



ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
OF THE CONDITION AND AFFAIRS OF THE  
ACA Financial Guaranty Corporation

NAIC Group Code	0000	0000	NAIC Company Code	22896	Employer's ID Number	52-1474358
	(Current Period)	(Prior Period)				
Organized under the Laws of	Maryland			State of Domicile or Port of Entry		Maryland
Country of Domicile	United States					
Incorporated/Organized	06/25/1986			Commenced Business		10/31/1986
Statutory Home Office	7 Saint Paul Street, Suite 1660			Baltimore, MD 21202		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	140 Broadway, 47th Floor			New York, NY 10005-1101		212-375-2000
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	140 Broadway, 47th Floor			New York, NY 10005-1101		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	140 Broadway, 47th Floor			New York, NY 10005-1101		212-375-2041
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Internet Website Address	http://www.aca.com					
Statutory Statement Contact	Eugene Thomas Carew			212-375-2041		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	ecarew@aca.com			212-375-2100		
	(E-mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Raymond John Brooks Jr.	President and CEO	Philip Sam Sherman #	Treasurer and CFO
Steven Joseph Berkowitz	Secretary and General Counsel		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Raymond John Brooks Jr.	Richard Joseph Caplan	Roger Dale Cunningham	Bradley Irving Dietz
Willis Thomas King Jr.	Dwight Edward Lacey	Paul Douglas McFarlane	Andrew Nathan Rothseid
John Bruce Sprung			

State of .....New York.....

County of .....New York..... ss

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

Raymond John Brooks, Jr. President and CEO	Philip Sam Sherman Treasurer and CFO	Steven Joseph Berkowitz Secretary and General Counsel
Subscribed and sworn to before me this		a. Is this an original filing? Yes [ X ] No [ ]
day of February, 2010		b. If no,
		1. State the amendment number
		2. Date filed
		3. Number of pages attached
Meredith G Berrett		

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	369,446,765		369,446,765	368,798,756
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0		0	0
2.2 Common stocks .....	769,815	769,815	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....1,689,850 , Schedule E, Part 1), cash equivalents (\$ .....0 , Schedule E, Part 2) and short-term investments (\$ .....35,940,735 , Schedule DA).....	37,630,585		37,630,585	63,858,810
6. Contract loans, (including \$ .....premium notes)			0	0
7. Other invested assets (Schedule BA) .....	1,090,255		1,090,255	1,090,068
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	408,937,420	769,815	408,167,605	433,747,634
11. Title plants less \$ .....charged off (for Title insurers only).....			0	0
12. Investment income due and accrued .....	3,792,609		3,792,609	3,221,109
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	51,373,276		51,373,276	0
16.2Net deferred tax asset.....	39,763,673	39,763,673	0	3,821,634
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software.....	178,180	61,883	116,297	382,156
19. Furniture and equipment, including health care delivery assets (\$ .....)	1,350,850	1,350,850	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ ..... ) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets .....	2,777,282	2,763,132	14,150	36,879
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	508,173,290	44,709,353	463,463,937	441,209,412
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	508,173,290	44,709,353	463,463,937	441,209,412
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Security Deposit.....	2,725,122	2,725,122	0	0
2302. Prepaid Premium Tax.....	38,010	38,010	0	0
2303. Other Assets.....	14,150	0	14,150	36,879
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	2,777,282	2,763,132	14,150	36,879

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	29,269,309	19,781,236
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	1,960,489	1,191,909
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	3,330,127	3,434,574
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	186,625	171,819
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)).		0
7.2 Net deferred tax liability.....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....420,901 and including warranty reserves of \$ .....)	205,167,794	219,749,396
10. Advance premium.....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		0
14. Amounts withheld or retained by company for account of others .....		0
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (Schedule F, Part 7) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	416,870	466,032
20. Payable for securities .....		20,679,861
21. Liability for amounts held under uninsured plans .....		0
22. Capital notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	85,676,336	74,448,191
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	326,007,550	339,923,018
25. Protected cell liabilities .....		0
26. Total liabilities (Lines 24 and 25) .....	326,007,550	339,923,018
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....	15,000,000	15,000,000
29. Preferred capital stock .....		0
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....		0
32. Gross paid in and contributed surplus .....	363,974,000	372,633,700
33. Unassigned funds (surplus) .....	(241,517,613)	(286,347,306)
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)		0
34.2 ..... shares preferred (value included in Line 29 \$ .....)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39) .....	137,456,387	101,286,394
36. Totals (Page 2, Line 26, Col. 3)	463,463,937	441,209,412
<b>DETAILS OF WRITE-INS</b>		
2301. Conttingency Reserve.....	85,638,680	74,448,191
2302. Other Payables.....	37,656	
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	85,676,336	74,448,191
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	15,445,989	26,097,813
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	10,422,104	250,932,065
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	4,741,747	19,248,408
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	17,290,540	30,589,170
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	32,454,391	300,769,643
7. Net income of protected cells .....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(17,008,402)	(274,671,830)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	16,756,238	22,415,677
10. Net realized capital gains (losses) less capital gains tax of \$ ..... 0 (Exhibit of Capital Gains (Losses)).....	(15,008,600)	(41,142,817)
11. Net investment gain (loss) (Lines 9 + 10) .....	1,747,638	(18,727,140)
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....		0
13. Finance and service charges not included in premiums .....		0
14. Aggregate write-ins for miscellaneous income .....	8,781,995	25,223,974
15. Total other income (Lines 12 through 14) .....	8,781,995	25,223,974
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	(6,478,769)	(268,174,996)
17. Dividends to policyholders .....		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) .....	(6,478,769)	(268,174,996)
19. Federal and foreign income taxes incurred .....	(55,235,704)	779,877
20. Net income (Line 18 minus Line 19) (to Line 22) .....	48,756,935	(268,954,873)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	101,286,387	229,140,047
22. Net income (from Line 20) .....	48,756,935	(268,954,873)
23. Net transfers (to) from Protected Cell accounts .....		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	598,349	24,752,611
25. Change in net unrealized foreign exchange capital gain (loss) .....		0
26. Change in net deferred income tax .....	(91,233,102)	65,878,923
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3) .....	89,238,299	(65,070,955)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
29. Change in surplus notes .....		(10,000,000)
30. Surplus (contributed to) withdrawn from protected cells .....		0
31. Cumulative effect of changes in accounting principles .....		0
32. Capital changes:		
32.1. Paid in .....		0
32.2. Transferred from surplus (Stock Dividend) .....		0
32.3. Transferred to surplus .....		0
33. Surplus adjustments:		
33.1. Paid in .....	(8,659,700)	14,329,850
33.2. Transferred to capital (Stock Dividend) .....		0
33.3. Transferred from capital .....		0
34. Net remittances from or (to) Home Office .....		0
35. Dividends to stockholders .....		0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1) .....	0	0
37. Aggregate write-ins for gains and losses in surplus .....	(2,530,782)	111,210,784
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	36,170,000	(127,853,660)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	137,456,387	101,286,387
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Other Income.....	324,495	11,533
1402. Equity Earnings in Affiliates.....	8,364,500	25,193,441
1403. Surveillance Consent Fees.....	93,000	19,000
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	8,781,995	25,223,974
3701. Change In Contingency Reserve.....	(11,190,489)	111,210,784
3702. Reclass Adjustment.....	8,659,707	0
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(2,530,782)	111,210,784

CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	864,387	(16,929,553)
2. Net investment income .....	17,076,465	27,065,499
3. Miscellaneous income .....	8,781,995	25,223,974
4. Total (Lines 1 through 3) .....	26,722,847	35,359,920
5. Benefit and loss related payments .....	934,031	238,524,097
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	20,117,238	51,645,826
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	(3,862,428)	(6,295,730)
10. Total (Lines 5 through 9) .....	17,188,841	283,874,192
11. Net cash from operations (Line 4 minus Line 10) .....	9,534,006	(248,514,272)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	90,849,372	240,886,038
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	18,250,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	20,695,529
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	90,849,372	279,831,567
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	106,796,030	30,121,705
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	4,329,850
13.6 Miscellaneous applications .....	20,679,862	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	127,475,892	34,451,555
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(36,626,520)	245,380,012
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	(10,000,000)
16.2 Capital and paid in surplus, less treasury stock .....	0	14,329,850
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	864,289	1,125,484
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	864,289	5,455,334
<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 Lines 15 and 17).....	(26,228,225)	2,321,074
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	63,858,809	61,537,735
19.2 End of year (Line 18 plus Line 19.1) .....	37,630,584	63,858,809

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	0	0	0	0
2.	Allied lines .....	0	0	0	0
3.	Farmowners multiple peril .....	0	0	0	0
4.	Homeowners multiple peril .....	0	0	0	0
5.	Commercial multiple peril .....	0	0	0	0
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	0	0	0	0
10.	Financial guaranty .....	864,387	219,749,396	205,167,794	15,445,989
11.1	Medical professional liability - occurrence .....	0	0	0	0
11.2	Medical professional liability - claims-made .....	0	0	0	0
12.	Earthquake .....	0	0	0	0
13.	Group accident and health .....	0	0	0	0
14.	Credit accident and health (group and individual) .....	0	0	0	0
15.	Other accident and health .....	0	0	0	0
16.	Workers' compensation .....	0	0	0	0
17.1	Other liability - occurrence .....	0	0	0	0
17.2	Other liability - claims-made .....	0	0	0	0
17.3	Excess Workers' Compensation .....	0		0	0
18.1	Products liability - occurrence .....	0	0	0	0
18.2	Products liability - claims-made .....	0	0	0	0
19.1,19.2	Private passenger auto liability .....	0	0	0	0
19.3,19.4	Commercial auto liability .....	0	0	0	0
21.	Auto physical damage .....	0	0	0	0
22.	Aircraft (all perils) .....	0	0	0	0
23.	Fidelity .....	0	0	0	0
24.	Surety .....	0	0	0	0
26.	Burglary and theft .....	0	0	0	0
27.	Boiler and machinery .....	0	0	0	0
28.	Credit .....	0	0	0	0
29.	International .....	0	0	0	0
30.	Warranty .....	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Property .....	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Liability .....	0	0	0	0
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	0	0	0	0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0
35.	TOTALS	864,387	219,749,396	205,167,794	15,445,989
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3  Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5  Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....					0
2.	Allied lines .....					0
3.	Farmowners multiple peril .....					0
4.	Homeowners multiple peril .....					0
5.	Commercial multiple peril .....					0
6.	Mortgage guaranty .....					0
8.	Ocean marine .....					0
9.	Inland marine .....					0
10.	Financial guaranty .....		205,167,794			205,167,794
11.1	Medical professional liability - occurrence .....					0
11.2	Medical professional liability - claims-made .....					0
12.	Earthquake .....					0
13.	Group accident and health .....					0
14.	Credit accident and health (group and individual) .....					0
15.	Other accident and health .....					0
16.	Workers' compensation .....					0
17.1	Other liability - occurrence .....					0
17.2	Other liability - claims-made .....					0
17.3	Excess Workers' Compensation.....					0
18.1	Products liability - occurrence .....					0
18.2	Products liability - claims-made .....					0
19.1,19.2	Private passenger auto liability .....					0
19.3,19.4	Commercial auto liability .....					0
21.	Auto physical damage .....					0
22.	Aircraft (all perils) .....					0
23.	Fidelity .....					0
24.	Surety .....					0
26.	Burglary and theft .....					0
27.	Boiler and machinery .....					0
28.	Credit .....					0
29.	International .....					0
30.	Warranty.....					0
31.	Reinsurance - Nonproportional Assumed Property .....					0
32.	Reinsurance - Nonproportional Assumed Liability .....					0
33.	Reinsurance - Nonproportional Assumed Financial Lines .....					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0
35.	TOTALS	0	205,167,794	0	0	205,167,794
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Line 35 through 37)					205,167,794
DETAILS OF WRITE-INS						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case .      Percentage of Debt Exposure .....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire .....						0
2.	Allied lines .....						0
3.	Farmowners multiple peril .....						0
4.	Homeowners multiple peril .....						0
5.	Commercial multiple peril .....						0
6.	Mortgage guaranty .....						0
8.	Ocean marine .....						0
9.	Inland marine .....						0
10.	Financial guaranty .....	864,387					864,387
11.1	Medical professional liability - occurrence .....						0
11.2	Medical professional liability - claims-made .....						0
12.	Earthquake .....						0
13.	Group accident and health .....						0
14.	Credit accident and health (group and individual) .....						0
15.	Other accident and health .....						0
16.	Workers' compensation .....						0
17.1	Other liability - occurrence .....						0
17.2	Other liability - claims-made .....						0
17.3	Excess Workers' Compensation.....						0
18.1	Products liability - occurrence .....						0
18.2	Products liability - claims-made .....						0
19.1,19.2	Private passenger auto liability .....						0
19.3,19.4	Commercial auto liability .....						0
21.	Auto physical damage .....						0
22.	Aircraft (all perils) .....						0
23.	Fidelity .....						0
24.	Surety .....						0
26.	Burglary and theft .....						0
27.	Boiler and machinery .....						0
28.	Credit .....						0
29.	International .....						0
30.	Warranty.....						0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX					0
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX					0
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
35.	TOTALS	864,387	0	0	0	0	864,387
DETAILS OF WRITE-INS							
3401.	.....						
3402.	.....						
3403.	.....						
3498.	Summary of remaining write- ins for Line 34 from overflow page .....	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis?    Yes    [ X ]    No    [   ]

If yes: 1. The amount of such installment premiums \$ .....864,387

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ .....864,387



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire .....				.0	.0	.0	.0	.0
2.	Allied lines .....				.0	.0	.0	.0	.0
3.	Farmowners multiple peril .....				.0	.0	.0	.0	.0
4.	Homeowners multiple peril .....				.0	.0	.0	.0	.0
5.	Commercial multiple peril .....				.0	.0	.0	.0	.0
6.	Mortgage guaranty .....				.0	.0	.0	.0	.0
8.	Ocean marine .....				.0	.0	.0	.0	.0
9.	Inland marine .....				.0	.0	.0	.0	.0
10.	Financial guaranty .....	934,031		.0	934,031	29,269,309	19,781,236	10,422,104	67.5
11.1	Medical professional liability - occurrence .....				.0	.0	.0	.0	.0
11.2	Medical professional liability - claims-made .....				.0	.0	.0	.0	.0
12.	Earthquake .....				.0	.0	.0	.0	.0
13.	Group accident and health .....				.0	.0	.0	.0	.0
14.	Credit accident and health (group and individual) .....				.0	.0	.0	.0	.0
15.	Other accident and health .....				.0	.0	.0	.0	.0
16.	Workers' compensation .....				.0	.0	.0	.0	.0
17.1	Other liability - occurrence .....				.0	.0	.0	.0	.0
17.2	Other liability - claims-made .....				.0	.0	.0	.0	.0
17.3	Excess Workers' Compensation .....				.0	.0	.0	.0	.0
18.1	Products liability - occurrence .....				.0	.0	.0	.0	.0
18.2	Products liability - claims-made .....				.0	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....				.0	.0	.0	.0	.0
19.3,19.4	Commercial auto liability .....				.0	.0	.0	.0	.0
21.	Auto physical damage .....				.0	.0	.0	.0	.0
22.	Aircraft (all perils) .....				.0	.0	.0	.0	.0
23.	Fidelity .....				.0	.0	.0	.0	.0
24.	Surety .....				.0	.0	.0	.0	.0
26.	Burglary and theft .....				.0	.0	.0	.0	.0
27.	Boiler and machinery .....				.0	.0	.0	.0	.0
28.	Credit .....				.0	.0	.0	.0	.0
29.	International .....				.0	.0	.0	.0	.0
30.	Warranty .....				.0	.0	.0	.0	.0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX			.0	.0	.0	.0	.0
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX			.0	.0	.0	.0	.0
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX			.0	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS .....	934,031	0	0	934,031	29,269,309	19,781,236	10,422,104	67.5
DETAILS OF WRITE-INS									
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire .....				.0				.0	
2.	Allied lines .....				.0				.0	
3.	Farmowners multiple peril .....				.0				.0	
4.	Homeowners multiple peril .....				.0				.0	
5.	Commercial multiple peril .....				.0				.0	
6.	Mortgage guaranty .....				.0				.0	
8.	Ocean marine .....				.0				.0	
9.	Inland marine .....				.0				.0	
10.	Financial guaranty .....	29,269,309			29,269,309				29,269,309	1,960,489
11.1	Medical professional liability - occurrence .....				.0				.0	
11.2	Medical professional liability - claims-made .....				.0				.0	
12.	Earthquake .....				.0				.0	
13.	Group accident and health .....				.0				(a) .0	
14.	Credit accident and health (group and individual) .....				.0				.0	
15.	Other accident and health .....				.0				(a) .0	
16.	Workers' compensation .....				.0				.0	
17.1	Other liability - occurrence .....				.0				.0	
17.2	Other liability - claims-made .....				.0				.0	
17.3	Excess Workers' Compensation .....				.0				.0	
18.1	Products liability - occurrence .....				.0				.0	
18.2	Products liability - claims-made .....				.0				.0	
19.1,19.2	Private passenger auto liability .....				.0				.0	
19.3,19.4	Commercial auto liability .....				.0				.0	
21.	Auto physical damage .....				.0				.0	
22.	Aircraft (all perils) .....				.0				.0	
23.	Fidelity .....				.0				.0	
24.	Surety .....				.0				.0	
26.	Burglary and theft .....				.0				.0	
27.	Boiler and machinery .....				.0				.0	
28.	Credit .....				.0				.0	
29.	International .....				.0				.0	
30.	Warranty .....				.0				.0	
31.	Reinsurance - Nonproportional Assumed Property .....	XXX			.0	XXX			.0	
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX			.0	XXX			.0	
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS .....	29,269,309			29,269,309	0	0	0	29,269,309	1,960,489
DETAILS OF WRITE-INS										
3401.	.....									
3402.	.....									
3403.	.....									
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0	0

(a) Including \$ ..... for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	4,741,747			4,741,747
1.2 Reinsurance assumed .....				0
1.3 Reinsurance ceded .....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	4,741,747	0	0	4,741,747
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....				0
2.2 Reinsurance assumed, excluding contingent .....				0
2.3 Reinsurance ceded, excluding contingent .....				0
2.4 Contingent-direct .....				0
2.5 Contingent-reinsurance assumed .....				0
2.6 Contingent-reinsurance ceded .....				0
2.7 Policy and membership fees .....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	0	0	0
3. Allowances to manager and agents .....				0
4. Advertising .....				0
5. Boards, bureaus and associations .....				0
6. Surveys and underwriting reports .....				0
7. Audit of assureds' records .....				0
8. Salary and related items:				
8.1 Salaries .....		6,586,065	346,635	6,932,700
8.2 Payroll taxes .....		175,870	9,256	185,126
9. Employee relations and welfare .....		900,938	47,418	948,356
10. Insurance .....		768,752	40,461	809,213
11. Directors' fees .....		483,632	25,454	509,086
12. Travel and travel items .....		86,221	4,538	90,759
13. Rent and rent items .....		2,833,095	149,110	2,982,205
14. Equipment .....		351,487	18,499	369,986
15. Cost or depreciation of EDP equipment and software .....		424,665	22,351	447,016
16. Printing and stationery .....		419,772	22,093	441,865
17. Postage, telephone and telegraph, exchange and express .....		217,649	11,455	229,104
18. Legal and auditing .....		2,725,402	666,908	3,392,310
19. Totals (Lines 3 to 18) .....	0	15,973,548	1,364,178	17,337,726
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		247,316		247,316
20.2 Insurance department licenses and fees .....		397,301		397,301
20.3 Gross guaranty association assessments .....				0
20.4 All other (excluding federal and foreign income and real estate) .....		5,614		5,614
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	650,231	0	650,231
21. Real estate expenses .....				0
22. Real estate taxes .....				0
23. Reimbursements by uninsured plans .....				0
24. Aggregate write-ins for miscellaneous expenses .....	0	666,761	8,201	674,962
25. Total expenses incurred .....	4,741,747	17,290,540	1,372,379	(a) 23,404,666
26. Less unpaid expenses - current year .....	1,960,489	3,516,752		5,477,241
27. Add unpaid expenses - prior year .....	1,191,909	3,606,393	0	4,798,302
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	3,973,167	17,380,181	1,372,379	22,725,727
DETAILS OF WRITE-INS				
2401. Consulting Expenses .....		605,945	5,000	610,945
2402. Miscellaneous Expenses .....		60,816	3,201	64,017
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	666,761	8,201	674,962

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) .....1,232,773	.....1,222,372
1.1	Bonds exempt from U.S. tax .....	(a) .....580,698	.....290,374
1.2	Other bonds (unaffiliated) .....	(a) .....15,577,479	.....16,494,727
1.3	Bonds of affiliates .....	(a) .....0	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....0	.....
2.11	Preferred stocks of affiliates .....	(b) .....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e) .....101,369	.....56,333
7.	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....64,812	.....64,812
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	17,557,131	.....18,128,618
11.	Investment expenses .....		(g) .....1,372,380
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....
13.	Interest expense .....		(h) .....
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,372,380
17.	Net investment income (Line 10 minus Line 16) .....		16,756,238
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above) .....	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above) .....		0

(a) Includes \$ .....450,951 accrual of discount less \$ .....1,339,367 amortization of premium and less \$ .....1,028,360 paid for accrued interest on purchases.  
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ .....0 paid for accrued dividends on purchases.  
(c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
(e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5.
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....	(469,550)		(469,550)		
1.2	Other bonds (unaffiliated) .....	(3,801,005)	(10,738,044)	(14,539,049)	598,349	
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	(4,270,555)	(10,738,044)	(15,008,599)	598,349	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9, above) .....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	769,815	769,815	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Other invested assets (Schedule BA) .....	0	0	0
8. Receivables for securities .....	0	0	0
9. Aggregate write-ins for invested assets .....	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	769,815	769,815	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued .....	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection .....	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers .....	0	0	0
14.2 Funds held by or deposited with reinsured companies .....	0	0	0
14.3 Other amounts receivable under reinsurance contracts .....	0	0	0
15. Amounts receivable relating to uninsured plans .....	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
16.2 Net deferred tax asset.....	39,763,673	127,175,141	87,411,468
17. Guaranty funds receivable or on deposit .....	0	0	0
18. Electronic data processing equipment and software.....	61,883	2,294,777	2,232,894
19. Furniture and equipment, including health care delivery assets.....	1,350,850	565,205	(785,645)
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
21. Receivables from parent, subsidiaries and affiliates .....	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets .....	2,763,132	3,142,714	379,582
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	44,709,353	133,947,652	89,238,299
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
26. Total (Lines 24 and 25)	44,709,353	133,947,652	89,238,299
<b>DETAILS OF WRITE-INS</b>			
0901. ....			
0902. ....			
0903. ....			
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Security Deposit.....	2,725,122	2,726,122	1,000
2302. Prepaid Premium Tax.....	38,010	416,592	378,582
2303. ....	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	2,763,132	3,142,714	379,582

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Accounting Practices

The accompanying financial statements have been completed in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual which have been adopted by the Maryland Insurance Administration ("MIA").

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

#### C. Accounting Policy

##### Premium revenue recognition

Installment premiums are earned over each installment period, which is generally one year or less. Up-front premiums are earned in proportion to the expiration of risk. Unearned premiums represent that portion of premiums which is applicable to coverage of risk to be provided in the future on policies in force. When an insured issue is retired or defeased prior to the end of the expected period or coverage, the remaining unearned premiums, less any amount credited to a refunding issue insured by the Company, are recognized as earned premium.

##### Premium written allocation

Written premium is allocated to states and other jurisdictions by using the state of the obligor. In the case of a secondary market deal it is allocated to the state where the trustee is located.

##### Expense recognition

Expense incurred in connection with acquiring new insurance business, if any, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowance received or receivable.

