827**	$ 24,827	$ -
	(f)	Statutory valuation allowance adjustment	**$ 24,712**	$ 24,378	$ (334)
	(g)	Nonadmitted	**$ -**	$ -	$ -
	(h)	Admitted capital deferred tax assets (2e99 - 2f - 2g)	**$ 115**	$ 449	$ (334)
	(i)	Admitted deferred tax assets (2d + 2h)	**$ 432,382**	$ 502,892	$ (70,510)
3.	Deferred Tax Liabilities:				
	(a)	Ordinary			
		(1) Investments	$ 1,544	$ 1,659	$ (115)
		(2) Fixed assets	$ 0	$ 0	$ 0
		(3) Deferred and uncollected premium	$ 0	$ 0	$ 0
		(4) Policyholder reserves	$ 0	$ 0	$ 0
		(5) Other (including items<5% of total ordinary tax liabilities)	$ 430,723	$ 500,784	$ (70,061)
		(99) Subtotal	$ 432,267	$ 502,443	$ (70,176)
	(b)	Capital:			
		(1) Investments	$ 115	$ 115	$ 0
		(2) Real estate	$ 0	$ 0	$ 0
		(3) Other (including items <5% of total capital tax liabilities)	$ 0	$ 334	$ (334)
		(99) Subtotal	$ 115	$ 449	$ (334)
	(c)	Deferred tax liabilities (3a99 + 3b99)	$ 432,382	$ 502,892	$ (70,510)
4.	Net deferred tax assets/liabilities (2i - 3c)		**$ 0**	$ 0	$ 0

NOTES TO FINANCIAL STATEMENTS

D. The following is a reconciliation of current federal income taxes computed on loss before provision for federal and foreign income taxes at the statutory rate and the provision for current federal income taxes.

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
	(In Thousands)	
Income tax expense at the statutory rate, computed on income before provision for federal and foreign income taxes	**$ 6,136**	$ (852)
Tax effect of:		
Tax-exempt interest	**(2,328)**	(2,223)
Change in valuation allowance	**1,931**	2,888
Other, net	**(1,492)**	307
Expense for federal and foreign income taxes	**$ 4,247**	$ 120

E. As of March 31, 2015, the Company had a domestic net operating loss ("NOL") carryforward of $3,244.6 million for federal income tax purposes, which will be available (subject to certain limitations, including the limitations discussed below) to offset future taxable income. If not used, the NOL will start expiring in 2029 through 2032 depending on the originating year. As of March 31, 2015, the Company had an alternative minimum tax ("AMT") credit carryforward of $7.2 million for federal income tax purposes, which will be available to offset future regular tax. AMT credit carryforwards do not expire.

The amount of federal income taxes incurred and available for recoupment in the event of future losses is $0.

F. The Company files a consolidated U.S. federal income tax return with FGIC Corp. The method of allocation between FGIC Corp. and FGIC is determined under an amended and restated income tax allocation agreement approved by the NYSDFS, and is based upon separate return calculations.

G. The Company's tax returns are subject to routine audits by the Internal Revenue Service and other taxing authorities. Currently the Internal Revenue Service is conducting an audit of the 2012 and 2013 tax years.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant changes from the 2014 Notes to Financial Statements

Note 11 - Debt

A. The Company had no outstanding debt during the three months ended March 31, 2015.

B. The Company did not have any borrowings from FHLB during the three months ended March 31, 2015.

NOTES TO FINANCIAL STATEMENTS

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Plans

No significant changes from the 2014 Notes to Financial Statements

A.(4) None

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant changes from the 2014 Notes to Financial Statements

Note 14 – Liabilities, Contingencies and Assessments

G. FGIC may be involved from time to time in various legal proceedings filed against it. In addition, FGIC has received, and may in the future receive, various subpoenas, regulatory inquiries, requests for information and document preservation letters Defending against legal proceedings and responding to subpoenas, regulatory inquiries, requests for information and document preservation letters may involve significant expense and diversion of management's attention and other FGIC resources.

FGIC has asserted, and from time to time may assert, claims in legal or arbitration proceedings against third parties to recover losses already incurred by FGIC or to mitigate future losses that FGIC may incur, including the lawsuits described below. The amount of losses that FGIC may recover or mitigate as a result of these proceedings is uncertain, although, in the event of favorable outcomes or settlements, such amount could be material to FGIC's results of operations, financial position, profitability or cash flows.

In *Financial Guaranty Insurance Company v. The Putnam Advisory Company, LLC* (U.S. District Court for the Southern District of New York, filed October 1, 2012 and thereafter amended on November 19, 2012), FGIC sued The Putnam Advisory Company ("Putnam"), alleging fraud, negligent misrepresentation and negligence by Putnam in connection with the Pyxis ABS CDO 2006-1 transaction for which Putnam acted as collateral manager. On September 10, 2013, FGIC's complaint was dismissed, with leave to file a further amended complaint. On September 30, 2013, FGIC filed a further amended complaint. On April 28, 2014, the District Court granted Putnam's motion to dismiss all of FGIC's claims. On April 15, 2015, the United States Court of Appeals for the Second Circuit vacated the District Court's dismissal of FGIC's complaint and remanded the case for further proceedings.

In *Financial Guaranty Insurance Co. v. Credit Suisse Securities (USA) LLC, et al.* (N.Y. Sup.Ct., Index No. 651178/2013, filed on April 2, 2013), FGIC sued Credit Suisse Securities (USA) LLC ("CS Securities") and DLJ Mortgage Capital, Inc. ("DLJ"), alleging, inter alia, that (i) CS Securities and DLJ fraudulently induced FGIC to insure the RMBS transaction known as Home Equity Mortgage Trust 2006-2 and (ii) DLJ breached various representations, warranties and affirmative covenants, including its obligation to repurchase breaching or fraudulent mortgage loans and to reimburse FGIC for payments made under the related FGIC policy. On June 11, 2013, CS Securities and DLJ filed a motion to dismiss FGIC's claims. FGIC has opposed this motion, and the motion to dismiss was argued on February 26, 2014.

In *Financial Guaranty Insurance Company v. Morgan Stanley ABS Capital I Inc. and Morgan Stanley Mortgage Capital Holdings LLC,* (N.Y. Sup.Ct., Index No. 652853/2014, filed on September 19, 2014), FGIC sued Morgan Stanley ABS Capital I Inc. ("MSAC") and Morgan Stanley Mortgage Capital Holdings LLC ("MSMC"), alleging, *inter alia*, that MSAC and MSMC breached various warranties and affirmative covenants in connection with the securitization transaction known as Basket of Aggregated Residential NIMS 2007-1, including their obligations to repurchase breaching net interest margin securities that collateralized the insured securities, and to reimburse FGIC for payments made under the related FGIC policy.

NOTES TO FINANCIAL STATEMENTS

On November 24, 2014, MSAC and MSMC filed a motion to dismiss FGIC's claims. FGIC has opposed this motion, and oral arguments are scheduled for June 9, 2015.

In *Financial Guaranty Insurance Company v. Morgan Stanley, et al.,* (N.Y. Sup.Ct., Index No. 652914/2014, filed on September 23, 2014), FGIC sued MSAC, MSMC, Morgan Stanley"MS") and Morgan Stanley & Co. LLC (collectively, "Morgan Stanley"), and Saxon Mortgage Services, Inc. ("Saxon"), alleging, *inter alia*, that (i) Morgan Stanley fraudulently induced FGIC to insure the RMBS transaction known as MSAC 2007-NC4; (ii) MSAC, MSMC and MS breached various warranties and affirmative covenants, including their obligations to repurchase breaching or fraudulent mortgage loans and to reimburse FGIC for payments made under the related FGIC policy; and (iii) Saxon and MS breached their warranties and obligations under the Pooling and Servicing Agreement for the MSAC 2007-NC4 transaction, including their obligation to provide notice of breaching mortgage loans. On November 24, 2014, Morgan Stanley filed a motion to dismiss FGIC's claims. FGIC has opposed this motion, and oral arguments are scheduled for June 9, 2015.

Note 15 - Leases

No significant changes from the 2014 Notes to Financial Statements.

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

No significant changes from the 2014 Notes to Financial Statements.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

B.(2) ; B(4)a and B(4)b – There were no transferring and servicing of assets and liabilities during the three months ended March 31, 2015.

C. There were no wash sales involving securities with NAIC designation 3 or below, or unrated during the three months ended March 31, 2015.

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

Not Applicable

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

None

Note 20 - Fair Value Measurements

SSAP 100 specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about market participants' assumptions based on the best information available in the circumstances. The fair value hierarchy prioritizes model inputs into three broad levels: quoted prices for identical instruments in active markets are Level 1 inputs; quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are Level 2 inputs; and model-driven valuations in which one or more significant inputs or significant value drivers are unobservable

NOTES TO FINANCIAL STATEMENTS

are Level 3 inputs.

The Company did not report any securities at fair value on the balance sheets as of March 31, 2015 and December 31, 2014.

Transfers among Levels 1, 2 and 3 are recognized at the end of the period when the transfer occurs. The Company reviews the classification of financial instruments in Levels 1, 2 and 3 quarterly to determine whether a transfer is necessary.

A.

(1) Fair Value Measurements at March 31, 2015 *(In Thousands)*

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Obligations of states and political subdivisions	$ -	$ 840,915	$ -	$ 840,915
Asset and Mortgage Backed Securities	$ -	$ 566,830	$ -	$ 566,830
US Treasury Obligations and obligations of US Government corporations and agencies	$ -	$ 105,767	$ -	$ 105,767
Debt securities issued by Foreign governments	$ -	$ 20,200	$ -	$ 20,200
Corporate	$ -	$ 619,254	$ -	$ 619,254
Other Invested Assets	$ -	$ -	$ 96,892	$ 96,892
Short-term Investments	$ -	$ 217,428	$ -	$ 217,428
Total assets at fair value	$ -	$ 2,370,394	$ 96,892	$ 2,467,286

(2) Not applicable.

(3) There have been no transfers into or out of Level 3 during the period.

(4) There have been no changes in the valuation technique for fair value measurements within Level 2 and Level 3.

B. None

C.

