

**See letter attached to Jurat.**



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2016

OF THE CONDITION AND AFFAIRS OF THE

United Guaranty Residential Insurance Company of North Carolina

NAIC Group Code 0012 (Current) 0012 (Prior) NAIC Company Code 16667 Employer's ID Number 56-0789396

Organized under the Laws of North Carolina, State of Domicile or Port of Entry North Carolina

Country of Domicile United States of America

Incorporated/Organized 04/05/1963 Commenced Business 05/09/1963

Statutory Home Office 230 North Elm Street (Street and Number) Greensboro, NC, US 27401 (City or Town, State, Country and Zip Code)

Main Administrative Office 230 North Elm Street (Street and Number) Greensboro, NC, US 27401 (City or Town, State, Country and Zip Code) 336-373-0232 (Area Code) (Telephone Number)

Mail Address Post Office Box 20597 (Street and Number or P.O. Box) Greensboro, NC, US 27420 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 230 North Elm Street (Street and Number) Greensboro, NC, US 27401 (City or Town, State, Country and Zip Code) 336-373-0232 (Area Code) (Telephone Number)

Internet Website Address www.ugcorp.com

Statutory Statement Contact Jeffrey Wayne Shaw (Name) 336-412-0800 (Area Code) (Telephone Number) StatutoryAccountingTeam@ugcorp.com (E-mail Address) 336-412-0862 (FAX Number)

OFFICERS

President & Chief Executive Officer DonnaLee Ann DeMaio Senior Vice President & Secretary Sara Fitzgerald Millard # Executive Vice President & Chief Financial Officer Charles Emory Compton III Senior Vice President & Controller Brian Joseph Smith

OTHER

Brian Michael Gould, Executive Vice President & Chief Operating Officer David William McLaughry, Senior Vice President & Chief Actuary Sara Fitzgerald Millard, Senior Vice President & General Counsel Thomas Kenneth Parrent, Executive Vice President & Chief Risk Officer James Heath Taylor, Vice President & Treasurer Jeffrey Wayne Shaw, Assistant Vice President & Assistant Controller Joseph Edward Weider, Executive Vice President

DIRECTORS OR TRUSTEES

DonnaLee Ann DeMaio, Chairman Alon Neches # Murlu Dhar Buluswar Alessandrea Corinne Quane James William Dwane

State of North Carolina County of Guilford SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

DonnaLee Ann DeMaio President & Chief Executive Officer Sara Fitzgerald Millard Senior Vice President & Secretary Brian Joseph Smith Senior Vice President & Controller

Subscribed and sworn to before me this 18th day of May, 2016

- a. Is this an original filing? Yes [ ] No [ X ]
b. If no,
1. State the amendment number.....1
2. Date filed .....05/18/2016
3. Number of pages attached..... 3

Donna O. Robbins Notary Public 11/26/2016

## UNITED GUARANTY CORPORATION

May 18, 2016

Mr. Wayne Goodwin, Commissioner of Insurance  
North Carolina Department of Insurance  
1203 Mail Service Center  
Raleigh, NC 27699-1203

Dear Mr. Goodwin:

United Guaranty Residential Insurance Company of North Carolina, NAIC 16667, is filing a partial amended filing for the Quarterly Statement for 03/31/2016. The amendment is to adjust the amount of federal income tax expense and current federal income taxes payable due to an intercompany dividend receipt.

The following pages in the Quarterly Statement are affected by these changes:

Jurat Page  
P003 Liabilities, Surplus and Other Funds  
P004 Underwriting and Investment Exhibit Statement of Income

If additional information is required, please do not hesitate to call.

Sincerely,



Jeffrey Shaw  
Assistant Vice President and Assistant Controller

Enclosures

STATEMENT AS OF MARCH 31, 2016 OF THE 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 \$ 1,299,382 )	15,976,337	18,349,812
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	350,000	350,000
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	179,458	174,349
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(24,239)	77,531
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	3,906,823	6,901,932
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 1,349 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	171,640	223,400
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	120,358	120,435
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	377,273	660,850
16. Provision for reinsurance (including \$ certified)		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	761,026	455,894
20. Derivatives	0	0
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	34,721	8,610
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	21,853,397	27,322,813
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	21,853,397	27,322,813
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,000,000	2,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	583,674,500	663,614,500
34. Gross paid in and contributed surplus	168,745,746	168,745,746
35. Unassigned funds (surplus)	(373,465,284)	(384,483,882)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )		
36.2 shares preferred (value included in Line 31 \$ )		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	380,954,962	449,876,364
38. Totals (Page 2, Line 28, Col. 3)	402,808,359	477,199,177
<b>DETAILS OF WRITE-INS</b>		
2501. Amounts payable to reinsurers	34,721	8,610
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	34,721	8,610
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

STATEMENT AS OF MARCH 31, 2016 OF THE 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 \$ 7,694,544 )	7,746,558	11,510,689	40,763,080
1.2 Assumed (written \$ )			0
1.3 Ceded (written \$ 471,389 )	471,642	866,580	2,147,363
1.4 Net (written \$ 7,223,155 )	7,274,916	10,644,109	38,615,717
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 1,299,382 ):			
2.1 Direct	(6,161,705)	(1,686,418)	(13,259,059)
2.2 Assumed	87,644		0
2.3 Ceded	(641,824)	(23,112)	(68,850)
2.4 Net	(5,432,237)	(1,663,306)	(13,190,209)
3. Loss adjustment expenses incurred	1,173,560	1,402,382	5,020,908
4. Other underwriting expenses incurred	683,343	642,335	3,751,372
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	(3,575,334)	381,411	(4,417,929)
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	10,850,250	10,262,698	43,033,646
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	78,246,353	709,399	3,222,682
10. Net realized capital gains (losses) less capital gains tax of \$		27,062	217,322
11. Net investment gain (loss) (Lines 9 + 10)	78,246,353	736,461	3,440,004
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )	0		0
13. Finance and service charges not included in premiums			
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)	89,096,603	10,999,159	46,473,650
17. Dividends to policyholders			
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)	89,096,603	10,999,159	46,473,650
19. Federal and foreign income taxes incurred	3,906,820	3,556,122	22,617,613
20. Net income (Line 18 minus Line 19)(to Line 22)	85,189,783	7,443,037	23,856,037
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	449,876,364	432,283,498	432,283,498
22. Net income (from Line 20)	85,189,783	7,443,037	23,856,037
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$	(74,171,188)	(440,668)	(8,157,801)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			6,701,382
27. Change in nonadmitted assets	3	25,290	(4,806,752)
28. Change in provision for reinsurance			0
29. Change in surplus notes	(79,940,000)		
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	0		0
36. Change in treasury stock			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)	(68,921,402)	7,027,659	17,592,866
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	380,954,962	439,311,157	449,876,364
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)	0	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	0	0	0