



# QUARTERLY STATEMENT

As of June 30, 2017

of the Condition and Affairs of the

## UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA

NAIC Group Code..... 1279, 1279 (Current Period) (Prior Period)	NAIC Company Code..... 16667	Employer's ID Number..... 56-0789396
Organized under the Laws of NC Incorporated/Organized..... April 5, 1963	State of Domicile or Port of Entry NC Commenced Business..... May 9, 1963	Country of Domicile US
Statutory Home Office	230 NORTH ELM STREET..... GREENSBORO ..... NC ..... US ..... 27401 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	230 NORTH ELM STREET..... GREENSBORO ..... NC ..... US ..... 27401 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	336-373-0232 <i>(Area Code) (Telephone Number)</i>
Mail Address	POST OFFICE BOX 20597..... GREENSBORO ..... NC ..... US ..... 27420 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	230 NORTH ELM STREET..... GREENSBORO ..... NC ..... US ..... 27401 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	336-373-0232 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	WWW.ARCHMI.COM	
Statutory Statement Contact	JEFFREY WAYNE SHAW <i>(Name)</i> STATUTORYACCOUNTINGTEAM@ARCHMI.COM <i>(E-Mail Address)</i>	336-412-0800 <i>(Area Code) (Telephone Number) (Extension)</i> 336-412-0862 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. DAVID EVAN GANSBERG	PRESIDENT & CHIEF EXECUTIVE OFFICER	2. SARA FITZGERALD MILLARD	EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL & SECRETARY
3. THOMAS HARRISON JETER	EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER	4. BRIAN JOSEPH SMITH	SENIOR VICE PRESIDENT & CONTROLLER

### OTHER

CHERYL ANN FELTGEN	EXECUTIVE VICE PRESIDENT & CHIEF RISK OFFICER	JOHN EDWARD GAINES	EXECUTIVE VICE PRESIDENT & CHIEF CREDIT & PRICING OFFICER
CHRISTOPHER ANDREW HOVEY	EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER	CHRIS MARTIN CLEMENT	EXECUTIVE VICE PRESIDENT & CHIEF SALES OFFICER
JAMES HEATH TAYLOR	VICE PRESIDENT & TREASURER	DAVID WILLIAM MCLAUGHRY	SENIOR VICE PRESIDENT & CHIEF ACTUARY

### DIRECTORS OR TRUSTEES

ANDREW THOMAS RIPPERT	THOMAS HARRISON JETER	DENNIS ROBERT BRAND	CHERYL ANN FELTGEN
DAVID EVAN GANSBERG	MARK DONALD LYONS	JOHN EDWARD GAINES	

State of..... North Carolina  
County of..... Guilford

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.

_____ (Signature) DAVID EVAN GANSBERG 1. (Printed Name) PRESIDENT & CHIEF EXECUTIVE OFFICER _____ (Title)	_____ (Signature) SARA FITZGERALD MILLARD 2. (Printed Name) EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL & SECRETARY _____ (Title)	_____ (Signature) THOMAS HARRISON JETER 3. (Printed Name) EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER _____ (Title)
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Subscribed and sworn to before me  
This 28th day of July, 2017

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 \_\_\_\_\_

Donna O. Robbins  
Notary Public  
November 26, 2021

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	18,891,963	0	18,891,963	15,744,149
2. Stocks:				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	181,520,797	0	181,520,797	271,251,355
3. Mortgage loans on real estate:				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....9,615,573), cash equivalents (\$.....0) and short-term investments (\$.....4,307,733).....	13,923,307	0	13,923,307	6,489,578
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives.....	0	0	0	0
8. Other invested assets.....	20,858,764	0	20,858,764	24,965,000
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets.....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	235,194,831	0	235,194,831	318,450,082
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	107,698	0	107,698	139,154
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,932,551	0	1,932,551	1,723,679
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	4,114,758	8,606	4,106,152	488,344
18.2 Net deferred tax asset.....	52,084,442	36,180,857	15,903,585	16,752,860
19. Guaranty funds receivable or on deposit.....	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	80	80	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	387	0	387	17,317
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	27,998	0	27,998	928,336
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	293,462,745	36,189,543	257,273,202	338,499,772
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27).....	293,462,745	36,189,543	257,273,202	338,499,772

## DETAILS OF WRITE-INS

1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. STATE PREMIUM TAXES RECOVERABLE.....	0	0	0	838,336
2502. SETTLEMENTS RECEIVABLE.....	27,998	0	27,998	90,000
2503.....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	27,998	0	27,998	928,336

# UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....1,921,000).....	15,400,907	15,190,913
2. Reinsurance payable on paid losses and loss adjustment expenses.....	.0	.0
3. Loss adjustment expenses.....	50,000	270,000
4. Commissions payable, contingent commissions and other similar charges.....	.0	.0
5. Other expenses (excluding taxes, licenses and fees).....	96,318	60,887
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	(195,644)	199,766
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	.0	.0
7.2 Net deferred tax liability.....	.0	.0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	.0	.0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....(790) and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	55,638	174,956
10. Advance premium.....	.0	.0
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.0	.0
11.2 Policyholders.....	.0	.0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	205,145	238,098
13. Funds held by company under reinsurance treaties.....	.0	.0
14. Amounts withheld or retained by company for account of others.....	.0	.0
15. Remittances and items not allocated.....	150,778	277,062
16. Provision for reinsurance (including \$.....0 certified).....	.0	.0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.0	.0
18. Drafts outstanding.....	.0	.0
19. Payable to parent, subsidiaries and affiliates.....	2,844,225	1,336,271
20. Derivatives.....	.0	.0
21. Payable for securities.....	.0	.0
22. Payable for securities lending.....	.0	.0
23. Liability for amounts held under uninsured plans.....	.0	.0
24. Capital notes \$.....0 and interest thereon \$.....0.....	.0	.0
25. Aggregate write-ins for liabilities.....	.0	.0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	18,607,367	17,747,953
27. Protected cell liabilities.....	.0	.0
28. Total liabilities (Lines 26 and 27).....	18,607,367	17,747,953
29. Aggregate write-ins for special surplus funds.....	.0	.0
30. Common capital stock.....	2,000,000	2,000,000
31. Preferred capital stock.....	.0	.0
32. Aggregate write-ins for other than special surplus funds.....	.0	.0
33. Surplus notes.....	389,674,500	468,674,500
34. Gross paid in and contributed surplus.....	168,745,746	168,745,746
35. Unassigned funds (surplus).....	(321,754,411)	(318,668,427)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	.0	.0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	.0	.0
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	238,665,835	320,751,819
38. Totals (Page 2, Line 28, Col. 3).....	257,273,202	338,499,772

### DETAILS OF WRITE-INS

2501. AMOUNTS PAYABLE TO REINSURERS.....	.0	.0
2502. ....	.0	.0
2503. ....	.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0
2901. ....	.0	.0
2902. ....	.0	.0
2903. ....	.0	.0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.0	.0
3201. ....	.0	.0
3202. ....	.0	.0
3203. ....	.0	.0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	.0	.0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	.0	.0

# UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....11,306,482).....	11,425,948	15,427,261	28,884,815
1.2 Assumed..... (written \$.....0).....	0	0	0
1.3 Ceded..... (written \$.....815,573).....	815,722	670,460	1,767,571
1.4 Net..... (written \$.....10,490,909).....	10,610,226	14,756,801	27,117,244
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....2,150,000):			
2.1 Direct.....	(10,192,245)	(11,818,428)	(19,563,650)
2.2 Assumed.....	0	0	0
2.3 Ceded.....	(433,977)	(749,357)	(825,687)
2.4 Net.....	(9,758,268)	(11,069,071)	(18,737,963)
3. Loss adjustment expenses incurred.....	2,511,715	2,514,066	5,474,166
4. Other underwriting expenses incurred.....	1,692,067	1,762,483	3,689,142
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	(5,554,486)	(6,792,522)	(9,574,655)
7. Net income of protected cells.....	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	16,164,712	21,549,323	36,691,899
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	78,275,438	79,169,072	80,590,798
10. Net realized capital gains (losses) less capital gains tax of \$.....28,744.....	53,383	(125,117)	3,371,621
11. Net investment gain (loss) (Lines 9 + 10).....	78,328,821	79,043,955	83,962,419
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0	0
13. Finance and service charges not included in premiums.....	0	0	0
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	94,493,533	100,593,278	120,654,318
17. Dividends to policyholders.....	0	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).....	94,493,533	100,593,278	120,654,318
19. Federal and foreign income taxes incurred.....	2,893,449	11,742,220	15,381,828
20. Net income (Line 18 minus Line 19) (to Line 22).....	91,600,084	88,851,058	105,272,490
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	320,751,822	449,876,364	449,876,364
22. Net income (from Line 20).....	91,600,084	88,851,058	105,272,490
23. Net transfers (to) from Protected Cell accounts.....	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(1,437,183).....	(92,399,613)	(72,525,747)	(41,100,906)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
26. Change in net deferred income tax.....	27,892,614	0	575,660
27. Change in nonadmitted assets.....	(30,179,072)	500,008	1,068,214
28. Change in provision for reinsurance.....	0	0	0
29. Change in surplus notes.....	(79,000,000)	(79,940,000)	(194,940,000)
30. Surplus (contributed to) withdrawn from protected cells.....	0	0	0
31. Cumulative effect of changes in accounting principles.....	0	0	0
32. Capital changes:			
32.1 Paid in.....	0	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0	0
32.3 Transferred to surplus.....	0	0	0
33. Surplus adjustments:			
33.1 Paid in.....	0	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0	0
33.3 Transferred from capital.....	0	0	0
34. Net remittances from or (to) Home Office.....	0	0	0
35. Dividends to stockholders.....	0	0	0
36. Change in treasury stock.....	0	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(82,085,987)	(63,114,681)	(129,124,542)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	238,665,835	386,761,683	320,751,822

### DETAILS OF WRITE-INS

0501. ....	0	0	0
0502. ....	0	0	0
0503. ....	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. ....	0	0	0
1402. ....	0	0	0
1403. ....	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
3701. ....	0	0	0
3702. ....	0	0	0
3703. ....	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

# UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	10,249,083	15,327,638	27,062,611
2. Net investment income.....	78,358,782	79,468,232	82,036,514
3. Miscellaneous income.....	0	0	0
4. Total (Lines 1 through 3).....	88,607,865	94,795,870	109,099,125
5. Benefit and loss related payments.....	(9,968,262)	(7,817,581)	(15,579,064)
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.....	4,783,761	4,276,549	9,243,308
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	6,540,001	14,419,328	23,030,490
10. Total (Lines 5 through 9).....	1,355,500	10,878,296	16,694,734
11. Net cash from operations (Line 4 minus Line 10).....	87,252,365	83,917,574	92,404,391
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	13,148,991	6,220,912	127,127,578
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	13,148,991	6,220,912	127,127,578
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	16,266,567	3,309,509	26,323,540
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.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	16,266,567	3,309,509	26,323,540
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).....	(3,117,576)	2,911,403	100,804,038
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	(79,000,000)	(79,940,000)	(194,940,000)
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	2,298,938	617,401	1,561,557
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(76,701,062)	(79,322,599)	(193,378,443)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	7,433,727	7,506,378	(170,014)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	6,489,579	6,659,593	6,659,593
19.2 End of period (Line 18 plus Line 19.1).....	13,923,306	14,165,971	6,489,579
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001 .....	0	0	0

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern**

## A. Accounting Practices

The financial statements of United Guaranty Residential Insurance Company of North Carolina, (the Company), are presented on the basis of accounting practices prescribed or permitted by the North Carolina Insurance Department.

The North Carolina Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

There are no changes in surplus in the accompanying financial statements due to differences between the state of North Carolina prescribed accounting practices and those of the NAIC. Reconciliations of net income and policyholders' surplus between the amounts reported in the accompanying financial statements (NC Basis) and NAIC SAP follow:

	SSAP #	F/S Page	F/S Line #	Current Period	2016
<b>NET INCOME</b>					
(1) UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 91,600,084	\$ 105,272,490
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP				\$ 0	\$ 0
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP				\$ 0	\$ 0
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 91,600,084	\$ 105,272,490
<b>SURPLUS</b>					
(5) UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 238,665,835	\$ 320,751,819
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP				\$ 0	\$ 0
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP				\$ 0	\$ 0
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 238,665,835	\$ 320,751,819

## C. Accounting Policy

(6) Bonds, loan backed and structured securities ("LBaSS") with an NAIC designation (as obtained from the NAIC Investment Analysis Office ("IAO")) of "1" or "2" (considered to be investment grade) are carried at amortized cost. Bonds and LBaSS with an NAIC designation of "3," "4," "5," "5\*," "6" or "6\*" (considered to be non-investment grade) are carried at the lower of amortized cost or fair value. LBaSS fair values are determined using independent pricing services and broker quotes. Bonds and LBaSS that have not been filed and have not received a designation in over a year, from the NAIC IAO, are assigned a 6\* designation and carried at zero, with unrealized losses charged to surplus. Bond and LBaSS securities that have been filed and received a 6\* designation can carry a value greater than zero. Bond and LBaSS securities are assigned a 5\* designation when the following conditions are met: a) the documentation required for a full credit analysis did not exist, b) the issuer/obligor has made all contracted interest and principal payments, and c) an expectation of repayment of interest and principal exists. Amortization of premium or discount on bonds and LBaSS is calculated using the effective yield method. Additionally, mortgage-backed securities and asset backed securities prepayment assumptions were obtained from an outside vendor or internal estimates. The retrospective adjustment method is used to account for the effect of unscheduled payments affecting high credit quality securities, while securities with less than high credit quality and securities for which the collection of all contractual cash flows is not probable are both accounted for using the prospective adjustment method.

## D. Going Concern - Not Applicable

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant changes

**Note 4 – Discontinued Operations**

No significant changes

**Note 5 – Investments**

## D. Loan-Backed Securities - None

## E. Repurchase Agreements and/or Securities Lending Transactions - None

## I. Working Capital Finance Investments - None

## J. Offsetting and Netting of Assets and Liabilities - None

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

**NOTES TO FINANCIAL STATEMENTS****Note 7 – Investment Income**

No significant changes

**Note 8 – Derivative Instruments**

No significant changes

**Note 9 – Income Taxes**

No significant changes

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

## D. Amounts Due to of from Related Parties

At June 30, 2017, the Company reported a payable of \$2,844,225 to affiliated companies. Intercompany balances are settled monthly. Details of the balances are:

<u>Intercompany balance</u>	<u>Receivable(Payable)</u>
United Guaranty Residential Insurance Company	\$ (478,805)
United Guaranty Corporation	(679,354)
United Guaranty Services	(560,140)
Arch Mortgage Insurance Company	(313,447)
United Guaranty Credit Insurance Company	(2,851)
United Guaranty Commercial Insurance Company of NC	10,613
United Guaranty Mortgage Indemnity Company	(820,241)

**Note 11 – Debt**

## B. FHLB (Federal Home Loan Bank) Agreements - None

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A. Defined Benefit Plan  
(4) None**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant changes

**Note 14 – Liabilities, Contingencies and Assessments**

No significant changes

**Note 15 – Leases**

No significant changes

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

No significant changes

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

## B. Transfer and Servicing of Financial Assets

(2) None

(4) (a) None

(b) None

## C. Wash Sales - None

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

No significant changes

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

No significant changes

**Note 20 – Fair Value Measurements**

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

(1) None

(2) None

(3) The Company's policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value.

(4) In accordance with SSAP 100, the valuation techniques used in measuring fair values are based on the following:

**NOTES TO FINANCIAL STATEMENTS**

**Level 1:** Fair value measurements that are quoted prices (unadjusted) in active markets that the Company has the ability to access for identical assets or liabilities.

**Level 2:** Fair value measurements, based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable at commonly quoted intervals.

**Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. These measurements include circumstances in which there is little, if any, market activity for the asset or liability.

(5) Not Applicable

B. Other Fair Value Disclosures - Not Applicable

C. The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries). The fair values are also categorized into the three-level fair value hierarchy.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 19,702,377	\$ 18,891,963	\$ 16,186,328	\$ 3,516,049	\$ 0	\$ 0
Cash, cash equivalent and short-term investments	\$ 13,923,307	\$ 13,923,307	\$ 13,923,307	\$ 0	\$ 0	\$ 0

D. Not Practicable to Estimate Fair Value - Not Applicable

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

F. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?