(In Thousands)

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 2,152,966	$ 2,019,093	$ -	$ 2,152,966	$ -	$ NA
Other Invested Assets	96,892	8,066	-	-	96,892	NA
Short-Term Investments	217,428	217,428	-	217,428	-	NA

Note 21 – Other Items

No significant changes from the 2014 Notes to Financial Statements.

Note 22 – Events Subsequent

Subsequent events described elsewhere in these notes to financial statements include the COPs Swaps Settlement consummated in April, 2015.

Statement of Statutory Accounting Principles No. 9, Subsequent Events ("SSAP 9"), defines events subsequent to the financial statement date requiring disclosure. The date through which subsequent events have been evaluated was May 12, 2015, the same date on which the financial statements were issued.

Note 23 - Reinsurance

No significant changes from the 2014 Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

Loss reserves comprise the total amount of (i) the Claims Reserve, (ii) the DPO for all policies and (iii) the DPO Accretion for all policies, *minus* the Policy Revision Adjustment. The Policy Revision Adjustment shown in the table below is prescribed by NYSDFS Guidelines and reflects the reduction in the loss reserve components necessary to reflect a Minimum Surplus Amount of $66.4 million.

The loss reserve components as of March 31, 2015 and December 31, 2014 are summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Claims Reserve	**$ 1,327,311**	$ 2,577,771
DPO	**1,709,253**	823,793
DPO Accretion	**49,117**	42,679
Total	**3,085,681**	3,444,243
Policy Revision Adjustment	**(1,254,069)**	(1,425,403)
Loss reserve at end of period	**$ 1,831,612**	$ 2,018,840

Claims Reserve

The Claims Reserve is calculated on a policy-by-policy basis for insured obligations, net of reinsurance, as of the reporting date (using the prescribed statutory discount rate which is based upon the average rate of return on the Company's admitted assets, which was 3.02% and 3.06% at March 31, 2015 and December 31, 2014, respectively). The amount of the discount as of March 31, 2015 and December 31, 2014 was $697.2 million and $775.9 million, respectively.

Activity related to the Claims Reserve for the three months ended March 31, 2015 and the year ended December 31, 2014 is summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Claims Reserve, beginning of period	**$ 2,577,771**	$ 3,434,599
Incurred (releases) related to:		
Current year	**1,256**	297,262
Prior years	**(133,938)**	(304,158)
Total releases	**(132,682)**	(6,896)
(Payments) recoveries related to:		
Current year	**–**	–
Prior years	**(232,318)**	373,935
Total (payments) recoveries	**(232,318)**	373,935
Transferred to DPO:		
Current year	**–**	–
Prior years	**(885,460)**	(1,223,867)
Total transferred to DPO	**(885,460)**	(1,223,867)
Claims Reserve, end of period	**$ 1,327,311**	$ 2,577,771

NOTES TO FINANCIAL STATEMENTS

The Claims Reserve decreased by $1,250.5 million to $1,327.3 million at March 31, 2015 from $2,577.8 million at December 31, 2014. The net Claims Reserve activity for the three months ended March 31, 2015 was mainly attributable to a decrease of $1,115.8 million for the aggregate amount of permitted policy claims under FGIC's policies covering the COPs (as defined below), which FGIC paid in cash at the 21% CPP on January 9, 2015, with the remainder being transferred to DPO. In addition to regular claims processing, the remainder of the decrease in the Claims Reserve is attributable to a decrease in estimated losses relating to obligations insured by FGIC, including the impact of a settlement consummated in April 2015 with one of two counterparties to the COPs Swaps (as defined below), pursuant to which, among other things, and in consideration of a cash payment and other consideration from FGIC, the parties mutually released each other from all claims, obligations and liabilities relating to the COPs and the COPs Swaps (the "COPs Swaps Settlement).

In October 2014, the City of Detroit (the "City") filed an eighth amended plan of adjustment related to its Chapter 9 bankruptcy filing (the "City Plan"), which, among other things, reflected the terms of a settlement of claims that FGIC negotiated with the City (the "FGIC-Detroit Settlement"). The City Plan became effective in December 2014. The FGIC-Detroit Settlement resolved, among other things, FGIC's objections to the City's plan of adjustment, the validity litigation related to the certificates of participation issued by the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006 (the "COPs") that was commenced by the City (and counterclaims and third party claims related to such litigation), treatment by the City of the FGIC-insured COPs, and treatment by the City of FGIC's claims related to its insurance of certain interest rate swaps related to the COPs (the "COPs Swaps"). Pursuant to the FGIC-Detroit Settlement, the City provided specified consideration (i) with respect to the FGIC-insured COPs solely for the benefit of FGIC and the holders of such COPs, which consideration is currently held by FGIC or the trustee for the FGIC-insured COPs and is expected to be assigned by them to, and thereafter held, managed, and liquidated by, a newly formed entity managed by FGIC (or its designee) and in which the trustee will hold a 100% economic interest on behalf of all FGIC-insured COPs holders (including FGIC to the extent it has acquired or will acquire such COPs by paying policy claims in cash or otherwise acquires such COPs) (in accordance with applicable SAP, FGIC's interest in such consideration is not an admitted asset as of March 31, 2015, and accordingly neither the value thereof nor any benefit that FGIC may derive therefrom is reflected in the financial statements at March 31, 2015), and (ii) with respect to FGIC's claims related to its insurance of the COPs Swaps solely for FGIC's benefit (the "COPs Swaps Recovery"). Pursuant to the City Plan, the COPs were accelerated and interest ceased to accrue thereon as of the effective date of the City Plan. In connection therewith, FGIC exercised its option to pay the policy claims related to the entire $1,100.0 million of COPs on an accelerated basis. On January 9, 2015, FGIC paid in cash the then CPP of the permitted policy claims related to $1,100.0 million of principal of COPs (and unpaid interest thereon accrued through the effective date of the City Plan), with the remainder being considered a DPO under the related policies. No further policy claims are permitted under these policies, in accordance with the Rehabilitation Plan.

As of March 31, 2015, FGIC has approximately $1,245.7 million of net exposure related to the Commonwealth of Puerto Rico, including its general obligation bonds and various obligations of the Highway and Transportation Authority and certain other Puerto Rico-related authorities and public corporations. Neither Puerto Rico nor its related authorities and public corporations are eligible debtors under the U.S. Bankruptcy Code. On February 2, 2015, the United States District Court for the District of Puerto Rico ruled that The Puerto Rico Public Corporations Debt Enforcement and Recovery Act enacted by the Commonwealth's legislature in June 2014 to create a legal framework for certain Puerto Rico public corporations (including certain public corporations insured by FGIC) to restructure is unconstitutional. The Commonwealth has appealed this ruling, but the outcome of such appeal is uncertain. While FGIC's Puerto Rico-related exposures are current on their debt service payments, there can be no assurance that these payments will continue. As of March 31, 2015, FGIC maintained a Claims Reserve for certain of its Puerto Rico-related exposures. Rulings, outcomes or other developments relating to the Commonwealth of Puerto Rico, including any of the public corporations insured by FGIC which FGIC determines are adverse to its interests, may lead to increases in the Claims Reserve for FGIC's Puerto Rico-related exposures and the policy claims that FGIC may be required to

NOTES TO FINANCIAL STATEMENTS

pay under its related policies, and such increases could be material.

The Claims Reserve activity for the year ended December 31, 2014 was mainly attributable to (i) a decrease for permitted policy claims that were paid (or deemed paid) in cash in accordance with the Rehabilitation Plan of $250.7 million, (ii) a decrease for transfers to DPO relating to such permitted policy claims of $1,223.9 million, (iii) an increase of $134.9 million in estimated losses related to a change in the estimation methodology for reserve offsets which were recorded when the Company's estimated loss exceeded the recorded contingency reserves, (iv) an increase for the establishment of a Claims Reserve for certain of FGIC's Puerto Rico-related exposures, arising from changes in the Company's views concerning the related insured public finance obligor's ability to make debt service payments when due, (v) a decrease due to the impact of a reinsurance commutation with Assured Guaranty Re Ltd. ("AG Re"), pursuant to which all reinsurance provided to FGIC by AG Re with respect to the COPs was commuted in consideration of a commutation payment by AG Re to FGIC (which has the effect of increasing the Claims Reserve due to FGIC's reassumption of the related ceded risks), and (vi) an increase for the impact of the FGIC-Detroit Settlement and the City Plan. In addition, both loss releases and cash recoveries reflect the net cash recovery by FGIC of $526.1 million ($584.0 million net of $53.3 million allocated to a recovery by FGIC of loss adjustment expenses and $4.6 million paid to reinsurers) related to the Settlement Agreement executed and effectuated in April 2014 between FGIC and Countrywide and Bank of America, but this has no impact on the Claims Reserve.

If the Company identifies credit impairment and determines that policy claims are probable and estimable under a particular policy, the Claims Reserve is increased to reflect the amount of such claims.

The Company's cash flow projection models are dependent on a number of assumptions that require management to make judgments about the outcome of future events based on facts and circumstances at the time such estimates are made, including historical and current market data. Significant assumptions include the liquidation value of the assets supporting the insured obligations, the volume and timing of collateral cash flows and the behavior of the underlying borrower. In addition, FGIC's liability in residential mortgage-backed securities ("RMBS"), asset-backed securities and other securitization transactions, as such liability may be modified by the Rehabilitation Plan, is governed by the structure of the waterfall of cash flows in the transaction documents, which may be subject to interpretation. Changes in any significant assumptions from time to time will affect the Company's calculations of the amount of policy claims the Company expects to receive in the future, but will not affect the Company's loss reserve or operating results due to and as long as there is the Policy Revision Adjustment.

The Company believes that the Claims Reserve as of March 31, 2015 is adequate to reflect the sum of (i) the net policy claims submitted to the Company in accordance with the Rehabilitation Plan that are unpaid and not objected to by FGIC as of such date and (ii) the net policy claims that are expected to be received by FGIC in the future. However, the establishment of the appropriate level of the Claims Reserve to reflect the future policy claims expected by the Company is an inherently uncertain process involving numerous estimates and subjective judgments by management, and differences between estimated and actual results may be material. Small changes in the assumptions underlying these estimates could result in significant changes in the Company's loss expectations. There can be no assurance that the Company's estimate of the Claims Reserve is accurate. Accordingly, there can be no assurance that the total amount of policy claims permitted by the Company after March 31, 2015 will not exceed or be less than its Claims Reserve at March 31, 2015, and it is possible that they could significantly exceed such reserve.

