



ANNUAL STATEMENT
For the Year Ended December 31, 2021
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
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, USA 21202
Main Administrative Office 555 Theodore Fremd Ave., Suite B-302, Rye, NY, USA 10580 212-375-2000
Mail Address 555 Theodore Fremd Ave., Suite B-302, Rye, NY, USA 10580
Primary Location of Books and Records 555 Theodore Fremd Ave., Suite B-302, Rye, NY, USA 10580 212-375-2000
Internet Web Site Address http://www.aca.com
Statutory Statement Contact Sean Thomas Leonard 212-375-2021
sleonard@aca.com (E-Mail Address) 212-375-2100 (Fax Number)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Steven Joseph Berkowitz, President and CEO; Sean Thomas Leonard, Treasurer and CFO; Brendan Patrick Malone, Secretary and CAO.

OTHER OFFICERS

Empty line for other officers.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Steven Joseph Berkowitz, John Raymond Brecker, Thomas Joseph Gandolfo, Eric Herry Hsiao #; Michael Joseph Keegan, Charles Richard Schuler.

State of New York

ss

County of Westchester

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

Signature of Steven Joseph Berkowitz, President and CEO

Signature of Brendan Patrick Malone, Secretary and CAO

Signature of Sean Thomas Leonard, Treasurer and CFO

Subscribed and sworn to before me this 9th day of February, 2022

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

Signature of Notary Public Luis Lozada

Luis Lozada, Notary Public 1/14/2025



ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	141,199,888		141,199,888	141,611,293
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances).....				
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5. Cash (\$3,200,882 , Schedule E-Part 1), cash equivalents (\$5,665,351 , Schedule E-Part 2) and short-term investments (\$2,198,286 , Schedule DA).....	11,064,520		11,064,520	19,186,851
6. Contract loans (including \$0 premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA)	2,485,256	79,656	2,405,600	
9. Receivables for securities	12,388,309		12,388,309	
10. Securities lending reinvested collateral assets (Schedule DL).....				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	167,137,973	79,656	167,058,317	160,798,144
13. Title plants less \$0 charged off (for Title insurers only).....				
14. Investment income due and accrued	517,828		517,828	671,594
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums).....				
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	389,980		389,980	389,980
18.2 Net deferred tax asset.....	2,368,367	2,368,367		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software.....				
21. Furniture and equipment, including health care delivery assets (\$0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$0) and other amounts receivable.....				
25. Aggregate write-ins for other-than-invested assets	414,355	410,373	3,982	10,254
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	170,828,503	2,858,396	167,970,107	161,869,972
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
28. Total (Lines 26 and 27)	170,828,503	2,858,396	167,970,107	161,869,972
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses.....	382,473	382,473		
2502. Security Deposit.....	27,900	27,900		
2503. Other Assets.....	3,982		3,982	10,254
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	414,355	410,373	3,982	10,254

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	22,013,493	(2,622,073)
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,154,950	2,623,465
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	1,870,465	1,807,408
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$0 and interest thereon \$0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$0 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	5,708,512	15,774,097
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	79,656	80,144
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$0 and interest thereon \$0		
25. Aggregate write-ins for liabilities	19,949,326	36,705,663
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	50,776,402	54,368,704
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	50,776,402	54,368,704
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	363,974,000	363,974,000
35. Unassigned funds (surplus)	(261,780,295)	(271,472,732)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$0)		
36.2 .....0 shares preferred (value included in Line 31 \$0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	117,193,705	107,501,268
38. Totals (Page 2, Line 28, Col. 3)	167,970,107	161,869,972
DETAILS OF WRITE-INS		
2501. Contingency Reserve	19,566,682	25,625,559
2502. Other Payables	812	1,268
2503. Liability - Payments to Surplus Note Holders	381,832	11,078,836
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	19,949,326	36,705,663
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	10,065,585	6,291,260
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	(1,514,938)	3,308,386
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	771,434	1,208,292
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	6,028,186	6,113,407
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	5,284,682	10,630,085
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	4,780,903	(4,338,825)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	5,789,266	5,737,047
10. Net realized capital gains (losses) less capital gains tax of \$0 (Exhibit of Capital Gains (Losses))	3,554,896	183,672
11. Net investment gain (loss) (Lines 9 + 10)	9,344,162	5,920,719
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	14,125,065	1,581,894
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	14,125,065	1,581,894
19. Federal and foreign income taxes incurred		(194,990)
20. Net income (Line 18 minus Line 19) (to Line 22)	14,125,065	1,776,884
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	107,501,268	78,716,705
22. Net income (from Line 20)	14,125,065	1,776,884
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$0	(477,917)	(240,812)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(1,607,112)	(8,798,838)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	2,593,524	8,747,329
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(4,941,123)	27,300,000
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	9,692,437	28,784,563
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	117,193,705	107,501,268
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701. Change in Contingency Reserve.....	6,058,877	38,300,000
3702. Payments to Surplus Note Holders.....	(11,000,000)	(11,000,000)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(4,941,123)	27,300,000

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....		
2. Net investment income.....	4,341,085	5,374,022
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	4,341,085	5,374,022
5. Benefit and loss related payments.....	(12,669,269)	48,187,099
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	8,206,728	7,043,524
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	(4,462,541)	55,230,623
11. Net cash from operations (Line 4 minus Line 10).....	8,803,626	(49,856,601)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	67,449,902	71,721,593
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(357,578)	
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	67,092,324	71,721,593
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	48,629,219	45,917,552
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	2,295,000	
13.6 Miscellaneous applications.....	12,388,309	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	63,312,528	45,917,552
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	3,779,796	25,804,041
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	(21,697,005)	
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	991,252	(893,172)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(20,705,753)	(893,172)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(8,122,331)	(24,945,732)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	19,186,851	44,132,583
19.2 End of year (Line 18 plus Line 19.1).....	11,064,520	19,186,851