Yes [ ] No [X]

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Incurred loss and loss adjustment expenses attributable to insured events of prior years decreased by \$9.4 million in 2017, and decreased by \$10.5 million in 2016 as a result of re-estimation of unpaid losses and loss adjustment expenses. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**Note 26 – Intercompany Pooling Arrangements**

No significant changes

**Note 27 – Structured Settlements**

No significant changes

**Note 28 – Health Care Receivables**

No significant changes

**Note 29 – Participating policies**

No significant changes

**Note 30 – Premium Deficiency Reserves**

No significant changes

**Note 31 – High Deductibles**

No significant changes

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

No significant changes

**Note 33 – Asbestos/Environmental Reserves**

No significant changes

**Note 34 – Subscriber Savings Accounts**



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## **NOTES TO FINANCIAL STATEMENTS**

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No significant changes

**Note 35 – Multiple Peril Crop Insurance**

No significant changes

**Note 36 – Financial Guaranty Insurance**

B. Schedule of Insured Financial Obligations at the End of the Period: Not Applicable

**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? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 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 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
	0	

- 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? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_
- 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. \_\_\_\_\_
- 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). \_\_\_\_\_
- 6.4 By what department or departments?  
State of North Carolina
- 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 [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated with 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 the 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

- 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 [ ]

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

## INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	271,251,355	181,520,797
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 271,251,355	\$ 181,520,797
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

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

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

If no, attach a description with this statement.

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
U.S. Bank Institutional Trust & Custody	1025 Connecticut Avenue, NW Suite 517 EX-DC-WNWWW Washington, DC 20036
Bank of New York Mellon	One Mellon Center-Room 1072, Pittsburgh, PA 15258

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)
Not Applicable		

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Arch Investment Management, LLC	A

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
129060	Arch Investment Management, LLC		SEC	DS

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

18.2 If no, list exceptions:

## GENERAL INTERROGATORIES (continued)

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [X]  
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	0.000	0.000	0	0	0	0	0	0	0	0
<b>Total</b>	XXX	XXX	0	0	0	0	0	0	0	0

5.1 Operating Percentages:

5.1 A&H loss percent	0.000%
5.2 A&H cost containment percent	0.000%
5.3 A&H expense percent excluding cost containment expenses	0.000%

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 0

**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
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**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		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	
1. Alabama.....AL.....L.....	AL	L	15,077	31,631	(10,458)	22,318	37,170	32,492
2. Alaska.....AK.....L.....	AK	L	0	0	0	0	0	0
3. Arizona.....AZ.....N.....	AZ	N	0	0	0	0	0	0
4. Arkansas.....AR.....L.....	AR	L	0	2,722	11,114	(5,594)	0	10,272
5. California.....CA.....N.....	CA	N	0	0	0	0	0	0
6. Colorado.....CO.....L.....	CO	L	721	2,096	(3,353)	(4,055)	15,119	4,464
7. Connecticut.....CT.....L.....	CT	L	12,451	10,225	(1,440)	(536)	19,567	23,511
8. Delaware.....DE.....L.....	DE	L	2,312,689	3,829,199	(432,247)	(691,936)	670,950	702,756
9. District of Columbia.....DC.....L.....	DC	L	328,256	576,195	(527,520)	645,008	1,980,903	1,689,637
10. Florida.....FL.....L.....	FL	L	43,600	41,765	(2,604)	(31,923)	25,370	143,691
11. Georgia.....GA.....L.....	GA	L	19,571	62,395	(7,214)	44,102	194,032	220,075
12. Hawaii.....HI.....L.....	HI	L	0	0	0	0	0	0
13. Idaho.....ID.....L.....	ID	L	0	0	0	0	0	0
14. Illinois.....IL.....L.....	IL	L	0	0	0	0	0	0
15. Indiana.....IN.....L.....	IN	L	12,453	32,403	(20,498)	(76,891)	62,371	57,788
16. Iowa.....IA.....L.....	IA	L	1,211	939	0	0	0	7,337
17. Kansas.....KS.....L.....	KS	L	55,167	70,626	(16,488)	(50,749)	120,836	161,083
18. Kentucky.....KY.....L.....	KY	L	5,358	4,557	(1,278)	(1,160)	0	19,645
19. Louisiana.....LA.....L.....	LA	L	0	0	0	0	0	0
20. Maine.....ME.....L.....	ME	L	3,711	(11,022)	0	0	0	0
21. Maryland.....MD.....L.....	MD	L	207,828	95,832	8,916	(3,971)	1,430,132	1,364,418
22. Massachusetts.....MA.....L.....	MA	L	12,370	15,869	(2,414)	(20,030)	90,273	73,004
23. Michigan.....MI.....L.....	MI	L	40,032	4,680	96,258	(8,581)	65,282	74,730
24. Minnesota.....MN.....L.....	MN	L	793,945	699,159	(265,034)	(372,908)	322,871	290,821
25. Mississippi.....MS.....L.....	MS	L	0	0	0	0	0	0
26. Missouri.....MO.....L.....	MO	L	15,940	13,137	8,282	(8,714)	58,386	81,524
27. Montana.....MT.....L.....	MT	L	1,090	1,662	0	(952)	0	0
28. Nebraska.....NE.....L.....	NE	L	0	0	0	0	0	0
29. Nevada.....NV.....L.....	NV	L	27,502	28,131	(8,000)	62,309	13,245	0
30. New Hampshire.....NH.....L.....	NH	L	37	117	0	0	0	0
31. New Jersey.....NJ.....L.....	NJ	L	2,218,599	4,490,099	(652,377)	(993,455)	278,797	504,031
32. New Mexico.....NM.....L.....	NM	L	0	0	0	0	0	0
33. New York.....NY.....N.....	NY	N	0	0	0	0	0	0
34. North Carolina.....NC.....L.....	NC	L	30,566	242,183	(2,558,538)	(2,600,391)	3,375	6,310
35. North Dakota.....ND.....L.....	ND	L	0	0	0	0	0	0
36. Ohio.....OH.....L.....	OH	L	1,200,833	958,228	(424,245)	(516,453)	8,163,344	6,326,822
37. Oklahoma.....OK.....L.....	OK	L	24,342	12,271	4,737	(19,564)	28,531	72,769
38. Oregon.....OR.....L.....	OR	L	0	0	0	0	0	0
39. Pennsylvania.....PA.....L.....	PA	L	707,026	744,427	(972,364)	(664,970)	1,229,805	3,505,470
40. Rhode Island.....RI.....L.....	RI	L	0	29,897	(450)	(302)	39,763	71,478
41. South Carolina.....SC.....L.....	SC	L	11,567	34,735	(176,086)	(97,492)	0	0
42. South Dakota.....SD.....L.....	SD	L	0	0	0	0	0	0
43. Tennessee.....TN.....L.....	TN	L	458	1,347	(30,972)	(6,818)	16,560	17,438
44. Texas.....TX.....L.....	TX	L	3,126,882	3,168,322	(2,529,241)	(121,671)	934,899	281,928
45. Utah.....UT.....L.....	UT	L	0	11,108	0	0	0	0
46. Vermont.....VT.....L.....	VT	L	0	1,382	0	0	0	0
47. Virginia.....VA.....L.....	VA	L	64,643	116,255	(1,624,438)	(2,410,431)	273,096	284,307
48. Washington.....WA.....L.....	WA	L	12,557	18,378	(500)	(3,435)	29,800	31,366
49. West Virginia.....WV.....L.....	WV	L	0	0	0	0	0	0
50. Wisconsin.....WI.....L.....	WI	L	0	29,390	(1,219)	(2,818)	0	0
51. Wyoming.....WY.....N.....	WY	N	0	0	0	0	0	0
52. American Samoa.....AS.....N.....	AS	N	0	0	0	0	0	0
53. Guam.....GU.....N.....	GU	N	0	0	0	0	0	0
54. Puerto Rico.....PR.....N.....	PR	N	0	0	0	0	0	0
55. US Virgin Islands.....VI.....N.....	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands.....MP.....N.....	MP	N	0	0	0	0	0	0
57. Canada.....CAN.....N.....	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien.....OT.....XXX.....	OT	XXX	0	0	0	0	0	0
59. Totals.....(a).....47.....	(a)	47	11,306,482	15,370,340	(10,139,671)	(7,942,063)	16,104,477	16,059,167