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the effective interest rate method.
- (3) The Company has no common stock other than the common stock of an offshore subsidiary, ACA Capital (Singapore) Pte. Ltd. ("ACA Singapore") which is carried as a non-admitted asset. For additional information please see (7) below.
- (4) The Company has no preferred stocks.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at amortized cost or the lower of amortized cost or fair market value, using the effective interest rate method. The retrospective adjustment method is used to value all securities
- (7) In June 2006, the Company established a wholly-owned subsidiary, ACA Singapore, for the purpose of expanding the Company's structured credit business into the Asian markets. However, this business was discontinued in 2007 and the Company is currently undertaking the necessary steps to conclude ACA Singapore's business operations. The Company expects to complete the un-wind of ACA Singapore in the first half of 2010. As of December 31, 2009, the Company contributed approximately \$632 thousand of capital into ACA Singapore and did not admit its interest in the amount of \$770 thousand.
- (8) The Company has no joint ventures.
- (9) The Company has no derivatives.
- (10) The Company has no premium deficiencies.
- (11) Unpaid losses are established when an insured obligation defaults in payment. Such liabilities are necessarily based on assumptions and estimates and while management believes these amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. Loss reserves are recorded at the net present value of expected payments. The Company has unpaid losses of \$29.3 million at December 31, 2009 consisting of five case reserves. Total unpaid losses and loss adjustment expenses at December 31, 2009 and 2008 were \$31.2 million and \$21.0 million, respectively.

On January 4, 2010, the Company paid a loss of \$83 thousand for The Connector 2000 Association (Connector), a toll road credit, with par outstanding of \$19.8 million. The Company expects to continue paying claims on this credit. However, because SSAP 60 does not allow for establishment of a loss reserve until a default in payment occurs, the Company will not accrue this loss until the first quarter of 2010. Based upon the Company's current estimates the claim reserve will be in the range of \$19 to \$23 million on a present value basis.

During the fourth quarter of 2008, COPIA: The American Center for Wine, Food and the Arts ("COPIA") filed for bankruptcy. The Company insures bonds issued by COPIA with an accreted value of approximately \$83.8 million and expects to pay claims on this credit. However, because SSAP 60 does not allow for establishment of a loss reserve until a default in payment occurs, the Company has not accrued this loss in its 2008 or 2009 financial statements. COPIA currently has a debt service reserve of approximately \$4.9 million. This cash reserve has been and is expected to continue to make scheduled payments in respect of the insured bonds. Upon the depletion of the debt service reserve, the Company will begin making claim payments and at that time will establish a loss reserve. The Company expects that this will occur in 2012. The bankruptcy process was concluded in January 2010 and legal ownership of the underlying property has been transferred to a trust and will be liquidated under the direction and control of ACA. Proceeds from the sale of the property are expected to reimburse the Company for its loss adjustment expenses and then to pay down the outstanding bonds on a pro-rata basis. It is estimated the sale may take some time to consummate given the current real estate environment and local entitlement issues. In the interim, the Company is incurring costs to maintain the property, including employment of essential personnel and property taxes, as well as legal costs in connection with this credit's legal activities. During 2009, the Company paid LAE for COPIA of \$2.9 million and as of December 31, 2009, had a reserve for COPIA LAE of \$1.2 million. Based on the Company's current estimates, the claim reserve may be in the range of \$60 to \$70 million on a present value basis.

The Company ultimately expects to pay claims on additional insured bonds classified in credit quality category 4. In addition to COPIA, Connector and credits on which a loss has been recognized, credits with par outstanding of \$196 million have experienced a material decline in creditworthiness and will probably be unable to make all principal and interest payments on the insured bonds. However, because SSAP 60 does not allow for establishment of loss reserves until a default in payment occurs, the Company has not accrued any losses on these insured bonds. Where possible, the Company has taken action and is attempting to either minimize potential loss payments or eliminate the probability of default.

NOTES TO FINANCIAL STATEMENTS

Losses incurred in connection with the Company’s restructuring under the Global Settlement Agreement were fully settled on August 8, 2008. See Note 20(C) for details on the restructuring transaction.

(12) There has been no change to the Company’s capitalization policy.

(13) The Company has no pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

A. Not applicable.

3. BUSINESS COMBINATION AND GOODWILL

The Company was not party to any business combinations and does not hold goodwill.

4. DISCONTINUED OPERATIONS

The Company had no discontinued operations.

5. INVESTMENTS

A. Mortgage Loans

The Company has no mortgage loans.

B. Debt Restructuring

The Company has no debt restructuring.

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

(1) Not required in Annual Statement Notes.

(2) Prepayment assumptions are derived from an average of those forecast by a number of Wall Street dealers as tabulated by Bloomberg L.P. and referred to as Bloomberg consensus estimates.

(3) Not required in Annual Statement Notes.

(4) During 2009 the Company recognized an other than temporary impairment of loan- backed securities based upon the projected cash flows of the underlying loans being less than the amortized cost basis of the security. The detail is in (5) below

(5)

CUSIP	Security Name	Amort ized Cost Prior to Impairment	Impairment	Fair Value	Amortized Cost After the Impairment
1248MBAJ4	Credit -Based Asset Servicing	\$ 1,998,807	\$ 549,807	\$ 874,440	\$ 1,449,000
46601WBE4	Ixion	11,055,174	9,935,174	1,120,000	1,120,000
	Total	\$ 13,053,981	\$ 10,484,981	\$ 1,994,440	\$ 2,569,000

(6) The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous unrealized loss position for 12 months or longer is \$31.4 million and \$1.2 million, respectively. The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous unrealized loss position for less than 12 months is \$19.5 million and \$1.4 million, respectively.

(7) All of the securities discussed in (6) above with the exception of one, with a fair value of \$0.9 million and gross unrealized loss of \$0.6 million, are rated investment grade by a nationally recognized security rating organization. The price depreciation is attributable to the widening of credit spreads. In all instances there is excess credit coverage within each structure and cash flows of the underlying collateral are expected to be sufficient to pay principal and interest.

(8) Not required in Annual Statement Notes.

E. Repurchase Agreements

The Company has not used repurchase agreements.

F. The Company has no real estate investments.

G. The Company has no low-income housing tax credit investment.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has an investment in ACA Service L.L.C., (“ACA Service”) at December 31, 2009, which is non-admitted for statutory reporting purposes.

The Company has a \$770 thousand investment in ACA Singapore (see Note 1C(7) above) at December 31, 2009. This investment is also non-admitted for statutory reporting purposes.

7. INVESTMENT INCOME

All investment income due and accrued with amounts that are over 90 days past due are considered a non-admitted asset. The Company has no past due investment income.

8. DERIVATIVE INSTRUMENTS

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

A The components of the net deferred tax assets and deferred tax liabilities are as follows:

Description	12/31/09	12/31/08
Gross deferred tax assets	\$ 39,766,671	\$ 131,006,577
Gross deferred tax liabilities	(2,998)	(9,802)
Net deferred tax asset	39,763,673	130,996,775
Non-admitted deferred tax asset	(39,763,673)	(127,175,141)
Net admitted deferred tax asset	-	3,821,634
Decrease (increase) in nonadmitted deferred tax assets	\$ 87,411,468	\$ (69,239,239)

B N/A

C The components of federal income tax expense (benefit) are as follows:

Description	12/31/09	12/31/08
Current year (benefit) / expense	\$ (51,373,276)	\$ -
Prior year (over) / under accrual	(3,862,429)	120,363
Current income tax expense / (benefit)	(55,235,705)	120,363
Less: expense / (benefit) on capital gain / (loss)	-	-
Current ordinary income tax expense / (benefit)	\$ (55,235,705)	\$ 120,363

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

Deferred tax assets	12/31/09	12/31/08	Change
Contingency reserve	\$ 29,973,540	\$ 26,056,869	\$ 3,916,671
Unearned premiums reserve	5,884,967	7,693,025	(1,808,058)
Net operating loss carryforward	3,228,927	78,252,156	(75,023,229)
Capital loss carryforward	-	16,333,254	(16,333,254)
Fixed assets	-	1,641,872	(1,641,872)
Unamortized licenses	346,500	472,500	(126,000)
Unrealized investment losses	206,835	416,257	(209,422)
Other temporary differences	125,902	140,643	(14,741)
Gross deferred tax asset	39,766,671	131,006,576	(91,239,905)
Non-admitted deferred tax asset	(39,763,673)	(127,175,141)	87,411,468
Gross admitted deferred tax asset	\$ 2,998	\$ 3,831,435	\$ (3,828,437)

Deferred tax liabilities	12/31/09	12/31/08	Change
Other	(2,998)	(9,801)	6,803
Gross deferred tax liabilities	(2,998)	(9,801)	6,803
Net admitted deferred tax asset / (liability)	\$ -	\$ 3,821,634	\$ (3,821,634)

The change in net deferred income taxes is comprised of the following:

Total deferred tax assets	\$ 39,766,671	\$ 131,006,576	\$ (91,239,905)
Total deferred tax liabilities	(2,998)	(9,801)	6,803
Net deferred tax asset (liability)	\$ 39,763,673	\$ 130,996,775	\$ (91,233,102)

D The actual tax expense (benefit) on income from operations differs from tax expense (benefit) calculated at the U.S. statutory tax rate. A reconciliation of the Company's income tax expense (benefit) together with the significant book to tax adjustments for December 31, 2009 is set forth below:

Description	2009
Income before federal income taxes	\$ (6,478,768)
Expected tax expense at 35%	\$ (2,267,569)
Change in contingency reserve	(3,916,671)
Current year AMT	649,547
Unrealized losses through other comprehensive income	209,422
Tax exempt interest, net of proration	(86,386)
Reduction of NOL for excluded cancellation of indebtedness	17,879,880
Provision to return deferred tax adjustments	(1,696,722)
Change in statutory valuation allowance	29,082,651
Prior period adjustment for refund claim and other	(3,856,754)
Total statutory tax expense	\$ 35,997,397
Federal income tax (benefit) / expense	\$ (55,235,705)
Change in net deferred income taxes	91,233,102
Total statutory tax expense	\$ 35,997,397



NOTES TO FINANCIAL STATEMENTS

E 1)The Company and its wholly owned subsidiaries generated a net operating loss of \$240 million during 2008 that was reduced by the tax benefit of \$51 million related to the cancellation of indebtedness income excluded by its disregarded subsidiary, ACA Service L.L.C. The remaining net operating loss of \$189 million is available to offset net income subject to federal income tax.

Net operating loss	Original	Utilized	Carryforward	Expiration
1/1/08 - 08/10/08	\$ 172,735,954	\$ 148,636,638	\$ 24,099,316	12/31/27
08/11/08 - 12/31/08	16,576,430	-	16,576,430	12/31/28
Total	\$ 189,312,384	\$ 148,636,638	\$ 40,675,746	

2) On November 6, 2009, the "Worker, Homeownership, and Business Assistance Act of 2009" was enacted that, in addition to other provisions, extended the carryback period from two years to up to five years for net operating losses ("NOLs") incurred in 2008 or 2009.

In January 2010, the Company filed an expedited NOL carryback claim to recoup \$51.5 million.

Fifth preceding year (9/15/04 - 12/31/04)	\$ 204,344
Fourth preceding year (1/1/05 - 12/31/05)	9,327,332
Third preceding year (1/1/06 - 12/31/06)	25,966,077
Second preceding year (1/1/07 - 11/21/07)	16,025,523
First preceding year (11/22/07 - 12/31/07)	-
Total taxes expected to be recouped	\$ 51,523,276

3) N/A

F 1) The Company was included in its parent's, Manifold Capital Corp's, formerly known as ACA Capital Holdings Inc. ("ACACH") between November 21, 2007 and August 11, 2008 with the following members:

- Manifold Capital Corp.
- ACA Holding L.L.C.
- ACA Financial Products, Inc.
- ACA Assurance, Ltd.

2) A written tax sharing agreement was executed at the close of the Restructuring Transaction and was approved by the MIA. The agreement sets forth the manner in which total consolidated tax for all entities is allocated to each entity in the consolidation. Generally, the allocation is based upon separate return calculations.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A. Effective November 9, 2006, ACACH completed its initial public offering of 6,875,000 shares of newly issued common stock and 23,541 shares of existing common stock ("IPO"). ACACH realized gross proceeds of \$13 per share on the newly issued common stock, or \$89.4 million. On November 10, 2006, ACACH commenced its listing on the New York Stock Exchange ("NYSE") and traded under the symbol "ACA". The Company received a \$10 million capital contribution from ACACH from the proceeds of the IPO in December 2006.

On January 14, 2008, ACACH's common stock was removed by the NYSE from listing and registration on the NYSE and began trading on the over-the-counter bulletin board under the symbol "ACAH.PK". On January 16, 2008, ACACH filed with the Securities and Exchange Commission a notice of termination of registration and suspension of duty to file reports under the Securities Exchange Act of 1934. This termination of registration and suspension of duty to file reports became effective on April 16, 2008 and applies retroactively to the date of notice. See Note 20(C) for a description of the events leading up to ACACH's delisting.

On August 8, 2008, the Company underwent a restructuring plan and settled its obligations with its structured credit counterparties. As a result of the restructuring, ACACH no longer controls the Company. Rather, control resides with certain former structured credit counterparties with no one counterparty having the ability to individually exert control. See Note 20(C) for additional information regarding ACACH and the Company following the Company's restructuring which took place on August 8, 2008.

- B. Prior to August 8, 2008, the Company issued financial guaranty insurance policies to swap counterparties of certain of its affiliated special purpose vehicles ("SPVs"), whereby the Company guarantees timely payment of the SPVs obligations under the structured credit default swaps. Under the terms of the restructuring, all insurance contracts under structured credit defaults were settled and terminated. See Note 20(C) below.
- C. Not applicable.
- D. The Company has \$416 thousand payable to affiliates. .
- E. Prior to August 8, 2008, the Company issued financial guaranty insurance policies to swap counterparties of certain of its affiliated special purpose vehicles ("SPVs"), whereby the Company guarantees timely payment of the SPVs obligations under the structured credit default swaps. As part of the August 8 restructuring transaction, the Company no longer has exposure to structure credit default swap transactions. See Note 20(C) below.
- F. For the first three months of 2008, costs were allocated between the Company and its affiliates pursuant to a cost sharing, staffing and management services agreement and a funding agreement. The MIA approved these agreements on January 25, 2006. At April 1, 2008, in light of the pending restructuring transaction, the cost allocation arrangement was terminated.
- G. At December 31, 2009, the majority common shareholder, ACA Holding, L.L.C. ("ACAH"), a Delaware holding company, held a 76.6% share in the common shares of the Company. The minority shareholder, KPR Ltd. ("KPR"), a Cayman Island company and a wholly-owned subsidiary of ACAH, held the remaining 23.4% share in the common shares of the Company. Each of ACAH and KPR are wholly-owned by ACACH. On August 11, 2008, KPR purchased its 23.4% interest in the Company from ACA Solutions, Ltd, a wholly owned subsidiary of ACAH. Effective at the closing of the restructuring transaction entered into on August 8, 2008, ACACH disclaimed control over the Company. This disclaimer of control was approved by the MIA. See Note 20(C) for a discussion of the restructuring transaction.

NOTES TO FINANCIAL STATEMENTS

- H.

The Company's majority common shareholder and ultimate parent, ACAH and ACACH, respectively, are not owned directly or indirectly via any of the Company's downstream subsidiaries or controlled or affiliated entities. See Note 20(C) for information regarding the ownership structure of the Company following the closing of its restructuring transaction that took place on August 8, 2008.
- I.

The Company holds no investment in any SCA entity that exceeds 10% of admitted assets.
- J.

The Company impaired its \$26.0 million investment in ACA Service, LLC during the year ended December 31, 2008. This did not impact the Company's total surplus because the investment was previously and continues to be recorded as a non-admitted asset.
- K.

Not applicable.
- L.

The Company does not hold an investment in a downstream noninsurance holding company.

11. DEBT

The Company has no debt.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A.

The Company has no Defined Benefit Plan.
- B.

The Company sponsors a defined contribution plan, which covers all full-time employees of the Company as of their start date with the Company. Eligible participants may contribute a percentage of their salary, subject to IRS limitations. The Company's contributions are based on a fixed percentage of employees' contributions subject to IRS limitations. At December 31, 2009, the fair value of plan assets was \$6.6 million. The Company recognized expense in the amount of \$164.7 thousand and \$323.1 thousand for the defined contribution plan in 2009 and 2008, respectively.
- C.

The Company has no Multi-employer Plan.
- D.

The Company has no Consolidated/Holding Company Plan.

E & F The Company has no Post-employment Benefits and Compensated Absences.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATION

- (1)

The Company has 1,000,000 shares of common stocks authorized, issued and outstanding with a par value of \$15.00 per share.
- (2)

The Company has no preferred stock outstanding.
- (3)

Under Maryland insurance law, the Company may pay a dividend without the prior approval of the Commissioner of the MIA from earned surplus, as defined, subject to the maintenance of a minimum-capital requirement, and the dividend, which together with all dividends declared or distributed by it during the preceding twelve months, may not exceed the lesser 10% of its policyholder surplus shown on its last filed statement, or net income, as defined, for such twelve-month period. In addition, as part of the Company's restructuring discussed in Note 20(C) below, the surplus notes restrict the Company from paying dividends without the prior approval of the surplus note holders
- (4)

No dividends were paid in 2009 or 2008.
- (5)

The Company has negative earned surplus at December 31, 2009 therefore no dividends can be paid in 2010
- (6)

There are no restrictions on unassigned surplus.
- (7)

The Company is not a mutual company.
- (8)

The Company holds no stock for special purpose.
- (9)

The Company holds no special surplus funds.
- (10)

The portion of unassigned surplus represented by cumulative unrealized losses is \$598 thousand.
- (11)

Date Issued	Interest Rate	Par Value (Face Value of Notes)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of maturity Within 30 days after the expiration, commutation or bulk reinsurance of the last insurance policy issued by the Company
08/08/2008	no stated rate	1,000,000,000	-	-	-	-	

As part of the restructuring transaction which took place on August 8, 2008, surplus notes with a face amount of \$1 billion were issued to former structured credit counterparties. See Note 20(C) for a description of the notes. These notes were recorded in the surplus notes section of the balance sheet with an offsetting \$1 billion contra account since no cash was received from the former counterparties at note issuance and all payments to the former counterparties under the note require MIA's advance approval. Upon the MIA's approval of payment, the approved portion will reduce the unassigned surplus and contra account. The actual payments will reduce the surplus notes directly.

A surplus note in the amount of \$10,000,000 was issued to ACACH on December 29, 2004 in exchange for \$10,000,000 in cash and had a maturity date of December 29, 2034. As part of the Company's restructuring which occurred on August 8, 2008, this surplus note was cancelled. The \$10 million principal balance on the note was reclassified to gross paid in and contributed capital and interest payable under the note in the amount of \$629,465 was written off. See Note 20(C).

(12&13) The Company has not gone through any quasi-reorganization.

14. CONTINGENCIES

- A.

The Company has no contingent commitments.
- B.

The Company has no assessments other than those arising in the normal course of business. Such assessments are not material.

NOTES TO FINANCIAL STATEMENTS

- C. The Company has no gain contingencies.
- D. The Company is one of a number of defendants in a lawsuit in the Superior Court of the State of California (Los Angeles County) brought by Retirement Housing Foundation and several affiliates relating to the plaintiffs’ issuance of auction-rate securities insured by the Company. The plaintiffs allege that the Company’s insurance of securities backed by sub-prime mortgages was not financially responsible and was contrary to the Company’s statement about its investment practices, and that when the Company’s credit rating was downgraded from “A” to “CCC” after the collapse of the sub-prime market, the plaintiffs were forced to refinance their securities. While this action is in the preliminary stages, the Company believes it has substantial defenses to the claims against it. Accordingly, on October 22, 2009, the Company filed a demurrer seeking to have the case dismissed. There is no argument date set for the Company’s demurrer. Also, plaintiffs have requested permission to file a second amended complaint, but have not yet provided the Company with the proposed amendment.

The Company (specifically, ACA Management, LLC) is one of a large number of defendants in an action currently pending in the First Judicial District Court for the State of New Mexico (Santa Fe) brought by an individual claiming to sue in the name of the State of New Mexico. The complaint generally alleges that Vanderbilt Capital Advisors (and certain of its affiliates) engaged in an unlawful “pay to play” scheme with various New Mexico State officials, causing New Mexico to overpay for certain CDO investments, including some with which the Company was — in an unspecified way — connected. The complaint seeks damages in excess of \$90 million and various civil penalties although it is not clearly alleged what relief is sought against the Company. Since no allegations of wrongdoing are specified against the Company in the complaint, the Company intends – at the first appropriate procedural time – to move to dismiss the complaint on the grounds that it fails to state any legally cognizable claim. In the meantime, the Company has moved to dismiss the case on the procedural grounds that it is not subject to jurisdiction in the New Mexico courts. No date has been set for consideration of the Company’s motion.

Various lawsuits against the Company have arisen in the course of the Company’s business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position or the results of operations of the Company.

15. LEASES

- A. In 2006, the Company assumed all of ACA Services’ obligations under its lease of office space and subleased additional office space at 140 Broadway, New York, New York. These leases expired in 2009. On December 7, 2006, the Company entered into a renewal lease for all its space at 140 Broadway which expires on April 30, 2020. This lease provides for scheduled periodic rent increases and escalations in real estate taxes and building operating costs. The Company’s rental expense for the period ended December 31, 2009 and December 31, 2008 was \$2.4 million and \$2.3 million, respectively.

At December 31, 2009, future minimum rental payments under the renewal lease are as follows:

Year Ending	
December 31	
2010	\$2,509,971
2011	2,655,172
2012	2,655,172
2013	2,655,172
2014	2,655,172
Beyond 5 Years	<u>15,501,269</u>
Total	\$28,631,927

The Company is pursuing the termination of its office space lease at 140 Broadway in order to reduce its monthly rental costs. The commercial rent market in New York City continues to show softness due to the state of the economy and the impact of job losses in the financial industry and related sectors. Many institutions have more office space than needed and thus a growing inventory of available space continues to put downward pressure on rental rates. Because of the state of the market, the Company currently anticipates a loss of approximately \$13 million on the termination of its lease.

- B. Not applicable.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENT WITH CONCENTRATION OF CREDIT RISK

The Company has no financial instrument with off-balance sheet risk.

17. SALES, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. The Company had no transfer of receivables reported as sales.
- B. The Company had no transfer and servicing of financial assets.
- C. The Company had no wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.

- A. The Company has no Administrative Services Only (ASO) plan.
- B. The Company has no Administrative Services Contract (ASC) plan.
- C. The Company has no Medicare or other similarly structured cost based retirement contract.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATION

The Company has no direct premium written or produced by managing general agents or third party administration.

20. OTHER ITEMS

- A. The Company had no extraordinary items during 2009 and 2008.
- B. The Company had no troubled debt restructuring during 2009 and 2008.
- C. Assets in the amount of \$4,733,219 and \$4,817,015 at December 31, 2009 and December 31, 2008 respectively, were on deposit with state authorities or trustees as required by state licensing regulations.

In support of the Company’s lease obligations, \$2,725,122 is held by the Company’s lessor as collateral. This collateral deposit is treated as a non-admitted asset as of December 31, 2009 and 2008.

On November 9, 2007, Standard & Poor’s Ratings Services (“S&P”) placed its “A” financial strength rating of the Company on “Credit Watch with negative implications”. S&P based its rating action on its opinion that the (\$1.7) billion unrealized mark to market loss recorded by ACACH on

NOTES TO FINANCIAL STATEMENTS

GAAP basis for the nine months ended September 30, 2007 would likely impair the Company’s ability to generate a satisfactory level of new business. Amongst other things, S&P also cited ACACH’s inability to access its credit facility under its revised terms as a relevant factor in its rating action. See Note 10(A).

The substantial unrealized mark-to-market loss was caused by the devaluation of mortgage securities, including sub-prime mortgages and securitizations comprised of sub-prime mortgages, which occurred in the credit markets in 2007. This market stress began in the first half of 2007 and continued to deepen throughout 2007 as many financial institutions recorded significant write-downs in connection with their exposure to mortgage related securities. Mortgage defaults levels in 2007 reached historically high levels. These defaults in 2007, coupled with market predictions of additional defaults, negatively impacted mortgage related securitizations, resulting in realized losses in these securities and large declines in unrealized market valuations. The value of the insured credit swaps issued by insured affiliates of ACACH continued to experience declines during 2008, which resulted in additional unrealized valuation losses based on accounting principles generally accepted in the United States of America (“GAAP”).

Based on these negative developments, on December 19, 2007, S&P downgraded the financial strength and financial enhancement ratings of the Company to “CCC” (Developing Outlook) from “A” (CreditWatch Negative). Under the terms of the Company’s insured credit swap transactions, the Company’s downgrade to a level below “A-” resulted in an obligation for the Company’s insured affiliates to post collateral based on the fair value of the insured credit swaps. Under the terms of the swaps, a failure to post collateral would have represented an event of default under the insured credit swaps, or if collateral was not posted, a mandatory termination payment in an amount approximately equal to the collateral call. This termination payment would give rise to a claim of the counterparties under the related insurance policy. Based on the fair values of the Company’s affiliates’ insured credit swap transactions, ACACH did not have the ability to post such collateral or make such termination payments. The Company estimates that the fair value of all of its insured credit swaps amounted to (\$1.7) billion, as of September 30, 2007.