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Loss recovered.....	13,481,235	
20.0002. Cost of bonds acquired.....	(13,481,235)	

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty		15,774,097	5,708,512	10,065,585
11.1	Medical professional liability-occurrence				
11.2	Medical professional liability-claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability-occurrence				
17.2	Other liability-claims-made				
17.3	Excess workers' compensation				
18.1	Products liability-occurrence				
18.2	Products liability-claims-made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance-nonproportional assumed property				
32.	Reinsurance-nonproportional assumed liability				
33.	Reinsurance-nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS		15,774,097	5,708,512	10,065,585
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

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					
2.	Allied lines					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril					
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine					
10.	Financial guaranty		5,708,512			5,708,512
11.1	Medical professional liability-occurrence					
11.2	Medical professional liability-claims-made					
12.	Earthquake					
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation					
17.1	Other liability-occurrence					
17.2	Other liability-claims-made					
17.3	Excess workers' compensation					
18.1	Products liability-occurrence					
18.2	Products liability-claims-made					
19.1,19.2	Private passenger auto liability					
19.3,19.4	Commercial auto liability					
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety					
26.	Burglary and theft					
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance-nonproportional assumed property					
32.	Reinsurance-nonproportional assumed liability					
33.	Reinsurance-nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS		5,708,512			5,708,512
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					5,708,512
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

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

NONE

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 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								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty	(26,150,504)			(26,150,504)	22,013,493	(2,622,073)	(1,514,938)	(15.1)
11.1 Medical professional liability-occurrence								
11.2 Medical professional liability-claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability-occurrence								
17.2 Other liability-claims-made								
17.3 Excess workers' compensation								
18.1 Products liability-occurrence								
18.2 Products liability-claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	XXX							
32. Reinsurance-nonproportional assumed liability	XXX							
33. Reinsurance-nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	(26,150,504)			(26,150,504)	22,013,493	(2,622,073)	(1,514,938)	(15.1)
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Sum. of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2021 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 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty	22,013,493			22,013,493				22,013,493	1,154,950
11.1 Medical professional liability-occurrence									
11.2 Medical professional liability-claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability-occurrence									
17.2 Other liability-claims-made									
17.3 Excess workers' compensation									
18.1 Products liability-occurrence									
18.2 Products liability-claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	XXX				XXX				
32. Reinsurance-nonproportional assumed liability	XXX				XXX				
33. Reinsurance-nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	22,013,493			22,013,493				22,013,493	1,154,950
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	771,434			771,434
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	771,434			771,434
2. Commission and brokerage:				
2.1 Direct, excluding contingent				
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent				
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed				
2.6 Contingent-reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)				
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		29,381		29,381
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		3,910,131		3,910,131
8.2 Payroll taxes		162,026		162,026
9. Employee relations and welfare		350,236		350,236
10. Insurance		484,534		484,534
11. Directors' fees		319,133		319,133
12. Travel and travel items		11,024		11,024
13. Rent and rent items		128,433		128,433
14. Equipment		13,174		13,174
15. Cost or depreciation of EDP equipment and software		57,801		57,801
16. Printing and stationery		3,864		3,864
17. Postage, telephone and telegraph, exchange and express		37,518		37,518
18. Legal and auditing		136,981	327,937	464,918
19. Totals (Lines 3 to 18)		5,644,236	327,937	5,972,173
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		1,627		1,627
20.2 Insurance department licenses and fees		207,548		207,548
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		209,175		209,175
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		174,775		174,775
25. Total expenses incurred	771,434	6,028,186	327,937	(a) 7,127,557
26. Less unpaid expenses-current year	1,154,950	1,774,329	96,137	3,025,416
27. Add unpaid expenses-prior year	2,623,465	1,712,922	94,486	4,430,873
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,239,949	5,966,779	326,286	8,533,014
DETAILS OF WRITE-INS				
2401. Consulting Expenses.....		174,775		174,775
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		174,775		174,775

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 119,935	110,049
1.1 Bonds exempt from U.S. tax	(a) 2,142,058	2,096,141
1.2 Other bonds (unaffiliated)	(a) 3,403,380	3,305,347
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 462,997	463,067
7. Derivative instruments	(f)	
8. Other invested assets		32,000
9. Aggregate write-ins for investment income		110,600
10. Total gross investment income	6,128,370	6,117,203
11. Investment expenses		(g) 327,937
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		
16. Total deductions (Lines 11 through 15)		327,937
17. Net investment income (Line 10 minus Line 16)		5,789,266
DETAILS OF WRITE-INS		
0901. Lombard Loan - Accrued Income		110,600
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		110,600
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$ 1,780,406 accrual of discount less \$ 287,407 amortization of premium and less \$ 45,604 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ 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 \$ 462,295 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 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax	3,700,307		3,700,307	(186,857)	
1.2 Other bonds (unaffiliated)	16,185	(161,878)	(145,693)	67,288	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	282		282	(357,861)	
7. Derivative instruments					
8. Other invested assets				(488)	
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	3,716,774	(161,878)	3,554,896	(477,918)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA)	79,656	80,144	488
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	79,656	80,144	488
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset.....	2,368,367	3,975,479	1,607,112
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software.....			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable.....			
25. Aggregate write-ins for other-than-invested assets	410,373	1,396,297	985,924
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,858,396	5,451,920	2,593,524
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)	2,858,396	5,451,920	2,593,524
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Salvage Recoverable.....		1,000,000	1,000,000
2502. Prepaid Expenses.....	382,473	368,397	(14,076)
2503. Security Deposit.....	27,900	27,900	
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	410,373	1,396,297	985,924