Additionally, further deterioration in the performance of RMBS and changes in the financial condition of certain Public Finance obligations including Puerto Rico-related exposures insured by the Company could lead to an increase in the Claims Reserve. The Company evaluates the portfolio of insured financial obligations on a regular basis to determine if there has been credit deterioration. The Company evaluates such factors as rating agency downgrades, significant changes in a specific industry and specific events impacting a particular credit, such as a negative credit event, performance below expectations, breaches of representations, warranties, covenants or deal triggers, management changes, regulatory changes, material litigation and other legal

NOTES TO FINANCIAL STATEMENTS

issues. Based on the Company's evaluation of these and other factors, the Company assigns credits to risk ratings categories, which assignment determines the level of on-going monitoring and surveillance efforts required and whether a Claims Reserve is recorded.

DPO

Activity in the DPO for the three months ended March 31, 2015 and the year ended December 31, 2014 is summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Balance, beginning of period	**$ 823,793**	$ –
Releases:		
Proceeds of third-party settlements paid directly to RMBS trustees	**–**	(355,300)
Payments of DPO	**–**	(44,774)
Additions:		
DPO relating to Permitted Policy Claims that were initially paid (or deemed to be paid) in cash during the period	**885,460**	1,223,867
Balance, end of period	**$ 1,709,253**	$ 823,793

Because no permitted policy claims were paid by FGIC pursuant to the Rehabilitation Plan on or prior to January 1, 2014, no DPO balances were established on or prior to that date.

DPO releases for the year ended December 31, 2014 relate to cash settlements paid by Countrywide directly to the trustee for nine second-lien RMBS securitizations sponsored by Countrywide (for which FGIC provided financial guaranty insurance), pursuant to separate settlement agreements for each of such securitizations between the trustee and Countrywide and Bank of America.

Upon payment by FGIC, permitted policy claims with distribution or scheduled payment dates on or after the date of the Rehabilitation Order are generally deemed to have been paid by FGIC as of the distribution or scheduled payment date to which the particular claim relates, even though the actual payment date typically will occur later. Upon payment by FGIC, permitted policy claims with distribution or scheduled payment dates prior to the date of the Rehabilitation Order are generally deemed to have been paid as of the first distribution or scheduled payment date after the date of the Rehabilitation Order, even though the actual payment date will occur later. Accordingly, upon payment of a permitted policy claim by FGIC, the DPO is increased and deemed to exist as of such applicable distribution or scheduled payment date.

NOTES TO FINANCIAL STATEMENTS

DPO Accretion

Activity in the DPO Accretion for the three months ended March 31, 2015 and year ended December 31, 2014 is summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Balance, beginning of period	**$ 42,679**	$ –
Accretion on outstanding DPO	**6,438**	43,807
Payment of DPO Accretion	**–**	(1,128)
Balance, end of period	**$ 49,117**	$ 42,679

Because no DPO balances were established on or prior to January 1, 2014, the balance of DPO Accretion was $0 as of that date. With respect to policies that have permitted policy claims with distribution or scheduled payment dates on or prior to August 19, 2013 (the Effective Date) that were paid by FGIC in January 2014, the DPO relating to such policy claims was deemed for purposes of DPO Accretion to exist on August 19, 2013, and DPO Accretion began to accrue as of that date. The portion of this DPO Accretion relating to the period prior to January 1, 2014 was recorded during the first quarter of 2014.

PRA

Activity in the PRA for the three months ended March 31, 2015 and the year ended December 31, 2014 is summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Balance, beginning of period	**$(1,425,403)**	$ (2,062,464)
Change in PRA	**171,334**	637,061
Balance, end of period	**$(1,254,069)**	$ (1,425,403)

Loss Adjustment Expense Reserves

The Company estimates a loss adjustment expense reserve based on the ultimate future net cost, determined using internally developed estimates, of the efforts involved in managing and mitigating existing and future policy claims.

NOTES TO FINANCIAL STATEMENTS

Activity in the loss adjustment expense reserve for the three months ended March 31, 2015 and the year ended December 31, 2014 is summarized as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Net balance at beginning of period	**$ 12,002**	$ 42,422
(Released) incurred related to:		
Current year	**–**	1,980
Prior years	**1,563**	(54,194)
Total (released) incurred	**1,563**	(52,214)
Recovered (paid) related to:		
Current year	**–**	(643)
Prior years	**(2,726)**	22,437
Total recovered (paid)	**(2,726)**	21,794
Net balance at end of period	**$ 10,839**	$ 12,002

For the year ended December 31, 2014, both loss adjustment expense released and cash recoveries reflect the net cash recovery of $53.3 million of loss adjustment expenses related to the Settlement Agreement executed and effectuated in April 2014 between FGIC and Countrywide and Bank of America.

Note 26 - Intercompany Pooling Arrangements

The Company did not enter into any Intercompany pooling arrangements during the three months ended March 31, 2015.

Note 27 - Structured Settlements

None

Note 28 - Health Care Receivables

Not Applicable

Note 29 - Participating Policies

None

Note 30 - Premium Deficiency Reserves

None

Note 31 - High Deductibles

None

NOTES TO FINANCIAL STATEMENTS

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant changes from the 2014 Notes to Financial Statements.

Note 33 - Asbestos/Environmental Reserves

Not Applicable

Note 34 - Subscriber Savings Accounts

Not Applicable

Note 35 - Multiple Peril Crop Insurance

Not Applicable

Note 36 - Financial Guaranty Insurance

B. The Company uses the following risk categories to define and monitor insured financial obligations:

Risk Category 1 – Performing Credits

Transactions are performing with no expectation of loss. Financial strength of the transaction would enable it to withstand volatility in performance without risk of non-payment on timely debt service. Transactions are considered to be investment grade by the Company. Although rating changes may occur, it is not expected that a downgrade would be to below investment grade.

Risk Category 2 – Watchlist Credits Under Heightened Surveillance

Credits in this category typically would be considered marginal investment grade or higher rated "non-investment grade." Credits in this risk category have been determined to require heightened surveillance, taking into account the totality of circumstances surrounding the particular credit, but have not deteriorated to the level that they would be considered impaired and/or require a Claims Reserve.

Risk Category 3 – Watchlist Credits Experiencing Credit Deterioration

Credit deterioration has occurred and there is substantial uncertainty as to the credit's ability or willingness to pay its debt service obligations in a timely manner. Credits in this category typically would have suffered sustained negative trends or would have been the subject of a significant adverse event, but are currently not in payment default. Credits in this category have been determined to be impaired, and there is an increased probability of default, but FGIC has not determined, or been able to determine, that policy claims are probable and estimable.

Risk Category 4 – Watchlist Credits Currently or Likely to Be in Payment Default

Credits that have deteriorated to the point where payment default on their debt service obligations has occurred or is probable and the ultimate loss can be reasonably estimated. Claims Reserves are established on a case basis and are inclusive of any anticipated recoveries from the particular credit or the related collateral. Credits in this category would be consistent with the lowest or in-default credit ratings. Credits in risk category 4 are reviewed and updated on at least a quarterly basis for any change in status.

NOTES TO FINANCIAL STATEMENTS

The following table is a breakdown, as of March 31, 2015, of the Company's portfolio of insured financial obligations assigned to risk category 4:

	Risk Category 4
	(Dollars in Thousands)
Number of policies	100
Remaining weighted-average contract period (in years)	20
Insured contractual payments outstanding:	
Principal	$ 4,887,821
Interest	930,862
Total	$ 5,818,683
Gross Claims Reserve	$ 2,374,141
Less:	
Gross projected recoveries	(295,395)
Discount, net	(712,011)
Gross Claims Reserve, net of discount and projected recoveries	$ 1,366,735
Unearned premiums	$ 11,921
Reinsurance recoverable reported in the balance sheet	$ 32

In RMBS, asset-backed securities and other securitization transactions insured by FGIC, the structure of the waterfall of cash flows in the transaction documents and applicable terms and conditions of the Rehabilitation Plan may permit FGIC to recover claims paid from subsequent cash flows. The projected recoveries in the above table reflect FGIC's current estimate of these recoveries, but there can be no assurance that such recoveries will be received by FGIC. The Company's insured financial obligations are structured to provide for rights and remedies in order to mitigate claim loss exposure. Loss mitigation activities may include making repurchase claims or pursuing other claims for breaches of representations and warranties by the originator or others, obtaining appraisals of collateral or reviews of loan files, enforcing collateral provisions and covenants of the servicer or others, more frequent meetings with the issuer or servicer, evaluating the financial position of the originator or servicer, renegotiating financial covenants, triggers, or terms of servicing, enforcing rights to remove and replace the servicer, evaluating restructuring plans or bankruptcy proceedings, and commencing litigation or arbitration proceedings as and where appropriate. There can be no assurance that any loss mitigation efforts will be successful, or as to the magnitude of any benefit that might be derived from any such efforts that are successful.

In accordance with the Rehabilitation Plan, each reinsurer is obligated to pay FGIC in full in cash for such reinsurer's reinsured portion of the entire amount of each permitted policy claim covered by the reinsurance, in each case without giving effect to the modification of FGIC's policy obligations and regardless of the amount paid in cash by FGIC on account of such policy claim. Any reinsurance recoverable on losses is calculated in a manner consistent with the calculation of gross Claims Reserve and reflected in the Claims Reserve as a reduction of the liability.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

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

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

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

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

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

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007

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. 12/31/2004

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). 05/29/2007

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 [X] No [ ] NA [ ]

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

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 4,499

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$ 24,816,395	$ 26,220,618
14.24 Short-Term Investments	$	$
14.25 Mortgage Loans on Real Estate	$	$
14.26 All Other	$	$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 24,816,395	$ 26,220,618
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

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

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

If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

16.1	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$ 0
16.2	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$ 0
16.3	Total payable for securities lending reported on the liability page	$ 0

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [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
State Street Global Services	801 Pennsylvania Ave., Kansas City, MO 64105

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
107717	Mac Kay Shields LLC.	1345 Avenue of the Americas New York, NY 10105
106595	Wellington Management Company LLP.	280 Congress Street Boston, MA 02210
	(Please see User Footnote below)	

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

18.2 If no, list exceptions:

User Footnote to General Interrogatory 17.5:

For the quarter ended March 31, 2015, the Company's investments were managed by Mac Kay Shields LLC. Effective April 1, 2015, Wellington Management Company LLP. replaced Mac Kay Shields LLC.