In light of the insured affiliates’ inability to post collateral or make these termination payments, and in order to avoid a regulatory proceeding, the Company and its affiliates entered into multiple forbearance agreements in which their counterparties agreed not to exercise remedies and ultimately a restructuring transaction (the “Restructuring Transaction”) with its structured credit and other similarly situated counterparties. The Restructuring Transaction was consummated following a period of claim forbearance by the swap counterparties that began on December 19, 2007, culminating in a Restructuring Transaction completed on August 8, 2008.

On August 8, 2008, the Company completed its Restructuring Transaction in order to settle potential claims arising out of Company’s insured credit swap policies and certain medium term note obligations issued by a subsidiary of the Company and guaranteed by the Company. Certain other parties to which the Company had obligations were also settled. The Restructuring Transaction included three main components.

The first of the three components of the Restructuring Transaction consisted of a Global Settlement Agreement whereby insured credit swap counterparties’ claims were settled by the payment in cash of an aggregate loss amount of approximately \$209 million. In addition, the counterparties received an aggregate 95% voting interest in newly created surplus notes (the “Surplus Notes”) with a total face amount of \$1 billion. The remaining 5% or \$50 million is non-voting and was issued to ACACH.

The second component of the Restructuring Transaction involved a Medium Term Note (“MTN”) Restructuring Agreement which provided for the settlement of a \$100 million medium term note guaranteed by the Company. This obligation was settled by a cash payment of approximately \$48 million to the note holders in 2008 and the relinquishment by the Company of investments in CDO equity with an estimated value of \$2.5 million, also for the benefit of Surplus Note holders. Of the total cash settlement, approximately \$32 million was paid out of a cash collateral account supporting the issued note held by the subsidiary while the remaining amount of approximately \$16 million was funded by cash from the Company and its other subsidiaries.

The third component of the Restructuring Transaction centered on the Intercompany Agreement which treated ACACH and its non-ACA FG subsidiaries as one sub-group and ACA FG and its subsidiary as a separate sub-group. By its terms, the Intercompany Agreement provided for the cancellation of a previously issued intercompany surplus note as well as intercompany balances between the Company’s sub-group and the ACACH sub-group. It also provided for a global release of liability among the two sub-groups. In general, the release discharges the entities from any and all actions, cause of action, suits, debts, liens, contracts, rights and other legal obligations against each other, except those provided for in the Intercompany Agreement. ACACH has provided an indemnification for claims against ACA FG and its subsidiaries, including employee claims, up to a maximum of \$10 million for claims made prior to August 8, 2010.

As provided for by the Restructuring Transaction, subsequent to the closing, the Company is required to conduct its ongoing operations on a run-off basis. As such, the Company will not write any new insurance policies unless it is approved by its board of directors and the MIA.

Subsequent to the closing of the Restructuring Transaction, the Company is required to and has operated under an order issued by the MIA, Case No.: MIA: 2008-08-011 dated August 7, 2008 (the “Order”). The Order provides, among other things, that the Company operate as a run-off company. In connection with the Order, following the Restructuring Transaction, the Company wound down all subsidiaries no longer necessary for the conduct of its ongoing business, including 73 special purpose entities created for the insured credit swap and CDO asset management businesses.

In addition, following the closing of the Restructuring Transaction, the Company submitted a formal request to the MIA seeking approval for the release of that portion of its contingency reserve related to insurance contracts terminated as part of the restructuring as well as certain non-municipal contracts for which the exposure has expired. The request for release was approved by the MIA on October 15, 2008 and is effective for the September 30, 2008 financial statements. The total amount of contingency reserve released at September 30, 2008 based on MIA approval was \$155.1 million.

Following the completion of the Restructuring Transaction, S&P completed its review of the Company’s financial strength rating and concluded that the rating was “B”. At the Company’s request, S&P has since withdrawn its financial strength rating and no longer rates the Company.

- D. The Company had no uncollectible balances.
- E. Not applicable.
- F. The Company had no state transferable credits.
- G. Subprime Exposure Related Risk Exposure
- (1) The Company no longer has risk in its insured exposures to subprime mortgages, except for one insured securitization of manufactured housing mortgages. Other previously insured subprime mortgage exposure was included in the Global Settlement Agreement described in Note 20(C). The one remaining exposure has a par amount of \$5.7 million at December 31, 2009 and the Company has an outstanding loss reserve against this exposure in the amount of \$4.5 million.

(2) The Company has no investments consisting of direct exposure to subprime-mortgages.

(3) The Company has the following indirect exposures to sub-prime mortgages included in its investment portfolio at December 31, 2009:

NOTES TO FINANCIAL STATEMENTS

	1 Actual Cost	2 Book/Adjusted Carrying Value (excluding interest)	3 Fair Value	4 Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	5,864,117	5,824,695	5,821,079	549,807
b. Commercial mortgage backed securities				
c. Collateralized debt obligations	1,120,005	1,120,000	1,120,000	9,935,174
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total	6,984,122	6,944,695	6,941,079	10,484,981

(4) As stated in G (1) above, the Company has an outstanding loss reserve in the amount of \$4.5 million.

21. EVENTS SUBSEQUENT

None

22. REINSURANCE

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses paid and unpaid, including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceed 3% of the Company’s policyholder surplus.

B. Reinsurance Recoverable in Dispute

The Company has no reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ -0-	\$ -0-	\$ - 0-	\$ -0-	\$ -0-	\$ -0-
All other	6,810,929	-0-	420,901	-0-	6,390,028	-0-
Total	\$ 6,810,929	\$ -0-	\$ 420,901	\$ -0-	\$ 6,390,028	\$ -0-

Direct Unearned Premium Reserve \$198,777,766.

There are no contingent commission or profit sharing arrangements.

D. Uncollectible Reinsurance

The Company has no uncollectible reinsurance balances.

E. Commutation of Ceded Reinsurance

The Company had no commutations in 2009.

F. Retroactive Reinsurance

The Company has no retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

The Company did not account for any reinsurance as deposits.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company has not entered into any retrospectively rated contracts or contracts subject to redetermination.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During 2009, the Company incurred losses and LAE of \$15.2 million consisting of \$8.0 million for new claims and \$7.2 million relating to prior accident years. More than half of the prior year development resulted from additional tax obligations of a student housing credit which eliminated cash flow available for debt service and resulted in a complete loss on this credit. The remaining development relates primary to LAE, specifically legal costs for the protracted bankruptcy proceedings of COPIA, as well as other operating expenses of COPIA. (see Note 1C 11).

As per the Restructuring Transaction described in Note 20(C), the Company paid claims to its insured credit swap counterparties in the amount of \$209 million at the transaction’s closing date on August 8, 2008. Additionally, a claim payment in the amount of \$15 million was made to holders of the medium term note obligation that was also settled as part of the restructuring. Expenses incurred in connection with the Restructuring Transaction in the amount of approximately \$18 million were recorded as loss adjustment expenses. No further liability exists with respect to these claims.

During the first quarter of 2008, an insured asset-backed obligation defaulted with respect to an interest payment due. As a result, a case reserve was established in the amount of \$7.8 million during the period, representing the insured principal on the insured obligation. Claim payments in the amount of approximately \$0.3 million were made in April 2008 and July 2008 for interest payments with respect to this obligation. As part of the Restructuring Transaction, this claim was fully settled with a payment in the amount of \$3.8 million and no additional liability exists.

During 2008, the Company increased its case reserve for an insured public finance obligation by the amount of \$14.3 million, bringing the total reserve to \$15 million. This amount represented the anticipated debt service shortfall that the Company expects is likely to occur given the facts and circumstances of the insured credit. Claim payments totaling \$1.2 million were made by the Company during 2008.

25. INTERCOMPANY POOLING ARRANGEMENTS

NOTES TO FINANCIAL STATEMENTS

The Company has no intercompany pooling arrangements.

26. STRUCTURED SETTLEMENTS

The Company has no structured settlements.

27. HEALTH CARE RECEIVABLE

The Company has no health care receivable.

28. PARTICIPATING POLICIES

The Company does not write participating policy business.

29. PREMIUM DEFICIENCY RESERVE

The Company has no premium deficiency reserve.

30. HIGH DEDUCTIBLES ON UNPAID CLAIMS

The Company has no high deductibles on unpaid claims.

31. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company discounts unpaid losses using the rate that approximates yield on its investment portfolio. At December 31, 2009 the discount rate used was 4.5 %. The amount of discount associated with the Company’s loss reserves at December 31, 2009 was \$18.7 million. Loss adjustment expenses are not discounted.

32. ASBESTOS/ENVIRONMENTAL RESERVES

The Company does not write this line of business and therefore has no asbestos/environmental reserves.

33. SUBSCRIBER SAVINGS ACCOUNTS

The Company has no subscriber savings accounts.

34. MULTIPLE PERIL CROP INSURANCE

The Company does not write this line of business.

35. FINANCIAL GUARANTY INSURANCE

A.

(1) a The Company has not recorded unearned premiums related to installment payments at December 31, 2009.

b+c The Company has not recorded premiums receivable on installment contracts at December 31, 2009.

(2) a The amount of premium revenue that has been accelerated in 2009 was \$4.1 million. The acceleration was due to the prepayment or advance refunding of credits.

b. Schedule of the future expected earned premium revenue on non-installment contracts as of December 31, 2009

1.		
	1 <sup>st</sup> Quarter 2010	\$2,734,149
	2 <sup>nd</sup> Quarter 2010	2,078,058
	3 <sup>rd</sup> Quarter 2010	3,117,395
	4 <sup>th</sup> Quarter 2010	2,585,628
	Year 2011	10,140,287
	Year 2012	9,589,348
	Year 2013	9,531,135
	Year 2014	9,644,908
2.		
	2015 through 2019	45,978,971
	2020 through 2024	42,804,065
	2025 through 2029	35,071,467
	2030 through 2034	24,813,677
	2035 through 2039	6,751,028
	2040 through 2044	277,656
	Year 2045	<u>50,023</u>
	Total	\$205,167,794

(3) Claim liability:

a. The Company used a rate of 4.5% to discount the claim liability. This rate approximates the yield on its investment portfolio at December 31, 2009.

NOTES TO FINANCIAL STATEMENTS

b. Significant components of the change in the claim liability for the period

Components	Amounts
Losses and LAE Reserve Prior Year	\$20,973,145
Accretion of the discount	563,460
Change in timing	0
New reserves for defaults of insured contracts	7,252,825
Change in deficiency reserves	2,440,369
Change in incurred but not reported claims	0
Losses and LAE Reserve Current Year	\$31,229,798

The Company’s credit quality classifications are:

- (4) a. Category 1: Fully Performing  
Covenants have been met and there have been no significant negative deviations from expected performance.  
Category 2: Watch  
Performing below expected levels but current and projected revenues are adequate to service debt.  
Category 3: Deteriorating  
Performing significantly below expected levels; corrective action is required to avert a longer-term risk of payment default.  
Category 4: Paid or Expected Claim  
Material decline in creditworthiness and ability to pay debt service; unreimbursed draws on debt service reserves and/or payment defaults have occurred or are probable.
- b. Risk management activities are performed by ACA’s portfolio management department. Portfolio analysts monitor all insured transactions in the portfolio to determine whether their financial performance is consistent with underwriting expectations and to identify any deterioration in the obligor’s ability or willingness to pay insured debt service. Portfolio management staff are also responsible for recommending and undertaking remedial actions to prevent or mitigate losses.  
All transactions in the insured portfolio are assigned one of four internal credit quality classifications that reflect the current and expected performance of the obligor. Ratings are reviewed and updated on a regular basis as analysts obtain more current financial and market information from the obligor, the trustee, or from public sources such as rating agencies and fixed income analysts. The frequency with which individual obligors are reviewed is based on ACA’s judgment of potential performance volatility and varies according to credit classification, sector, geography, size of exposure, and exogenous events.

B. Schedule of insured financial obligations at the end of the period

	Credit Quality Categories				Total
	1	2	3	4	
Number of policies	432	92	38	36	598
Remaining weighted-average contract period (in years)	13	13	15	14	
Insured contractual payments outstanding:					
Principal	\$ 4,622,038,360	\$ 1,021,388,513	\$ 460,039,563	\$ 351,920,417	\$ 6,455,386,853
Interest	3,050,073,244	793,414,600	391,880,611	336,782,926	4,572,151,381
Total	<u>\$ 7,672,111,604</u>	<u>\$ 1,814,803,113</u>	<u>\$ 851,920,174</u>	<u>\$ 688,703,343</u>	<u>\$11,027,538,234</u>
Gross claim liability	\$ -	\$ -	\$ -	\$ 49,959,086	\$ 49,959,086
Less:					
Gross potential recoveries	-	-	-	-	-
Discount, net	-	-	-	18,729,289	18,729,289
Net claim liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 31,229,798</u>	<u>\$ 31,229,798</u>
Unearned premium revenue	\$ 118,915,520	\$ 42,155,716	\$ 26,718,686	\$ 17,377,872	\$ 205,167,794
Claim liability reported in the balance sheet	-	-	-	\$ 31,229,798	\$ 31,229,798
Reinsurance recoverables	-	-	-	-	-

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [ ] No [ X ]
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [ ] No [ ] NA [ X ]
- 1.3

State Regulating?

Maryland
- 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

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007
- 3.2

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

12/31/2007
- 3.3

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

05/07/2009
- 3.4

By what department or departments?

Maryland Insurance Administration
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [ X ] No [ ] NA [ ]
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [ X ] No [ ] NA [ ]
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes [ ] No [ X ]
- 4.12

renewals?

Yes [ ] No [ X ]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [ ] No [ X ]
- 4.22

renewals?

Yes [ ] No [ X ]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ] No [ X ]
- 5.2

If yes, provide the name of the 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

- 6.1

Has the 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 ]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [ ] No [ X ]
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity



GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]
- 8.4

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

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche, LLP., Two World Financial Center, New York, NY 10281-1414
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Joel S. Chansky, Milliman USA (Actuarial Consultant), 289 Edgewater Drive, Wakefield, MA 01880
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

11.11

Name of real estate holding company

11.12

Number of parcels involved.

11.13

Total book/adjusted carrying value.

\$.
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] NA [ ]
- 13.1

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.
- 13.11

If the response to 13.1 is No, please explain:
- 13.2

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]
- 13.21

If the response to 13.2 is Yes, provide information related to amendment(s).

After the restructuring the Company updated its Code of Ethics & Conduct
- 13.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 13.31

If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [ X ] No [ ]
15.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [ X ] No [ ]
16.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [ X ] No [ ]

GENERAL INTERROGATORIES  
FINANCIAL

17.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [ ] No [ X ]

18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers

\$

18.12 To stockholders not officers

\$

18.13 Trustees, supreme or grand (Fraternal only)

\$

18.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21 To directors or other officers

\$

18.22 To stockholders not officers

\$

18.23 Trustees, supreme or grand (Fraternal only)

\$

19.1

Were any assets reported in the statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [ ] No [ X ]

19.2

If yes, state the amount thereof at December 31 of the current year:

19.21 Rented from others

\$

19.22 Borrowed from others

\$

19.23 Leased from others

\$

19.24 Other

\$

20.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [ ] No [ X ]

20.2

If answer is yes:

20.21 Amount paid as losses or risk adjustment

\$

20.22 Amount paid as expenses

\$

20.23 Other amounts paid

\$

21.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ X ] No [ ]

21.2

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

\$0

INVESTMENT

22.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3).

Yes [ X ] No [ ]

22.2

If no, give full and complete information relating thereto:

22.3

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)

22.4

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [ ] No [ ] NA [ X ]

22.5

If answer to 22.4 is YES, report amount of collateral

\$

22.6

If answer to 22.4 is NO, report amount of collateral

\$

23.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3)

Yes [ X ] No [ ]

23.2

If yes, state the amount thereof at December 31 of the current year:

23.21 Subject to repurchase agreements

\$

23.22 Subject to reverse repurchase agreements

\$

23.23 Subject to dollar repurchase agreements

\$

23.24 Subject to reverse dollar repurchase agreements

\$

23.25 Pledged as collateral

\$

23.26 Placed under option agreements

\$

23.27 Letter stock or securities restricted as to sale

\$

23.28 On deposit with state or other regulatory body

\$4,733,219

23.29 Other

\$

23.3

For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ] No [ X ]

24.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes [ ] No [ ] NA [ X ]

25.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ] No [ X ]

25.2

If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES

26. 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 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ ☒ ] No [ ☐ ]

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

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
U.S. Bank, National Association.....	1025 Connecticut Avenue NW, Suite 517, Washington, DC 20036.....

26.02 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:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>
.....	.....	.....
.....	.....	.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? ..... Yes [ ☐ ] No [ ☒ ]

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

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
.....	.....	.....	.....

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

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>3</div> <div>Address</div>
107038.....	JP Morgan Asset Management.....	245 Park Avenue, New York, NY 10167.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [ ☐ ] No [ ☒ ]

27.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP #</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
.....	.....	.....
.....	.....	.....
27.2999 TOTAL		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
.....	.....	.....	.....
.....	.....	.....	.....

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	405,387,501	415,441,709	10,054,208
28.2 Preferred stocks.....	0	0	0
28.3 Totals	405,387,501	415,441,709	10,054,208

- 28.4 Describe the sources or methods utilized in determining the fair values:  
Bond pricing vendors: IDC, Kenny, Bloomberg and Deutsche Bank (as trustee for one security).....
- 29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [ ] No [ X ]
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [ ] No [ X ]
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Industry wide recognized bond pricing vendors as detailed in 28.4 above.....
- 30.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]
- 30.2 If no, list exceptions:

OTHER

- 31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$ .....0
- 31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	0

- 32.1 Amount of payments for legal expenses, if any?.....\$ .....2,349,546
- 32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Fried, Frank, Harris, Shriver & Jacobson.....	1,632,739

- 33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?...\$ .....0
- 33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	0

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

1.2 If yes, indicate premium earned on U.S. business only. .... \$ .....0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....

1.31 Reason for excluding

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ .....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ..... \$ .....0

1.62 Total incurred claims ..... \$ .....0

1.63 Number of covered lives ..... ..0

All years prior to most current three years:

1.64 Total premium earned ..... \$ .....0

1.65 Total incurred claims ..... \$ .....0

1.66 Number of covered lives ..... ..0

1.7 Group policies:

Most current three years:

1.71 Total premium earned ..... \$ .....0

1.72 Total incurred claims ..... \$ .....0

1.73 Number of covered lives ..... ..0

All years prior to most current three years:

1.74 Total premium earned ..... \$ .....0

1.75 Total incurred claims ..... \$ .....0

1.76 Number of covered lives ..... ..0

2. Health Test:

			1		2
			Current Year		Prior Year
2.1	Premium Numerator	\$	.....0	\$	.....0
2.2	Premium Denominator	\$	.....15,445,989	\$	.....26,097,813
2.3	Premium Ratio (2.1/2.2)		.....0.000		.....0.000
2.4	Reserve Numerator	\$	.....0	\$	.....0
2.5	Reserve Denominator	\$	.....236,397,592	\$	.....240,722,541
2.6	Reserve Ratio (2.4/2.5)		.....0.000		.....0.000

3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies..... \$ .....

3.22 Non-participating policies..... \$ .....

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies?..... Yes [ ] No [ ]

4.2 Does the reporting entity issue non-assessable policies?..... Yes [ ] No [ ]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums..... \$ .....

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?..... Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation..... Yes [ ] No [ ] NA [X]

5.22 As a direct expense of the exchange..... Yes [ ] No [ ] NA [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [ ] No [ ]

5.5 If yes, give full information

.....

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- ## 16.1

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [ ] No [ X ]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes unpaid losses under loss deductible features of commercial policies?

Yes [ ] No [ ] NA [ X ]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [ ] No [ X ]

12.6

If yes, state the amount thereof at December 31 of the current year:

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$189,999,999

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [ ] No [ X ]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [ ] No [ X ]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [ ] No [ ]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [ ] No [ ]

14.5

If answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [ X ]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [ ] No [ X ]

If yes, disclose the following information for each of the following types of warranty coverage:

1

Direct Losses Incurred

2

Direct Losses Unpaid

3

Direct Written Premium

4

Direct Premium Unearned

5

Direct Premium Earned

16.11

Home

\$

\$

\$

\$

\$

16.12

Products

\$

\$

\$

\$

\$

16.13

Automobile

\$

\$

\$

\$

\$

16.14

Other\*

\$

\$

\$

\$

\$

\* Disclose type of coverage:

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [ X ]

Incurred but not reported losses on contracts not in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$.....
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$.....
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....

18.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [ X ]  
18.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....  
18.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [ X ]  
18.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$.....



FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2009	2 2008	3 2007	4 2006	5 2005
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	864,387	(17,133,192)	107,003,274	72,602,774	90,244,468
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	864,387	(17,133,192)	107,003,274	72,602,774	90,244,468
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	864,387	(17,165,492)	105,470,974	69,867,866	86,605,241
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	864,387	(17,165,492)	105,470,974	69,867,866	86,605,241
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(17,008,402)	(274,671,830)	8,612,649	32,051,500	9,008,476
14. Net investment gain (loss) (Line 11)	1,747,638	(18,727,140)	25,882,816	24,149,270	19,788,205
15. Total other income (Line 15)	8,781,995	25,223,974	148,168	209,500	225,048
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(55,235,704)	779,877	3,806,331	18,475,230	8,870,897
18. Net income (Line 20)	48,756,935	(268,954,873)	30,837,302	37,935,039	20,150,831
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	463,463,937	441,209,412	691,791,549	640,900,479	595,365,786
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 13.2)	0	0	15,375	4,782,571	8,140,139
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	326,007,550	339,923,018	462,651,493	367,256,722	329,257,010
22. Losses (Page 3, Line 1)	29,269,309	19,781,236	7,373,268	(5,980,693)	(4,816,484)
23. Loss adjustment expenses (Page 3, Line 3)	1,960,489	1,191,909	562,331	600,921	250,000
24. Unearned premiums (Page 3, Line 9)	205,167,794	219,749,396	263,012,701	249,834,648	249,242,021
25. Capital paid up (Page 3, Lines 28 & 29)	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
26. Surplus as regards policyholders (Page 3, Line 35)	137,456,387	101,286,394	229,140,057	273,643,757	266,108,776
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	9,534,006	(248,514,272)	64,024,123	39,798,230	50,832,509
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	0	0	0	0	0
29. Authorized control level risk-based capital	0	0	0	0	0
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1)	90.5	85.0	87.9	80.0	86.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.1	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	9.2	14.7	9.1	18.7	12.5
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7)	0.3	0.3	2.9	1.3	1.2
37. Receivables for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
40. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	769,815	769,815	763,291	153,543	0
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
44. Affiliated mortgage loans on real estate	0	0	0	0	0
45. All other affiliated	0	0	0	0	0
46. Total of above Lines 40 to 45	769,815	769,815	763,291	153,543	0
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.6	0.8	0.3	0.1	0.0

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
(Continued)					
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	598,349	24,752,611	(29,961,174)	(2,661,146)	(2,077,221)
49. Dividends to stockholders (Line 35)	0	0	(3,810,636)	(2,661,146)	(2,077,221)
50. Change in surplus as regards policyholders for the year (Line 38)	36,170,000	(127,853,660)	(44,503,710)	7,534,981	(23,893,830)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
56. Total (Line 35)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
62. Total (Line 35)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	67.5	961.5	40.6	(2.8)	19.4
65. Loss expenses incurred (Line 3)	30.7	73.8	0.7	1.8	0.8
66. Other underwriting expenses incurred (Line 4)	111.9	117.2	49.4	54.7	60.5
67. Net underwriting gain (loss) (Line 8)	(110.1)	(1,052.5)	9.3	46.3	19.3
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	984.3	(31.3)	43.1	54.0	32.3
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	98.2	1,035.3	41.3	(1.0)	20.2
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)	0.6	(16.9)	46.0	25.5	32.5
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	8,247	(2,852)	4,718	(2,984)	698
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)	8.1	(1.2)	1.7	(1.1)	0.2
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(1,445)	10,255	1,941	714	3,173
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.6)	3.7	0.7	0.2	2.3

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2009

NAIC Company Code 22896

Line of Business		Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
		1 Direct Premiums Written	2 Direct Premiums Earned										
1.	Fire .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.1	Allied lines .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.2	Multiple peril crop .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3	Federal flood .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.	Farmowners multiple peril .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.	Homeowners multiple peril .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.1	Commercial multiple peril (non-liability portion) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.2	Commercial multiple peril (liability portion) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.	Mortgage guaranty .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.	Inland marine .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10.	Financial guaranty .....	864,386	15,276,687	.0	198,777,768	934,032	10,422,105	29,269,309	3,973,167	4,741,748	1,960,489	.0	650,231
11.	Medical malpractice .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.	Earthquake .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13.	Group accident and health (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14.	Credit A & H (group and individual) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.1	Collectively renewable A & H (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.2	Non-cancelable A & H (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.3	Guaranteed renewable A & H (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.4	Non-renewable for stated reasons only (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.5	Other accident only .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.6	Medicare Title XVIII exempt from state taxes or fees .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.7	All other A & H (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.8	Federal employees health benefits program premium (b) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16.	Workers' compensation .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.1	Other liability - occurrence .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.2	Other liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.3	Excess workers' compensation .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
18.	Products liability .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.1	Private passenger auto no-fault (personal injury protection) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.2	Other private passenger auto liability .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3	Commercial auto no-fault (personal injury protection) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.4	Other commercial auto liability .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
21.1	Private passenger auto physical damage .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
21.2	Commercial auto physical damage .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
22.	Aircraft (all perils) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26.	Burglary and theft .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27.	Boiler and machinery .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS (a) .....	864,386	15,276,687	0	198,777,768	934,032	10,422,105	29,269,309	3,973,167	4,741,748	1,960,489	0	650,231
DETAILS OF WRITE-INS													
3401.	.....												
3402.	.....												
3403.	.....												
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 35 \$ .....