NOTES TO FINANCIAL STATEMENTS

1. Basis of Accounting, Use of Estimates, and Summary of Significant Accounting Policies:

A. Basis of Accounting

ACA Financial Guaranty Corporation ("ACA" or the "Company", a Maryland domiciled financial guaranty insurance company – see Note 21.C.(4) for a description of financial guaranty insurance) prepares its statutory basis financial statements in accordance with accounting practices prescribed or permitted by the Maryland Insurance Administration (the "MIA"). The MIA recognizes only statutory accounting practices prescribed or permitted by the State of Maryland for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Maryland. The state has adopted certain prescribed accounting practices that differ with those found in NAIC SAP. The Maryland Insurance Commissioner has the right to permit other specific practices which deviate from prescribed practices.

There are no differences between amounts reported in the accompanying financial statements, which are prepared as prescribed or permitted by the MIA, and NAIC SAP.

	SSAP #	F/S Page #	F/S Line #	December 31, 2021	December 31, 2020
Net Income					
(1) The Company's state basis (Page 4, Line 20, Columns 1&2)	xxx	xxx	xxx	\$ 14,125,065	\$ 1,776,884
(2) State prescribed practices that increase/(decrease) NAIC statutory accounting principles ("SAP"):				-	-
(3) State permitted practices that increase/(decrease) NAIC SAP:				-	-
(4) NAIC SAP (1-2-3=4)	xxx	xxx	xxx	<u>\$ 14,125,065</u>	<u>\$ 1,776,884</u>
Surplus					
(5) The Company's state basis (Page 3, Line 37, Columns 1&2)	xxx	xxx	xxx	\$ 117,193,705	\$ 107,501,268
(6) State prescribed practices that increase/(decrease) NAIC SAP:				-	-
(7) State permitted practices that increase/(decrease) NAIC SAP:				-	-
(8) NAIC SAP (5-6-7=8)	xxx	xxx	xxx	<u>\$ 117,193,705</u>	<u>\$ 107,501,268</u>

In connection with ACA's Restructuring Transactions and Global Settlement Agreement in 2008 (see Note 21.C.(2)), the Company made a cash payment and issued non-interest bearing surplus notes with a principal amount of \$1 billion to settle counterparty claims. Due to the unique nature of the transaction, and in consultation with the MIA, the Company recorded the issuance of surplus notes with a fully offsetting contra account. This accounting treatment has resulted in a net balance of \$0 reported as surplus notes. Payment of principal, or any other distributions, on the surplus notes may not be recognized until approved by the MIA. Upon the MIA's approval, unassigned funds (surplus) and the contra account will be adjusted to reflect the amount approved. Upon payment, the principal amount of the surplus notes would be reduced by the amount of such payment.

B. Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the MIA requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from estimates and those differences may be material.

C. Summary of Significant Accounting Policies

- (1) Premiums charged in connection with the issuance of the Company's guaranties are received either upfront or in installments. Such premiums are recognized as written when due. Installment premiums written are earned ratably over the installment period, generally one year or less, which is consistent with the expiration of the underlying risk or amortization of the underlying insured principal. Upfront premiums written are earned based on the proportion of principal and interest scheduled to be paid on the underlying insured obligation during the period, as compared to the total amount of principal and interest to be paid over the contractual life of the insured debt obligation. When a full loss on a guaranteed obligation is reflected in the financial statements and no further variability exists as to the measurement of the loss, the remaining unearned premiums are recognized as earned since the Company is no longer exposed to insurance risk. Unearned premiums, net of prepaid reinsurance premiums, represent the unearned portion of upfront and installment premiums written.

In addition, when an insured issue is retired early, is called by the issuer or is, in substance, paid in advance through a refunding accomplished by placing U.S. Government securities in escrow (hereafter referred to collectively as "Refundings"), the remaining unearned premium revenue relating to such insured issue is earned at that time since there is no longer risk to the Company. For the years ended December 31, 2021 and 2020, the Company recorded earned premiums of \$9.0 million and \$2.9 million, respectively, related to Refundings.

- (2) Short-term investments are stated at amortized cost.
- (3) Bonds and loan-backed securities assigned an NAIC Designation of 1 or 2 are valued at cost, adjusted for amortization of any premium, or accretion of any discount, which is calculated using the constant yield method. Bonds and loan-backed securities assigned an NAIC rating of 3 or lower are valued at the lower of amortized cost (adjusted for amortization of any premium, or accretion of any discount, which is calculated using the constant yield method) or fair value. The prospective method is used to adjust book value for loan-backed securities. Clearwater Analytics, LLC, a third party investment accounting service provider uses Bloomberg L.P. as the source to determine prepayment assumptions.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes the carrying amount of the Company's bonds by NAIC Designation at December 31, 2021:

NAIC Designation 1	\$ 70,023,498
NAIC Designation 2	23,218,928
NAIC Designation 3	634,749
NAIC Designation 4	-
NAIC Designation 5	1,141,927
NAIC Designation 6	48,379,072
Total	<u>\$ 143,398,175</u>

Realized capital gains and losses on the sale of investments are determined on the basis of specific identification and are included in net income. Decreases in the fair value of bond and stock investments below their carrying value which are determined to be "other than temporary" are reflected as realized capital losses and are recorded in the Statement of Income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) whether the decline is attributable to credit related or interest rate related factors, 2) whether the decline is substantial; 3) the amount of time that the fair value has been continuously less than cost; 4) the financial condition and near-term prospects of the issuer; and 5) the Company's ability and intent to retain the investment for a period of time sufficient to allow for an anticipated recovery in value. For the years ended December 31, 2021 and 2020, the Company recorded "other than temporary" adjustments of \$162 thousand and \$43 thousand, respectively.