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
Finanacial Guaranty	0.000	3.020	697,194,258	0	0	697,194,258	(78,666,234)	0	0	(78,666,234)
		TOTAL	697,194,258	0	0	697,194,258	(78,666,234)	0	0	(78,666,234)

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. $

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama AL	N		0		116,620	336,288	373,372
2. Alaska AK	L		0		0		0
3. Arizona AZ	L		0		0		0
4. Arkansas AR	N		0		0		0
5. California CA	N	16,457	24,925		0		0
6. Colorado CO	N		0		0		0
7. Connecticut CT	N		0		0		0
8. Delaware DE	L		0		0		0
9. Dist. Columbia DC	L		0		0		0
10. Florida FL	N		0	3,517	23,983	1,103,160	1,018,215
11. Georgia GA	N	13,289	13,289		0		0
12. Hawaii HI	L	235,000	0		0		0
13. Idaho ID	N		0		0		0
14. Illinois IL	N	37,279	39,093		0		0
15. Indiana IN	N		0		0		0
16. Iowa IA	N		0		0		0
17. Kansas KS	L		0		0		0
18. Kentucky KY	N		0		0		0
19. Louisiana LA	N		0		0		0
20. Maine ME	N		0		0		0
21. Maryland MD	L		0		0		0
22. Massachusetts MA	N	50	63		0		0
23. Michigan MI	N		0	234,310,785	3,355,805	591,229,273	767,045,533
24. Minnesota MN	L	53	67		0		0
25. Mississippi MS	N		0		0		0
26. Missouri MO	N		0		0		0
27. Montana MT	L		0		0		0
28. Nebraska NE	L		0		0		0
29. Nevada NV	L		0		0		0
30. New Hampshire NH	N		0		0		0
31. New Jersey NJ	L	136,080	0		0		0
32. New Mexico NM	L		0		0		0
33. New York NY	L	2,178,023	3,659,578	(1,995,820)	(318,091,851)	1,080,357,593	1,189,662,627
34. No. Carolina NC	N		0		0		0
35. No. Dakota ND	N		0		0		0
36. Ohio OH	N		0		0		0
37. Oklahoma OK	L		0		0		0
38. Oregon OR	N		0		0		0
39. Pennsylvania PA	L		0		0		0
40. Rhode Island RI	L		0		0		0
41. So. Carolina SC	N		0		0		0
42. So. Dakota SD	L		0		0		0
43. Tennessee TN	N		0		0		0
44. Texas TX	L		0		286,858	1,431,592	1,532,161
45. Utah UT	N		0		0		0
46. Vermont VT	L		0		0		0
47. Virginia VA	N		0		0		0
48. Washington WA	N		0		0		0
49. West Virginia WV	N		0		0		0
50. Wisconsin WI	L		0		0		0
51. Wyoming WY	N		0		0		0
52. American Samoa AS	N		0		0		0
53. Guam GU	N		0		0		0
54. Puerto Rico PR	L		0		0	173,692,469	0
55. U.S. Virgin Islands VI	L		0		0		0
56. Northern Mariana Islands MP	N		0		0		0
57. Canada CAN	N		0		0		0
58. Aggregate Other Alien OT	XXX	835,061	901,685	0	0	0	0
59. Totals	(a) 23	3,451,292	4,638,700	232,318,482	(314,308,585)	1,848,150,375	1,959,631,908
DETAILS OF WRITE-INS							
58001. AUS Australia	XXX	71,684	79,066		0		0
58002. GBR United Kingdom	XXX	600,641	655,878		0		0
58003. TUR Turkey	XXX	90,542	140,121		0		0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	72,194	26,620	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	835,061	901,685	0	0	0	0

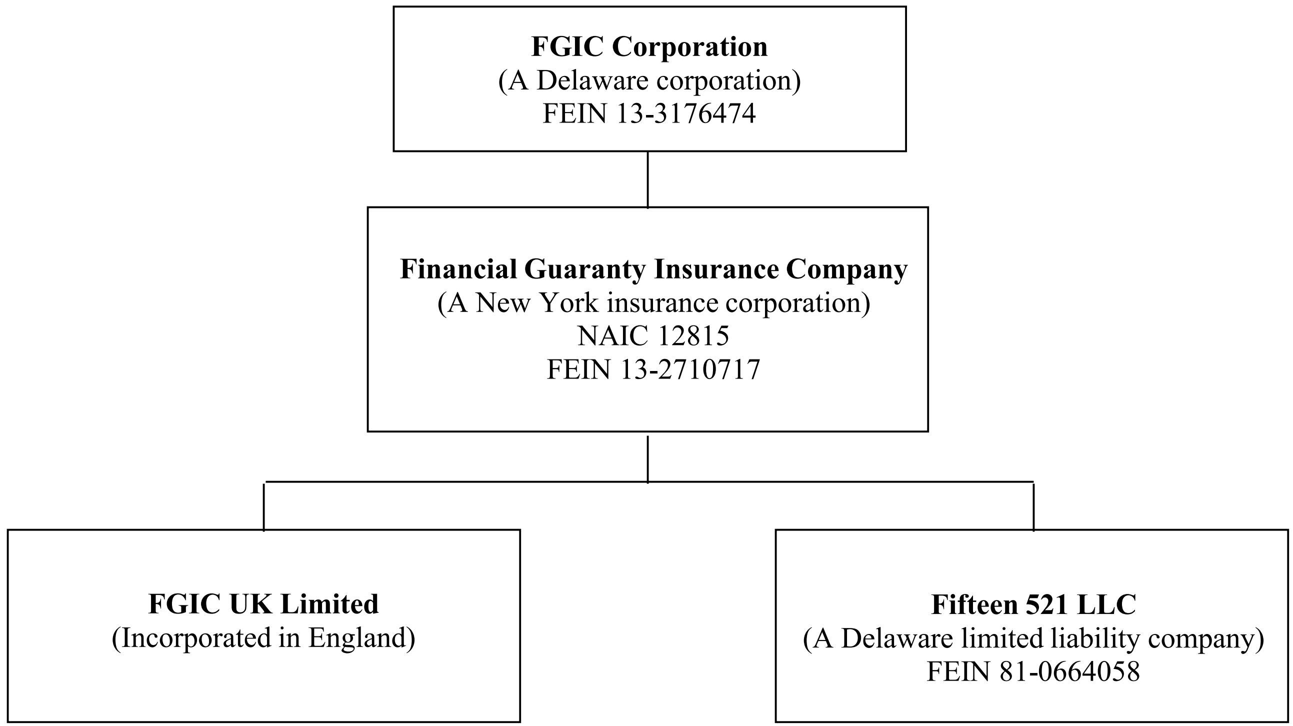
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

Line 33, New York business, column 6, Current Year To Date Direct Losses Unpaid includes losses unpaid of $(733,080,575) which represents the March 31, 2015 PRA recorded per NYSDFS guidelines.

PART 1 – ORGANIZATIONAL CHART

FGIC Corporation Structure (as of 3/31/15)



All ownership interests are 100%

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

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/ Person(s)	15 *
00000	FGIC Corporation	00000	13-3176474				FGIC Corporation	DE	UDP			0.0		0
00000	FGIC Corporation	12815	13-2710717				Financial Guaranty Insurance Company	NY	RE	FGIC Corporation	Ownership	100.0	FGIC Corporation	0
00000	FGIC Corporation	00000					FGIC UK Limited	GBR	DS	Financial Guaranty Insurance Company	Ownership	100.0	FGIC Corporation	0
00000	FGIC Corporation	00000	81-0664058				Fifteen 521 LLC	DE	DS	Financial Guaranty Insurance Company	Ownership	100.0	FGIC Corporation	0

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

		Current Year to Date			4
	Line of Business	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	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	41,806,330	44,423,530	106.3	919.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake			0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation			0.0	0.0
17.1	Other liability occurrence			0.0	0.0
17.2	Other liability-claims made			0.0	0.0
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence			0.0	0.0
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability			0.0	0.0
19.3,19.4	Commercial auto liability			0.0	0.0
21.	Auto physical damage			0.0	0.0
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft			0.0	0.0
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	41,806,330	44,423,530	106.3	919.0
	DETAILS OF WRITE-INS				
3401.					
3402.					
3403.					
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	0		0
2.	Allied lines	0		0
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	0		0
5.	Commercial multiple peril	0		0
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	0		0
10.	Financial guaranty	3,451,292	3,451,292	4,638,700
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	3,451,292	3,451,292	4,638,700
	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)	2015 Loss and LAE Payments on Claims Reported as of Prior Year-End	2015 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2015 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. 2012 + Prior	1,905,282	(785,147)	1,120,135	129		129	1,823,138		(733,997)	1,089,141	(82,015)	51,150	(30,865)
2. 2013	1,251,666	(517,234)	734,432	234,564		234,564	993,979		(401,181)	592,798	(23,123)	116,053	92,930
3. Subtotals 2013 + prior	3,156,948	(1,302,381)	1,854,567	234,693	0	234,693	2,817,117	0	(1,135,178)	1,681,939	(105,138)	167,203	62,065
4. 2014	299,299	(123,022)	176,277	351		351	278,149		(118,323)	159,826	(20,799)	4,699	(16,100)
5. Subtotals 2014 + prior	3,456,247	(1,425,403)	2,030,844	235,044	0	235,044	3,095,266	0	(1,253,501)	1,841,765	(125,937)	171,902	45,965
6. 2015	XXX	XXX	XXX	XXX		0	XXX	1,255	(568)	687	XXX	XXX	XXX
7. Totals	3,456,247	(1,425,403)	2,030,844	235,044	0	235,044	3,095,266	1,255	(1,254,069)	1,842,452	(125,937)	171,902	45,965
8. Prior Year-End Surplus As Regards Policy-holders	66,400										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (3.6)	2. (12.1)	3. 2.3
													Col. 13, Line 7 Line 8
													4. 69.2

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

Explanation:

1. Company is a US entity

2.