**DETAILS OF WRITE-INS**

58001.....	XXX	0	0	0	0	0	0
58002.....	XXX	0	0	0	0	0	0
58003.....	XXX	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page....	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

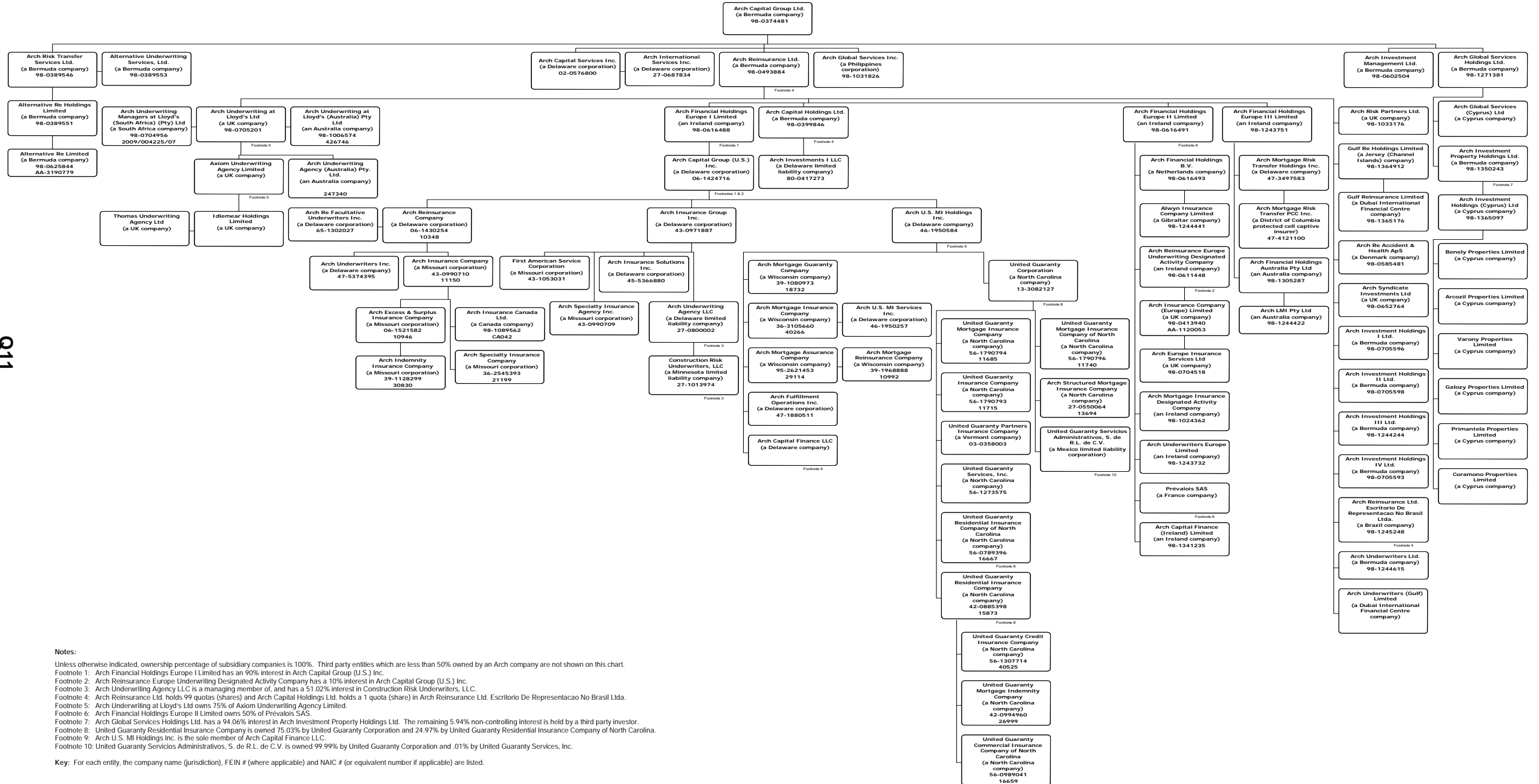
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer

(DSLII) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) - None of the above - Not allowed to write business in the state.

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

# UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART

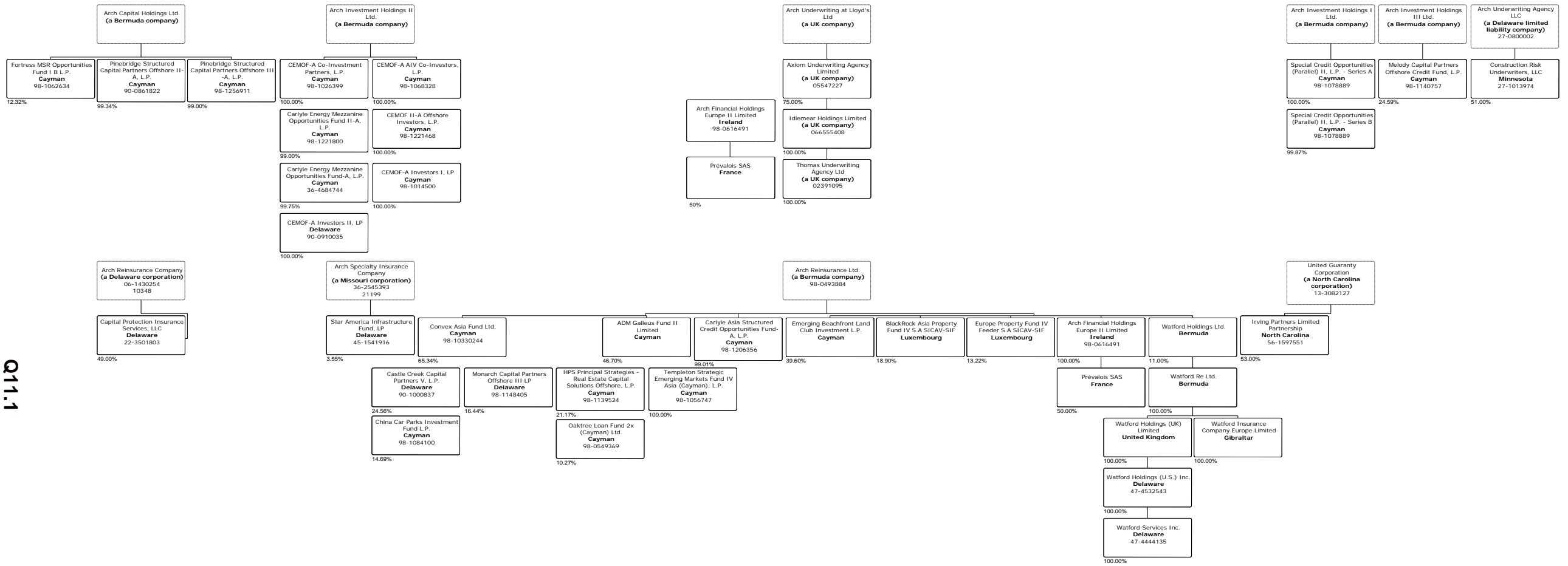


**Notes:**  
 Unless otherwise indicated, ownership percentage of subsidiary companies is 100%. Third party entities which are less than 50% owned by an Arch company are not shown on this chart.  
 Footnote 1: Arch Financial Holdings Europe I Limited has a 90% interest in Arch Capital Group (U.S.) Inc.  
 Footnote 2: Arch Reinsurance Europe Underwriting Designated Activity Company has a 10% interest in Arch Capital Group (U.S.) Inc.  
 Footnote 3: Arch Underwriting Agency LLC is a managing member of, and has a 51.02% interest in Construction Risk Underwriters, LLC.  
 Footnote 4: Arch Reinsurance Ltd. holds 99 quotas (shares) and Arch Capital Holdings Ltd. holds a 1 quota (share) in Arch Reinsurance Ltd. Escritorio De Representacao No Brasil Ltda.  
 Footnote 5: Arch Underwriting at Lloyd's Ltd owns 75% of Axiom Underwriting Agency Limited.  
 Footnote 6: Arch Financial Holdings Europe II Limited owns 50% of Prevalois SAS.  
 Footnote 7: Arch Global Services Holdings Ltd. has a 94.06% interest in Arch Investment Property Holdings Ltd. The remaining 5.94% non-controlling interest is held by a third party investor.  
 Footnote 8: United Guaranty Residential Insurance Company is owned 75.03% by United Guaranty Corporation and 24.97% by United Guaranty Residential Insurance Company of North Carolina.  
 Footnote 9: Arch U.S. MI Holdings Inc. is the sole member of Arch Capital Finance LLC.  
 Footnote 10: United Guaranty Servicios Administrativos, S. de R.L. de C.V. is owned 99.99% by United Guaranty Corporation and .01% by United Guaranty Services, Inc.