Net investment income includes interest and dividends received and accrued on investments. It also includes amortization of any purchase premium or discount using the constant yield method, adjusted prospectively for any change in estimated yield to maturity. Investment income is recognized when earned. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made, while investment income greater than 90 days past due is non-admitted and charged directly to surplus. Net investment income is reduced by investment management expenses.

- (4) The Company has no investments in common stock or other similar equity interests, other than the common stock or other similar equity interests of subsidiary, controlled or affiliated insurance and non-insurance entities. See (7) below.
- (5) The Company has one preferred stock holding with a carrying value of zero at December 31, 2021.
- (6) The Company has no investments in mortgage loans.
- (7) Investments in the common stocks or other similar equity interests of its subsidiary, controlled or affiliated insurance or non-insurance entities are accounted for and reported in accordance with the equity method as prescribed by SSAP No. 97, "Investments in Subsidiary, Controlled and Affiliated Entities", and valued in accordance with section 3(ii)(D) of the NAIC Valuations Securities manual. Changes in the carrying value of such investments are reflected as unrealized capital gains or losses in capital and surplus. Dividends received from such investments are reported in investment income. ACA Service L.L.C. derives its earnings from its wholly owned subsidiary, ACA Management, L.L.C. ("ACA Management"). ACA Management receives management fees on asset management contracts which were sold on a forward revenue sharing basis in connection with the termination of the company's prior CDO/CLO asset management business. For the years ended December 31, 2021 and 2020, investment income includes dividends received from ACA Service L.L.C., relating to its share of fees from certain managed CDO's of \$32 thousand and \$25 thousand, respectively. See Note 6 below.
- (8) The Company has no investments in joint ventures.
- (9) The Company has no investments in derivatives.
- (10) The Company has no premium deficiencies.
- (11) The Company records a loss with respect to an insurance guaranty upon a payment default by the issuer of the insured obligation (a payment default is generally considered the incident which gives rise to a claim under the Company's insurance policies and triggers loss recognition relating to the incident). The Company may also establish a reserve component for incurred but not reported claims ("IBNR"). The Company's liability for losses (also known as "loss reserves", "reserves for unpaid losses", "case reserves", or "case basis reserves"), reported on the accompanying Statement of Assets, Liabilities, Surplus and Other Funds, represents the best estimate of the present value of the Company's ultimate claim payments under the policy, net of its best estimate of the present value of any recoveries from salvage and subrogation rights under the policy, remaining unpaid at the balance sheet date. Loss adjustment expenses ("LAE") are recorded by the Company in regard to insurance guaranties when costs are incurred or expected to be incurred to remediate probable losses under its policies. Accordingly, LAE may be recorded on policies for which claims have been paid or losses have been recognized, as well as on policies where no claim payments have been made or losses have been recorded but may be incurred in the future. LAE represents the estimated ultimate cost of remediating losses or potential losses under policies. The Company does not discount LAE.

Losses on the Company's insurance guaranties and related case reserves are determined using cash flow models to estimate the net present value of the anticipated shortfall between (i) scheduled payments on the insured obligation and (ii) anticipated cash flow from the obligor or the collateral supporting the obligation and other anticipated recoveries or cash flows. A number of quantitative and qualitative factors are considered when determining whether the Company will incur a loss and the amount of any case reserve. These factors may include the creditworthiness of the underlying issuer of the insured obligation, whether the obligation is secured or unsecured, the projected cash flow or market value of any assets that collateralize or secure the insured obligation, and the historical and projected recoveries from such assets. Other factors that may affect the actual ultimate loss include the state of the economy, market conditions for municipal bond issuance, changes in interest rates, rates of inflation, willingness of the obligor or sponsor to honor its commitments and the salvage values of specific collateral. Such factors and management's assessment thereof will be subject to the specific facts and circumstances associated with the specific insured transaction being considered for loss recognition. Losses and related case reserves are discounted at a rate reflecting the weighted average rate of return on the Company's admitted assets at the end of the year. Recognition of losses and related case reserves requires the use and exercise of significant judgment by management, including estimates regarding the amount and timing of a loss on an insured obligation. Actual experience may, and likely will, differ from those estimates and such difference may be material due to the fact that the ultimate dispositions of claims are subject to the outcome of events that have not yet occurred, are difficult to predict, and, in certain cases, will occur over many years in the future. Examples of these events include changes in the level of interest rates, credit deterioration of guaranteed obligations,

NOTES TO FINANCIAL STATEMENTS

changes in the value of specific assets supporting guaranteed obligations, and changes in the expected timing of claims payments and recoveries, and the amounts of expected claims payments and recoveries. Any estimate of future costs is subject to the inherent limitation on the Company's ability to predict the aggregate course of future events. It should therefore be expected that the actual emergence of losses and LAE will vary, perhaps materially, from any estimate.