3.

4.

Bar Code:

2. 1 2 8 1 5 2 0 1 5 4 5 5 0 0 0 0 1

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

4. 1 2 8 1 5 2 0 1 5 5 0 5 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

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

	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
2504. Other Receivables	100,678		100,678	116,023
2597. Summary of remaining write-ins for Line 25 from Page 02	100,678	0	100,678	116,023

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

	1 Active Status	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. BMU Bermuda	XXX	72,194	26,620		0		0
58005.	XXX		0		0		0
58997. Summary of remaining write-ins for Line 58 from Page 10	XXX	72,194	26,620	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

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. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	2,078,193,116	1,380,315,104
2. Cost of bonds and stocks acquired	156,708	866,143,209
3. Accrual of discount	555,897	2,901,356
4. Unrealized valuation increase (decrease)	2,959,138	16,916,015
5. Total gain (loss) on disposals	1,430,502	1,009,333
6. Deduct consideration for bonds and stocks disposed of	31,901,612	168,016,418
7. Deduct amortization of premium	3,200,748	11,402,473
8. Total foreign exchange change in book/adjusted carrying value	(2,876,235)	(8,272,600)
9. Deduct current year's other-than-temporary impairment recognized	3,120	1,400,410
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,045,313,646	2,078,193,116
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	2,045,313,646	2,078,193,116

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	2,459,721,234	129,197,534	345,965,457	(6,432,510)	2,236,520,801	0	0	2,459,721,234
2. NAIC 2 (a)	0				0	0	0	0
3. NAIC 3 (a)	0				0	0	0	0
4. NAIC 4 (a)	0				0	0	0	0
5. NAIC 5 (a)	0				0	0	0	0
6. NAIC 6 (a)	0				0	0	0	0
7. Total Bonds	2,459,721,234	129,197,534	345,965,457	(6,432,510)	2,236,520,801	0	0	2,459,721,234
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	2,459,721,234	129,197,534	345,965,457	(6,432,510)	2,236,520,801	0	0	2,459,721,234

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 88,003,799 ; NAIC 2 $;
NAIC 3 $; NAIC 4 $; NAIC 5 $; NAIC 6 $

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	217,427,773	XXX	217,441,650	30,528	

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	406,344,513	566,539,836
2. Cost of short-term investments acquired	129,040,826	2,314,888,389
3. Accrual of discount	32,293	75,830
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	(2,400)	(2,899)
6. Deduct consideration received on disposals	315,491,947	2,474,791,563
7. Deduct amortization of premium	38,098	365,080
8. Total foreign exchange change in book/adjusted carrying value	(2,457,414)	0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	217,427,773	406,344,513
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	217,427,773	406,344,513