**Key:** For each entity, the company name (jurisdiction), FEIN # (where applicable) and NAIC # (or equivalent number if applicable) are listed.

Q11

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART I - ORGANIZATIONAL CHART**



Q11.1

**Note:**

This chart shows ownership by Arch companies where (i) the percentage of issued securities or units issued to Arch is more than 10% (with the remaining securities or units issued to a third party) or (ii) the ownership is 100% by Arch, but represents ownership in an entity formed for a particular investment purpose where such investment entity has no operations other than to hold an investment. Each Arch entity is in a "dotted line" box with entities owned by it meeting the criteria set forth in the prior sentence in "solid line" boxes below; there is no ownership relationship between "solid line" boxes.

**Key:** For each entity, the company name (jurisdiction), FEIN # (where applicable) and NAIC # (or equivalent number if applicable) are listed.

The figures in the chart are at December 31, 2016; such figures are updated on an annual basis in line with normal practices.



**UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA**

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
0		0	98-0374481	0	947484	NASDAQ	Arch Capital Group Ltd	BMU	UIP	N/A	N/A	N/A	N/A	N	(1)
0		0	02-0576800	0	0		Arch Capital Services Inc	DE	NIA	Arch Capital Group Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0602504	0	0		Arch Investment Management Ltd	BMU	NIA	Arch Capital Group Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0493884	0	0		Arch Reinsurance Ltd	BMU	IA	Arch Capital Group Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1031826	0	0		Arch Global Services Inc	PHL	NIA	Arch Capital Group Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Arch Global Services (Cyprus) Ltd	CYP	NIA	Arch Global Services Holdings Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Arch Global Services Holdings Ltd	BMU	NIA	Arch Capital Group Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	27-0687834	0	0		Arch International Services Inc	DE	NIA	Arch Capital Services Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1033176	0	0		Arch Risk Partners Ltd	GBR	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1244615	0	0		Arch Underwriters Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0705201	0	0		Arch Underwriting at Lloyd's Ltd	GBR	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Axiom Underwriting Agency Limited	GBR	NIA	Arch Underwriting at Lloyd's Ltd	Ownership	75.000	Arch Capital Group Ltd	N	0
0		0		0	0		Idlemeare Holdings Limited	GBR	NIA	Axiom Underwriting Agency Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Thomas Underwriting Agency Limited	GBR	NIA	Idlemeare Holdings Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Arch Underwriting Agency (Australia) Pty. Ltd	AUS	NIA	Arch Underwriting at Lloyd's Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0399846	0	0		Arch Capital Holdings Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0616488	0	0		Arch Financial Holdings Europe I Limited	IRL	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0585481	0	0		Arch Re Accident & Health ApS	DNK	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0652764	0	0		Arch Syndicate Investments Ltd	GBR	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Gulf Re Holdings Limited	JEY	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Gulf Reinsurance Limited	ARE	IA	Gulf Re Holdings Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0705596	0	0		Arch Investment Holdings I Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0705598	0	0		Arch Investment Holdings II Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	99-1244244	0	0		Arch Investment Holdings III Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0705593	0	0		Arch Investment Holdings IV Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0		0	0		Watford Holdings Ltd	BMU	NIA	N/A	N/A	11.100	N/A	N	(2)
0		0		0	0		Watford Re Ltd	BMU	IA	Watford Holdings Ltd	Ownership	100.000	Watford Holdings Ltd	N	0
0		0		0	0		Watford Holdings (UK) Limited	GBR	NIA	Watford Re Ltd	Ownership	100.000	Watford Holdings Ltd	N	0
0		0		0	0		Watford Holdings (U.S.) Inc	DE	NIA	Watford Holdings (UK) Limited	Ownership	100.000	Watford Holdings Ltd	N	0
0		0		0	0		Watford Insurance Company Europe Limited	GIB	IA	Watford Holdings (UK) Limited	Ownership	100.000	Watford Holdings Ltd	N	0
0		0		0	0		Watford Services Inc	DE	NIA	Watford Holdings (U.S.) Inc	Ownership	100.000	Watford Holdings Ltd	N	0
0		0	99-1245248	0	0		Arch Reinsurance Ltd. Escritorio De Representacao Ltda.	BRA	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1006574	0	0		Arch Underwriting at Lloyd's (Australia) Pty Ltd.	AUS	NIA	Arch Underwriting at Lloyd's Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0704956	0	0		Arch Underwriting Managers at Lloyd's (South Africa)(Pty) Limited	ZAF	NIA	Arch Underwriting at Lloyd's Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0

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**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0		0	80-0417273	0	0		Arch Investments I LLC	DE	NIA	Arch Capital Holdings Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0616491	0	0		Arch Financial Holdings Europe II Limited	IRL	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1243751	0	0		Arch Financial Holdings Europe III Limited	IRL	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1244422	0	0		Arch LMI Pty Ltd	AUS	NIA	Arch Financial Holdings Australia Pty Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1305287	0	0		Arch Financial Holdings Australia Pty Ltd	AUS	NIA	Arch Financial Holdings Europe III Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	47-3497583	0	0		Arch Mortgage Risk Transfer Holdings Inc	DE	NIA	Arch Financial Holdings Europe III Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	47-4121100	0	0		Arch Mortgage Risk Transfer PCC Inc	DC	IA	Arch Mortgage Risk Transfer Holdings Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0616493	0	0		Arch Financial Holdings B.V	NLD	NIA	Arch Financial Holdings Europe II Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1024362	0	0		Arch Mortgage Insurance Designated Activity Company	IRL	IA	Arch Financial Holdings Europe II Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1243732	0	0		Arch Underwriters Europe Limited	IRL	NIA	Arch Financial Holdings Europe II Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0611448	0	0		Arch Reinsurance Europe Underwriting Designated Activity Company	IRL	IA	Arch Financial Holdings Europe II Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	06-1424716	0	0		Arch Capital Group (U.S.) Inc	DE	NIA	Arch Financial Holdings Europe I Limited	Ownership	90.000	Arch Capital Group Ltd	N	0
0		0	06-1424716	0	0		Arch Capital Group (U.S.) Inc	DE	NIA	Arch Reinsurance Europe Underwriting Designated Activity Company	Ownership	10.000	Arch Capital Group Ltd	N	0
0		0	98-0389546	0	0		Arch Risk Transfer Services Ltd	BMU	NIA	Arch Reinsurance Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-1244441	0	0		Alwyn Insurance Company Limited	GIB	IA	Arch Financial Holdings B.V	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0413940	0	0		Arch Insurance Company (Europe) Limited	GBR	IA	Arch Reinsurance Europe Underwriting Designated Activity Company	Ownership	100.000	Arch Capital Group Ltd	N	0
1279	Arch Capital Group (U.S.) Inc.	10348	06-1430254	0	0		Arch Reinsurance Company	DE	IA	Arch Capital Group (U.S.) Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	47-5374395	0	0		Arch Underwriters Inc	DE	NIA	Arch Reinsurance Company	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0389553	0	0		Alternative Underwriting Services Ltd	BMU	NIA	Arch Risk Transfer Services Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0389551	0	0		Alternative Re Holdings Limited	BMU	NIA	Arch Risk Transfer Services Ltd	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	98-0704518	0	0		Arch Europe Insurance Services Ltd	GBR	NIA	Arch Insurance Company (Europe) Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	65-1302027	0	0		Arch Re Facultative Underwriters Inc	DE	NIA	Arch Reinsurance Company	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	43-0971887	0	0		Arch Insurance Group Inc	DE	NIA	Arch Capital Group (U.S.) Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	22-3501803	0	0		Capital Protection Insurance Services, LLC	DE	NIA	Arch Reinsurance Company	Ownership	49.000	Arch Capital Group Ltd	N	0
0		0	98-0625844	0	0		Alternative Re Limited	BMU	IA	Alternative Re Holdings Limited	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	27-0800002	0	0		Arch Underwriting Agency LLC	DE	NIA	Arch Insurance Group Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	43-0990709	0	0		Arch Specialty Insurance Agency Inc	MO	NIA	Arch Insurance Group Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
1279	Arch Capital Group (U.S.) Inc.	11150	43-0990710	0	0		Arch Insurance Company	MO	IA	Arch Reinsurance Company	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	43-1053031	0	0		First American Service Corporation	MO	NIA	Arch Insurance Group Inc	Ownership	100.000	Arch Capital Group Ltd	N	0
0		0	27-1013974	0	0		Construction Risk Underwriters, LLC	MN	NIA	Arch Underwriting Agency LLC	Ownership	50.000	Arch Capital Group Ltd	N	0