Reference should be made to Note 21.C.(1) for further information regarding significant risks and uncertainties relating to the Company's accounting policy for loss recognition on its in-force insurance guaranties, as well as in regard to losses expected to be incurred by the Company on its credit quality classification 4 insurance guaranties which have not yet been recorded in the accompanying Statement of Assets, Liabilities, Surplus and Other Funds because a payment default by the issuer of the insured obligation has not yet occurred.

- (12) A statutorily mandated contingency reserve is established net of reinsurance by an appropriation of unassigned surplus and is reflected in "Aggregate write-ins for liabilities" in the Statement of Assets, Liabilities, Surplus and Other Funds. This reserve is calculated as the greater of a prescribed percentage applied to original insured principal or 50% of premiums written, net of ceded reinsurance. The prescribed percentage varies by the type of business. Once the reserve is calculated, as described above, it is incrementally recognized in the financial statements over a prescribed time period based on type of business. Under SSAP 60, contributions to the contingency reserve may be discontinued if the total contingency reserve already recorded exceeds a calculated amount based upon unpaid principal guaranteed and prescribed percentages by bond category. The Company's established contingency reserve is in excess of this calculated amount. The Company has discontinued its contributions in the fourth quarter of 2014. Reductions in the contingency reserve may be recognized under certain stipulated conditions, subject to the approval of the MIA. In May 2015, the Company requested the MIA's approval to release contingency reserves equal to the amount in excess of the calculated maximum amount at December 31, 2014. The MIA denied the request in November 2015. In July 2018, the Company requested the MIA's approval to release contingency reserves equal to the amount in excess of the high-end of the off-balance sheet reserve range. In October 2018, the Company revised its request to reflect an updated off-balance sheet reserve range. In June 2019, the Company received the MIA's approval to release \$32.0 million of its contingency reserve. In July 2019, the Company made another request to release additional contingency reserves that was revised in January 2020. In November 2020, the Company received the MIA's approval to release \$38.3 million of its contingency reserve. In December 2021, the Company received the MIA's approval of its October 2021 request for a contingency reserve release of \$6.1 million.
- (13) There has been no change to the Company's capitalization policy.
- (14) The Company has no pharmaceutical rebate receivables.
- (15) For claims related extra-contractual obligations and bad faith contingency losses stemming from lawsuits, the Company recognizes a loss contingency when it determines that an estimated loss is deemed probable to occur and can be reasonably estimated. The Company recognizes a gain contingency when settled.
- (16) The Company discloses restrictions placed upon its assets in Note 5(1). Currently there are two types of restrictions that apply to the Company's transactions, (1) admitted assets, typically bonds and cash equivalents, on deposit with states, and (2) a non-admitted receivable relating to a lease security deposit.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

Not applicable.

3. BUSINESS COMBINATION AND GOODWILL

The Company was not party to any business combinations and has not recorded any goodwill.

4. DISCONTINUED OPERATIONS

The Company had no discontinued operations.

5. INVESTMENTS

A. Mortgage Loans

The Company had no investments in mortgage loans or mezzanine real estate loans as of December 31, 2021 and 2020.

B. Debt Restructuring

(1) - (4) Not applicable

As a result of claims paid under certain of its insurance policies, the Company has received salvage in the form of investment securities. Such investment securities represent restructured debt issued in place of that originally guaranteed by the Company. The Company has recorded such investment securities at fair value at the date received. The aggregate carrying value of such restructured debt as of December 31, 2021 and December 31, 2020 was \$23.5 million and \$20.9 million, respectively. The Company has no other restructured debt and has not been a party to a troubled debt restructuring by virtue of its ownership of its invested assets.

C. Reverse Mortgages

The Company does not invest in reverse mortgages.

D. Loan-Backed Securities

(1) 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.

NOTES TO FINANCIAL STATEMENTS

- (2) The following table represents the aggregate amortized cost of the loan-backed securities before other than temporary adjustments, the amount of other than temporary adjustments and the fair value of those securities:

		(1) Amortized Cost Basis Before Other-Than- Temporary	(2) Other-Than- Temporary Impairment	(3) Fair Value (1 - 2)
OTTI recognized 1st Quarter				
a.	Intent to sell	-	-	-
b.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
c.	Total 1st Quarter	-	-	-
OTTI recognized 2nd Quarter				
d.	Intent to sell	-	-	-
e.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
f.	Total 2nd Quarter	-	-	-
OTTI recognized 3rd Quarter				
g.	Intent to sell	-	-	-
h.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
i.	Total 3rd Quarter	-	-	-
OTTI recognized 4th Quarter				
j.	Intent to sell	-	-	-
k.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	161,878	161,878	-
l.	Total 4th Quarter	161,878	161,878	-
m.	Annual Aggregate Total		161,878	

- (3) The Company recognized an other than temporary adjustment for the following loan-backed security, by CUSIP, in the current reporting period:

(1) CUSIP	(2) Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other- Than-Temporary Impairment	(5) Amortized Cost After Other-Than- Temporary Impairment	(6) Fair Value at time of OTTI	(7) Date of Financial Statement Where Reported
50179MAH4	161,878	-	161,878	-	73,088	31-Dec-2021
Total			161,878			

- (4) 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 loss position for 12 months or longer at December 31, 2021 is \$0 and \$0, 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 at December 31, 2021 is \$32.1 million and \$897.2 thousand, respectively. All of the securities discussed above are rated investment grade by at least one nationally recognized statistical ratings organization, except for the security where an other than temporary impairment was taken and have excess credit coverage within each structure and projected cash flows from the underlying collateral that are expected to be sufficient to pay principal and interest.