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	141,789
2. Cost of cash equivalents acquired		0
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals		141,789
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
Bonds - All Other Governments									
Bonds - U.S. States, Territories and Possessions									
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
Bonds - U.S. Special Revenue									
Bonds - Industrial and Miscellaneous (Unaffiliated)									
51769R-AA-2	LAS VEGAS MONORAIL 5.500% 07/15/19		01/15/2015	Corp Action		1,896	1,896		1Z
014900-AN-6	BHP BILLITON FINANCE LTD SERIES EMTN 3	D	02/24/2015	JP Morgan		154,812	147,440	2,022	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						156,708	149,336	2,022	XXX
Bonds - Hybrid Securities									
Bonds - Parent, Subsidiaries and Affiliates									
8399997 - Subtotals - Bonds - Part 3						156,708	149,336	2,022	XXX
8399999 - Subtotals - Bonds						156,708	149,336	2,022	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
Preferred Stocks - Parent, Subsidiaries and Affiliates									
Common Stocks - Industrial and Miscellaneous									
Common Stocks - Parent, Subsidiaries and Affiliates									
Common Stocks - Mutual Funds									
Common Stocks - Money Market Mutual Funds									
9999999 Totals						156,708	XXX	2,022	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
Bonds - U.S. Governments																					
36178N-G6-0	GNMA II POOL AB2921 4.000% 09/20/42		03/01/2015	Paydown		34,546	34,546	36,116	36,097		(1,551)		(1,551)		34,546			0	307	09/20/2042	1
36178W-HJ-1	GNMA II POOL AB9233 4.000% 11/20/42		03/01/2015	Paydown		362,795	362,795	379,339	379,091		(16,296)		(16,296)		362,795			0	2,758	11/20/2042	1
36202F-Q8-2	GNMA POOL 004979 5.000% 03/20/41		03/01/2015	Paydown		73,404	73,404	80,177	80,132		(6,727)		(6,727)		73,404			0	608	03/20/2041	1
36209F-DN-6	GNMA POOL 470009 4.000% 09/15/41		03/01/2015	Paydown		86,587	86,587	91,998	91,920		(5,333)		(5,333)		86,587			0	508	09/15/2041	1
36297G-VR-8	GNMA POOL 711724 3.500% 02/20/43		03/01/2015	Paydown		13,855	13,855	14,034	14,030		(175)		(175)		13,855			0	88	02/20/2043	1
912828-DM-9	US TREASURY NB 4.000% 02/15/15		02/15/2015	Maturity		500,000	500,000	493,750	499,906		94		94		500,000			0	10,000	02/15/2015	1
0599999 - Bonds - U.S. Governments						1,071,187	1,071,187	1,095,414	1,101,176	0	(29,988)	0	(29,988)	0	1,071,187	0	0	0	14,269	XXX	XXX
Bonds - All Other Governments																					
Bonds - U.S. States, Territories and Possessions																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
167485-YC-9	CHICAGO ILLINOIS 5.000% 12/01/21		01/23/2015	Chase Securities, Inc		794,385	750,000	778,605	767,554		(274)		(274)		767,279		27,106	27,106	5,938	12/01/2021	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						794,385	750,000	778,605	767,554	0	(274)	0	(274)	0	767,279	0	27,106	27,106	5,938	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																					
25457V-AH-9	DIRECTOR ST NV DEPT BUSNSS/IND CAP APPR-		01/08/2015	Corp Action		798,484	1	0	0		0		0		0		798,484	798,484	0	12/31/2015	6FE
25457V-AJ-5	DIRECTOR ST NV DEPT BUSNSS/IND CAP APPR-		01/08/2015	Corp Action		604,912	1	0	0		0		0		0		604,912	604,912	0	12/31/2015	6FE
31283K-6E-3	FHLMC POOL G11769 5.000% 10/01/20		03/01/2015	Paydown		13,471	13,471	13,311	13,363		108		108		13,471			0	109	10/01/2020	1
3128K8-NN-2	FHLMC POOL A47597 5.000% 11/01/35		03/01/2015	Paydown		55,594	55,594	53,405	53,518		2,075		2,075		55,594			0	499	11/01/2035	1
3128KY-6C-8	FHLMC POOL A68067 6.500% 10/01/37		03/01/2015	Paydown		136,028	136,028	139,344	139,184		(3,156)		(3,156)		136,028			0	2,205	10/01/2037	1
3128KY-RB-7	FHLMC POOL A67682 6.500% 10/01/37		03/01/2015	Paydown		1,061	1,061	1,087	1,086		(25)		(25)		1,061			0	12	10/01/2037	1
3128M1-CR-8	FHLMC POOL G11980 5.000% 04/01/21		03/01/2015	Paydown		27,719	27,719	26,855	27,132		587		587		27,719			0	222	04/01/2021	1
3128M8-U8-5	FHLMC POOL G00607 4.500% 06/01/41		03/01/2015	Paydown		750,814	750,814	803,687	802,993		(52,179)		(52,179)		750,814			0	6,578	06/01/2041	1
3128MA-BS-7	FHLMC GOLD POOL G07849 3.500% 05/01/44		03/01/2015	Paydown		27,459	27,459	28,553	28,547		(1,088)		(1,088)		27,459			0	155	05/01/2044	1
3128MC-Z5-7	FHLMC POOL G14164 3.500% 05/01/26		03/01/2015	Paydown		195,707	195,707	200,905	199,989		(4,283)		(4,283)		195,707			0	1,135	05/01/2026	1
3128MJ-FQ-8	FHLMC POOL G08174 6.000% 01/01/37		03/01/2015	Paydown		20,547	20,547	20,645	20,641		(93)		(93)		20,547			0	201	01/01/2037	1
3128MJ-S6-8	FHLMC POOL G08540 3.000% 08/01/43		03/01/2015	Paydown		84,345	84,345	81,430	81,476		2,868		2,868		84,345			0	431	08/01/2043	1
3128MJ-SY-7	FHLMC POOL G08534 3.000% 06/01/43		03/01/2015	Paydown		88,588	88,588	85,526	85,573		3,014		3,014		88,588			0	448	06/01/2043	1
3128MJ-T2-6	FHLMC POOL G08568 4.500% 01/01/44		03/01/2015	Paydown		102,836	102,836	109,796	109,744		(6,908)		(6,908)		102,836			0	840	01/01/2044	1
3128MJ-TQ-3	FHLMC POOL G08558 4.000% 11/01/43		03/01/2015	Paydown		199,665	199,665	205,257	205,195		(5,530)		(5,530)		199,665			0	1,451	11/01/2043	1
3128MJ-UC-2	FHLMC POOL G08578 4.500% 03/01/44		03/01/2015	Paydown		1,296,872	1,296,872	1,389,477	1,388,528		(91,656)		(91,656)		1,296,872			0	8,951	03/01/2044	1
3128P7-RA-3	FHLMC POOL C91381 4.000% 07/01/31		03/01/2015	Paydown		271,455	271,455	279,529	278,760		(7,305)		(7,305)		271,455			0	1,773	07/01/2031	1
31292J-BG-4	FHLMC POOL C01839 5.000% 05/01/34		03/01/2015	Paydown		62,591	62,591	60,958	61,074		1,517		1,517		62,591			0	525	05/01/2034	1
31292S-AD-2	FHLMC POOL C09004 3.500% 07/01/42		03/01/2015	Paydown		110,491	110,491	111,130	111,119		(629)		(629)		110,491			0	679	07/01/2042	1
312938-YF-4	FHLMC POOL A90710 4.500% 01/01/40		03/01/2015	Paydown		52,049	52,049	55,395	55,349		(3,300)		(3,300)		52,049			0	393	01/01/2040	1
312945-ZG-6	FHLMC POOL A97043 4.500% 02/01/41		03/01/2015	Paydown		122,843	122,843	127,738	127,505		(4,662)		(4,662)		122,843			0	882	02/01/2041	1
312968-JE-1	FHLMC POOL B15661 4.500% 07/01/19		03/01/2015	Paydown		69,985	69,985	69,110	69,470		514		514		69,985			0	464	07/01/2019	1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
31297B-3N-0	FHLMC POOL A24405 6.000% 07/01/34		03/01/2015	Paydown		69,106	69,106	70,866	70,748		(1,642)		(1,642)		69,106			0	564	07/01/2034	1
31297U-AZ-3	FHLMC POOL A38124 5.500% 09/01/35		03/01/2015	Paydown		4,257	4,257	4,239	4,239		17		17		4,257			0	39	09/01/2035	1
3132GA-HX-9	FHLMC POOL U60496 4.500% 03/01/41		03/01/2015	Paydown		394,711	394,711	410,024	409,148		(14,437)		(14,437)		394,711			0	2,499	03/01/2041	1
3132GK-ZQ-2	FHLMC POOL Q04651 4.000% 11/01/41		03/01/2015	Paydown		18,642	18,642	19,247	19,237		(596)		(596)		18,642			0	117	11/01/2041	1
3132GM-AT-9	FHLMC POOL Q05718 3.500% 01/01/42		03/01/2015	Paydown		87,021	87,021	87,555	87,548		(527)		(527)		87,021			0	364	01/01/2042	1
3132GM-DJ-8	FHLMC POOL Q05805 4.000% 01/01/42		03/01/2015	Paydown		141,477	141,477	146,074	146,002		(4,525)		(4,525)		141,477			0	1,003	01/01/2042	1
3132H3-6U-2	FHLMC POOL U90883 3.500% 02/01/43		03/01/2015	Paydown		170,165	170,165	167,178	167,217		2,948		2,948		170,165			0	1,382	02/01/2043	1
3132H3-S7-9	FHLMC POOL U90542 4.000% 12/01/42		03/01/2015	Paydown		78,685	78,685	80,203	80,174		(1,489)		(1,489)		78,685			0	432	12/01/2042	1
3132H3-U3-5	FHLMC POOL U90602 3.500% 12/01/42		03/01/2015	Paydown		36,202	36,202	35,567	35,576		626		626		36,202			0	211	12/01/2042	1
3132HL-NE-9	FHLMC GOLD POOL Q10389 3.500% 08/01/42		03/01/2015	Paydown		80,747	80,747	82,925	82,915		(2,169)		(2,169)		80,747			0	473	08/01/2042	1
3132HN-UT-4	FHLMC POOL Q12394 3.000% 11/01/42		03/01/2015	Paydown		135,650	135,650	128,709	128,825		6,825		6,825		135,650			0	680	11/01/2042	1
3132HR-JN-1	FHLMC POOL Q14769 3.500% 01/01/43		03/01/2015	Paydown		11,433	11,433	11,379	11,380		53		53		11,433			0	67	01/01/2043	1
3132M5-UQ-3	FHLMC POOL Q25391 4.000% 03/01/44		03/01/2015	Paydown		178,548	178,548	187,922	187,765		(9,217)		(9,217)		178,548			0	1,244	03/01/2044	1
31371L-CB-3	FNMA CONVENTIONAL LOAN POOL 254866 5.0		03/01/2015	Paydown		34,667	34,667	35,328	34,877		(210)		(210)		34,667			0	298	09/01/2018	1
31371L-JS-9	FNMA CONVENTIONAL LOAN POOL 255073 5.5		03/01/2015	Paydown		56,992	56,992	58,301	58,184		(1,193)		(1,193)		56,992			0	483	02/01/2034	1
31371L-M4-8	FNMA CONVENTIONAL LOAN POOL 255179 5.5		03/01/2015	Paydown		36,185	36,185	36,733	36,683		(499)		(499)		36,185			0	393	04/01/2034	1
31371L-MZ-9	FNMA CONVENTIONAL LOAN POOL 255176 4.5		03/01/2015	Paydown		55,768	55,768	55,550	55,575		193		193		55,768			0	384	04/01/2019	1
31371L-QV-4	FNMA CONVENTIONAL LOAN POOL 255268 5.0		03/01/2015	Paydown		49,814	49,814	48,724	48,805		1,008		1,008		49,814			0	418	07/01/2034	1
31371L-VD-8	FNMA CONVENTIONAL LOAN POOL 255412 6.0		03/01/2015	Paydown		59,166	59,166	59,185	59,169		(2)		(2)		59,166			0	578	10/01/2034	1
3138A4-Y5-8	FNMA POOL AH3431 3.500% 01/01/26		03/01/2015	Paydown		38,220	38,220	39,218	39,058		(837)		(837)		38,220			0	222	01/01/2026	1
3138A6-D8-0	FNMA POOL AH4626 3.500% 02/01/26		03/01/2015	Paydown		46,138	46,138	47,270	47,114		(976)		(976)		46,138			0	278	02/01/2026	1
3138A6-ZA-1	FNMA POOL AH5236 3.500% 01/01/26		03/01/2015	Paydown		304,030	304,030	311,441	310,184		(6,153)		(6,153)		304,030			0	1,693	01/01/2026	1
3138A7-QB-7	FNMA POOL AH5849 4.500% 02/01/41		03/01/2015	Paydown		81,873	81,873	86,939	86,684		(4,811)		(4,811)		81,873			0	596	02/01/2041	1
3138A8-LC-8	FNMA POOL AH6622 4.000% 03/01/41		03/01/2015	Paydown		38,163	38,163	39,464	39,444		(1,281)		(1,281)		38,163			0	211	03/01/2041	1
3138AA-AM-3	FNMA POOL AH8111 3.000% 03/01/26		03/01/2015	Paydown		122,919	122,919	125,538	125,335		(2,416)		(2,416)		122,919			0	771	03/01/2026	1
3138AF-XA-3	FNMA POOL AI2472 4.500% 05/01/41		03/01/2015	Paydown		689,046	689,046	737,495	736,963		(47,916)		(47,916)		689,046			0	4,523	05/01/2041	1
3138AV-P6-6	FNMA POOL AJ4044 4.000% 10/01/41		03/01/2015	Paydown		481,989	481,989	505,674	505,397		(23,408)		(23,408)		481,989			0	3,144	10/01/2041	1
3138AW-RQ-8	FNMA POOL AJ4994 4.500% 11/01/41		03/01/2015	Paydown		126,355	126,355	135,556	135,468		(9,113)		(9,113)		126,355			0	1,171	11/01/2041	1
3138E4-Z7-9	FNMA POOL AK0765 4.000% 03/01/42		03/01/2015	Paydown		54,200	54,200	55,461	55,439		(1,239)		(1,239)		54,200			0	266	03/01/2042	1
3138E7-XW-9	FNMA POOL AK3392 4.000% 02/01/42		03/01/2015	Paydown		16,285	16,285	16,778	16,770		(485)		(485)		16,285			0	109	02/01/2042	1
3138ED-FB-2	FNMA POOL AK8261 4.000% 04/01/42		03/01/2015	Paydown		83,298	83,298	88,138	88,116		(4,817)		(4,817)		83,298			0	553	04/01/2042	1
3138EG-ZZ-0	FANNIE MAE POOL AL0759 4.500% 09/01/41		03/01/2015	Paydown		114,249	114,249	124,996	124,965		(10,716)		(10,716)		114,249			0	908	09/01/2041	1
3138EH-3V-2	FNMA POOL AL1711 4.500% 08/01/41		03/01/2015	Paydown		256,212	256,212	272,395	272,194		(15,982)		(15,982)		256,212			0	1,928	08/01/2041	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 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
3138EJ-BA-5	FNMA POOL AL1832 4.000% 02/01/41		03/01/2015	Paydown		149,801	149,801	159,374	159,310		(9,510)		(9,510)		149,801			0	957	02/01/2041	1
3138EJ-EW-4	FNMA POOL AL1948 4.000% 01/01/42		03/01/2015	Paydown		175,514	175,514	188,047	188,008		(12,494)		(12,494)		175,514			0	1,251	01/01/2042	1
3138EL-5L-3	FNMA POOL AL4450 4.500% 12/01/43		03/01/2015	Paydown		509,388	509,388	543,585	543,444		(34,055)		(34,055)		509,388			0	3,733	12/01/2043	1
3138EL-VR-1	FNMA POOL AL4223 4.000% 05/01/43		03/01/2015	Paydown		96,238	96,238	100,404	100,364		(4,126)		(4,126)		96,238			0	586	05/01/2043	1
3138LS-2M-1	FNMA POOL AO2579 3.500% 05/01/42		03/01/2015	Paydown		399,097	399,097	403,260	403,196		(4,098)		(4,098)		399,097			0	1,622	05/01/2042	1
3138LT-4P-0	FNMA POOL AO3529 4.000% 06/01/42		03/01/2015	Paydown		125,938	125,938	128,486	128,427		(2,489)		(2,489)		125,938			0	869	06/01/2042	1
3138LY-FM-4	FNMA POOL AO7371 3.500% 09/01/42		03/01/2015	Paydown		15,386	15,386	15,309	15,310		76		76		15,386			0	90	09/01/2042	1
3138M5-W9-6	FNMA POOL AP2471 3.500% 08/01/42		03/01/2015	Paydown		39,737	39,737	38,997	39,008		729		729		39,737			0	233	08/01/2042	1
3138MA-B2-3	FNMA POOL AP6356 4.000% 09/01/42		03/01/2015	Paydown		52,716	52,716	54,314	54,288		(1,573)		(1,573)		52,716			0	351	09/01/2042	1
3138MN-4M-9	FNMA POOL AQ7127 3.500% 12/01/42		03/01/2015	Paydown		290,470	290,470	293,924	293,871		(3,401)		(3,401)		290,470			0	2,102	12/01/2042	1
3138MN-PW-4	FNMA POOL AQ6736 3.500% 12/01/42		03/01/2015	Paydown		68,129	68,129	67,853	67,856		273		273		68,129			0	239	12/01/2042	1
3138NY-DD-4	FNMA POOL AR1899 3.500% 01/01/43		03/01/2015	Paydown		26,905	26,905	26,796	26,797		108		108		26,905			0	154	01/01/2043	1
3138W4-MJ-7	FNMA POOL AR6660 3.500% 02/01/43		03/01/2015	Paydown		63,794	63,794	63,476	63,480		314		314		63,794			0	374	02/01/2043	1
3138W4-SW-2	FNMA POOL AR6832 3.500% 02/01/43		03/01/2015	Paydown		50,831	50,831	49,884	49,896		935		935		50,831			0	301	02/01/2043	1
3138W7-CT-9	FNMA POOL AR9081 3.500% 03/01/43		03/01/2015	Paydown		24,059	24,059	23,940	23,940		119		119		24,059			0	140	03/01/2043	1
3138W9-ME-7	FNMA POOL AS0356 4.000% 09/01/43		03/01/2015	Paydown		92,606	92,606	98,124	98,094		(5,488)		(5,488)		92,606			0	709	09/01/2043	1
3138WA-6D-4	FNMA POOL AS1767 4.000% 02/01/44		03/01/2015	Paydown		104,868	104,868	110,615	110,509		(5,642)		(5,642)		104,868			0	755	02/01/2044	1
3138WA-6G-7	FNMA POOL AS1770 4.000% 02/01/44		03/01/2015	Paydown		137,576	137,576	143,917	143,819		(6,243)		(6,243)		137,576			0	1,009	02/01/2044	1
3138WA-EQ-6	FNMA POOL AS1042 4.000% 11/01/43		03/01/2015	Paydown		357,564	357,564	375,778	375,492		(17,928)		(17,928)		357,564			0	2,617	11/01/2043	1
3138WP-GY-4	FNMA POOL AT2014 3.000% 04/01/43		03/01/2015	Paydown		25,809	25,809	25,406	25,410		400		400		25,809			0	120	04/01/2043	1
3138WS-XE-3	FNMA POOL AT5176 3.500% 05/01/43		03/01/2015	Paydown		21,930	21,930	21,835	21,835		95		95		21,930			0	87	05/01/2043	1
3138X3-X5-6	FNMA POOL AU4299 4.500% 09/01/43		03/01/2015	Paydown		265,888	265,888	283,856	283,403		(17,515)		(17,515)		265,888			0	2,067	09/01/2043	1
31391C-5F-8	FNMA CONVENTIONAL LOAN POOL 663346 5.5		03/01/2015	Paydown		10,314	10,314	10,296	10,284		30		30		10,314			0	78	09/01/2017	1
31391D-PG-2	FNMA CONVENTIONAL LOAN POOL 663823 5.5		03/01/2015	Paydown		54	54	54	54				0		54			0		12/01/2017	1
31400F-XS-1	FNMA CONVENTIONAL LOAN POOL 686589 5.5		03/01/2015	Paydown		147	147	146	146				0		147			0	1	02/01/2018	1
31402C-4H-2	FNMA CONVENTIONAL LOAN POOL 725424 5.5		03/01/2015	Paydown		23,651	23,651	23,781	23,766		(115)		(115)		23,651			0	207	04/01/2034	1
31402C-WR-9	FNMA CONVENTIONAL LOAN POOL 725256 5.5		03/01/2015	Paydown		26,345	26,345	26,304	26,299		45		45		26,345			0	247	02/01/2034	1
31402D-KH-2	FNMA CONVENTIONAL LOAN POOL 725796 5.5		03/01/2015	Paydown		3,471	3,471	3,460	3,459		12		12		3,471			0	32	09/01/2019	1
31402D-P7-9	FNMA CONVENTIONAL LOAN POOL 725946 5.5		03/01/2015	Paydown		35,325	35,325	35,093	35,099		226		226		35,325			0	311	11/01/2034	1
31402H-YG-0	FNMA CONVENTIONAL LOAN POOL 729811 5.0		03/01/2015	Paydown		37,259	37,259	38,342	37,721		(462)		(462)		37,259			0	307	01/01/2019	1
31402Q-SZ-5	FNMA CONVENTIONAL LOAN POOL 735036 5.5		03/01/2015	Paydown		31,923	31,923	31,686	31,693		230		230		31,923			0	287	12/01/2034	1
31402Q-WA-5	FNMA CONVENTIONAL LOAN POOL 735141 5.5		03/01/2015	Paydown		27,851	27,851	26,943	26,992		858		858		27,851			0	247	01/01/2035	1
31402R-D2-2	FNMA CONVENTIONAL LOAN POOL 735521 5.5		03/01/2015	Paydown		12,433	12,433	12,402	12,396		37		37		12,433			0	111	03/01/2020	1