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**UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA**

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0.....	Arch Capital Group (U.S.) Inc.	10946..	06-1521582..	.....0	.....0	.....	Arch Excess & Surplus Insurance Company.....	MO.....	IA.....	Arch Insurance Company .....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	21199..	36-2545393..	.....0	.....0	.....	Arch Specialty Insurance Company.....	MO.....	IA.....	Arch Insurance Company.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	30830..	39-1128299..	.....0	.....0	.....	Arch Indemnity Insurance Company.....	MO.....	IA.....	Arch Excess & Surplus Insurance Company...	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	45-5366880..	.....0	.....0	.....	Arch Insurance Solutions Inc.....	DE.....	NIA.....	Arch Insurance Group Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	98-1089562..	.....0	.....0	.....	Arch Insurance Canada Ltd.....	CAN.....	NIA.....	Arch Insurance Company.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	46-1950584..	.....0	.....0	.....	Arch U.S. MI Holdings Inc.....	DE.....	UDP.....	Arch Capital Group (U.S.) Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	46-1950584..	.....0	.....0	.....	Arch Capital Finance LLC.....	DE.....	NIA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	46-1950257..	.....0	.....0	.....	Arch U.S. MI Services Inc.....	DE.....	DS.....	Arch Mortgage Insurance Company.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	47-1880511..	.....0	.....0	.....	Arch Fulfillment Operations Inc.....	DE.....	NIA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	40266..	36-3105660..	.....0	.....0	.....	Arch Mortgage Insurance Company.....	WI.....	IA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	18732..	39-1080973..	.....0	.....0	.....	Arch Mortgage Guaranty Company.....	WI.....	IA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	29114..	95-2621453..	.....0	.....0	.....	Arch Mortgage Assurance Company.....	WI.....	IA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	10992..	39-1968888..	.....0	.....0	.....	Arch Mortgage Reinsurance Company.....	WI.....	IA.....	Arch Mortgage Assurance Company.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Arch Investment Holdings (Cyprus) Ltd.....	CYP.....	NIA.....	Arch Investment Property Holdings Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Arch Investment Property Holdings Ltd.....	BMU.....	NIA.....	Arch Global Services Holdings Ltd.....	Ownership.....	....94.060	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Arch Investment Property Holdings Ltd.....	BMU.....	NIA.....	AFP Capital Management Limited.....	Ownership.....	.....5.940	Individuals.....	....N.....	0.....
0.....	.....	0.....	98-1341235..	.....0	.....0	.....	Arch Capital Finance (Ireland) Limited.....	IRL.....	NIA.....	Arch Financial Holdings Europe II Limited.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Benely Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Arcozil Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Varony Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Galozy Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Primantela Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	.....	.....0	.....0	.....	Coramono Properties Limited.....	CYP.....	NIA.....	Arch Investment Holdings (Cyprus) Ltd.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
0.....	.....	0.....	13-3082127..	.....0	.....0	.....	United Guaranty Corporation.....	NC.....	NIA.....	Arch U.S. MI Holdings Inc.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	11685..	56-1790794..	.....0	.....0	.....	United Guaranty Mortgage Insurance Company	NC.....	IA.....	United Guaranty Corporation.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	11740..	56-1790796..	.....0	.....0	.....	United Guaranty Mortgage Insurance Company of North Carolina	NC.....	IA.....	United Guaranty Corporation.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....
1279	Arch Capital Group (U.S.) Inc.	11715..	56-1790793..	.....0	.....0	.....	United Guaranty Insurance Company.....	NC.....	IA.....	United Guaranty Corporation.....	Ownership.....	....100.000	Arch Capital Group Ltd.....	....N.....	0.....

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**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
12790	Arch Capital Group (U.S.) Inc.	114630	03-0358003..56-1273575..	0	0		United Guaranty Partners Insurance Company.	VT	IA	United Guaranty Corporation	Ownership	100.000	Arch Capital Group Ltd.	N	0
							United Guaranty Services, Inc.	NC	NIA	United Guaranty Corporation	Ownership	100.000	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	16667	56-0789396..	0	0		United Guaranty Residential Insurance Company of North Carolina	NC	RE	United Guaranty Corporation	Ownership	100.000	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	15873	42-0885398..	0	0		United Guaranty Residential Insurance Company	NC	IA	United Guaranty Residential Insurance Company of North Carolina	Ownership	24.970	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	15873	42-0885398..	0	0		United Guaranty Residential Insurance Company	NC	IA	United Guaranty Corporation	Ownership	75.030	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	40525	56-1307714..	0	0		United Guaranty Credit Insurance Company	NC	IA	United Guaranty Residential Insurance	Ownership	100.000	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	26999	42-0994960..	0	0		United Guaranty Mortgage Indemnity Company	NC	IA	United Guaranty Residential Insurance Company	Ownership	100.000	Arch Capital Group Ltd.	N	0
1279	Arch Capital Group (U.S.) Inc.	16659	56-0989041..	0	0		United Guaranty Commercial Insurance Company of North Carolina	NC	IA	United Guaranty Residential Insurance Company	Ownership	100.000	Arch Capital Group Ltd.	N	0
12790	Arch Capital Group (U.S.) Inc.	136940	27-0550064..	0	0		Arch Structured Mortgage Insurance Company.	NC	IA	United Guaranty Corporation	Ownership	100.000	Arch Capital Group Ltd.	N	0
	Arch Capital Group (U.S.) Inc.	0		0	0		United Guaranty Servicios Administrativos, S. de R.L. de C.V.	MEX	NIA	United Guaranty Corporation	Ownership	99.900	Arch Capital Group Ltd.	N	0
	Arch Capital Group (U.S.) Inc.	0		0	0		United Guaranty Servicios Administrativos, S. de R.L. de C.V.	MEX	NIA	United Guaranty Services, Inc.	Ownership	0.100	Arch Capital Group Ltd.	N	0
		0		0	0		Prévalois SAS	FRA	NIA	Arch Financial Holdings Europe II Limited	Ownership	50.000	Arch Capital Group Ltd.	N	0
		0		0	0		Emerging Beachfront Land Club Investment L.P.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	40.000	Arch Capital Group Ltd.	N	(3)
		0		0	0		CEMOF-A Co-Investment Partners, L.P.	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
		0		0	0		Special Credit Opportunities (Parallel) II, L.P. - Series A	CYM	OTH	Arch Investment Holdings I Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
		0		0	0		Special Credit Opportunities (Parallel) II, L.P. - Series B	CYM	OTH	Arch Investment Holdings I Ltd.	Ownership	99.870	Arch Capital Group Ltd.	N	(3)
		0		0	0		Carlyle Asia Structured Credit Opportunities Fund-A, L.P.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	99.000	Arch Capital Group Ltd.	N	(3)
		0		0	0		Fortress MSR Opportunities Fund I B L.P.	CYM	OTH	Arch Capital Holdings Ltd.	Ownership	12.330	Arch Capital Group Ltd.	N	(3)
		0		0	0		ADM Galleus Fund II Limited	CYM	OTH	Arch Reinsurance Ltd.	Ownership	47.000	Arch Capital Group Ltd.	N	(3)
		0		0	0		Convex Asia Fund Ltd.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	65.340	Arch Capital Group Ltd.	N	(3)
		0		0	0		Melody Capital Partners Offshore Credit Fund, L.P.	CYM	OTH	Arch Investment Holdings III Ltd.	Ownership	24.590	Arch Capital Group Ltd.	N	(3)
		0		0	0		Castle Creek Capital Partners V, L.P.	DE	OTH	Arch Reinsurance Ltd.	Ownership	24.560	Arch Capital Group Ltd.	N	(3)