- (5) None

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has not used repurchase agreements and has not engaged in any securities lending transactions.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company had no repurchase agreement transactions accounted for as secured borrowing.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company had no reverse repurchase agreement transactions accounted for as secured borrowing.

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company had no repurchase agreement transactions accounted for as a sale.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company had no reverse repurchase agreement transactions accounted for as a sale.

J. Real Estate

The Company has no real estate investments.

K. Investments in Low-Income Housing Tax Credits

The Company has no low-income housing tax credit investments.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

The following table summarizes the Company's restricted assets:

(1) Restricted Assets (including Pledged):

Restricted Asset Category	Gross (Admitted & Non-Admitted) Restricted					Current Year					
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Total General Account (GA)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0.00%	0.00%
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0.00%	0.00%
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.00%	0.00%
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0.00%	0.00%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0.00%	0.00%
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0.00%	0.00%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0.00%	0.00%
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0.00%	0.00%
j. On deposit with states	4,991,967	-	-	-	4,991,967	4,855,485	136,482	-	4,991,967	2.92%	2.97%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0.00%	0.00%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0.00%	0.00%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0.00%	0.00%
n. Other restricted assets	27,900	-	-	-	27,900	27,900	-	-	27,900	0.02%	0.00%
o. Total restricted assets	\$ 5,019,867	\$ -	\$ -	\$ -	\$ 5,019,867	\$ 4,883,385	\$ 136,482	\$ 27,900	\$ 4,991,967	2.94%	2.97%

(2) Not applicable

(3) Details of Other Restricted Assets:

Description of Assets	Gross (Admitted & Non-Admitted) Restricted					Current Year				
	Current Year					6	7	8	Percentage	
	1	2	3	4	5				9	10
Total General Account (GA)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
Security Deposit	27,900	-	-	-	27,900	27,900	-	-	0.02%	0.00%
Total	\$ 27,900	\$ -	\$ -	\$ -	\$ 27,900	\$ 27,900	\$ -	\$ -	0.00%	0.00%

Included in Other Restricted Assets is a non-admitted receivable relating to a lease security deposit in the amount of \$27,900.

(4) Collateral Received & Reflected as Assets Within the Reporting Entity's Financial Statements:

Not applicable

M. Working Capital Finance Investments

The Company has no working capital investments.

N. Offsetting and Netting of Assets and Liabilities

The Company has no offsetting or netting of assets and liabilities related to derivatives, repurchases, reverse repurchases, and securities borrowing or securities lending.

O. NAIC 5GI Self-Designated Securities

The following table summarizes the Company's NAIC 5GI self-designated securities:

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC	4	14	\$ 1,141,927	\$ 33,497,556	\$ 1,291,596	\$ 35,670,880
(2) Bonds - FV	-	-	-	-	-	-
(3) LB&SS - AC	-	-	-	-	-	-
(4) LB&SS - FV	-	-	-	-	-	-
(5) Preferred Stock - AC	-	-	-	-	-	-
(6) Preferred Stock - FV	-	-	-	-	-	-
(7) Total (1+2+3+4)	4	14	\$ 1,141,927	\$ 33,497,556	\$ 1,291,596	\$ 35,670,880

P. Short Sales

The Company had no short sales.

Q. Prepayment Penalty and Acceleration Fees

The Company received \$85.8 thousand in premium for an accelerated security during the year ended December 31, 2021.

	General Account	Protected Cell
(1) Number of CUSIPs	1	-
(2) Aggregate Amount of Investment Income	85,770	-

NOTES TO FINANCIAL STATEMENTS

R. Entity's Share of Cash Pool by Asset Type

<u>Asset Type</u>	<u>Percent Share</u>
(1) Cash	28.9%
(2) Cash Equivalents	51.2%
(3) Short-Term Investments	19.9%
(4) Total	100.0%

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

- A. As of December 31, 2021 and December 31, 2020, the Company held an investment in ACA Service L.L.C. ("ACA Service"). The carrying value of such investment as of December 31, 2021 and December 31, 2020 was zero.

On April 1, 2011, the Company formed Tactical Risk Management LLC ("TRM") a wholly owned subsidiary. The Company has committed to capitalize TRM with up to \$100 thousand. The Company's equity in TRM has been non-admitted as of December 31, 2021 and December 31, 2020.

- B. Not applicable

7. INVESTMENT INCOME

- A. Policyholders' surplus excludes due and accrued investment income if amounts are over 90 days past due.

- B. At December 31, 2021, the Company had no accrued investment income over 90 days past due.

See Note 1.C. (3) and Note 1.C. (7) above.

8. DERIVATIVE INSTRUMENTS

The Company has not purchased or sold any derivative financial instruments for hedging or other purposes.