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CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
31403C-2Z-3	FNMA CONVENTIONAL LOAN POOL 745192 5.5		03/01/2015	Paydown		7,754	7,754	7,728	7,727		27		27		7,754			0	71	06/01/2020	1
31403E-FQ-5	FNMA CONVENTIONAL LOAN POOL 746375 5.0		03/01/2015	Paydown		52,915	52,915	54,403	53,441		(526)		(526)		52,915			0	433	10/01/2018	1
31403J-YU-4	FNMA CONVENTIONAL LOAN POOL 750523 5.0		03/01/2015	Paydown		3,529	3,529	3,629	3,558		(29)		(29)		3,529			0	29	01/01/2019	1
31403K-SM-6	FNMA CONVENTIONAL LOAN POOL 751224 5.5		03/01/2015	Paydown		6,207	6,207	6,354	6,321		(114)		(114)		6,207			0	64	02/01/2034	1
31403N-HV-2	FNMA CONVENTIONAL LOAN POOL 753644 5.5		03/01/2015	Paydown		13,412	13,412	13,900	13,686		(274)		(274)		13,412			0	124	11/01/2018	1
31403R-KJ-6	FNMA CONVENTIONAL LOAN POOL 755497 5.5		03/01/2015	Paydown		3,317	3,317	3,310	3,308		10		10		3,317			0	26	11/01/2018	1
31403V-ED-7	FNMA CONVENTIONAL LOAN POOL 758932 5.0		03/01/2015	Paydown		4,991	4,991	5,132	5,060		(69)		(69)		4,991			0	42	01/01/2019	1
31403W-BU-0	FNMA CONVENTIONAL LOAN POOL 759751 5.5		03/01/2015	Paydown		36,701	36,701	37,126	37,083		(381)		(381)		36,701			0	218	01/01/2034	1
31403X-YW-9	FNMA CONVENTIONAL LOAN POOL 761325 5.5		03/01/2015	Paydown		7,609	7,609	7,585	7,583		26		26		7,609			0	65	04/01/2019	1
31404A-G5-7	FNMA CONVENTIONAL LOAN POOL 762620 5.5		03/01/2015	Paydown		16,927	16,927	17,342	17,299		(372)		(372)		16,927			0	156	12/01/2033	1
31404B-3G-5	FNMA CONVENTIONAL LOAN POOL 764099 5.0		03/01/2015	Paydown		2,475	2,475	2,487	2,484		(10)		(10)		2,475			0	21	03/01/2034	1
31404B-QD-7	FNMA CONVENTIONAL LOAN POOL 763752 5.5		03/01/2015	Paydown		7,807	7,807	7,803	7,801		6		6		7,807			0	45	01/01/2034	1
31404K-FX-5	FNMA CONVENTIONAL LOAN POOL 770682 5.0		03/01/2015	Paydown		91,809	91,809	92,253	92,205		(396)		(396)		91,809			0	925	04/01/2034	1
31404V-VP-0	FNMA CONVENTIONAL LOAN POOL 780122 5.0		03/01/2015	Paydown		6,245	6,245	6,108	6,131		113		113		6,245			0	37	05/01/2034	1
31405A-TF-0	FNMA CONVENTIONAL LOAN POOL 783650 5.0		03/01/2015	Paydown		72,818	72,818	69,860	70,127		2,692		2,692		72,818			0	601	06/01/2034	1
31405F-4E-9	FNMA CONVENTIONAL LOAN POOL 788421 5.5		03/01/2015	Paydown		678	678	676	676		2		2		678			0	6	09/01/2019	1
31405F-4M-1	FNMA CONVENTIONAL LOAN POOL 788428 5.5		03/01/2015	Paydown		815	815	812	812		3		3		815			0	7	09/01/2019	1
31406G-YR-4	FNMA CONVENTIONAL LOAN POOL 809920 5.5		03/01/2015	Paydown		3,149	3,149	3,177	3,175		(26)		(26)		3,149			0	29	03/01/2035	1
31407H-F7-6	FNMA CONVENTIONAL LOAN POOL 830990 6.0		03/01/2015	Paydown		24,311	24,311	24,164	24,167		144		144		24,311			0	136	08/01/2035	1
31407H-PD-2	FNMA CONVENTIONAL LOAN POOL 831220 6.0		03/01/2015	Paydown		17,661	17,661	17,887	17,873		(212)		(212)		17,661			0	173	01/01/2036	1
31407X-NV-9	FNMA CONVENTIONAL LOAN POOL 843804 6.0		03/01/2015	Paydown		2,317	2,317	2,338	2,336		(19)		(19)		2,317			0	23	11/01/2035	1
31410B-2S-2	FNMA CONVENTIONAL LOAN POOL 884685 6.0		03/01/2015	Paydown		961	961	970	970		(9)		(9)		961			0	10	04/01/2036	1
31410C-QT-2	FNMA CONVENTIONAL LOAN POOL 885266 6.0		03/01/2015	Paydown		580	580	586	584		(4)		(4)		580			0	6	05/01/2036	1
31410E-MG-0	FNMA CONVENTIONAL LOAN POOL 886959 6.0		03/01/2015	Paydown		12,839	12,839	12,787	12,787		52		52		12,839			0	185	06/01/2036	1
31410G-AF-0	FNMA CONVENTIONAL LOAN POOL 888406 5.0		03/01/2015	Paydown		31,966	31,966	30,263	30,343		1,623		1,623		31,966			0	260	08/01/2036	1
31410K-XB-5	FNMA POOL 889974 5.000% 09/01/35		03/01/2015	Paydown		66,186	66,186	71,543	71,330		(5,144)		(5,144)		66,186			0	554	09/01/2035	1
31411H-RS-1	FNMA CONVENTIONAL LOAN POOL 908697 6.0		03/01/2015	Paydown		83,304	83,304	84,137	84,079		(775)		(775)		83,304			0	432	08/01/2036	1
31412N-6G-6	FNMA POOL 930671 4.500% 03/01/39		03/01/2015	Paydown		138,522	138,522	144,518	144,229		(5,706)		(5,706)		138,522			0	946	03/01/2039	1
31412P-5L-1	FNMA POOL 931551 4.500% 07/01/39		03/01/2015	Paydown		220,823	220,823	230,380	229,888		(9,065)		(9,065)		220,823			0	1,729	07/01/2039	1
31412Q-E4-7	FNMA POOL 931755 4.500% 08/01/39		03/01/2015	Paydown		57,133	57,133	61,775	61,717		(4,584)		(4,584)		57,133			0	438	08/01/2039	1
31416C-EZ-5	FNMA POOL 995752 4.500% 05/01/39		03/01/2015	Paydown		274,417	274,417	288,753	288,287		(13,870)		(13,870)		274,417			0	2,129	05/01/2039	1
31416R-QU-0	FNMA POOL AA7666 4.500% 06/01/39		03/01/2015	Paydown		804,065	804,065	875,088	874,860		(70,795)		(70,795)		804,065			0	5,942	06/01/2039	1
31416W-U5-9	FNMA POOL AB1503 3.000% 09/01/25		03/01/2015	Paydown		36,247	36,247	37,019	36,973		(726)		(726)		36,247			0	193	09/01/2025	1