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....

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## ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

## SCHEDULE F - PART 2

Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	161
---	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
<h1>NONE</h1>					

## ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

## SCHEDULE F - PART 3

**Ceded Reinsurance as of December 31, Current Year (000 Omitted)**

[illegible]

NOTE: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

	1	2	3
	<u>Name of Reinsurer</u>	<u>Commission Rate</u>	<u>Ceded Premium</u>
1.			
2.			
3.			
4.			
5.			

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1	2	3	4
	<u>Name of Reinsurer</u>	<u>Total Recoverables</u>	<u>Ceded Premiums</u>	<u>Affiliated</u>
1.	.....			Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	.....			Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	.....			Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	.....			Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	.....			Yes <input type="checkbox"/> No <input type="checkbox"/>

## ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

## SCHEDULE F - PART 4

**Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)**

[illegible]

## SCHEDULE F - PART 5

[illegible]

1. Amounts in dispute totaling \$ .....are included in Column 5.
2. Amounts in dispute totaling \$ .....are excluded from Column 13.



Schedule F - Part 6

NONE

Schedule F - Part 7

NONE

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance			
	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 3)			
1. Cash and invested assets (Line 10) .....	408,167,605		408,167,605
2. Premiums and considerations (Line 13) .....	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1).....	0		0
4 Funds held by or deposited with reinsured companies (Line 14.2).....	0		0
5. Other assets .....	55,296,332		55,296,332
6. Net amount recoverable from reinsurers .....		420,901	420,901
7. Protected cell assets (Line 25) .....	0	0	0
8. Totals (Line 26) .....	463,463,937	420,901	463,884,838
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	31,229,798		31,229,798
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	3,516,752		3,516,752
11. Unearned premiums (Line 9) .....	205,167,794	420,901	205,588,695
12. Advance Premiums (Line 10) .....	0		0
13. Dividends declared and unpaid (Line 11.1 and 11.2) .....	0		0
14. Ceded reinsurance premiums payable (net of ceded commissions) (Line 12) .....	0		0
15. Funds held by company under reinsurance treaties (Line 13) .....	0		0
16. Amounts withheld or retained by company for account of others (Line 14) .....	0		0
17. Provision for reinsurance (Line 16) .....	0		0
18. Other liabilities .....	86,093,206		86,093,206
19. Total liabilities excluding protected cell business (Line 24) .....	326,007,550	420,901	326,428,451
20. Protected cell liabilities (Line 25) .....	0		0
21. Surplus as regards policyholders (Line 35) .....	137,456,387	X X X	137,456,387
22. Totals (Line 36) .....	463,463,937	420,901	463,884,838

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?    Yes [    ] No [ X ]

If yes, give full explanation:  
.....

Schedule H - Part 1

NONE

Schedule H - Part 2

NONE

Schedule H - Part 3

NONE

Schedule H - Part 4

NONE

Schedule H - Part 5

NONE

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES  
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
				4	5	6	7	8	9			
Direct and Assumed	Ceded	Net (Cols. 1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 2000	13,902	10,901	3,001	0	0	0	0	0	0	0	0	XXX
3. 2001	13,500	11,913	1,587	948	47	5	0	0	0	140	905	XXX
4. 2002	17,650	6,200	11,449	2,722	265	2	0	0	0	5,036	2,459	XXX
5. 2003	25,956	5,888	20,068	0	0	0	0	0	0	0	0	XXX
6. 2004	36,048	7,861	28,187	19,789	0	6,000	0	0	0	0	25,789	XXX
7. 2005	51,224	4,634	46,589	5,985	0	1,871	0	0	0	0	7,856	XXX
8. 2006	72,477	3,202	69,275	0	0	3,164	0	0	0	0	3,164	XXX
9. 2007	94,135	1,842	92,293	24,048	0	15	0	0	0	0	24,062	XXX
10. 2008	26,172	74	26,098	241,129	0	19,074	0	0	0	0	260,203	XXX
11. 2009	15,533	87	15,446	520	0	351	0	0	0	0	870	XXX
12. Totals	XXX	XXX	XXX	295,141	313	30,480	0	0	0	5,176	325,308	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded					
1. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7. ....	4,872	0	0	0	92	0	0	0	0	0	0	4,965	XXX
8. ....	0	0	0	0	1,200	0	0	0	0	0	0	1,200	XXX
9. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10. ....	30,993	0	0	0	308	0	0	0	0	0	0	31,302	XXX
11. ....	12,133	0	0	0	360	0	0	0	0	0	0	12,493	XXX
12. Totals	47,999	0	0	0	1,960	0	0	0	0	0	0	49,959	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2. ....	0	0	0	0.0	0.0	0.0	0	0		0	0
3. ....	953	48	905	7.1	0.4	57.1	0	0		0	0
4. ....	2,724	265	2,459	15.4	4.3	21.5	0	0		0	0
5. ....	0	0	0	0.0	0.0	0.0	0	0		0	0
6. ....	25,789	0	25,789	71.5	0.0	91.5	0	0		0	0
7. ....	12,821	0	12,821	25.0	0.0	27.5	402	0		4,471	92
8. ....	4,364	0	4,364	6.0	0.0	6.3	0	0		0	1,200
9. ....	24,062	0	24,062	25.6	0.0	26.1	0	0		0	0
10. ....	291,505	0	291,505	1,113.8	0.0	1,117.0	13,031	0		17,962	308
11. ....	13,363	0	13,363	86.0	0.0	86.5	5,296	0		6,837	360
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	18,729	0	XXX	29,269	1,960

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 One Year	12 Two Year
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.905	.905	.905	.905	.905	.905	.905	.905	.905	.0	.0
4. 2002	XXX	XXX	.0	.0	.3,353	.3,173	.3,152	.3,153	.2,953	.2,459	.(494)	.(694)
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.21,131	.22,009	.22,046	.26,227	.25,789	.25,789	.0	.(439)
7. 2005	XXX	XXX	XXX	XXX	XXX	.11,241	.8,241	.8,985	.14,160	.12,821	.(1,339)	.3,836
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.331	.124	.1,124	.4,364	.3,240	.4,240
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.32,450	.24,062	.24,062	.0	.(8,388)
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.284,664	.291,505	.6,840	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.13,363	XXX	XXX
12. Totals											8,247	(1,445)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
3. 2001	XXX	.905	.905	.905	.905	.905	.905	.905	.905	.905	XXX	XXX
4. 2002	XXX	XXX	.2,303	.4,563	.7,887	.11,286	.8,661	.7,406	.3,702	.2,459	XXX	XXX
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
6. 2004	XXX	XXX	XXX	XXX	.12,600	.25,370	.25,869	.25,869	.25,789	.25,789	XXX	XXX
7. 2005	XXX	XXX	XXX	XXX	XXX	.793	.2,943	.5,001	.7,241	.7,856	XXX	XXX
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.96	.112	.299	.3,164	XXX	XXX
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.23,964	.24,062	.24,062	XXX	XXX
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.258,403	.260,203	XXX	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	870	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.131	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger

NONE

Schedule P - Part 1C - Comm Auto/Truck

NONE

Schedule P - Part 1D - Workers' Comp

NONE

Schedule P - Part 1E - Comm Multi Peril

NONE

Schedule P - Part 1F - Prof. Liab. Occur

NONE

Schedule P - Part 1F - Prof. Liab. Claim

NONE

Schedule P - Part 1G - Special Liability

NONE

Schedule P - Part 1H - Other Liab Occur

NONE

Schedule P - Part 1H - Other Liab Claims

NONE

Schedule P - Part 1I - Special Property

NONE

Schedule P - Part 1J - Auto Physical

NONE

Schedule P - Part 1K - Fidelity/Surety

NONE

Schedule P - Part 1L - Other

NONE

Schedule P - Part 1M - International

NONE

Schedule P - Part 1N - Reinsurance A

NONE

Schedule P - Part 1O - Reinsurance B

NONE

Schedule P - Part 1P - Reinsurance C

NONE

Schedule P - Part 1R - Prod Liab Occur

NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

(\$000 Omitted)												
Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
				4	5	6	7	8	9			
Direct and Assumed	Ceded	Net (Cols. 1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
1. Prior	XXX	XXX	XXX	(752)	0	2,989	0	0	0	1,243	2,237	XXX
2. 2008	26,172	74	26,098	241,129	0	19,074	0	0	0	0	260,203	XXX
3. 2009	15,533	87	15,446	520	0	351	0	0	0	0	870	XXX
4. Totals	XXX	XXX	XXX	240,897	0	22,413	0	0	0	1,243	263,310	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1.	4,872	0	0	0	1,292	0	0	0	0	0	0	6,165	1
2.	30,993	0	0	0	308	0	0	0	0	0	0	31,302	2
3.	12,133	0	0	0	360	0	0	0	0	0	0	12,493	2
4.	47,999	0	0	0	1,960	0	0	0	0	0	0	49,959	5

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	402	0	XXX	4,471	1,292
2.	291,505	0	291,505	1,113.8	0.0	1,117.0	13,031	0	0.0	17,962	308
3.	13,363	0	13,363	86.0	0.0	86.5	5,296	0	0.0	6,837	360
4.	XXX	XXX	XXX	XXX	XXX	XXX	18,729	0	XXX	29,269	1,960



Schedule P - Part 1T - Warranty

NONE

Schedule P - Part 2A

NONE

Schedule P - Part 2B

NONE

Schedule P - Part 2C

NONE

Schedule P - Part 2D

NONE

Schedule P - Part 2E

NONE

Schedule P - Part 2F - Prof. Liab. Occur

NONE

Schedule P - Part 2F - Prof. Liab. Claim

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Other Liab Occur

NONE

Schedule P - Part 2H - Other Liab Claim

NONE

Schedule P - Part 2I  
**NONE**

Schedule P - Part 2J  
**NONE**

Schedule P - Part 2K  
**NONE**

Schedule P - Part 2L  
**NONE**

Schedule P - Part 2M  
**NONE**

Schedule P - Part 2N  
**NONE**

Schedule P - Part 2O  
**NONE**

Schedule P - Part 2P  
**NONE**

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 One Year	12 Two Year
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2000	0	0	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2000	0	0	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,587	5,735	7,142	1,407	(1,445)
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	284,664	291,505	6,840	XXX
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,363	XXX	XXX
4. Totals											8,247	(1,445)

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Prof. Liab. Occur

NONE

Schedule P - Part 3F - Prof. Liab. Claim

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Other Liab Occur

NONE

Schedule P - Part 3H - Other Liab Claims

NONE

Schedule P - Part 3I

NONE

Schedule P - Part 3J  
**NONE**

Schedule P - Part 3K  
**NONE**

Schedule P - Part 3L  
**NONE**

Schedule P - Part 3M  
**NONE**

Schedule P - Part 3N  
**NONE**

Schedule P - Part 3O  
**NONE**

Schedule P - Part 3P  
**NONE**

SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

NONE

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

NONE

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	(1,260)	.977	XXX	XXX
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	258,403	260,203	XXX	XXX
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	870	XXX	XXX

SCHEDULE P - PART 3T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	.0	.0	XXX	XXX
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

NONE

Schedule P - Part 4A

NONE

Schedule P - Part 4B

NONE

Schedule P - Part 4C

NONE

Schedule P - Part 4D

NONE

Schedule P - Part 4E

NONE

Schedule P - Part 4F - Prof. Liab. Occur

NONE

Schedule P - Part 4F - Prof. Liab. Claim

NONE

Schedule P - Part 4G

NONE

Schedule P - Part 4H - Other Liab Occur

NONE

Schedule P - Part 4H - Other Liab Claims

NONE

Schedule P - Part 4I - Special Property

NONE

Schedule P - Part 4J  
**NONE**

Schedule P - Part 4K  
**NONE**

Schedule P - Part 4L  
**NONE**

Schedule P - Part 4M  
**NONE**

Schedule P - Part 4N  
**NONE**

Schedule P - Part 4O  
**NONE**

Schedule P - Part 4P  
**NONE**



SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
2. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
3. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3  
**NONE**

Schedule P - Part 5E- SN1  
**NONE**

Schedule P - Part 5E- SN2  
**NONE**

Schedule P - Part 5E- SN3  
**NONE**

Schedule P - Part 5F- SN1A  
**NONE**

Schedule P - Part 5F- SN2A  
**NONE**

Schedule P - Part 5F- SN3A  
**NONE**

Schedule P - Part 5F- SN1B  
**NONE**

Schedule P - Part 5F- SN2B  
**NONE**

Schedule P - Part 5F- SN3B  
**NONE**

Schedule P - Part 5H- SN1A  
**NONE**

Schedule P - Part 5H- SN2A  
**NONE**

Schedule P - Part 5H- SN3A  
**NONE**

Schedule P - Part 5H- SN1B  
**NONE**

Schedule P - Part 5H- SN2B  
**NONE**

Schedule P - Part 5H- SN3B  
**NONE**

Schedule P - Part 5R- SN1A  
**NONE**

Schedule P - Part 5R- SN2A  
**NONE**

Schedule P - Part 5R- SN3A  
**NONE**

Schedule P - Part 5R- SN1B  
**NONE**

Schedule P - Part 5R- SN2B  
**NONE**

Schedule P - Part 5R- SN3B  
**NONE**

Schedule P - Part 5T- SN1  
**NONE**

Schedule P - Part 5T- SN2  
**NONE**

Schedule P - Part 5T- SN3  
**NONE**

Schedule P - Part 6C - SN1  
**NONE**

Schedule P - Part 6C - SN2  
**NONE**

Schedule P - Part 6D - SN1  
**NONE**

Schedule P - Part 6D - SN2  
**NONE**

Schedule P - Part 6E - SN1  
**NONE**

Schedule P - Part 6E - SN2  
**NONE**

Schedule P - Part 6H - SN1A  
**NONE**

Schedule P - Part 6H - SN2A  
**NONE**

Schedule P - Part 6H - SN1B  
**NONE**

Schedule P - Part 6H - SN2B  
**NONE**

Schedule P - Part 6M - SN1  
**NONE**

Schedule P - Part 6M - SN2  
**NONE**

Schedule P - Part 6N - SN1  
**NONE**

Schedule P - Part 6N - SN2  
**NONE**

Schedule P - Part 6O - SN1  
**NONE**

Schedule P - Part 6O - SN2  
**NONE**

Schedule P - Part 6R - SN1A  
**NONE**

Schedule P - Part 6R - SN2A  
**NONE**

Schedule P - Part 6R - SN1B  
**NONE**

Schedule P - Part 6R - SN2B  
**NONE**

Schedule P - Part 7A - Section 1  
**NONE**

Schedule P - Part 7A - Section 2  
**NONE**

Schedule P - Part 7A - Section 3  
**NONE**

Schedule P - Part 7A - Section 4  
**NONE**

Schedule P - Part 7A - Section 5  
**NONE**

Schedule P - Part 7B - Section 1  
**NONE**

Schedule P - Part 7B - Section 2  
**NONE**

Schedule P - Part 7B - Section 3  
**NONE**

Schedule P - Part 7B - Section 4  
**NONE**

Schedule P - Part 7B - Section 5  
**NONE**

Schedule P - Part 7B - Section 6

NONE

Schedule P - Part 7B - Section 7

NONE



SCHEDULE P INTERROGATORIES

1.

The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1

Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost?  
If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:

Yes [ ] No [ X ]
- 1.2

What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)?.....
- 1.3

Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65?

Yes [ ] No [ X ]
- 1.4

Does the company report any DDR reserve as loss or loss adjustment expense reserve?

Yes [ ] No [ X ]
- 1.5

If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2?

Yes [ ] No [ ] N/A [ X ]
- 1.6

If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
		1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601	Prior .....		
1.602	2000.....		
1.603	2001.....		
1.604	2002.....		
1.605	2003.....		
1.606	2004.....		
1.607	2005.....		
1.608	2006 .....		
1.609	2007.....		
1.610	2008 .....		
1.611	2009.....		
1.612	Totals	0	0

2.

The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement?

Yes [ ] No [ X ]
3.

The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Answer:

Yes [ X ] No [ ]
4.

Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10?

Yes [ X ] No [ ]

If Yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5.

What were the net premiums in force at the end of the year for:  
(in thousands of dollars)

5.1Fidelity .....

5.2Surety .....
6.

Claim count information is reported per claim or per claimant (Indicate which).....CLAIM  
If not the same in all years, explain in Interrogatory 7.
- 7.1

The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses?

Yes [ ] No [ X ]
- 7.2

An extended statement may be attached.  
.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	.0	111,805	.0	.0	.0	.0	
2. Alaska	AK	L	.0	51,272	.0	.0	.0	.0	
3. Arizona	AZ	L	.0	309,315	.0	.0	.0	.0	
4. Arkansas	AR	L	.0	151,868	.0	.0	.0	.0	
5. California	CA	L	.0	1,112,826	.0	36,563	741,461	704,898	.0
6. Colorado	CO	L	.0	460,355	.0	.0	.0	.0	
7. Connecticut	CT	L	.0	45,327	.0	.0	.0	.0	
8. Delaware	DE	L	.0	400,869	.0	.0	.0	.0	
9. District of Columbia	DC	L	.0	151,496	.0	.0	.0	.0	
10. Florida	FL	L	101,460	1,685,494	.0	.0	.0	.0	
11. Georgia	GA	L	.0	217,198	.0	.0	.0	.0	
12. Hawaii	HI	L	.0	.0	.0	.0	.0	.0	
13. Idaho	ID	L	.0	.0	.0	.0	.0	.0	
14. Illinois	IL	L	182,485	553,680	.0	.0	.0	.0	
15. Indiana	IN	L	.0	3,585	.0	.0	.0	.0	
16. Iowa	IA	L	.0	.0	.0	.0	.0	.0	
17. Kansas	KS	L	.0	18,627	.0	.0	.0	.0	
18. Kentucky	KY	L	.0	25,780	.0	.0	.0	.0	
19. Louisiana	LA	L	12,506	122,267	.0	288,127	4,279,661	3,991,534	.0
20. Maine	ME	L	.0	.0	.0	.0	.0	.0	
21. Maryland	MD	L	.0	59,914	.0	.0	.0	.0	
22. Massachusetts	MA	L	.0	289,445	.0	.0	.0	.0	
23. Michigan	MI	L	.0	216,564	.0	.0	.0	.0	
24. Minnesota	MN	L	3,303	1,205,414	.0	(751,734)	(991,420)	4,470,707	.0
25. Mississippi	MS	L	142	178,679	.0	1,166,195	4,057,336	17,961,984	.0
26. Missouri	MO	L	9,690	203,497	.0	.0	.0	.0	
27. Montana	MT	L	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE	L	.0	.0	.0	.0	.0	.0	
29. Nevada	NV	L	.0	102,434	.0	.0	.0	.0	
30. New Hampshire	NH	L	60,200	264,911	.0	.0	.0	.0	
31. New Jersey	NJ	L	.0	299,270	.0	.0	.0	.0	
32. New Mexico	NM	L	.0	7,633	.0	.0	.0	.0	
33. New York	NY	L	.0	2,271,138	.0	.0	.0	.0	
34. North Carolina	NC	L	.0	32,782	.0	.0	.0	.0	
35. North Dakota	ND	L	.0	29,840	.0	.0	.0	.0	
36. Ohio	OH	L	.0	49,866	.0	.0	.0	.0	
37. Oklahoma	OK	L	.0	281,743	.0	.0	.0	.0	
38. Oregon	OR	L	.0	63,956	.0	.0	.0	.0	
39. Pennsylvania	PA	L	47,600	496,843	.0	.0	.0	.0	
40. Rhode Island	RI	L	.0	12,959	.0	.0	.0	.0	
41. South Carolina	SC	L	.0	73,551	.0	.0	.0	.0	
42. South Dakota	SD	L	.0	204,638	.0	.0	.0	.0	
43. Tennessee	TN	L	.0	.0	.0	.0	.0	.0	
44. Texas	TX	L	.0	2,102,597	.0	194,880	2,335,066	2,140,186	.0
45. Utah	UT	L	.0	.0	.0	.0	.0	.0	
46. Vermont	VT	L	.0	65,927	.0	.0	.0	.0	
47. Virginia	VA	L	20,000	50,984	.0	.0	.0	.0	
48. Washington	WA	L	.0	706,228	.0	.0	.0	.0	
49. West Virginia	WV	L	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI	L	.0	67,132	.0	.0	.0	.0	
51. Wyoming	WY	L	.0	21,421	.0	.0	.0	.0	
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	
53. Guam	GU	L	.0	112,152	.0	.0	.0	.0	
54. Puerto Rico	PR	L	.0	90,978	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI	L	.0	78,927	.0	.0	.0	.0	
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	
57. Canada	ON	N	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT	XXX	427,000	213,500	.0	.0	.0	.0	.0
59. Totals	(a) 54		864,386	15,276,687	0	934,032	10,422,105	29,269,309	0
DETAILS OF WRITE-INS									
5801. Alien(01)	XXX		427,000	213,500	.0	.0	.0	.0	.0
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX		427,000	213,500	0	0	0	0	0

Explanation of basis of allocation of premiums by states, etc.