9. INCOME TAXES

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components	2021			2020			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 51,150,421	\$ 610,843	\$ 51,761,264	\$ 54,076,848	\$ 1,181,565	\$ 55,258,412	\$ (2,926,427)	\$ (570,721)	\$ (3,497,148)
(b) Statutory valuation allowance adjustment	47,041,418	610,843	47,652,261	48,695,481	1,181,565	49,877,044	(1,654,063)	(570,721)	(2,224,784)
(c) Adjusted gross deferred tax assets	4,109,003	-	4,109,003	5,381,367	-	5,381,368	(1,272,364)	-	(1,272,364)
(d) Adjusted gross deferred tax assets nonadmitted	2,368,367	-	2,368,367	3,975,479	-	3,975,479	(1,607,112)	-	(1,607,112)
(e) Sub-total admitted adjusted gross deferred tax asset	1,740,636	-	1,740,636	1,405,888	-	1,405,889	334,748	-	334,748
(f) Gross deferred tax liabilities	909,907	830,729	1,740,636	388,670	1,037,218	1,405,889	541,237	(206,489)	334,748
(g) Net admitted deferred tax asset	\$ 830,729	\$ (830,729)	\$ -	\$ 1,037,218	\$ (1,037,218)	\$ -	\$ (206,489)	\$ 206,489	\$ -
(2) Admission calculation components:									
Description	Ordinary	2021 Capital	Total	Ordinary	2020 Capital	Total	Ordinary	Change Capital	Total
Admission calculation under ¶11.a.-¶11.c.									
(a) Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from a. above) after application of the threshold limitation. (the lesser of b.i. and b.ii. below.)	-	-	-	-	-	-	-	-	-
(i) Adjusted gross deferred tax assets expected to be realized following the balance sheet date.	-	-	-	-	-	-	-	-	-
(ii) Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	1,740,636	-	1,740,636	1,405,888	-	1,405,888	334,748	-	334,748
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.1 total (a. + b. + c.)	\$ 1,740,636	\$ -	\$ 1,740,636	\$ 1,405,888	\$ -	\$ 1,405,888	\$ 334,748	\$ -	\$ 334,748

- (3) Used in ¶11.b. (Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From a. above) After Application of the Threshold Limitation. (The Lesser of b.i. and b.ii.) b.i. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. b.ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.)

	2021	2020
(a) Applicable ratio for realization limitation threshold table	15.00%	15.00%

- (4) Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs:

Description	2021			2020		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Admitted adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c) Do TPS include a reinsurance strategy? Yes or No.	No			No		

- B. Temporary differences for which a DTL has not been established:
There are no temporary differences for which deferred tax liabilities are not recognized.

C. Significant components of income taxes incurred.

- (1) Current income taxes incurred consist of the following major components:

Description	2021	2020
(a) Current federal income tax benefit	\$ -	\$ -
(b) Foreign income tax expense	-	-
(c) Subtotal	-	-
(d) Tax expense on realized capital gains	-	-
(e) Utilization of capital loss carry forwards	-	-
(f) Other, including prior year underaccrual	-	(194,990)
(g) Federal and foreign income taxes incurred	\$ -	\$ (194,990)

NOTES TO FINANCIAL STATEMENTS

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

(2) DTAs Resulting From Book/Tax Differences In	December 31, 2021	December 31, 2020	Change
(a) Ordinary			
(1) Salvage and Subrogation	\$ (9,729)	\$ 11,463,080	\$ (11,472,809)
(2) Unearned premiums	119,871	331,257	(211,387)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrued	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefit accruals	269,729	-	269,729
(9) Pension accruals	-	-	-
(10) Nonadmitted assets	-	-	-
(11) Net operating loss carryforward	46,661,548	36,901,145	9,760,403
(12) Tax credit carryforward	-	-	-
(13) Contingency Reserve	4,109,003	5,381,367	(1,272,364)
(14) Other (separately disclose items >5%)	-	-	-
(99) Subtotal - Gross ordinary DTAs	51,150,421	54,076,848	(2,926,427)
(b) Statutory valuation allowance adjustment - ordinary	47,041,418	48,695,481	(1,654,063)
(c) Nonadmitted ordinary DTAs	2,368,367	3,975,479	(1,607,112)
(d) Admitted ordinary DTAs	\$ 1,740,636	\$ 1,405,888	\$ 334,748
(e) Capital			
(1) Investments	\$ 159,438	\$ 215,487	\$ (56,049)
(2) Net capital loss carryforward	451,405	966,077	(514,673)
(3) Real estate	-	-	-
(4) Other (separately disclose items >5%)	-	-	-
(5) Unrealized capital losses	-	-	-
(99) Gross capital DTAs	610,843	1,181,565	(570,721)
(f) Statutory valuation allowance adjustment - capital	610,843	1,181,565	(570,721)
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	\$ -	\$ -	\$ -
(i) Admitted DTAs	\$ 1,740,636	\$ 1,405,888	\$ 334,748
(3) DTLs Resulting From Book/Tax Differences In			
	December 31, 2021	December 31, 2020	Change
(a) Ordinary			
(1) Investments	\$ 840,331	\$ -	\$ 840,331
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premiums	-	-	-
(4) Deferred compensation - Bonus	-	281,700	(281,700)
(5) Loss Reserve Discount	69,576	86,970	(17,394)
(6) Other (separately disclose items >5%)	-	-	-
(99) Ordinary DTLs	\$ 909,907	\$ 368,670	\$ 541,237
(b) Capital			
(1) Investments	\$ 830,729	\$ 1,037,218	\$ (206,489)
(2) Real estate	-	-	-
(3) Other (separately disclose items >5%)	-	-	-
(4) Unrealized capital gains	-	-	-
(99) Capital DTLs	\$ 830,729	\$ 1,037,218	\$ (206,489)
(c) DTLs	\$ 1,740,636	\$ 1,405,888	\$ 334,748
(4) Net deferred tax assets/liabilities	\$ (0)	\$ (0)	\$ (0)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual S tatement):