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CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31416X-JD-3	FNMA POOL AB2059 3.500% 01/01/26		03/01/2015	Paydown		298,883	298,883	306,682	305,548		(6,665)		(6,665)		298,883			0	1,645	01/01/2026	1
31416X-KD-1	FNMA POOL AB2091 4.000% 01/01/41		03/01/2015	Paydown		115,400	115,400	123,027	122,980		(7,581)		(7,581)		115,400			0	842	01/01/2041	1
31416Y-5G-9	FNMA POOL AB3546 4.000% 09/01/31		03/01/2015	Paydown		266,175	266,175	277,991	277,434		(11,259)		(11,259)		266,175			0	1,578	09/01/2031	1
31417C-5E-1	FNMA POOL AB6244 4.000% 09/01/42		03/01/2015	Paydown		296,731	296,731	314,009	313,810		(17,079)		(17,079)		296,731			0	1,897	09/01/2042	1
31417F-4R-6	FNMA POOL AB8931 3.000% 04/01/43		03/01/2015	Paydown		25,070	25,070	24,678	24,682		388		388		25,070			0	109	04/01/2043	1
31417M-H7-1	FNMA POOL AC2953 4.500% 09/01/39		03/01/2015	Paydown		506,341	506,341	542,497	542,106		(35,764)		(35,764)		506,341			0	3,895	09/01/2039	1
31417Y-4C-8	FNMA POOL MA0818 4.000% 08/01/31		03/01/2015	Paydown		305,647	305,647	314,530	313,749		(8,101)		(8,101)		305,647			0	2,061	08/01/2031	1
31417Y-TV-9	FNMA POOL MA0563 4.000% 11/01/30		03/01/2015	Paydown		64,465	64,465	67,231	67,122		(2,656)		(2,656)		64,465			0	429	11/01/2030	1
31418D-KG-6	FNMA POOL MA3894 4.000% 09/01/31		03/01/2015	Paydown		266,226	266,226	277,978	277,520		(11,295)		(11,295)		266,226			0	1,759	09/01/2031	1
31419A-4V-6	FNMA POOL AE0835 4.000% 01/01/41		03/01/2015	Paydown		134,527	134,527	138,891	138,827		(4,300)		(4,300)		134,527			0	804	01/01/2041	1
31419A-X7-7	FNMA POOL AE0701 4.500% 12/01/40		03/01/2015	Paydown		83,575	83,575	91,687	91,687		(8,111)		(8,111)		83,575			0	626	12/01/2040	1
31419B-BT-1	FNMA POOL AE0949 4.000% 02/01/41		03/01/2015	Paydown		707,235	707,235	736,851	736,380		(29,144)		(29,144)		707,235			0	4,756	02/01/2041	1
36828V-AX-3	GCS SCH BLDG CORP 5.000% 07/15/23		01/15/2015	Call 100.0000		2,175,000	2,175,000	2,177,632	2,177,632		(2,632)		(2,632)		2,175,000			0	54,375	07/15/2023	1FE
645918-AX-1	NEW JERSEY ECONOMIC DEV AUTH 5.250% 03		03/01/2015	Call 100.0000		2,725,000	2,725,000	2,932,209	2,735,067		(10,067)		(10,067)		2,725,000			0	71,531	03/01/2021	1FE
957886-EC-4	WESTERN CAROLINA REGL SWR AUTH 5.000%		03/01/2015	Call 100.0000		5,000,000	5,000,000	5,455,850	5,023,496		(23,496)		(23,496)		5,000,000			0	125,000	03/01/2022	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						27,629,511	26,226,117	27,604,533	26,958,050	0	(731,939)	0	(731,939)	0	26,226,115	0	1,403,396	1,403,396	365,511	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
05947U-R5-9	BANC OF AMERICA COMM MORT INC SERIES 200		03/01/2015	Paydown		1,198,816	1,198,816	1,089,106	1,198,816				0		1,198,816			0	17,300	07/10/2043	1FM
12527E-AB-4	CFCRE COMMERICAL MORTGAGE TRUS SERIES 20		03/01/2015	Paydown		11,349	11,349	11,521	11,381		(32)		(32)		11,349			0	75	04/15/2044	1FM
22545L-AD-1	CREDIT SUISSE MORTGAGE CAPITAL SERIES 20		03/01/2015	Paydown		27,179	27,179	18,628	25,269		1,910		1,910		27,179			0	243	12/15/2039	1FM
247367-BH-7	DELTA AIR LINES SERIES 071A 6.821% 02/		02/10/2015	Redemption 100.0000		71,752	71,752	83,501	83,102		(11,350)		(11,350)		71,752			0	2,447	02/10/2022	1FE
46629Y-AC-3	JP MORGAN CHASE COMM SERIES 2007-CB18 CL		03/01/2015	Paydown		20,861	20,861	15,709	19,411		1,450		1,450		20,861			0	227	06/12/2047	1FM
46631Q-AC-6	JP MORGAN CHASE COMM SERIES 2007-CB20 CL		02/01/2015	Paydown		50,384	50,384	50,326	50,326		58		58		50,384			0	489	02/12/2051	1FM
50180J-AD-7	LB-UBS COMMERCIAL MORTGAGE SERIES 2007-C		03/11/2015	Paydown		2,366	2,366	1,710	2,133		233		233		2,366			0	23	02/15/2040	1FM
589331-AK-3	MERCK & CO INC 4.750% 03/01/15		03/01/2015	Maturity		875,000	875,000	858,804	874,663		337		337		875,000			0	20,781	03/01/2015	1FE
617459-AB-8	MORGAN STANLEY CAPITAL SERIES 2011-C2 CL		03/01/2015	Paydown		98,503	98,503	98,813	98,457		46		46		98,503			0	665	06/15/2044	1FM
90783V-AA-3	UNION PACIFIC RAILROAD SERIES 2005-1 ET		01/02/2015	Redemption 100.0000		15,536	15,536	14,858	14,976		560		560		15,536			0	395	01/02/2029	1
92977Q-AD-0	WACHOVIA BANK COMMERCIAL MORTG SERIES 20		03/01/2015	Paydown		26,001	26,001	20,785	24,709		1,292		1,292		26,001			0	263	07/15/2045	1FM
92978P-AE-9	WACHOVIA BANK COMEMRCIAL MORTG SERIES 20		03/01/2015	Paydown		8,782	8,782	6,707	8,159		623		623		8,782			0	83	11/15/2048	1FM
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						2,406,529	2,406,529	2,270,468	2,411,402	0	(4,873)	0	(4,873)	0	2,406,529	0	0	0	42,991	XXX	XXX
Bonds - Hybrid Securities																					
Bonds - Parent, Subsidiaries, and Affiliates																					
8399997 - Subtotals - Bonds - Part 4						31,901,612	30,453,833	31,749,020	31,238,182	0	(767,074)	0	(767,074)	0	30,471,110	0	1,430,502	1,430,502	428,709	XXX	XXX
8399999 - Subtotals - Bonds						31,901,612	30,453,833	31,749,020	31,238,182	0	(767,074)	0	(767,074)	0	30,471,110	0	1,430,502	1,430,502	428,709	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates																					

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Common Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stock - Mutual Funds																					
Common Stocks - Money Market Mutual Funds																					
9999999 Totals						31,901,612	XXX	31,749,020	31,238,182	0	(767,074)	0	(767,074)	0	30,471,110	0	1,430,502	1,430,502	428,709	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									
JP Morgan Chase Bank	New York, NY					345,479	135,577	136,135	XXX
JP Morgan Chase Bank	London, UK					325,134	243,818	451,032	XXX
JP Morgan Chase Bank	Paris, France					232,348	224,340	177,006	XXX
Caisse Des Depots Et Consignatios	Paris, France					1,596,397	1,544,476	1,422,740	XXX
Citibank, NA	New York, NY					1,311,739	5,169,275	1,165,639	XXX
State Street Bank	New York, NY					96,173	18,061	0	XXX
US Bank	Jacksonville, FL					90,336	90,336	90,336	XXX
0199998 Deposits in .... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories		XXX	XXX						XXX
0199999 Total Open Depositories		XXX	XXX	0	0	3,997,606	7,425,883	3,442,888	XXX
0399999 Total Cash on Deposit		XXX	XXX	0	0	3,997,606	7,425,883	3,442,888	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX	XXX				XXX
0599999 Total		XXX	XXX	0	0	3,997,606	7,425,883	3,442,888	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0