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

SCHEDULE T – PART 2  
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

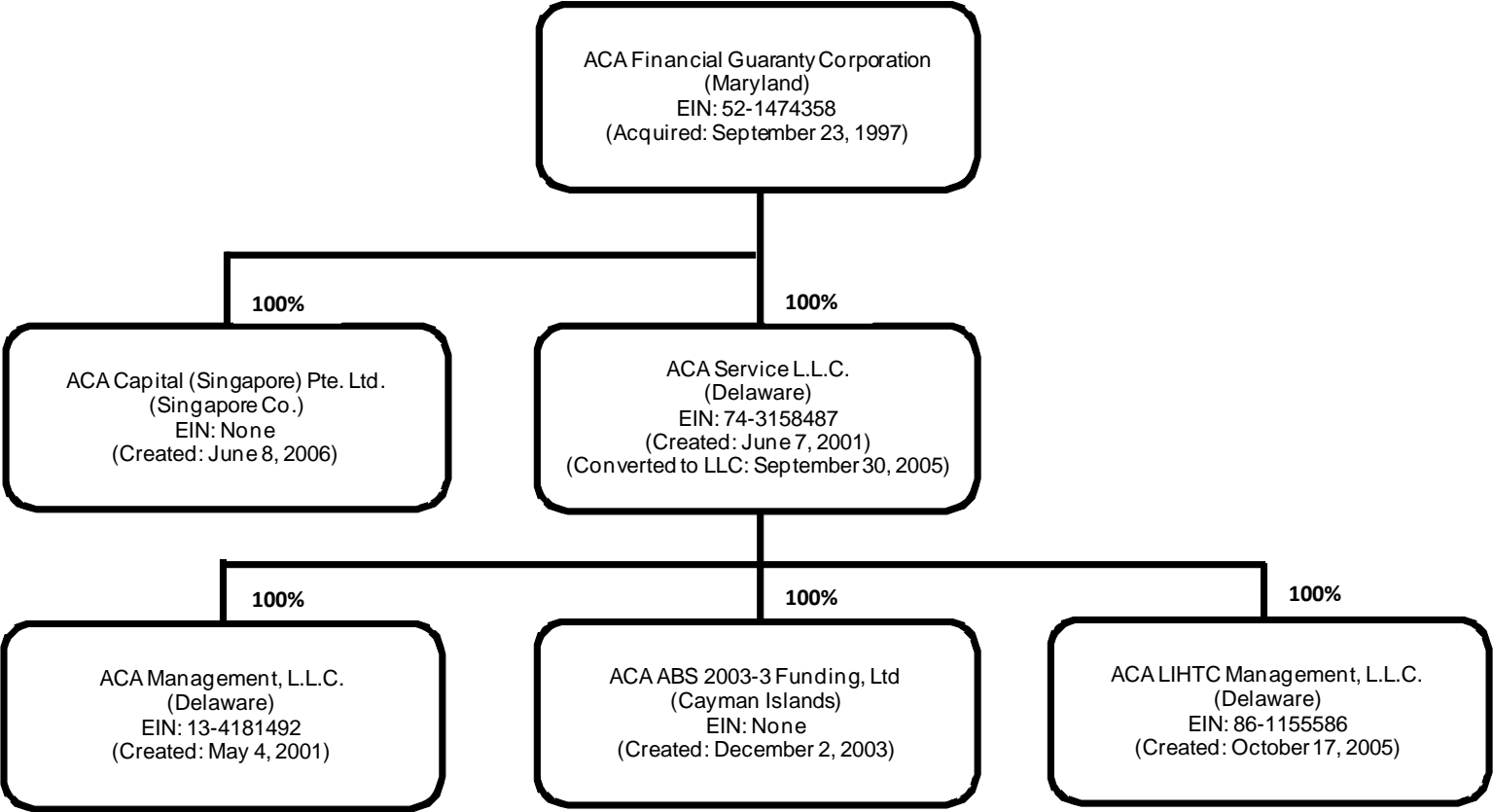
Allocated by States and Territories

		Direct Business Only					
		1	2	3	4	5	6
States, Etc.		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1. Alabama .....	AL						.0
2. Alaska .....	AK						.0
3. Arizona .....	AZ						.0
4. Arkansas .....	AR						.0
5. California .....	CA						.0
6. Colorado .....	CO						.0
7. Connecticut .....	CT						.0
8. Delaware .....	DE						.0
9. District of Columbia .....	DC						.0
10. Florida .....	FL						.0
11. Georgia .....	GA						.0
12. Hawaii .....	HI						.0
13. Idaho .....	ID						.0
14. Illinois .....	IL						.0
15. Indiana .....	IN						.0
16. Iowa .....	IA						.0
17. Kansas .....	KS						.0
18. Kentucky .....	KY						.0
19. Louisiana .....	LA						.0
20. Maine .....	ME						.0
21. Maryland .....	MD						.0
22. Massachusetts .....	MA						.0
23. Michigan .....	MI						.0
24. Minnesota .....	MN						.0
25. Mississippi .....	MS						.0
26. Missouri .....	MO						.0
27. Montana .....	MT						.0
28. Nebraska .....	NE						.0
29. Nevada .....	NV						.0
30. New Hampshire .....	NH						.0
31. New Jersey .....	NJ						.0
32. New Mexico .....	NM						.0
33. New York .....	NY						.0
34. North Carolina .....	NC						.0
35. North Dakota .....	ND						.0
36. Ohio .....	OH						.0
37. Oklahoma .....	OK						.0
38. Oregon .....	OR						.0
39. Pennsylvania .....	PA						.0
40. Rhode Island .....	RI						.0
41. South Carolina .....	SC						.0
42. South Dakota .....	SD						.0
43. Tennessee .....	TN						.0
44. Texas .....	TX						.0
45. Utah .....	UT						.0
46. Vermont .....	VT						.0
47. Virginia .....	VA						.0
48. Washington .....	WA						.0
49. West Virginia .....	WV						.0
50. Wisconsin .....	WI						.0
51. Wyoming .....	WY						.0
52. American Samoa .....	AS						.0
53. Guam .....	GU						.0
54. Puerto Rico .....	PR						.0
55. U.S. Virgin Islands .....	VI						.0
56. Northern Mariana Islands .....	MP						.0
57. Canada .....	CN						.0
58. Aggregate Other Alien .....	OT						.0
59. Totals		0	0	0	0	0	0

NONE

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

PART 1 - ORGANIZATIONAL CHART



## 95

## PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** 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.

MARCH FILING

RESPONSES

1.

Will an actuarial opinion be filed by March 1?

.....YES.....
2.

Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?

.....YES.....
3.

Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?

.....WAIVED.....
4.

Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?

.....WAIVED.....

APRIL FILING

5.

Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?

.....YES.....
6.

Will Management's Discussion and Analysis be filed by April 1?

.....YES.....
7.

Will the Supplemental Investment Risk Interrogatories be filed by April 1?

.....YES.....

MAY FILING

8.

Will this company be included in a combined annual statement which is filed with the NAIC by May 1?

.....WAIVED.....

JUNE FILING

9.

Will an audited financial report be filed by June 1?

.....YES.....
10.

Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?

.....YES.....

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.

MARCH FILING

11.

Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?

.....NO.....
12.

Will the Financial Guaranty Insurance Exhibit be filed March 1?

.....YES.....
13.

Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?

.....NO.....
14.

Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?

.....NO.....
15.

Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?

.....NO.....
16.

Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?

.....NO.....
17.

Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?

.....SEE EXPLANATION.....
18.

Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?

.....NO.....
19.

Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required by March 15 (or the date otherwise specified)?

.....YES.....
20.

Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?

.....YES.....
21.

Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?

.....SEE EXPLANATION.....
22.

Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?

.....NO.....

APRIL FILING

23.

Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?

.....NO.....
24.

Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?

.....NO.....
25.

Will the Accident and Health Policy Experience Exhibit be filed by April 1?

.....NO.....

Explanation:

11.

13.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

14.
15.
16.
17. The Company has all No answers on Interrogatory 9 indicating that there is nothing to report.
18.
21. The Company does not have any exceptions to report.
22.
23.
24.
25.

Bar Code:

3.

228962009390000000

4.

228962009390000000

8.

228962009201000000

11.

228962009420000000

13.

228962009360590000

14.

228962009455000000

15.

228962009490000000

16.

228962009385000000

18.

228962009365000000

22.

228962009500000000

23.

228962009230590000

24.

228962009306000000

25.

228962009210000000

OVERFLOW PAGE FOR WRITE-INS



SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	4,894,662	1.199	4,894,662	1.199
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		0.000		0.000
1.22 Issued by U.S. government sponsored agencies .....	48,434,192	11.866	48,434,192	11.866
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities) .....		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....	1,788,682	0.438	1,788,682	0.438
1.44 Industrial development and similar obligations .....		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....	25,617,438	6.276	25,617,438	6.276
1.512 Issued or guaranteed by FNMA and FHLMC .....	34,486,004	8.449	34,486,004	8.449
1.513 All other .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....	15,447,375	3.785	15,447,375	3.785
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....		0.000		0.000
1.523 All other .....	46,867,719	11.482	46,867,719	11.482
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	151,096,994	37.018	151,096,994	37.018
2.2 Unaffiliated non-U.S. securities (including Canada) .....	40,813,699	9.999	40,813,699	9.999
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
4.6 Mezzanine real estate loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company .....		0.000	0	0.000
5.2 Property held for the production of income (including \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Contract loans .....		0.000	0	0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash, cash equivalents and short-term investments .....	37,630,585	9.219	37,630,585	9.219
9. Other invested assets .....	1,090,255	0.267	1,090,255	0.267
10. Total invested assets	408,167,604	100.000	408,167,604	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	0
2.2 Additional investment made after acquisition (Part 2, Column 7).....	0
3. Current year change in encumbrances:	
3.1 Totals, Part 1, Column 13.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Total gain (loss) on disposals, Part 3, Column 18.....	0
5. Deduct amounts received on disposals, Part 3, Column 15.....	0
6. Total foreign exchange change in book/adjusted carrying value:	
6.1 Totals, Part 1, Column 15.....	0
6.2 Totals, Part 3, Column 13.....	0
7. Deduct current year's other than temporary impairment recognized:	
7.1 Totals, Part 1, Column 12.....	0
7.2 Totals, Part 3, Column 10.....	0
8. Deduct current year's depreciation:	
8.1 Totals, Part 1, Column 11.....	0
8.2 Totals, Part 3, Column 9.....	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0
10. Deduct total nonadmitted amounts.....	
11. Statement value at end of current period (Line 9 minus Line 10).....	0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	0
2.2 Additional investment made after acquisition (Part 2, Column 8).....	0
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 12.....	0
3.2 Totals, Part 3, Column 11.....	0
4. Accrual of discount.....	
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 9.....	0
5.2 Totals, Part 3, Column 8.....	0
6. Total gain (loss) on disposals, Part 3, Column 18.....	0
7. Deduct amounts received on disposals, Part 3, Column 15.....	0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....	
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:	
9.1 Totals, Part 1, Column 13.....	0
9.2 Totals, Part 3, Column 13.....	0
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 11.....	0
10.2 Totals, Part 3, Column 10.....	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
12. Total valuation allowance.....	
13. Subtotal (Line 11 plus Line 12).....	0
14. Deduct total nonadmitted amounts.....	
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....	0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....	1,090,068
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	0
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 16.....	0
3.2 Totals, Part 3, Column 12.....	0
4. Accrual of discount.....	187
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 13.....	0
5.2 Totals, Part 3, Column 9.....	0
6. Total gain (loss) on disposals, Part 3, Column 19.....	0
7. Deduct amounts received on disposals, Part 3, Column 16.....	0
8. Deduct amortization of premium and depreciation.....	0
9. Total foreign exchange change in book/adjusted carrying value:	
9.1 Totals, Part 1, Column 17.....	0
9.2 Totals, Part 3, Column 14.....	0
10. Deduct current year's other than temporary impairment recognized:	
10.1 Totals, Part 1, Column 15.....	0
10.2 Totals, Part 3, Column 11.....	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	1,090,255
12. Deduct total nonadmitted amounts.....	0
13. Statement value at end of current period (Line 11 minus Line 12).....	1,090,255

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book /adjusted carrying value, December 31 of prior year.....	369,568,588
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	106,796,030
3. Accrual of discount.....	450,951
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12.....	205,683
4.2 Part 2, Section 1, Column 15.....	0
4.3 Part 2, Section 2, Column 13.....	0
4.4 Part 4, Column 11.....	392,666
5. Total gain (loss) on disposals, Part 4, Column 19.....	(4,270,555)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	90,849,372
7. Deduct amortization of premium.....	1,339,367
8. Total foreign exchange change in book/adjusted carrying value:	
8.1 Part 1, Column 15.....	0
8.2 Part 2, Section 1, Column 19.....	0
8.3 Part 2, Section 2, Column 16.....	0
8.4 Part 4, Column 15.....	0
9. Deduct current year's other than temporary impairment recognized:	
9.1 Part 1, Column 14.....	10,738,044
9.2 Part 2, Section 1, Column 17.....	0
9.3 Part 2, Section 2, Column 14.....	0
9.4 Part 4, Column 13.....	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	370,216,580
11. Deduct total nonadmitted amounts.....	769,815
12. Statement value at end of current period (Line 10 minus Line 11).....	369,446,765

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b> Governments (Including all obligations guaranteed by governments)	1. United States .....	78,946,293	83,513,400	78,894,891	78,304,609
	2. Canada .....				
	3. Other Countries .....				
	4. Totals	78,946,293	83,513,400	78,894,891	78,304,609
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	51,722,061	54,629,018	51,659,101	52,124,377
Industrial and Miscellaneous and Credit Tenant Loans and Hybird Securities (unaffiliated)	8. United States.....	194,851,427	197,556,139	195,847,408	189,007,886
	9. Canada.....	3,062,575	3,096,750	3,065,820	3,000,000
	10. Other Countries	40,864,409	40,705,667	41,120,641	72,994,428
	11. Totals	238,778,411	241,358,556	240,033,869	265,002,314
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. <b>Total Bonds</b>	369,446,765	379,500,974	370,587,861	395,431,300
<b>PREFERRED STOCKS</b> Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries .....				
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. <b>Total Preferred Stocks</b>	0	0	0	
<b>COMMON STOCKS</b> Industrial and Miscellaneous (unaffiliated)	20. United States .....				
	21. Canada .....				
	22. Other Countries .....				
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	769,815	769,815	631,531	
	25. <b>Total Common Stocks</b>	769,815	769,815	631,531	
	26. <b>Total Stocks</b>	769,815	769,815	631,531	
	27. <b>Total Bonds and Stocks</b>	370,216,580	380,270,789	371,219,392	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations											
Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1 .....	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	
1.2 Class 2 .....						.0	0.0				
1.3 Class 3 .....						.0	0.0				
1.4 Class 4 .....						.0	0.0				
1.5 Class 5 .....						.0	0.0				
1.6 Class 6 .....						0	0.0				
1.7 Totals	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	0
<b>2. All Other Governments</b>											
2.1 Class 1 .....						.0	0.0				
2.2 Class 2 .....						.0	0.0				
2.3 Class 3 .....						.0	0.0				
2.4 Class 4 .....						.0	0.0				
2.5 Class 5 .....						.0	0.0				
2.6 Class 6 .....						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1 .....						.0	0.0				
3.2 Class 2 .....						.0	0.0				
3.3 Class 3 .....						.0	0.0				
3.4 Class 4 .....						.0	0.0				
3.5 Class 5 .....						.0	0.0				
3.6 Class 6 .....						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1 .....						.0	0.0	5,065,712	1.2		
4.2 Class 2 .....						.0	0.0				
4.3 Class 3 .....						.0	0.0				
4.4 Class 4 .....						.0	0.0				
4.5 Class 5 .....						.0	0.0				
4.6 Class 6 .....						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	5,065,712	1.2	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Class 1 .....	5,016,600	15,575,485	15,493,244	12,192,679	2,655,371	50,933,379	12.6	69,808,258	16.2	50,933,379	
5.2 Class 2 .....						.0	0.0	3,638,428	0.8		
5.3 Class 3 .....		785,073				785,073	0.2	734,168	0.2	785,073	
5.4 Class 4 .....						.0	0.0				
5.5 Class 5 .....			3,609			3,609	0.0			3,609	
5.6 Class 6 .....						0	0.0				
5.7 Totals	5,016,600	16,360,558	15,496,853	12,192,679	2,655,371	51,722,061	12.8	74,180,854	17.2	51,722,061	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations											
Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (unaffiliated)</b>											
6.1 Class 1 .....	50,904,942	88,630,653	41,786,678	653,333	28,270,926	210,246,532	51.9	229,645,881	53.2	186,797,472	23,449,059
6.2 Class 2 .....	5,234,128	46,024,000	1,568,703	480,924	6,491,198	59,798,953	14.8	30,272,790	7.0	50,243,424	9,555,529
6.3 Class 3 .....					801,125	801,125	0.2	974,950	0.2	801,125	
6.4 Class 4 .....					1,120,000	1,120,000	0.3				1,120,000
6.5 Class 5 .....		337,038		360,870		697,908	0.2	1,658,232	0.4	337,038	360,870
6.6 Class 6 .....	52,053	270,312	536,341	1,195,923		2,054,629	0.5	2,500,039	0.6	2,054,629	
6.7 Totals	56,191,123	135,262,003	43,891,722	2,691,050	36,683,249	274,719,147	67.8	265,051,892	61.2	240,233,688	34,485,458
<b>7. Credit Tenant Loans</b>											
7.1 Class 1 .....						0	0.0				
7.2 Class 2 .....						0	0.0				
7.3 Class 3 .....						0	0.0				
7.4 Class 4 .....						0	0.0				
7.5 Class 5 .....						0	0.0				
7.6 Class 6 .....						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>8. Hybird Securities</b>											
8.1 Class 1 .....						0	0.0				
8.2 Class 2 .....						0	0.0				
8.3 Class 3 .....						0	0.0				
8.4 Class 4 .....						0	0.0				
8.5 Class 5 .....						0	0.0				
8.6 Class 6 .....						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1 .....						0	0.0				
9.2 Class 2 .....						0	0.0				
9.3 Class 3 .....						0	0.0				
9.4 Class 4 .....						0	0.0				
9.5 Class 5 .....						0	0.0				
9.6 Class 6 .....						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0			0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	(d) 61,776,461	160,480,323	63,318,199	20,280,804	34,270,417	340,126,204	83.9	XXX	XXX	316,677,144	23,449,059
10.2 Class 2	(d) 5,234,128	46,024,000	1,568,703	480,924	6,491,198	59,798,953	14.8	XXX	XXX	50,243,424	9,555,529
10.3 Class 3	(d) 0	785,073	0	0	801,125	1,586,198	0.4	XXX	XXX	1,586,198	0
10.4 Class 4	(d) 0	0	0	0	1,120,000	1,120,000	0.3	XXX	XXX	0	1,120,000
10.5 Class 5	(d) 0	337,038	3,609	360,870	0	(c) 701,517	0.2	XXX	XXX	340,647	360,870
10.6 Class 6	(d) 52,053	270,312	536,341	1,195,923	0	(c) 2,054,629	0.5	XXX	XXX	2,054,629	0
10.7 Totals	67,062,642	207,896,746	65,426,852	22,318,521	42,682,740	(b) 405,387,501	100.0	XXX	XXX	370,902,042	34,485,458
10.8 Line 10.7 as a % of Col. 6	16.5	51.3	16.1	5.5	10.5	100.0	XXX	XXX	XXX	91.5	8.5
11. Total Bonds Prior Year											
11.1 Class 1	88,168,128	114,791,384	110,580,257	34,315,546	44,222,518	XXX	XXX	392,077,833	90.8	379,674,552	12,403,281
11.2 Class 2	697,284	8,820,344	6,214,211	710,015	17,469,365	XXX	XXX	33,911,218	7.9	21,715,456	12,195,763
11.3 Class 3		1,135,368			573,750	XXX	XXX	1,709,118	0.4	1,709,118	
11.4 Class 4						XXX	XXX	0		0	
11.5 Class 5		1,658,232				XXX	XXX	(c) 1,658,232	0.4	1,658,232	
11.6 Class 6	200,106	781,898	872,534	645,501		XXX	XXX	(c) 2,500,039	0.6	2,500,039	
11.7 Totals	89,065,518	127,187,225	117,667,002	35,671,062	62,265,633	XXX	XXX	(b) 431,856,440	100.0	407,257,397	24,599,044
11.8 Line 11.7 as a % of Col. 8	20.6	29.5	27.2	8.3	14.4	XXX	XXX	100.0	XXX	94.3	5.7
12. Total Publicly Traded Bonds											
12.1 Class 1	58,710,994	144,990,758	63,318,198	20,280,804	29,376,389	316,677,143	78.1	379,674,552	87.9	316,677,143	XXX
12.2 Class 2	5,234,128	37,615,625	1,568,703	480,924	5,344,045	50,243,425	12.4	21,715,456	5.0	50,243,425	XXX
12.3 Class 3		785,073			801,125	1,586,198	0.4	1,709,118	0.4	1,586,198	XXX
12.4 Class 4						0	0.0	0		0	XXX
12.5 Class 5		337,038	3,609			340,647	0.1	1,658,232	0.4	340,647	XXX
12.6 Class 6	52,053	270,312	536,341	1,195,923		2,054,629	0.5	2,500,039	0.6	2,054,629	XXX
12.7 Totals	63,997,175	183,998,806	65,426,851	21,957,651	35,521,559	370,902,042	91.5	407,257,397	94.3	370,902,042	XXX
12.8 Line 12.7 as a % of Col. 6	17.3	49.6	17.6	5.9	9.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.8	45.4	16.1	5.4	8.8	91.5	XXX	XXX	XXX	91.5	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	3,065,467	15,489,565			4,894,027	23,449,059	5.8	12,403,280	2.9	XXX	23,449,059
13.2 Class 2		8,408,376			1,147,153	9,555,529	2.4	12,195,763	2.8	XXX	9,555,529
13.3 Class 3						0	0.0			XXX	0
13.4 Class 4						1,120,000	0.3			XXX	1,120,000
13.5 Class 5				360,870		360,870	0.1			XXX	360,870
13.6 Class 6						0	0.0			XXX	0
13.7 Totals	3,065,467	23,897,941	0	360,870	7,161,180	34,485,458	8.5	24,599,043	5.7	XXX	34,485,458
13.8 Line 13.7 as a % of Col. 6	8.9	69.3	0.0	1.0	20.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.8	5.9	0.0	0.1	1.8	8.5	XXX	XXX	XXX	XXX	8.5

(a) Includes \$ 34,485,458 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ \_\_\_\_\_, current year, \_\_\_\_\_ prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by \_\_\_\_\_ current year, \$ \_\_\_\_\_ prior year of bonds with Z designations and \$ 0 \$ \_\_\_\_\_ the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ \_\_\_\_\_ prior year of bonds with 5\* designations and \_\_\_\_\_, current year, \_\_\_\_\_ prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ \_\_\_\_\_; NAIC 2 \$ \_\_\_\_\_; NAIC 3 \$ \_\_\_\_\_; NAIC 4 \$ \_\_\_\_\_; NAIC 5 \$ \_\_\_\_\_; NAIC 6 \$ \_\_\_\_\_.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	3,795,603	49,533,251				53,328,854	13.2	59,023,087	13.7	53,328,854	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,059,316	6,740,934	6,038,277	7,434,792	3,344,120	25,617,439	6.3	28,534,895	6.6	25,617,439	
1.7 Totals	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	0
<b>2. All Other Governments</b>											
2.1 Issuer Obligations						.0	.0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined						.0	.0.0				
2.4 Other						.0	.0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined						.0	.0.0				
2.6 Other						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>3. U.S. States, Territories, and Possessions Guaranteed</b>											
3.1 Issuer Obligations						.0	.0.0				
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined						.0	.0.0				
3.4 Other						.0	.0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined						.0	.0.0				
3.6 Other						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations						.0	.0.0	5,065,712	1.2		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined						.0	.0.0				
4.4 Other						.0	.0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined						.0	.0.0				
4.6 Other						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	5,065,712	1.2	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Issuer Obligations		785,073	3,609		1,000,000	1,788,682	.0.4	15,475,109	3.6	1,788,682	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	5,012,935	13,940,319	8,869,742	5,916,392	746,617	34,486,005	8.5	43,313,545	10.0	34,486,004	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	15,392,200	3.6	15,447,375	
5.4 Other						.0	.0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined						.0	.0.0				
5.6 Other						0	0.0				
5.7 Totals	5,016,600	16,360,558	15,496,853	12,192,679	2,655,371	51,722,061	12.8	74,180,854	17.2	51,722,061	0