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**UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA**

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0		0		0	0		HPS Principal Strategies - Real Estate Capital Solutions Offshore, L.P.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	21.170	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Pinebridge Structured Capital Partners Offshore II-A, L.P.	CYM	OTH	Arch Capital Holdings Ltd.	Ownership	99.340	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Monarch Capital Partners Offshore III LP	DE	OTH	Arch Reinsurance Ltd.	Ownership	16.440	Arch Capital Group Ltd.	N	(3)
0		0	45-1541916	0	0		Star America Infrastructure Fund, LP	DE	OTH	Arch Specialty Insurance Company	Ownership	4.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		China Car Parks Investment Fund L.P.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	14.690	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Carlyle Energy Mezzanine Opportunities Fund II-A, L.P.	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	99.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Templeton Strategic Emerging Markets Fund IV Asia (Cayman), L.P.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Carlyle Energy Mezzanine Opportunities Fund-A, L.P.	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	99.750	Arch Capital Group Ltd.	N	(3)
0		0		0	0		CEMOF-A Investors I, LP	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		CEMOF-A Investors II, LP	DE	OTH	Arch Investment Holdings II Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		CEMOF-A AIV Co-Investors, LP	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		CEMOF II-A Offshore Investors, L.P.	CYM	OTH	Arch Investment Holdings II Ltd.	Ownership	100.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Oaktree Loan Fund 2x (Cayman) Ltd.	CYM	OTH	Arch Reinsurance Ltd.	Ownership	10.270	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Pinebridge Structured Capital Partners Offshore III-A, L.P.	CYM	OTH	Arch Capital Holdings Ltd.	Ownership	99.000	Arch Capital Group Ltd.	N	(3)
0		0		0	0		BlackRock Asia Property Fund IV S.A SICAV-SIF	LUX	OTH	Arch Reinsurance Ltd.	Ownership	23.080	Arch Capital Group Ltd.	N	(3)
0		0		0	0		Europe Property Fund IV Feeder S.A SICAV-SIF	LUX	OTH	Arch Reinsurance Ltd.	Ownership	13.000	Arch Capital Group Ltd.	N	(3)

Q12.4

**Aster Explanation**

(1)	Artisan Partners Holdings LP owns over 10% of the common shares of Arch Capital Group Ltd., but disclaims control.
(2)	Watford Holdings Ltd. is owned by various shareholders, each holding less than 10% of the voting shares, except for Arch Reinsurance Ltd., which holds approximately 11% of the voting shares of Watford Holdings Ltd.
(3)	Entity is an investment vehicle which is not operated or controlled by Arch.

# UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	.0	.0	0.000	0.000
2. Allied lines.....	.0	.0	0.000	0.000
3. Farmowners multiple peril.....	.0	.0	0.000	0.000
4. Homeowners multiple peril.....	.0	.0	0.000	0.000
5. Commercial multiple peril.....	.0	.0	0.000	0.000
6. Mortgage guaranty.....	.0	.0	0.000	0.000
8. Ocean marine.....	.0	.0	0.000	0.000
9. Inland marine.....	.0	.0	0.000	0.000
10. Financial guaranty.....	.0	.0	0.000	0.000
11.1. Medical professional liability - occurrence.....	.0	.0	0.000	0.000
11.2. Medical professional liability - claims-made.....	.0	.0	0.000	0.000
12. Earthquake.....	.0	.0	0.000	0.000
13. Group accident and health.....	.0	.0	0.000	0.000
14. Credit accident and health.....	.0	.0	0.000	0.000
15. Other accident and health.....	.0	.0	0.000	0.000
16. Workers' compensation.....	.0	.0	0.000	0.000
17.1. Other liability-occurrence.....	.0	.0	0.000	0.000
17.2. Other liability-claims made.....	.0	.0	0.000	0.000
17.3. Excess workers' compensation.....	.0	.0	0.000	0.000
18.1. Products liability-occurrence.....	.0	.0	0.000	0.000
18.2. Products liability-claims made.....	.0	.0	0.000	0.000
19.1, 19.2. Private passenger auto liability.....	.0	.0	0.000	0.000
19.3, 19.4. Commercial auto liability.....	.0	.0	0.000	0.000
21. Auto physical damage.....	.0	.0	0.000	0.000
22. Aircraft (all perils).....	.0	.0	0.000	0.000
23. Fidelity.....	.0	.0	0.000	0.000
24. Surety.....	.0	.0	0.000	0.000
26. Burglary and theft.....	.0	.0	0.000	0.000
27. Boiler and machinery.....	.0	.0	0.000	0.000
28. Credit.....	11,425,948	(10,192,245)	(89.203)	(76.607)
29. International.....	.0	.0	0.000	0.000
30. Warranty.....	.0	.0	0.000	0.000
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	0.000	0.000
35. Totals.....	11,425,948	(10,192,245)	(89.203)	(76.607)
<b>DETAILS OF WRITE-INS</b>				
3401.....	.0	.0	0.000	0.000
3402.....	.0	.0	0.000	0.000
3403.....	.0	.0	0.000	0.000
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	.0	.0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	.0	.0	0.000	0.000

## PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	.0	.0	.0
2. Allied lines.....	.0	.0	.0
3. Farmowners multiple peril.....	.0	.0	.0
4. Homeowners multiple peril.....	.0	.0	.0
5. Commercial multiple peril.....	.0	.0	.0
6. Mortgage guaranty.....	.0	.0	.0
8. Ocean marine.....	.0	.0	.0
9. Inland marine.....	.0	.0	.0
10. Financial guaranty.....	.0	.0	.0
11.1. Medical professional liability - occurrence.....	.0	.0	.0
11.2. Medical professional liability - claims made.....	.0	.0	.0
12. Earthquake.....	.0	.0	.0
13. Group accident and health.....	.0	.0	.0
14. Credit accident and health.....	.0	.0	.0
15. Other accident and health.....	.0	.0	.0
16. Workers' compensation.....	.0	.0	.0
17.1. Other liability-occurrence.....	.0	.0	.0
17.2. Other liability-claims made.....	.0	.0	.0
17.3. Excess workers' compensation.....	.0	.0	.0
18.1. Products liability-occurrence.....	.0	.0	.0
18.2. Products liability-claims made.....	.0	.0	.0
19.1 19.2. Private passenger auto liability.....	.0	.0	.0
19.3 19.4. Commercial auto liability.....	.0	.0	.0
21. Auto physical damage.....	.0	.0	.0
22. Aircraft (all perils).....	.0	.0	.0
23. Fidelity.....	.0	.0	.0
24. Surety.....	.0	.0	.0
26. Burglary and theft.....	.0	.0	.0
27. Boiler and machinery.....	.0	.0	.0
28. Credit.....	5,217,966	11,306,482	15,370,337
29. International.....	.0	.0	.0
30. Warranty.....	.0	.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.....	5,217,966	11,306,482	15,370,337
<b>DETAILS OF WRITE-INS</b>			
3401.....	.0	.0	.0
3402.....	.0	.0	.0
3403.....	.0	.0	.0
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	.0	.0	.0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2014 + Prior.....	5,435	3,501	8,936	(10,392)	0	(10,392)	1,934	52	6,496	8,482	(13,893)	3,047	(10,846)
2. 2015.....	1,715	1,105	2,820	(258)	6	(252)	440	227	2,180	2,847	(1,533)	1,308	(225)
3. Subtotals 2015 + Prior.....	7,150	4,606	11,756	(10,650)	6	(10,644)	2,374	279	8,676	11,329	(15,426)	4,355	(11,071)
4. 2016.....	2,253	1,452	3,705	2,469	710	3,179	(1,878)	2,393	1,686	2,201	(1,662)	3,337	1,675
5. Subtotals 2016 + Prior.....	9,403	6,058	15,461	(8,181)	716	(7,465)	496	2,672	10,362	13,530	(17,088)	7,692	(9,396)
6. 2017.....	XXX	XXX	XXX	XXX	229	229	XXX	450	1,471	1,921	XXX	XXX	XXX
7. Totals.....	9,403	6,058	15,461	(8,181)	945	(7,236)	496	3,122	11,833	15,451	(17,088)	7,692	(9,396)
8. Prior Year-End's Surplus As Regards Policyholders	320,752												
											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. ....(181.729)%	2. ....126.973 %	3. ....(60.772)%
													Col. 13, Line 7 Line 8
													4. ....(2.929)%

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Statement for June 30, 2017 of the **UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA**  
**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.