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues											
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....	52,966,898	116,863,760	18,374,423	628,419	26,447,724	215,281,224	53.1	168,087,871	38.9	181,982,331	33,298,892
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....											
6.3 Defined .....						0	0.0				
6.4 Other .....	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	1,997,268	0.6	1,855,005	
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....											
6.5 Defined .....	1,336,905	12,618,397	22,374,112		8,531,729	44,861,143	11.1	66,508,017	15.4	44,794,577	66,566
6.6 Other .....	1,859,279	5,643,680	2,902,893	1,195,923	1,120,000	12,721,775	3.1	28,458,736	6.5	11,601,775	1,120,000
6.7 Totals .....	56,191,124	135,262,003	43,891,722	2,691,050	36,683,248	274,719,147	67.8	265,051,892	61.4	240,233,688	34,485,458
<b>7. Credit Tenant Loans</b>											
7.1 Issuer Obligations .....						0	0.0				
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0				
7.7 Totals .....	0	0	0	0	0	0	0.0			0	0
<b>8. Hybrid Securities</b>											
8.1 Issuer Obligations .....						0	0.0				
8.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....											
8.3 Defined .....						0	0.0				
8.4 Other .....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....											
8.5 Defined .....						0	0.0				
8.6 Other .....						0	0.0				
8.7 Totals .....	0	0	0	0	0	0	0.0			0	0
<b>9. Parents, Subsidiaries and Affiliates</b>											
9.1 Issuer Obligations .....						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES .....											
9.3 Defined .....						0	0.0				
9.4 Other .....						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES .....											
9.5 Defined .....						0	0.0				
9.6 Other .....						0	0.0				
9.7 Totals .....	0	0	0	0	0	0	0.0			0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	56,762,501	167,182,084	18,378,032	628,419	27,447,724	270,398,760	66.7	XXX	XXX	237,099,867	33,298,892
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	7,072,251	20,681,253	14,908,019	13,351,184	4,090,737	60,103,444	14.8	XXX	XXX	60,103,443	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	XXX	XXX	15,447,375	0
10.4 Other	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	XXX	XXX	1,855,005	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	1,336,905	12,618,397	22,374,112	0	8,531,729	44,861,143	11.1	XXX	XXX	44,794,577	66,566
10.6 Other	1,859,279	5,643,680	2,902,893	1,195,923	1,120,000	12,721,775	3.1	XXX	XXX	11,601,775	1,120,000
10.7 Totals	67,062,643	207,896,746	65,426,852	22,318,521	42,682,739	405,387,501	100.0	XXX	XXX	370,902,042	34,485,458
10.8 Line 10.7 as a % of Col. 6	16.5	51.3	16.1	5.5	10.5	100.0	XXX	XXX	XXX	91.5	8.5
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	74,037,943	95,313,446	43,302,679	6,650,860	28,346,851	XXX	XXX	247,651,779	57.3	237,510,213	10,141,566
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	6,357,541	19,384,288	15,446,952	18,840,560	11,819,100	XXX	XXX	71,848,441	16.6	71,848,440	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	36,653	139,551	3,539,995	9,156,753	2,519,248	XXX	XXX	15,392,200	3.6	15,392,200	0
11.4 Other		1,575,899	421,369			XXX	XXX	1,997,268	0.5	1,997,268	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	7,408,285	3,519,019	47,048,983		8,531,729	XXX	XXX	66,508,016	15.4	63,099,245	3,408,772
11.6 Other	1,225,096	7,255,023	7,907,023	1,022,888	11,048,706	XXX	XXX	28,458,736	6.6	17,410,030	11,048,706
11.7 Totals	89,065,518	127,187,226	117,667,001	35,671,061	62,265,634	XXX	XXX	431,856,440	100.0	407,257,396	24,599,044
11.8 Line 11.7 as a % of Col. 8	20.6	29.5	27.2	8.3	14.4	XXX	XXX	100.0	XXX	94.3	5.7
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	53,763,600	143,284,143	18,378,032	267,549	21,406,543	237,099,867	58.5	237,510,213	55.0	237,099,867	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	7,072,250	20,681,253	14,908,018	13,351,184	4,090,737	60,103,442	14.8	71,848,439	16.6	60,103,442	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	15,392,200	3.6	15,447,374	XXX
12.4 Other	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	1,997,268	0.6	1,855,005	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined	1,270,339	12,618,397	22,374,112		8,531,729	44,794,577	11.0	63,099,245	14.6	44,794,577	XXX
12.6 Other	1,859,279	5,643,680	2,902,893	1,195,923		11,601,775	2.9	17,410,030	3.9	11,601,775	XXX
12.7 Totals	63,997,175	183,998,805	65,426,851	21,957,651	35,521,558	370,902,040	91.5	407,257,395	94.3	370,902,040	XXX
12.8 Line 12.7 as a % of Col. 6	17.3	49.6	17.6	5.9	9.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.8	45.4	16.1	5.4	8.8	91.5	XXX	XXX	XXX	91.5	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	2,998,901	23,897,941		360,870	6,041,180	33,298,892	8.2	10,141,567	2.3	XXX	33,298,892
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0			XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined						0	0.0			XXX	0
13.4 Other						0	0.0			XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined	66,566					66,566	0.0	3,408,772	0.8	XXX	66,566
13.6 Other					1,120,000	1,120,000	0.3	11,048,706	2.6	XXX	1,120,000
13.7 Totals	3,065,467	23,897,941	0	360,870	7,161,180	34,485,458	8.5	24,599,045	5.7	XXX	34,485,458
13.8 Line 13.7 as a % of Col. 6	8.9	69.3	0.0	1.0	20.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.8	5.9	0.0	0.1	1.8	8.5	XXX	XXX	XXX	XXX	8.5

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments					
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year.....	63,057,684	63,057,684	0	0	0
2. Cost of short-term investments acquired .....	164,803,446	164,803,446			
3. Accrual of discount.....	0				
4. Unrealized valuation increase (decrease).....	0				
5. Total gain (loss) on disposals.....	0				
6. Deduct consideration received on disposals.....	191,920,395	191,920,395			
7. Deduct amortization of premium.....	0				
8. Total foreign exchange change in book/adjusted carrying value.....	0				
9. Deduct current year's other than temporary impairment recognized.....	0				
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	35,940,735	35,940,735	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11)	35,940,735	35,940,735	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E - Verification

NONE

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

## E07

## E07

E07

E07

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
31339X-2W-5.....	Fed Home Ln Bank.....				1.....	3,914,432	105.7500	4,335,750	4,100,000	4,007,892	.0	24,073	.0	.0	3.875	4.585	JD.....	7,502	158,875	12/06/2006.....	06/14/2013.....
3133MT-ZL-5.....	Fed Hm Ln Bk Bd.....				1.....	4,023,040	107.2810	4,291,240	4,000,000	4,009,431	.0	(3,075)	.0	.0	4.500	4.410	MN.....	23,000	180,000	03/04/2005.....	11/15/2012.....
3133X2-6Y-6.....	Fed Home Ln Bank.....				1.....	4,079,166	109.8130	4,282,707	3,900,000	3,981,970	.0	(21,930)	.0	.0	5.130	4.455	MN.....	20,563	200,070	03/04/2005.....	05/24/2013.....
3134A4-UK-8.....	Freddie Mac.....				1.....	16,205,312	109.4380	17,510,080	16,000,000	16,091,151	.0	(21,222)	.0	.0	4.875	4.711	MN.....	99,667	780,000	02/22/2006.....	11/15/2013.....
3134A4-UM-4.....	Freddie Mac.....				1.....	4,391,661	108.0940	4,864,230	4,500,000	4,439,695	.0	13,139	.0	.0	4.500	4.868	JJ.....	93,375	202,500	06/27/2006.....	01/15/2014.....
31359M-HK-2.....	FNMA.....				1.....	3,608,469	105.6880	3,699,080	3,500,000	3,527,704	.0	(22,024)	.0	.0	5.500	4.810	MS.....	56,681	192,500	02/22/2006.....	03/15/2011.....
31359M-PF-4.....	FNMA.....				1.....	3,954,000	107.0940	4,283,760	4,000,000	3,980,118	.0	6,673	.0	.0	4.375	4.570	MS.....	51,528	175,000	10/07/2005.....	09/15/2012.....
31359M-UT-8.....	FNMA.....				1.....	4,500,502	106.3440	4,999,231	4,701,000	4,600,629	.0	20,620	.0	.0	4.125	4.679	AO.....	40,938	193,916	08/20/2004.....	04/15/2014.....
31359M-XH-1.....	FNMA.....				1.....	3,677,688	100.4380	3,816,644	3,800,000	3,795,603	.0	31,996	.0	.0	3.875	4.758	FA.....	55,628	147,250	01/26/2006.....	02/15/2010.....
912827-7L-0.....	US Treasury Note.....	SD.....			1.....	3,838,595	107.6020	4,126,537	3,835,000	3,836,302	.0	(660)	.0	.0	4.875	4.855	FA.....	70,617	186,956	08/09/2006.....	02/15/2012.....
912827-7L-0.....	US Treasury Note.....				1.....	200,187	107.6020	215,204	200,000	200,068	.0	(34)	.0	.0	4.875	4.855	FA.....	3,683	9,750	08/09/2006.....	02/15/2012.....
912828-CT-5.....	US Treasury.....				1.....	861,413	107.8830	922,400	855,000	858,292	.0	(640)	.0	.0	4.250	4.157	FA.....	13,725	36,338	09/08/2004.....	08/15/2014.....
0199999 - Total Bonds - U.S. Government - Issuer Obligations.....						53,254,465	XXX.....	57,346,863	53,391,000	53,328,854	.0	26,915	.0	.0	XXX.....	XXX.....	XXX.....	536,906	2,463,155	XXX.....	XXX.....
36200A-BE-8.....	GNMA Pool 595037.....			2.....	1.....	7,066	106.8280	7,331	6,862	7,055	.0	(4)	.0	.0	6.000	5.230	MON.....	34	412	11/04/2003.....	10/15/2032.....
36200A-CW-7.....	GNMA Pool 595085.....			2.....	1.....	252,566	106.8280	262,032	245,284	251,818	.0	(158)	.0	.0	6.000	5.598	MON.....	1,226	14,717	11/04/2003.....	10/15/2032.....
36200E-TY-7.....	GNMA Pool 599167.....			2.....	1.....	306,403	106.7030	317,515	297,569	305,026	.0	(248)	.0	.0	6.000	5.778	MON.....	1,488	17,854	11/04/2003.....	12/15/2033.....
36200M-AT-0.....	GNMA Pool 604018.....			2.....	1.....	2,774,765	105.5200	2,845,459	2,696,606	2,768,457	.0	(1,642)	.0	.0	5.500	4.981	MON.....	12,359	148,313	04/22/2003.....	02/15/2033.....
36200M-EN-9.....	GNMA Pool 604141.....			2.....	1.....	112,012	106.7030	116,075	108,783	111,786	.0	(75)	.0	.0	6.000	5.436	MON.....	544	6,527	11/04/2003.....	03/15/2033.....
36200Q-2R-4.....	GNMA Pool 569684.....			2.....	1.....	131,304	106.8280	136,225	127,519	130,990	.0	(78)	.0	.0	6.000	5.473	MON.....	638	7,651	11/04/2003.....	02/15/2032.....
36200R-LX-8.....	GNMA Pool 570142.....			2.....	1.....	68,252	106.8280	70,810	66,284	68,109	.0	(26)	.0	.0	6.000	5.390	MON.....	331	3,977	11/04/2003.....	12/15/2031.....
36200R-XT-4.....	GNMA Pool 570490.....			2.....	1.....	6,925	106.8280	7,184	6,725	6,908	.0	(3)	.0	.0	6.000	5.459	MON.....	34	404	11/04/2003.....	12/15/2031.....
36200S-US-7.....	GNMA Pool 571293.....			2.....	1.....	10,840	106.8280	11,247	10,528	10,786	.0	(31)	.0	.0	6.000	5.762	MON.....	53	632	11/04/2003.....	11/15/2031.....
36201A-PF-9.....	GNMA Pool 577422.....			2.....	1.....	20,645	106.8280	21,419	20,050	20,612	.0	(10)	.0	.0	6.000	5.228	MON.....	100	1,203	11/04/2003.....	01/15/2032.....
36201D-AX-0.....	GNMA Pool 579722.....			2.....	1.....	134,634	106.8280	139,680	130,752	134,352	.0	(118)	.0	.0	6.000	5.425	MON.....	654	7,845	11/04/2003.....	08/15/2032.....
36201E-AG-5.....	GNMA Pool 580607.....			2.....	1.....	35,834	106.7030	37,134	34,801	35,743	.0	(15)	.0	.0	6.000	5.546	MON.....	174	2,088	11/04/2003.....	02/15/2033.....
36201F-AF-4.....	GNMA Pool 581506.....			2.....	1.....	8,428	106.7030	8,734	8,185	8,416	.0	(3)	.0	.0	6.000	5.171	MON.....	41	491	11/04/2003.....	04/15/2033.....
36201K-JQ-0.....	GNMA Pool 585371.....			2.....	1.....	68,634	106.8280	71,207	66,656	68,549	.0	(19)	.0	.0	6.000	4.935	MON.....	333	3,999	11/04/2003.....	04/15/2032.....
36201Y-FD-3.....	GNMA Pool 606864.....			2.....	1.....	25,179	106.7030	26,092	24,453	25,145	.0	(9)	.0	.0	6.000	5.201	MON.....	122	1,467	11/04/2003.....	10/15/2033.....
36207E-ND-2.....	GNMA Pool 429788.....			2.....	1.....	119,850	106.7030	124,196	116,394	119,604	.0	30	.0	.0	6.000	5.478	MON.....	582	6,984	11/04/2003.....	12/15/2033.....
36210J-HW-1.....	GNMA Pool 493545.....			2.....	1.....	5,424	106.8280	5,627	5,268	5,412	.0	4	.0	.0	6.000	5.387	MON.....	26	316	11/04/2003.....	03/15/2031.....
36213F-U4-3.....	GNMA Pool 553303.....			2.....	1.....	2,217	106.7030	2,297	2,153	2,214	.0	.0	.0	.0	6.000	4.200	MON.....	11	129	11/04/2003.....	06/15/2033.....
36213R-2A-4.....	GNMA Pool 562469.....			2.....	1.....	1,340,179	103.5280	1,380,396	1,333,356	1,339,286	.0	256	.0	.0	5.000	4.956	MON.....	5,556	66,668	02/13/2004.....	02/15/2034.....
36213R-ZF-7.....	GNMA Pool 562442.....			2.....	1.....	579,815	105.4260	595,097	564,468	577,399	.0	(1,841)	.0	.0	5.500	5.296	MON.....	2,587	31,046	01/16/2004.....	01/15/2034.....
36213T-GW-7.....	GNMA Pool 563713.....			2.....	1.....	107,076	106.7030	110,959	103,989	106,806	.0	(90)	.0	.0	6.000	5.538	MON.....	520	6,239	11/04/2003.....	01/15/2033.....
36213U-EZ-9.....	GNMA Pool 564552.....			2.....	1.....	12,138	106.8280	12,593	11,788	12,079	.0	(39)	.0	.0	6.000	5.755	MON.....	59	707	11/04/2003.....	12/15/2031.....
36213V-GN-2.....	GNMA Pool 565505.....			2.....	1.....	6,795	106.8280	7,050	6,599	6,785	.0	3	.0	.0	6.000	5.203	MON.....	33	396	11/04/2003.....	09/15/2032.....
36290X-PM-6.....	GNMA Pool 620628.....			2.....	1.....	136,575	106.7030	141,527	132,637	136,322	.0	112	.0	.0	6.000	5.411	MON.....	663	7,958	11/04/2003.....	09/15/2033.....
36290X-PT-1.....	GNMA Pool 620634.....			2.....	1.....	122,413	106.7030	126,852	118,884	122,291	.0	32	.0	.0	6.000	4.467	MON.....	594	7,133	11/04/2003.....	09/15/2033.....
36290Y-TN-8.....	GNMA Pool 621657.....			2.....	1.....	2,120	106.7030	2,196	2,058	2,110	.0	(2)	.0	.0	6.000	5.780	MON.....	10	124	11/04/2003.....	12/15/2033.....
36291C-PV-1.....	GNMA Pool 624236.....			2.....	1.....	20,905	106.7030	21,663	20,302	20,883	.0	56	.0	.0	6.000	4.719	MON.....	102	1,218	11/04/2003.....	12/15/2033.....
36291E-AD-3.....	GNMA Pool 625604.....			2.....	1.....	30,275	106.7030	31,373	29,402	30,235	.0	(12)	.0	.0	6.000	5.185	MON.....</				



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
31359S-26-4	Fanniemae Whole Loan NW 2001-W1 AF6			2	1	237,907	.99	8960	228,897	229,135	250,399	.0	4,804	.0	6.902	5.916	MON.	1,318	15,815	02/20/2004	06/25/2031
31393W-K4-0	Freddie Mac 2643 OH			2	1	4,509,375	.100	9480	5,047,400	5,000,000	4,563,287	.0	28,292	.0	5.000	6.041	MON.	20,833	250,000	06/07/2007	07/15/2033
31394D-JJ-0	Fannie Mae 2005-29 QE			2	1	4,497,656	.101	3720	5,068,600	5,000,000	4,560,796	.0	35,585	.0	5.000	6.123	MON.	20,833	250,000	06/07/2007	04/25/2035
31394Y-KX-1	Freddie Mac 2791 UG			2	1	3,182,562	.104	7630	3,363,579	3,210,655	3,191,720	.0	2,739	.0	5.000	5.138	MON.	13,378	160,533	11/08/2004	05/15/2019
31395J-W5-1	Freddie Mac Series 2888 Class HG			2	1	2,843,438	.101	2700	3,038,100	3,000,000	2,881,173	.0	18,282	.0	5.000	5.554	MON.	12,500	150,000	11/02/2004	11/15/2034
2799999 - Total Bonds - U.S. Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities						15,270,937	.XXX	16,746,575	16,439,790	15,447,375	.0	89,702	.0	.0	.XXX	.XXX	.XXX	68,862	826,347	.XXX	.XXX
3199999 - Total - U.S. Special Revenue Bonds						51,659,101	.XXX	54,629,018	52,124,377	51,722,061	64,098	71,415	.0	.0	.XXX	.XXX	.XXX	272,996	2,890,255	.XXX	.XXX
00184A-AC-9	Time Warner Inc.				2FE	1,127,179	.116	1630	1,080,316	930,000	1,109,062	.0	(4,077)	.0	7.625	6.009	AO.	14,970	75,563	01/04/2005	04/15/2031
00206R-AP-7	AT&T Inc.				1FE	1,090,510	.112	8250	1,128,250	1,000,000	1,074,011	.0	(16,499)	.0	6.700	4.590	MN.	8,561	66,628	01/09/2009	11/15/2013
00209A-AF-3	AT&T Wireless Svcs Inc.				1FE	846,996	.129	2310	775,386	600,000	823,450	.0	(5,346)	.0	8.750	5.698	MS.	17,500	52,500	02/08/2005	03/01/2031
002819-AA-8	Abbott Labs				1FE	2,998,830	.109	2950	3,278,850	3,000,000	2,999,226	.0	197	.0	5.150	5.158	MN.	13,304	154,500	11/06/2007	11/30/2012
020002-AN-1	Allstate Corporation				1FE	1,617,660	.108	2780	1,624,170	1,500,000	1,534,325	.0	(15,021)	.0	6.125	4.972	FA.	34,708	91,875	09/11/2003	02/15/2012
02209S-AC-7	Altria Group Inc.				2FE	4,310,124	.115	5630	4,449,176	3,850,000	4,267,400	.0	(42,723)	.0	8.500	5.329	MN.	46,360	242,250	09/23/2009	11/10/2013
025816-AV-1	Amercan Express				1FE	1,495,905	.104	8600	1,572,900	1,500,000	1,498,365	.0	830	.0	5.250	5.313	MS.	23,844	78,750	09/08/2006	09/12/2011
0258M0-CY-3	Amer Express Credit Co.				1FE	3,336,540	.112	3880	3,371,640	3,000,000	3,314,747	.0	(21,793)	.0	7.300	4.159	FA.	79,692	0	09/18/2009	08/20/2013
026870-BC-1	Amer Intl Group				1	399,636	.82	7540	331,016	400,000	399,694	.0	32	.0	5.600	5.612	AO.	4,542	22,400	10/13/2006	10/18/2016
031162-AZ-3	Amgen Inc.				1FE	997,770	.107	2350	1,072,350	1,000,000	997,909	.0	139	.0	5.700	5.729	FA.	23,750	30,875	01/13/2009	02/01/2019
03523T-AA-6	Anheuser Busch Inbev Wor 144A				2FE	1,849,445	.113	4160	2,098,196	1,850,000	1,849,469	.0	24	.0	7.200	7.207	JJ.	61,420	67,710	01/07/2009	01/15/2014
039483-AU-6	Archer Daniels				1FE	974,020	.96	4180	964,180	1,000,000	975,589	.0	420	.0	5.375	5.554	MS.	15,826	53,750	09/19/2005	09/15/2035
060505-BF-0	Bank of America Corp.				1FE	4,819,373	.103	2360	4,986,299	4,830,000	4,827,870	.0	2,013	.0	4.375	4.421	JD.	17,609	211,313	05/20/2004	12/01/2010
079860-AK-8	Bellsouth Corp.				1FE	950,745	.97	5830	912,401	935,000	949,610	.0	(256)	.0	6.000	5.879	MN.	7,168	56,100	01/04/2005	11/15/2034
097014-AH-7	Boeing Capital Corp.				1FE	430,020	.108	9000	435,600	400,000	411,678	.0	(3,495)	.0	5.800	4.756	JJ.	10,698	23,200	02/12/2004	01/15/2013
120568-AH-3	Bunge LTD Finance Corp.				2FE	1,043,648	.104	0920	1,040,920	1,000,000	1,017,996	.0	(4,775)	.0	5.875	5.283	MN.	7,507	58,750	10/14/2003	05/15/2013
14040H-AS-4	Capital One Financial Co.				2FE	3,367,050	.113	2230	3,396,690	3,000,000	3,350,103	.0	(16,947)	.0	7.375	4.422	MN.	23,354	111,240	10/01/2009	05/23/2014
171232-AF-8	Chubb Corporation				1FE	401,985	.107	4330	392,130	365,000	375,099	.0	(5,075)	.0	6.000	4.440	MN.	2,798	21,900	02/10/2004	11/15/2011
172967-BU-4	Citigroup Inc.				1FE	1,351,025	.84	3550	1,054,438	1,250,000	1,342,141	.0	(1,991)	.0	5.875	5.317	FA.	26,315	73,438	02/08/2005	02/22/2033
172967-DY-4	Citigroup Inc.				1FE	1,992,380	.94	6330	1,892,660	2,000,000	1,994,038	.0	651	.0	5.500	5.550	FA.	41,556	110,000	02/05/2007	02/15/2017
172967-EM-9	Citigroup Inc.				1FE	2,987,160	.100	7980	3,023,940	3,000,000	2,989,020	.0	1,029	.0	6.125	6.183	MN.	20,417	183,750	11/14/2007	11/21/2017
191216-AK-6	Coca - Cola Co.				1FE	4,742,923	.107	7220	5,116,795	4,750,000	4,743,943	.0	572	.0	5.350	5.369	MN.	32,472	254,125	10/29/2007	11/15/2017
191219-BT-0	Coca Cola Enterprises				1FE	2,238,040	.115	9600	2,319,200	2,000,000	2,197,435	.0	(40,605)	.0	7.375	4.737	MS.	48,347	122,917	01/09/2009	03/03/2014
20030N-AC-5	Comcast Corp.				2FE	1,406,991	.109	1830	1,315,655	1,205,000	1,390,469	.0	(3,722)	.0	7.050	5.830	MS.	25,014	84,953	02/08/2005	03/15/2033
20825C-AE-4	Conocophillips				1FE	574,571	.107	1540	605,420	565,000	568,466	.0	(1,153)	.0	4.750	4.511	AO.	5,666	26,838	02/10/2004	10/15/2012
20825R-AB-7	Conocophil				1FE	1,488,660	.108	5950	1,628,925	1,500,000	1,493,994	.0	1,581	.0	5.500	5.632	AO.	17,417	82,500	04/13/2006	04/15/2013
209111-EP-4	Consolidated Edison				1FE	997,160	.104	1370	1,041,370	1,000,000	997,834	.0	247	.0	5.300	5.337	JD.	4,417	53,000	11/28/2006	12/01/2016
22238H-G0-7	Countrywide Finl Corp MTN				1FE	1,497,105	.106	1510	1,592,265	1,500,000	1,498,415	.0	563	.0	5.800	5.845	JD.	5,800	87,000	06/04/2007	06/07/2012
224044-BH-9	Cox Communications				2FE	1,512,420	.106	1280	1,591,920	1,500,000	1,506,827	.0	(1,008)	.0	5.500	5.405	AO.	20,625	82,500	09/24/2003	10/01/2015
25179S-AD-2	Devon Financing Corp.				2FE	864,793	.125	2910	814,392	650,000	844,639	.0	(4,564)	.0	7.875	5.497	MS.	12,939	51,188	02/08/2005	09/30/2031
254687-AW-6	Walt Disney Company				1FE	990,260	.106	2250	1,062,250	1,000,000	992,055	.0	1,764	.0	4.500	4.722	JD.	2,000	44,125	12/17/2008	12/15/2013
25468P-BX-3	Walt Disney Company				1FE	1,083,370	.109	2310	1,092,310	1,000,000	1,023,139	.0	(9,877)	.0	6.375	5.227	MS.	21,250	63,750	11/20/2002	03/01/2012
25746U-AN-9	Dominion Resources Inc.				2FE	664,908	.103	8350	623,010	600,000	659,421	.0	(1,239)	.0	6.300	5.536	MS.	11,130	37,800	02/08/2005	03/15/2033
263534-B0-1	Dupont El Nemour				1FE	996,540	.105	6940	1,056,940	1,000,000	997,382	.0	301	.0	5.250	5.295	JD.	2,333	52,500	12/12/2006	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
459745-FQ-3.	International Lease Fin Corp.				2FE	1,996,900	.96	1,921,080	2,000,000	1,999,416	.0	.652	.0	.0	4.875	4.910	MS	32,500	97,500	08/18/2005	09/01/2010
478366-AQ-0.	Johnson Controls				2FE	724,906	.104	760,822	725,000	724,960	.0	.20	.0	.0	5.250	5.253	JJ	17,551	38,063	01/09/2006	01/15/2011
494368-AX-1.	Kimberly-Clark Corp.				1FE	1,013,711	.108	6420	1,015,000	1,014,409	.0	.131	.0	.0	5.000	5.016	FA	19,172	50,750	07/31/2003	08/15/2013
496820-AB-7.	Kingsway America Inc.			1.	5FE	337,038	.57	1250	337,038	337,038	188,968	(.68)	253,063	.0	7.500	7.486	FA	18,438	44,250	07/28/2004	02/01/2012
548661-CJ-4.	Lowes Companies				1FE	1,487,550	.98	1280	1,500,000	1,488,217	.0	.200	.0	.0	5.500	5.557	AO	17,417	82,500	10/03/2005	10/15/2035
58013M-EC-4.	Mcdonalds Corp.				1FE	1,646,040	.108	4530	1,650,000	1,645,937	.0	.50	.0	.0	6.300	6.318	AO	21,945	103,950	10/15/2007	10/15/2037
59217E-BW-3.	Met Life Glob Funding I Series 144A				1FE	3,172,680	.105	8300	3,000,000	3,164,751	.0	(7.929)	.0	.0	5.125	3.770	JD	8,969	76,875	10/01/2009	06/10/2014
595620-AF-2.	Midamerican Energy Company				1FE	2,498,925	.107	9540	2,500,000	2,499,400	.0	.189	.0	.0	5.650	5.659	JJ	65,132	141,250	06/26/2007	07/15/2012
61747Y-CF-0.	Morgan Stanley				1FE	3,222,330	.107	5200	3,000,000	3,212,235	.0	(10.095)	.0	.0	6.000	4.208	MN	24,000	90,000	10/06/2009	05/13/2014
61748A-AE-6.	Morgan Stanley				1FE	2,244,409	.100	5750	2,300,000	2,271,127	.0	5.889	.0	.0	4.750	5.079	AO	27,313	109,250	12/17/2004	04/01/2014
620076-AX-7.	Motorola Inc.				2FE	628,399	.106	9490	525,000	553,132	.0	(14.353)	.0	.0	8.000	4.902	MN	7,000	42,000	02/10/2004	11/01/2011
64952W-AE-3.	New York Life Global FDG 144 A				1FE	2,993,070	.101	8680	3,000,000	2,998,901	.0	1.462	.0	.0	4.625	4.677	FA	52,031	138,750	08/02/2005	08/16/2010
652482-BJ-8.	News America Inc.				2FE	752,697	.100	5010	703,000	749,001	.0	(.878)	.0	.0	6.200	5.672	JD	1,929	43,400	04/01/2005	12/15/2034
718172-AG-4.	Philip Morris Intl Inc.				1FE	3,433,140	.113	3120	3,000,000	3,409,663	.0	(23.477)	.0	.0	6.875	3.368	MS	59,583	.0	09/23/2009	03/17/2014
725906-AH-4.	Placer Dome				1FE	1,012,747	.98	0230	1,000,000	1,011,525	.0	(.219)	.0	.0	6.375	6.279	MS	21,250	63,750	07/11/2003	03/01/2033
74153W-BY-4.	Pricoa Global Funding 1 Series 144A				1FE	3,178,560	.106	1040	3,000,000	3,170,430	.0	(8.130)	.0	.0	5.450	4.040	JD	9,083	81,750	10/01/2009	06/11/2014
743263-AJ-4.	Progress Energy Inc.				2FE	907,433	.108	5490	810,000	843,746	.0	(13.643)	.0	.0	6.850	4.899	AO	11,714	55,485	11/04/2004	04/15/2012
783876-AP-8.	SBC Communications				1FE	1,293,588	.107	5660	1,295,000	1,294,095	.0	.148	.0	.0	5.100	5.115	MS	19,447	66,045	10/27/2004	09/15/2014
852060-AT-9.	Sprint Capital				3FE	1,129,268	.94	2500	850,000	801,125	232,620	(5.245)	.0	.0	8.750	6.228	MS	21,899	74,375	12/17/2004	03/15/2032
87612E-AR-7.	Target Corp.				1FE	997,220	.109	6540	1,000,000	997,195	.0	.34	.0	.0	6.500	6.521	AO	13,722	65,000	10/02/2007	10/15/2037
88732J-AG-3.	Time Warner Cable Inc.				2FE	998,218	.106	8430	1,000,000	999,033	.0	.351	.0	.0	5.400	5.442	JJ	26,850	54,000	10/30/2007	07/02/2012
88732J-AQ-1.	Time Warner Cable Inc.				2FE	4,105,500	.116	8740	3,500,000	4,072,537	.0	(32.963)	.0	.0	8.250	3.910	FA	109,885	.0	09/23/2009	02/14/2014
90130N-AB-9.	21st Century Insurance				2FE	1,997,464	.98	3010	2,000,000	1,998,743	.0	.259	.0	.0	5.900	5.917	JD	5,244	118,000	07/08/2004	12/15/2013
907818-BY-3.	Union Pacific Corp.				2FE	272,645	.110	6870	235,000	267,549	.0	(.991)	.0	.0	7.125	5.717	FA	6,977	16,744	02/10/2004	02/01/2028
91913Y-AE-0.	Valero Energy Corp.				2FE	514,564	.102	8380	400,000	504,176	.0	(2.352)	.0	.0	7.500	5.464	AO	6,333	30,000	02/08/2005	04/15/2032
92344G-AX-4.	Verizon Global				1FE	1,191,432	.97	5130	1,200,000	1,191,829	.0	.131	.0	.0	5.850	5.901	MS	20,670	70,200	09/08/2005	09/15/2035
92344S-AJ-9.	Cellco Part/Veri Wireless				1FE	2,144,310	.114	8670	2,000,000	2,139,561	.0	(4.749)	.0	.0	7.375	5.353	MN	18,847	73,750	11/10/2009	11/15/2013
92344U-AA-3.	Verizon New Jersey Series A				1FE	1,585,740	.106	5440	1,500,000	1,524,381	.0	(11.074)	.0	.0	5.875	5.027	JJ	40,146	88,125	09/09/2003	01/17/2012
92553P-AE-2.	Viacom Inc.				2FE	4,095,000	.103	1260	4,000,000	4,092,431	.0	(2.569)	.0	.0	4.375	3.832	MS	60,764	.0	11/04/2009	09/15/2014
949746-MZ-1.	Wells Fargo & Co.				1FE	3,992,400	.102	5590	4,000,000	3,998,807	.0	1.616	.0	.0	4.625	4.668	FA	72,972	185,000	08/01/2005	08/09/2010
983024-AL-4.	Wyeth				1FE	991,344	.104	4610	1,000,000	981,714	.0	.127	.0	.0	6.000	6.063	FA	22,667	61,500	02/08/2006	02/15/2036
C06305-25-1.	Bank of Hawaii C.D.	SD			1.	50,000	.0	0000	50,000	50,000	.0	.0	.0	.0	0.800	0.800	MAT	206	.0	06/30/2009	06/30/2011
15135U-AA-7.	Cenovus Energy Inc Series 144A		A		2FE	3,065,820	.103	2250	3,000,000	3,062,575	.0	(3.245)	.0	.0	4.500	4.008	MS	38,625	.0	09/23/2009	09/15/2014
00083P-AA-2.	ACA ABS 2007-3 144A		F		1FE	4,636,593	.27	9300	4,331,105	15,507,000	.0	148,806	.0	.0	0.000	3.056	FMAN	.0	.0	06/30/2007	05/07/2047
00279V-CA-1.	Abbey Natl Treasury Serv Series 144A		F		1FE	3,999,080	.100	3560	4,000,000	3,998,953	.0	(.127)	.0	.0	3.875	3.880	MN	21,958	.0	11/04/2009	11/10/2014
034863-AA-8.	Anglo America Capital Series 144A		F		2FE	3,511,260	.119	9940	3,000,000	3,496,332	.0	(14.928)	.0	.0	9.375	5.018	AO	64,844	.0	11/05/2009	04/08/2014
04530D-AB-8.	Aspen Insurance		R		2FE	1,066,956	.101	0650	1,070,000	1,068,252	.0	.303	.0	.0	6.000	6.039	FA	24,253	64,200	04/04/2005	08/15/2014
06739F-FZ-9.	Barclays Bank Plc.		F		1FE	3,163,380	.106	0010	3,000,000	3,156,116	.0	(7.264)	.0	.0	5.200	3.933	JJ	74,100	.0	10/01/2009	07/10/2014
111021-AD-3.	British Telecom PLC		F		2FE	1,181,240	.107	1320	1,000,000	1,026,416	.0	(25.468)	.0	.0	9.125	5.553	JD	4,056	88,750	11/20/2002	12/15/2010
11102A-AB-7.	British Telecom Plc.		F		2FE	4,157,200	.104	2790	4,000,000	4,145,737	.0	(11.463)	.0	.0	5.150	3.867	JJ	94,989	.0	09/23/2009	01/15/2013
225460-AA-5.	Credit Suisse New York		R		1FE	3,245,850	.108	5200	3,000,000	3,234,008	.0	(11.842)	.0	.0	5.500	3.541	MN	27,500	81,125	10/01/2009	05/01/2014
26156F-AA-1.	Dresdner Fndg Trust I Series 144A		F	1.	5FE	664,890	.72	1740	500,000	360,870	(.286,193)	(4.062)	.0	.0	8.151	5.644	JD	113	40,760	02/08/2005	06/30/2029
268317-AA-2.	Electricite De France 144A		F		1FE	1,992,060	.108	7090	2,000,000	1,993,286	.0	1.226	.0	.0	5.500	5.592	JJ	47,361	55,000	01/21/2009	01/26/2014
55608J-AA-6.	Macquarie Group Ltd Series 144A		R		2FE	3,170,430	.108	0470	3,000,000	3,162,146	.0	(8.284)	.0	.0	7.300	5.934	FA	88,208	.0	09/18/2009	08/01/2014
677788-AA-9.	Oil Casualty Insurance Series 144A		F		2FE	1,146,973	.77	8520	1,155,000	1,147,153	.0	.96	.0	.0	8.000	8.062	MS	27,207	92,400	09/14/2004	09/15/2034
81013T-AB-7.	Scottish Power PLC		F		1FE	934,935	.106	1750	935,000	934,875	.0	.7	.0	.0	5.375	5.376	MS	14,798	50,256	03/15/2005	03/15/2015
87927V-AL-2.	Telecom Italia Capital		R		2FE	4,140,200	.103	6480	4,000,000	4,136,364	.0	(3.836)	.0	.0	4.950	4.150	MS	50,050	.0	11/04/2009	09/30/2014
902118-BM-9.	Tyco International Finan.		F		2FE	2,989,590	.102	2230	3,000,000	2,989,875	.0	.285	.0	.0	4.125	4.202	AO	29,563	.0	09/30/2009	10/15/2014
3299999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					180,624,848	.XXX	182,980,665	184,248,000	179,340,489	135,395	(.270,245)	253,063	.0	XXX	XXX	XXX	2,560,088	6,379,169	XXX	XXX
1248MB-AJ-4.	Credit-Based Asset Servicing 2007-CB2 A2C			2.	12*	1,449,000	.43	7220	2,000,000	1,449,000	.0	1,539	549,807	.0	5.623	9.252	MON	9,372	112,406	02/26/2007	02/25/2037
126671-R4-0.	Countrywide Asset-Backed Certs Series 20			2.	22*	407,353	.65	1300	260,746	406,005	.0	.844	.0	.0	5.413	5.284	MON	1,806	21,671	01/26/2005	08/25/2032
3599999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities					1,856,353	.XXX	1,135,186	2,400,346	1,855,005	.0	2,383	549,807	.0	XXX	XXX	XXX	11,178	134,077	XXX	XXX
05947U-M2-1.	Banc of America Comm Mort BACM 2005-2 A5			2.	1FE	3,931,719	.96	6390	4,000,000	3,955,515	.0	6,506	.0	.0	4.857	5.128	MON	16,190	194,280	01/20/2006	07/10/2043

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
07383F-7W-2	Bear Stearns Comm Mtg 2005-PWR8 A4			2	1FE	5,887,266	.95.6600	5,739,600	6,000,000	5,930,471	.0	11,016	.0	.0	4.674	4.957	MON.	23,370	280,440	08/03/2005	06/11/2041
07383F-U4-8	Bear Stearns Comm Mtg 2004-T16			2	1FE	495,695	100.2060	493,965	492,949	492,486	.0	(161)	.0	.0	4.030	3.893	MON.	1,655	19,866	10/20/2004	06/13/2010
07387B-AH-6	Bear Stearns Commerical Mort 2005-PWR9 A			2	1FE	1,005,490	.95.8680	958,680	1,000,000	1,002,843	.0	(671)	.0	.0	4.871	4.830	MON.	4,059	48,710	09/11/2005	08/11/2015
07387B-CL-5	Bear Stearns Commerical Mort BSCMS 2005			2	1FE	4,081,410	.98.1400	3,984,484	4,060,000	4,070,809	.0	(2,874)	.0	.0	5.149	5.109	MON.	17,422	211,612	01/12/2006	09/12/2015
12513E-AG-9	Citigroup Deutsche Bank 2005-CD1 A4 Commercial Mtg Pass-Through 2005-C6			2	1FE	2,502,140	.99.8290	2,495,725	2,500,000	2,502,140	.0	.0	.0	.0	5.224	5.220	MON.	10,884	132,424	10/27/2005	09/15/2015
126171-AF-4	A5A Chase Commercial Mortgage Series 2001-24			2	1FE	6,029,589	.97.0950	5,825,700	6,000,000	6,029,589	.0	.0	.0	.0	5.116	5.091	MON.	25,580	306,960	08/05/2005	07/10/2015
161505-HW-5	Citigroup Commercial Mtg Trust Cgmt 200			2	1FE	72,237	100.1880	66,622	66,497	66,566	.0	(838)	.0	.0	5.974	3.472	MON.	331	4,028	03/07/2003	03/12/2010
173067-EE-5	Commercial Mortgage Pass-Throu Comm 2004			2	1FE	3,014,802	.95.8820	2,876,460	3,000,000	3,005,035	.0	(2,129)	.0	.0	4.733	4.689	MON.	11,833	141,907	12/15/2004	10/15/2014
20047N-AD-4	GS Mortgage Securities Corp 2005-G64 A4A			2	1FE	2,140,579	.98.7760	2,103,929	2,130,000	2,131,688	.0	(1,890)	.0	.0	4.584	4.524	MON.	8,137	97,639	10/27/2004	09/15/2013
36228C-VU-4	LB-UBS Commercial Mtg Trust Lbubs 2004-C			2	1FE	5,924,297	.96.8170	5,809,020	6,000,000	5,951,782	.0	6,783	.0	.0	4.751	4.951	MON.	23,755	285,060	08/03/2005	07/10/2039
52108H-P3-2	LB-UBS Commercial Mtg Trust 2004-C2 A3			2	1FE	487,624	100.0000	485,219	485,219	485,026	.0	(450)	.0	.0	3.992	3.906	MON.	1,076	19,370	10/19/2004	01/15/2010
52108H-ZX-5	Merrill Lynch Mortgage Trust 2005-LC1 A4			2	1FE	1,176,953	.97.7000	1,221,250	1,250,000	1,216,348	.0	10,925	.0	.0	3.973	5.452	MON.	2,759	49,662	02/01/2007	03/15/2029
59022H-NC-2	Wachovia Bank Commercial Mort. 2005-C22			2	1FE	4,021,814	.97.1430	3,885,720	4,000,000	4,010,770	.0	(3,065)	.0	.0	5.291	5.249	MON.	17,637	211,640	12/16/2005	12/12/2015
92976B-BN-1	2005-C22			2	1FE	4,019,876	.97.6180	3,904,720	4,000,000	4,010,075	.0	(2,640)	.0	.0	5.265	5.229	MON.	17,549	213,510	12/15/2005	11/15/2015
3699999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities					44,791,490	XXX	43,716,654	44,984,665	44,861,143	.0	20,512	.0	.0	XXX	XXX	XXX	182,237	2,217,108	XXX	XXX
03062X-AD-8	AmeriCredit Automobile Rec. Series 2006			2	2FE	2,676,161	102.6950	2,748,954	2,676,814	2,676,648	.0	116	.0	.0	5.210	5.274	MON.	9,685	139,462	09/14/2006	09/06/2013
03072S-LD-5	Ameriquest Mortgage Securities 2003-1A1			2	1FE	1,915,060	.95.8630	1,835,834	1,915,060	1,915,060	.0	.0	.0	.0	4.965	4.966	MON.	7,924	95,083	10/21/2003	11/25/2033
09774X-AK-8	Bombardier Capital Mortgage Se 1998-B M1			2	6FE	2,092,705	32.4160	2,850,059	.0	2,054,629	.997	(39,072)	.0	.0	6.810	25.617	MON.	49,895	598,745	09/19/2007	03/15/2026
17305E-DF-9	Citibank Credit Card Issuance 2006-A4 A4			2	1FE	2,946,873	105.2510	3,104,905	2,950,000	2,948,861	.0	635	.0	.0	5.450	5.474	MON.	22,776	160,775	04/26/2006	05/10/2013
61750W-AX-1	Morgan Stanley Captial I Series 2006-1Q1			2	1FE	1,005,429	.92.7950	927,950	1,000,000	1,003,445	.0	(690)	.0	.0	5.332	5.290	MON.	4,443	53,320	12/14/2006	11/15/2016
92978P-AE-9	Wachovia Bank Commerical Mort Series 200			2	1FE	1,004,947	.93.8350	938,350	1,000,000	1,003,132	.0	(631)	.0	.0	5.308	5.273	MON.	4,423	53,080	12/13/2006	11/15/2016
46601W-BE-4	Ixion 2007-33A A 144A		F	2	4FE	1,120,000	10.0000	1,120,000	11,200,000	1,120,000	.0	6,468	9,935,174	.0	0.935	0.994	MON.	7,275	135,063	07/27/2007	06/27/2035
98935V-AA-3	Zenith Funding LTD Series 2004-1A Class		F	2	6FE	.0	0.0000	.0	5,000,000	.0	.0	.0	.0	.0	3.255	0.000	MJSD	.0	.0	12/21/2004	12/06/2039
600620-AA-5	ACA ABS 2003-3 144A		F	2	6	.5	0.0000	.0	7,627,428	.0	5,192	(5,192)	.0	.0	0.296	.0	MJSD	.0	.0	08/08/2008	09/10/2033
3799999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					12,761,180	XXX	13,526,052	33,369,302	12,721,775	6,190	(38,367)	9,935,174	.0	XXX	XXX	XXX	106,422	1,235,517	XXX	XXX
3899999	Total - Industrial and Miscellaneous Bonds (Unaffiliated)					240,033,870	XXX	241,358,556	265,002,314	238,778,411	141,585	(285,717)	10,738,044	.0	XXX	XXX	XXX	2,859,924	9,965,871	XXX	XXX
7799999	Total - Issuer Obligations					235,743,495	XXX	242,344,394	239,394,000	234,458,025	199,493	(256,463)	253,063	.0	XXX	XXX	XXX	3,140,044	8,973,224	XXX	XXX
7899999	Total - Single Class Mortgage-Backed/Asset-Backed Securities					60,164,408	XXX	62,032,114	58,843,196	60,103,442	.0	(17,971)	.0	.0	XXX	XXX	XXX	275,428	3,219,840	XXX	XXX
7999999	Total - Defined Multi-Class Residential Mortgage-Backed Securities					15,270,937	XXX	16,746,575	16,439,790	15,447,375	.0	89,702	.0	.0	XXX	XXX	XXX	68,862	826,347	XXX	XXX
8099999	Total - Other Multi-Class Residential Mortgage-Backed Securities					1,856,353	XXX	1,135,186	2,400,346	1,855,005	.0	2,383	549,807	.0	XXX	XXX	XXX	11,178	134,077	XXX	XXX
8199999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities					44,791,490	XXX	43,716,654	44,984,665	44,861,143	.0	20,512	.0	.0	XXX	XXX	XXX	182,237	2,217,108	XXX	XXX
8299999	Total - Other Multi-Class Commercial Mortgage-Backed Securities					12,761,180	XXX	13,526,052	33,369,302	12,721,775	6,190	(38,367)	9,935,174	.0	XXX	XXX	XXX	106,422	1,235,517	XXX	XXX
8399999	Totals					370,587,862	XXX	379,500,974	395,431,300	369,446,765	205,683	(200,205)	10,738,044	0	XXX	XXX	XXX	3,784,169	16,606,113	XXX	XXX

## SCHEDULE D - PART 2 - SECTION 1

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## SCHEDULE D - PART 2 - SECTION 2