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

**Explanation:**

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.

**Bar Code:**





**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2904. ....	0	0
2905. ....	0	0
2997. Summary of remaining write-ins for Line 29.....	0	0

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
3204. ....	0	0
3297. Summary of remaining write-ins for Line 32.....	0	0

**UNITED GUARANTY RESIDENTIAL INSURANCE COMPANY OF NORTH CAROLINA**  
**SCHEDULE A - VERIFICATION**

Real Estate

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

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	24,965,000	24,965,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	.0	.0
2.2 Additional investment made after acquisition.....	.0	.0
3. Capitalized deferred interest and other.....	.0	.0
4. Accrual of discount.....	.0	.0
5. Unrealized valuation increase (decrease).....	(4,106,236)	.0
6. Total gain (loss) on disposals.....	.0	.0
7. Deduct amounts received on disposals.....	.0	.0
8. Deduct amortization of premium and depreciation.....	.0	.0
9. Total foreign exchange change in book/adjusted carrying value.....	.0	.0
10. Deduct current year's other-than-temporary impairment recognized.....	.0	.0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	20,858,764	24,965,000
12. Deduct total nonadmitted amounts.....	.0	.0
13. Statement value at end of current period (Line 11 minus Line 12).....	20,858,764	24,965,000

**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.....	286,995,502	425,713,159
2. Cost of bonds and stocks acquired.....	16,266,567	26,323,540
3. Accrual of discount.....	2,113	56,972
4. Unrealized valuation increase (decrease).....	(89,730,556)	(41,083,418)
5. Total gain (loss) on disposals.....	82,127	3,621,400
6. Deduct consideration for bonds and stocks disposed of.....	13,148,991	127,127,578
7. Deduct amortization of premium.....	54,001	508,573
8. Total foreign exchange change in book/adjusted carrying value.....	.0	.0
9. Deduct current year's other-than-temporary impairment recognized.....	.0	.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	200,412,760	286,995,502
11. Deduct total nonadmitted amounts.....	.0	.0
12. Statement value at end of current period (Line 10 minus Line 11).....	200,412,760	286,995,502

**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
<b>BONDS</b>								
1. NAIC 1 (a).....	23,908,944	12,242,015	12,938,386	(12,875)	23,908,944	23,199,697		15,744,147
2. NAIC 2 (a).....	0	0	0	0	0	0		0
3. NAIC 3 (a).....	0	0	0	0	0	0		0
4. NAIC 4 (a).....	0	0	0	0	0	0		0
5. NAIC 5 (a).....	0	0	0	0	0	0		0
6. NAIC 6 (a).....	0	0	0	0	0	0		0
7. Total Bonds.....	23,908,944	12,242,015	12,938,386	(12,875)	23,908,944	23,199,697	0	15,744,147
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0	0	0	0	0	0		0
9. NAIC 2.....	0	0	0	0	0	0		0
10. NAIC 3.....	0	0	0	0	0	0		0
11. NAIC 4.....	0	0	0	0	0	0		0
12. NAIC 5.....	0	0	0	0	0	0		0
13. NAIC 6.....	0	0	0	0	0	0		0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	23,908,944	12,242,015	12,938,386	(12,875)	23,908,944	23,199,697	0	15,744,147

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....4,307,733; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	4,307,733	XXX	4,307,733	9,309	0

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of short-term investments acquired.....	13,745,876	0
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	9,438,143	0
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	4,307,733	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	4,307,733	0

**Sch. DB - Pt. A - Verification  
NONE**

**Sch. DB - Pt. B - Verification  
NONE**

**Sch. DB - Pt. C - Sn. 1  
NONE**

**Sch. DB - Pt. C - Sn. 2  
NONE**

**Sch. DB - Verification  
NONE**

**Sch. E - Verification  
NONE**

**Sch. A - Pt. 2  
NONE**

**Sch. A - Pt. 3  
NONE**

**Sch. B - Pt. 2  
NONE**

**Sch. B - Pt. 3  
NONE**

**SCHEDULE BA - PART 2**

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									

**NONE**

**SCHEDULE BA - PART 3**

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

QE03

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
<b>Surplus Debentures - Affiliated</b>																			
							0	0	207,205	0	0	207,205	0	0	0	0	0	0	0
2499999	Total - Surplus Debentures - Affiliated						0	0	207,205	0	0	207,205	0	0	0	0	0	0	0
4599999	Subtotal - Affiliated						0	0	207,205	0	0	207,205	0	0	0	0	0	0	0
4699999	Totals						0	0	207,205	0	0	207,205	0	0	0	0	0	0	0

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
912828 W9 7	UNITED STATES TREASURY		04/10/2017	BANC OF AMERICA/FIXED INCOME		11,993,438	12,000,000	5,328	1
0599999	Total - Bonds - U.S. Government					11,993,438	12,000,000	5,328	XXX
8399997	Total - Bonds - Part 3					11,993,438	12,000,000	5,328	XXX
8399999	Total - Bonds					11,993,438	12,000,000	5,328	XXX
9999999	Total - Bonds, Preferred and Common Stocks					11,993,438	XXX	5,328	XXX

(a) For all common stock bearing NAIC market indicator "U" provide the number of such issues:.....0.

QE04

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	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)
<b>Bonds - U.S. Government</b>																					
912810	FF 0 UNITED STATES TREASURY.....		06/01/2017	Adjustment.....		129,941	100,000	100,355	2,505,850	(0)	0	0	(0)	0	100,520	0	29,421	29,421	2,248	11/15/2028	1.....
0599999	Total - Bonds - U.S. Government.....					129,941	100,000	100,355	2,505,850	(0)	0	0	(0)	0	100,520	0	29,421	29,421	2,248	XXX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
574193	NK 0 MARYLAND ST.....		06/01/2017	JEFFERIES & CO. - BONDS DIRECT		2,478,980	2,000,000	2,476,000	0	0	(1,508)	0	(1,508)	0	2,474,492	0	4,488	4,488	5,833	03/15/2028	1FE.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					2,478,980	2,000,000	2,476,000	0	0	(1,508)	0	(1,508)	0	2,474,492	0	4,488	4,488	5,833	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
91754R	VW 4 UTAH ST BRD REGENTS REV.....		06/01/2017	JEFFERIES & CO. - BONDS DIRECT		930,440	800,000	930,896	0	0	(5,664)	0	(5,664)	0	925,232	0	5,208	5,208	21,333	04/01/2031	1FE.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					930,440	800,000	930,896	0	0	(5,664)	0	(5,664)	0	925,232	0	5,208	5,208	21,333	XXX	XXX
8399997	Total - Bonds - Part 4.....					3,539,361	2,900,000	3,507,251	2,505,850	(0)	(7,172)	0	(7,172)	0	3,500,244	0	39,118	39,118	29,415	XXX	XXX
8399999	Total - Bonds.....					3,539,361	2,900,000	3,507,251	2,505,850	(0)	(7,172)	0	(7,172)	0	3,500,244	0	39,118	39,118	29,415	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					3,539,361	XXX	3,507,251	2,505,850	(0)	(7,172)	0	(7,172)	0	3,500,244	0	39,118	39,118	29,415	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: .....0.

QE05



**Sch. DB - Pt. A - Sn. 1**  
**NONE**

**Sch. DB - Pt. B - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 2**  
**NONE**

**Sch. DL - Pt. 1**  
**NONE**

**Sch. DL - Pt. 2**  
**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Bank of America..... Concord, CA.....		.....0.000	.....0	.....0	.....1,865,014	.....9,402,259	.....9,196,888	XXX
Wells Fargo..... San Francisco, CA.....		.....0.000	.....0	.....0	.....5,011,976	.....70,405	.....418,685	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....6,876,990	.....9,472,664	.....9,615,573	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....6,876,990	.....9,472,664	.....9,615,573	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....6,876,990	.....9,472,664	.....9,615,573	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
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**NONE**

QE13