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
.01N052-61-6.....	GNMA TBA 5.500% 04/01/36.....		.01/01/2009.....	RBC.....		(20,618,750)	(20,000,000)	(61,111)
.36296X-H8-0.....	GNMA POOL 704155 5.500% 01/15/39.....		.01/01/2009.....	RBC.....		19,185,713	18,609,968	56,864
0399999 - Total	- Bonds - U.S. Government					(1,433,037)	(1,390,032)	(4,247)
.524805-F4-5.....	Lehigh Cnty Pa Gen Purp Auth.....		.04/30/2009.....	Raymond James Associates.....		3,550	5,000	3
3199999 - Total	- Bonds - U.S. Special Revenue					3,550	5,000	3
.00206R-AP-7.....	AT&T Inc 6.700% 11/15/13.....		.01/09/2009.....	Fidelity Capital Markets Fins.....		1,090,510	1,000,000	10,608
.02209S-AC-7.....	Altria Group Inc 8.500% 11/10/13.....		.09/23/2009.....	Various.....		4,310,120	3,850,000	92,249
.0258M0-CY-3.....	Amer Express Credit Co.....		.09/18/2009.....	Citigroup Global Markets.....		3,336,540	3,000,000	20,075
.031162-AZ-3.....	Amgen Inc 5.700% 02/01/19.....		.01/13/2009.....	Merrill Lynch.....		997,770	1,000,000	.0
.03523T-AA-6.....	Anheuser Busch Inbev Wor 144A.....		.01/07/2009.....	Barclays Capital Inc - NY Fins.....		1,849,440	1,850,000	.0
.14040H-AS-4.....	Capital One Financial Co.....		.10/01/2009.....	Credit Suisse First Boston.....		3,367,050	3,000,000	82,354
.191219-BT-0.....	Coca Cola Enterprises 7.375% 03/03/14.....		.01/09/2009.....	GFI Securities LLC Fins.....		2,238,040	2,000,000	29,090
.36962G-4C-5.....	General Elec Cap Corp 5.900% 05/13/14.....		.11/05/2009.....	Morgan Stanley Dean Witt Fins.....		4,367,880	4,000,000	116,033
.38141E-A2-5.....	Goldman Sachs Group Inc.....		.01/29/2009.....	Goldman Sachs.....		1,814,440	1,850,000	.0
.40429C-FW-7.....	HSBC Finance Corp 5.250% 01/15/14.....		.10/05/2009.....	Credit Suisse First Boston.....		3,795,410	3,641,000	44,071
.59217E-BW-3.....	Met Life Glob Funding I Series 144A.....		.10/01/2009.....	Wachovia.....		3,172,680	3,000,000	49,542
.61747Y-CF-0.....	Morgan Stanley 6.000% 05/13/14.....		.10/06/2009.....	Morgan Stanley Dean Witt Fins.....		3,222,330	3,000,000	73,000
.718172-AG-4.....	Philip Morris Intl Inc.....		.09/23/2009.....	Credit Suisse First Boston.....		3,433,140	3,000,000	6,302
.74153W-BY-4.....	Pricoa Global Funding I Series 144A.....		.10/01/2009.....	Deutsche Govt/Agency.....		3,178,560	3,000,000	52,229
.88732J-AQ-1.....	Time Warner Cable Inc 8.250% 02/14/14.....		.09/23/2009.....	Goldman Sachs.....		4,105,500	3,500,000	35,292
.92344S-AJ-9.....	Cellco Part/Veri Wireless.....		.11/10/2009.....	Tax Free Exchange.....		2,144,310	2,000,000	71,701
.92553P-AE-2.....	Viacom Inc 4.375% 09/15/14.....		.11/04/2009.....	Deutsche Govt/Agency.....		4,095,000	4,000,000	35,486
.C06305-25-1.....	Bank of Hawaii C.D. 0.800% 06/30/11.....		.06/30/2009.....	Direct Issue.....		50,000	50,000	.0
.15135U-AA-7.....	Cenovus Energy Inc Series 144A.....	A	.09/23/2009.....	RBC Dain Rausher Inc.....		3,065,820	3,000,000	3,750
.00279V-CA-1.....	Abbey Natl Treasury Serv Series 144A.....	F	.11/04/2009.....	Credit Suisse First Boston.....		3,999,080	4,000,000	.0
.034863-AA-8.....	Anglo America Capital Series 144A.....	F	.11/05/2009.....	Morgan Stanley Dean Witt Fins.....		3,511,260	3,000,000	25,000
.06739F-FZ-9.....	Barclays Bank Plc 5.200% 07/10/14.....	F	.10/01/2009.....	First Tennessee.....		3,163,380	3,000,000	37,267
.11102A-AB-7.....	British Telecom Plc 5.150% 01/15/13.....	F	.09/23/2009.....	BA Securities.....		4,157,200	4,000,000	41,772
.22546Q-AA-5.....	Credit Suisse New York.....	R	.10/01/2009.....	Credit Suisse First Boston.....		3,245,850	3,000,000	69,667
.268317-AA-2.....	Electricite De France 144A.....	F	.01/21/2009.....	BA Securities.....		1,992,060	2,000,000	.0
.55608J-AA-6.....	Macquarie Group Ltd Series 144A.....	R	.09/18/2009.....	Citigroup Global Markets.....		3,170,430	3,000,000	28,592
.87927V-AL-2.....	Telecom Italia Capital.....	R	.11/04/2009.....	Credit Suisse First Boston.....		4,140,200	4,000,000	21,450
.902118-BM-9.....	Tyco International Finan.....	F	.09/30/2009.....	BA Securities.....		2,989,590	3,000,000	.0
3899999 - Total	- Bonds - Industrial and Miscellaneous (Unaffiliated)					84,003,590	78,741,000	945,530
8399997 - Total	- Bonds - Part 3					82,574,103	77,355,968	941,286
8399998 - Total	- Bonds - Part 5					24,221,927	23,390,032	87,074
8399999 - Total	- Bonds					106,796,030	100,746,000	1,028,360
8999998 - Total	- Preferred Stocks - Part 5					.0	XXX	.0
8999999 - Total	- Preferred Stocks					.0	XXX	.0
9799998 - Total	- Common Stocks - Part 5					.0	XXX	.0
9799999 - Total	- Common Stocks					.0	XXX	.0
9899999 - Total	- Preferred and Common Stocks					.0	XXX	.0
9999999 Totals						106,796,030	XXX	1,028,360

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (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	Maturity Date
313444-US-1	Freddie Mac 4.250% 07/15/09.....		07/15/2009	Maturity.....		4,700,000	4,700,000	4,622,245	4,687,435	.0	12,565	.0	12,565	.0	4,700,000	.0	.0	.0	199,750	07/15/2009..
36200A-BE-8	GNMA Pool 595037 6.000% 10/15/32.....		12/01/2009	Paydown.....		1,631	1,631	1,679	1,677	.0	(47)	.0	(47)	.0	1,631	.0	.0	.0	52	10/15/2032..
36200A-CW-7	GNMA Pool 595085 6.000% 10/15/32.....		12/01/2009	Paydown.....		47,142	47,142	48,542	48,429	.0	(1,286)	.0	(1,286)	.0	47,142	.0	.0	.0	1,886	10/15/2032..
36200E-TY-7	GNMA Pool 599167 6.000% 12/15/33.....		12/01/2009	Paydown.....		5,737	5,737	5,907	5,885	.0	(149)	.0	(149)	.0	5,737	.0	.0	.0	190	12/15/2033..
36200M-AT-0	GNMA Pool 604018 5.500% 02/15/33.....		12/01/2009	Paydown.....		255,870	255,870	263,286	262,844	.0	(6,973)	.0	(6,973)	.0	255,870	.0	.0	.0	9,005	02/15/2033..
36200M-EN-9	GNMA Pool 604141 6.000% 03/15/33.....		12/01/2009	Paydown.....		27,630	27,630	28,451	28,412	.0	(782)	.0	(782)	.0	27,630	.0	.0	.0	933	03/15/2033..
362000-2R-4	GNMA Pool 599684 6.000% 02/15/32.....		12/01/2009	Paydown.....		31,338	31,338	32,269	32,211	.0	(872)	.0	(872)	.0	31,338	.0	.0	.0	1,087	02/15/2032..
36200R-LX-8	GNMA Pool 570142 6.000% 12/15/31.....		12/01/2009	Paydown.....		19,492	19,492	20,071	20,036	.0	(544)	.0	(544)	.0	19,492	.0	.0	.0	678	12/15/2031..
36200R-XT-4	GNMA Pool 570490 6.000% 12/15/31.....		12/01/2009	Paydown.....		2,401	2,401	2,472	2,467	.0	(66)	.0	(66)	.0	2,401	.0	.0	.0	77	12/15/2031..
36200S-US-7	GNMA Pool 571293 6.000% 11/15/31.....		12/01/2009	Paydown.....		259	259	267	266	.0	(7)	.0	(7)	.0	259	.0	.0	.0	9	11/15/2031..
36201A-PF-9	GNMA Pool 577422 6.000% 01/15/32.....		12/01/2009	Paydown.....		7,118	7,118	7,329	7,320	.0	(203)	.0	(203)	.0	7,118	.0	.0	.0	271	01/15/2032..
36201D-AX-0	GNMA Pool 579722 6.000% 08/15/32.....		12/01/2009	Paydown.....		45,163	45,163	46,504	46,448	.0	(1,284)	.0	(1,284)	.0	45,163	.0	.0	.0	1,950	08/15/2032..
36201E-AG-5	GNMA Pool 580607 6.000% 02/15/33.....		12/01/2009	Paydown.....		8,216	8,216	8,460	8,442	.0	(226)	.0	(226)	.0	8,216	.0	.0	.0	269	02/15/2033..
36201F-AF-4	GNMA Pool 581506 6.000% 04/15/33.....		12/01/2009	Paydown.....		1,506	1,506	1,551	1,549	.0	(43)	.0	(43)	.0	1,506	.0	.0	.0	40	04/15/2033..
36201K-JQ-0	GNMA Pool 585371 6.000% 04/15/32.....		12/01/2009	Paydown.....		35,112	35,112	36,155	36,120	.0	(1,008)	.0	(1,008)	.0	35,112	.0	.0	.0	1,220	04/15/2032..
36201Y-FD-3	GNMA Pool 606864 6.000% 10/15/33.....		12/01/2009	Paydown.....		6,599	6,599	6,795	6,788	.0	(189)	.0	(189)	.0	6,599	.0	.0	.0	237	10/15/2033..
36207E-ND-2	GNMA Pool 429788 6.000% 12/15/33.....		12/01/2009	Paydown.....		33,620	33,620	34,619	34,539	.0	(919)	.0	(919)	.0	33,620	.0	.0	.0	1,142	12/15/2033..
36210J-HW-1	GNMA Pool 493545 6.000% 03/15/31.....		12/01/2009	Paydown.....		2,692	2,692	2,772	2,764	.0	(72)	.0	(72)	.0	2,692	.0	.0	.0	104	03/15/2031..
36213F-U4-3	GNMA Pool 553303 6.000% 06/15/33.....		12/01/2009	Paydown.....		473	473	487	487	.0	(14)	.0	(14)	.0	473	.0	.0	.0	4	06/15/2033..
36213R-2A-4	GNMA Pool 562469 5.000% 02/15/34.....		12/01/2009	Paydown.....		124,081	124,081	124,716	124,609	.0	(528)	.0	(528)	.0	124,081	.0	.0	.0	4,653	02/15/2034..
36213R-ZF-7	GNMA Pool 562442 5.500% 01/15/34.....		12/01/2009	Paydown.....		574,442	574,442	590,059	589,473	.0	(15,032)	.0	(15,032)	.0	574,442	.0	.0	.0	26,095	01/15/2034..
36213T-GW-7	GNMA Pool 563713 6.000% 01/15/33.....		12/01/2009	Paydown.....		31,235	31,235	32,162	32,108	.0	(873)	.0	(873)	.0	31,235	.0	.0	.0	1,252	01/15/2033..
36213U-EZ-9	GNMA Pool 564552 6.000% 12/15/31.....		12/01/2009	Paydown.....		328	328	337	337	.0	(9)	.0	(9)	.0	328	.0	.0	.0	11	12/15/2031..
36213V-GN-2	GNMA Pool 565505 6.000% 09/15/32.....		12/01/2009	Paydown.....		2,117	2,117	2,180	2,176	.0	(59)	.0	(59)	.0	2,117	.0	.0	.0	57	09/15/2032..
36290X-PM-6	GNMA Pool 620628 6.000% 09/15/33.....		12/01/2009	Paydown.....		44,272	44,272	45,586	45,465	.0	(1,193)	.0	(1,193)	.0	44,272	.0	.0	.0	1,327	09/15/2033..
36290X-PT-1	GNMA Pool 620634 6.000% 09/15/33.....		12/01/2009	Paydown.....		116,402	116,402	119,858	119,707	.0	(3,304)	.0	(3,304)	.0	116,402	.0	.0	.0	2,252	09/15/2033..
36290Y-TN-8	GNMA Pool 621657 6.000% 12/15/33.....		12/01/2009	Paydown.....		35	35	36	36	.0	(1)	.0	(1)	.0	35	.0	.0	.0	1	12/15/2033..
36291C-PV-1	GNMA Pool 624236 6.000% 12/15/33.....		12/01/2009	Paydown.....		6,215	6,215	6,399	6,376	.0	(161)	.0	(161)	.0	6,215	.0	.0	.0	76	12/15/2033..
36291E-AD-3	GNMA Pool 625604 6.000% 12/15/33.....		12/01/2009	Paydown.....		2,730	2,730	2,811	2,808	.0	(78)	.0	(78)	.0	2,730	.0	.0	.0	117	12/15/2033..
36291E-AV-3	GNMA Pool 625620 6.000% 12/15/33.....		12/01/2009	Paydown.....		1,773	1,773	1,826	1,823	.0	(50)	.0	(50)	.0	1,773	.0	.0	.0	73	12/15/2033..
912826-CV-0	US Treasury 3.375% 09/15/09.....		09/15/2009	Maturity.....		1,033,000	1,033,000	1,037,923	1,033,714	.0	(714)	.0	(714)	.0	1,033,000	.0	.0	.0	34,864	09/15/2009..
0399999 - Bonds - U.S. Governments						7,168,630	7,168,630	7,133,753	7,192,750	0	(24,120)	0	(24,120)	0	7,168,630	0	0	0	289,680	XXX
244068-FW-9	Deer Park NY School District.....		01/22/2009	Citigroup Global Markets.....		138,628	125,000	136,233	133,227	.0	(72)	.0	(72)	.0	133,155	.0	5,472	5,472	729	06/15/2016..
626207-KP-8	Municipal Elec Auth GA North Syracuse NY 5.000% 06/15/23.....		01/14/2009	Various.....		1,810,612	1,770,000	1,844,411	1,833,244	.0	(234)	.0	(234)	.0	1,833,011	.0	(22,399)	(22,399)	48,493	01/01/2021..
662735-LJ-6	Warwich VY Cent Sch Dist NY 06/15/23.....		01/07/2009	Depfa First Albany Security.....		1,898,025	1,875,000	2,050,931	2,036,061	.0	(271)	.0	(271)	.0	2,035,790	.0	(137,765)	(137,765)	7,031	06/15/2023..
936733-GJ-7	Warwich VY Cent Sch Dist NY 06/15/23.....		01/07/2009	Depfa First Albany Security.....		1,076,307	1,035,000	1,131,079	1,063,180	.0	(588)	.0	(588)	.0	1,062,591	.0	13,716	13,716	3,881	06/15/2010..
2499999 - Bonds - U.S. Political Subdivisions of Subdivisions, Territories and Possessions (Direct and Guaranteed)						4,923,571	4,805,000	5,162,654	5,065,712	0	(1,165)	0	(1,165)	0	5,064,547	0	(140,976)	(140,976)	60,135	XXX
31359S-2G-4	Fanniemae Whole Loan NW 2001-W1 AF6 FNMA Pool No 580078 7.000% 09/01/31.....		12/01/2009	Paydown.....		32,213	32,213	33,446	34,527	.0	(2,314)	.0	(2,314)	.0	32,213	.0	.0	.0	1,181	06/25/2031..
31387C-W3-2	GNMA Pool 725690 6.000% 08/01/34.....		12/01/2009	Paydown.....		432	432	444	444	.0	(11)	.0	(11)	.0	432	.0	.0	.0	17	09/01/2031..
31402D-F7-0	GNMA Pool 725690 6.000% 08/01/34.....		12/01/2009	Paydown.....		3,268,239	3,268,239	3,377,266	3,372,169	.0	(103,930)	.0	(103,930)	.0	3,268,239	.0	.0	.0	104,633	08/01/2034..
31405R-AR-7	GNMA Pool 796616 5.500% 10/01/34.....		12/01/2009	Paydown.....		3,875,154	3,875,154	3,934,796	3,931,120	.0	(55,965)	.0	(55,965)	.0	3,875,154	.0	.0	.0	110,053	10/01/2034..
31407U-EK-9	GNMA Pool 840838 5.500% 11/01/35.....		12/01/2009	Paydown.....		1,537,872	1,537,872	1,518,168	1,518,656	.0	19,216	.0	19,216	.0	1,537,872	.0	.0	.0	42,068	11/01/2035..
344610-BB-5	Fontana Calif Pub Fing Auth 01/07/2009.....		01/07/2009	Citigroup Global Markets.....		2,293,177	2,340,000	2,435,425	2,419,603	.0	(361)	.0	(361)	.0	2,419,242	.0	(126,065)	(126,065)	44,704	09/01/2020..</

## ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (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	Maturity Date
09774X-AK-8...	Bombardier Capital Mortgage Se 1998-B M1...		12/01/2009	Paydown...		.0	.0	.407,334	.407,334	.194	(.407,528)		(.407,334)		.0	.0	.0	.0	.53,472	03/15/2026...
12513Y-AF-7...	Citigroup/Deutsche Bk Comm Mtg 2007-CD4...		10/22/2009	Credit Suisse First Boston		3,416,016	3,750,000	3,768,494	3,764,836		(1,833)		(1,833)	3,763,003	.0	(346,988)	(346,988)	.180,726	01/11/2017...	
126671-R4-0...	Countrywide Asset-Backed Certs Series 20...		12/01/2009	Paydown...		151,916	151,916	154,574	153,742		(1,827)		(1,827)	151,916	.0	.0	.0	.2,642	08/25/2032...	
12667F-GA-7...	Countrywide Alternative Cwalt 2004-7T1 A...		06/01/2009	Paydown...		124,920	124,920	128,053	125,176		(256)		(256)	124,920	.0	.0	.0	.2,279	08/25/2009...	
161505-HW-5...	Chase Commercial Mortgage Series 2001-24...		12/01/2009	Paydown...		323,575	323,575	351,508	327,991		(4,416)		(4,416)	323,575	.0	.0	.0	.10,650	03/12/2010...	
345397-TZ-6...	Ford Motor Credit 7.000% 10/01/13...		05/21/2009	Goldman Sachs...		1,914,000	2,400,000	2,050,704	1,658,232	392,472			392,472	2,050,704	.0	(136,704)	(136,704)	.110,133	10/01/2013...	
38143U-AA-9...	Goldman Sachs Group Inc. Greenwich Capital Commercial Series 2005...		01/15/2009	Maturity...		1,940,000	1,940,000	1,930,295	1,939,851		149		149	1,940,000	.0	.0	.0	.37,588	01/15/2009...	
396789-JW-0...	Greenwich Capital Commercial Series 2005...		05/27/2009	Goldman Sachs...		1,042,500	2,000,000	2,009,972	2,005,786		(496)		(496)	2,005,291	.0	(962,791)	(962,791)	.48,590	01/10/2015...	
52108H-P3-2...	LB-UBS Commercial Mtg Trust Lbubs 2004-C...		12/11/2009	Paydown...		2,689,781	2,689,781	2,703,110	2,691,199		(1,419)		(1,419)	2,689,781	.0	.0	.0	.88,615	01/15/2010...	
55312T-AD-5...	Merrill Lynch/Countrywide Comm 2007-6 A4...		06/01/2009	Barclays Capital Inc - NY Fins...		2,032,734	3,000,000	3,016,460	3,013,377		(777)		(777)	3,012,600	.0	(979,865)	(979,865)	.82,732	03/12/2017...	
55313K-AE-1...	Merrill Lynch/Countrywide Comm 2007-7 A4...		10/22/2009	Deutsche Govt/Agency...		1,431,719	1,700,000	1,709,275	1,707,760		(858)		(858)	1,706,902	.0	(275,183)	(275,183)	.88,846	05/12/2017...	
62007G-AP-4...	Motorola Inc 6.500% 11/15/28...		12/01/2009	Citigroup Global Markets...		352,000	400,000	445,468	441,475		(1,069)		(1,069)	440,405	.0	(88,405)	(88,405)	.27,372	11/15/2028...	
925524-AZ-3...	Viacom Inc. 5.750% 04/30/11...		08/27/2009	Corporate Action...		1,432,688	1,350,000	1,342,607	1,345,851		1,092		1,092	1,346,942	.0	.85,745	.85,745	.64,688	04/30/2011...	
98151G-AK-1...	World Savings Bank FSB...		05/08/2009	Maturity...		2,200,000	2,200,000	2,200,000	2,200,000		.0		.0	2,200,000	.0	.0	.0	.20,390	05/08/2009...	
C03016-75-2...	Hibernia Nat'l Bank C.D. 2.900% 06/30/09...		03/10/2009	Maturity...		70,000	70,000	70,000	70,000		.0		.0	70,000	.0	.0	.0	.1,623	03/10/2009...	
C06305-25-1...	Bank of Hawaii C.D. 2.900% 06/30/09...		06/30/2009	Maturity...		50,000	50,000	50,000	50,000		.0		.0	50,000	.0	.0	.0	.1,450	06/30/2009...	
136375-BJ-0...	Canadian Natl RR 4.250% 08/01/09...		07/27/2009	Corporate Action...		1,000,000	1,000,000	994,390	999,261		721		721	999,982	.0	.18	.18	.44,646	08/01/2009...	
44841S-AC-3...	Hutchison Whamp Intl Series 144A...		06/08/2009	Corporate Action...		462,480	500,000	606,975	600,724		(771)		(771)	599,953	.0	(137,473)	(137,473)	.35,175	11/24/2033...	
8999999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						32,509,637	36,471,063	36,797,320	36,337,228	392,666	(419,252)	0	(26,585)	0	36,310,643	0	(3,801,006)	(3,801,006)	1,416,667	XXX
8399997 - Bonds - Part 4						66,696,279	69,833,605	71,958,650	71,193,547	392,666	(619,378)	0	(226,712)	0	70,966,835	0	(4,270,555)	(4,270,555)	2,460,235	XXX
8399998 - Bonds - Part 5						24,153,093	23,390,032	24,221,927	0	0	(68,834)	0	(68,834)	0	24,153,093	0	0	0	241,362	XXX
8399999 - Total - Bonds						90,849,372	93,223,637	96,180,577	71,193,547	392,666	(688,212)	0	(295,546)	0	95,119,928	0	(4,270,555)	(4,270,555)	2,701,597	XXX
8999998 - Preferred Stocks - Part 5						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998 - Common Stocks - Part 5						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999 Totals						90,849,372	XXX	96,180,577	71,193,547	392,666	(688,212)	0	(295,546)	0	95,119,928	0	(4,270,555)	(4,270,555)	2,701,597	XXX

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## ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

## SCHEDULE D - PART 6 - SECTION 1

[illegible]

- |  |    |
|--|----|
| 1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: | \$ |
| 2. Total amount of intangible assets nonadmitted:  | \$ |

## SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	5 Number of Shares	6 % of Outstanding
NONE					
03999999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change In Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
0199999	- U.S. Governments - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0299999	- U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0399999	- Total - U.S. Government Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0499999	- All Other Governments - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0599999	- All Other Governments - Single Class Mortgage-Backed/ Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0699999	- All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0799999	- All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0899999	- All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
0999999	- All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1099999	- Total - All Other Government Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1199999	- U.S. States, Territories and Possessions - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1299999	- U.S. States, Territories and Possessions - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1399999	- U.S. States, Territories and Possessions - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1499999	- U.S. States, Territories and Possessions - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1599999	- U.S. States, Territories and Possessions - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1699999	- U.S. States, Territories and Possessions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1799999	- Total - U.S. States, Territories and Possessions Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1899999	- U.S. Political Subdivisions - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
1999999	- U.S. Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2099999	- U.S. Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2199999	- U.S. Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2299999	- U.S. Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2399999	- U.S. Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2499999	- Total - U.S. Political Subdivisions Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2599999	- U.S. Special Revenue - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2699999	- U.S. Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2799999	- U.S. Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2899999	- U.S. Special Revenue - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
2999999	- U.S. Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3099999	- U.S. Special Revenue - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3199999	- Total - U.S. Special Revenue Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3299999	- Industrial and Miscellaneous - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3399999	- Industrial and Miscellaneous - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3499999	- Industrial and Miscellaneous - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3599999	- Industrial and Miscellaneous - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3699999	- Industrial and Miscellaneous - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3799999	- Industrial and Miscellaneous - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3899999	- Total - Industrial and Miscellaneous Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
3999999	- Credit Tenant Loans - IO						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4099999	- Credit Tenant Loans - Single Class Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4199999	- Total - Credit Tenant Loans						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4299999	- Hybrid Securities - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4399999	- Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4499999	- Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4599999	- Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4699999	- Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4799999	- Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4899999	- Total - Hybrid Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
4999999	- Parent, Subsidiaries and Affiliates - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5099999	- Parent, Subsidiaries and Affiliates - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5199999	- Parent, Subsidiaries and Affiliates - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5299999	- Parent, Subsidiaries and Affiliates - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5399999	- Parent, Subsidiaries and Affiliates - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5499999	- Parent, Subs and Affiliates OC						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
5599999	- Total - Parent, Subsidiaries and Affiliates Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
7799999	- Total - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
7899999	- Total - Single Class Mortgaged-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0
7999999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	xxx	xxx	xxx	.0	.0

## E17.1

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## E17.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE



SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE E PART 3 - SPECIAL DEPOSITS

		1	2	Deposits For The Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
States, Etc.		Type of Deposits	Purpose of Deposits				
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR						
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA	ST	RSD for financial guaranty			.61,844	.61,844
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD	B	RSD for financial guaranty	2,400,815	2,582,448		
22. Massachusetts	MA	B	RSD for financial guaranty			100,034	107,602
23. Michigan	MI						
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM	B	RSD for financial guaranty			100,034	107,602
33. New York	NY						
34. North Carolina	NC	B	RSD for financial guaranty			200,068	215,204
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR	B	RSD for financial guaranty			260,088	279,765
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA	B	RSD for financial guaranty			275,093	295,906
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU	C	RSD for financial guaranty			50,000	50,000
54. Puerto Rico	PR	B	RSD for financial guaranty			785,073	792,983
55. US Virgin Islands	VI	B	RSD for financial guaranty			500,170	538,010
56. Northern Mariana Islands	MP						
57. Canada	CN						
58. Aggregate Other Alien	OT	XXX	XXX	.0	.0	.0	.0
59. Total		XXX	XXX	2,400,815	2,582,448	2,332,404	2,448,915
DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX	.0	.0	.0	.0
5899.	Totals (Lines 5801 - 5803 + 5898)(Line 58 above)	XXX	XXX	0	0	0	0

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