	December 31, 2021	December 31, 2020	Bal. Sheet Change
Total deferred tax assets	\$ 51,761,264	\$ 55,258,412	\$ (3,497,148)
Total deferred tax liabilities	1,740,636	1,405,888	334,749
Net deferred tax assets/liabilities	50,020,629	53,852,525	(3,831,896)
Statutory valuation allowance adjustment (*see explanation below)	47,652,261	49,877,045	(2,224,784)
Net deferred tax assets/liabilities after SVA	\$ 2,368,367	\$ 3,975,479	(1,607,112)
Tax effect of unrealized gains			-
Statutory valuation allowance adjustment allocated to unrealized (+)			-
Change in net deferred income tax benefit			\$ (1,607,112)

NOTES TO FINANCIAL STATEMENTS

***Statutory valuation allowance**

The Company does not forecast enough taxable income in future tax years in order to recover the deferred tax assets. As a result, a full valuation allowance is being utilized against deferred tax assets.

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains / losses.

The significant items causing this difference are as follows:

Description	Amount	Statutory Rate	Effective Tax
		21.00% Tax Effect	Rate
Income Before Taxes (including all realized capital losses)	\$ 14,125,065	\$ 2,966,264	21.00%
Tax-Exempt Interest	(287,630)	(60,402)	-0.43%
Equity in Affiliates	603	127	0.00%
Proration	71,908	15,101	0.11%
Meals & Entertainment, Lobbying Expenses, Etc.	182	38	0.00%
Statutory Valuation Allowance Adjustment	(10,594,210)	(2,224,784)	-15.75%
LRD Transition Rev Proc -2019-31	13	3	0.00%
Effect of Sequestration on AMT Credit Refund	(2,682,860)	(563,401)	-3.99%
Change in Non-Admitted Assets	-	-	0.00%
Change in Contingency Reserve	6,058,877	1,272,364	9.01%
Prior Year True-up and other	960,966	201,802	1.43%
Total	\$ 7,652,914	\$ 1,607,112	11.38%
Federal income taxes incurred benefit		-	0.00%
Change in net deferred income tax charge charge		1,607,112	11.38%
Total statutory income taxes		\$ 1,607,112	11.38%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

The Company has net operating loss carryforwards of: \$ 222,197,847 expiring through the calendar year 2041.

The Company had capital loss carryforwards of: \$ 2,149,547 expiring through the calendar year 2025.

The Company has an AMT credit carryforward of: \$ - which does not expire.

The Company received a refund in 2019 relating to the utilization of AMT tax credits in the amount of \$389,980. The Company has established a receivable in the amount of \$389,980 relating to the expected refund to be received in 2022.

Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Available from tax year	Ordinary	Capital	Total
2019	\$ -	\$ -	\$ -
2020	-	-	-
2021	-	-	-
Total	\$ -	\$ -	\$ -

Deposits admitted under IRC § 6603

None

The Company's Net operating and capital loss carryforwards are limited in its aggregate under Section 382 of the Internal Revenue Code. See Note 21C. This limitation is reflected in the statutory valuation allowance determination. The cumulative remaining balance of net operating loss carryforwards subject to the Section 382 limitation at December 31, 2021 is approximately \$150.9 million. The cumulative remaining Section 382 limitation at December 31, 2021 is approximately \$5.3 million.

F. The Company's federal income tax return is not consolidated with any other entities

The Company's tax return is not consolidated with any other entities.

G. Income tax loss contingencies

In November 2015, the Internal Revenue Service ("IRS") concluded its examination of income tax returns for ACA through 2008 tax year. No material adjustments arose as a result of the audit in relation to the financial position or results of operations of the Company for the tax years that were examined. As of December 31, 2021, no material adjustments are expected for tax years for which the statute of limitations remains open. In addition, the Company does not have any material income tax loss contingencies.

H. Repatriation Transition Tax

Not applicable

I. Alternative Minimum Tax (AMT) Credit

The Company received a refund in 2019 relating to the utilization of AMT tax credits in the amount of \$389,980. At December 31, 2021, the Company has established a receivable in the amount of \$389,980 relating to the expected refund to be received in 2022.

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

A. & B. There were no transactions with parent, affiliates or other related parties in 2021 or 2020.

C. Not applicable.

D. The Company has \$80 thousand net payable to subsidiaries at December 31, 2021 and December 31, 2020.

E. The Company has no material management or service contract with any related parties.

F. Except as discussed in Note 6, the Company has no guaranties or undertakings for the benefit of an affiliate or related party.

G. The Company's common stock is owned 100% by Manifold Capital, LLC (ACACH), a Delaware limited liability company, legal successor to Manifold Capital Corp. (formerly ACA Capital Holdings, Inc.), a Delaware corporation. As of April 7, 2016, ACACH is a wholly owned subsidiary of Broadside Financial Ltd., a British Virgin Island limited company that is also ACACH's sole member. Effective at the closing of the restructuring transaction entered into on August 8, 2008, ACACH and its wholly owned subsidiaries disclaimed control over the Company. This disclaimer of control was approved by the MIA. See Note 21.C.(2) for a discussion of the restructuring transaction.

NOTES TO FINANCIAL STATEMENTS

- H. The Company's majority common shareholder and ultimate parent, ACACH, is not owned directly or indirectly via any of the Company's downstream subsidiaries or controlled or affiliated entities. See Note 21.C.(2) for information regarding the ownership structure of the Company following the closing of its restructuring transaction that took place on August 8, 2008. See Note 21.C.(2) for a discussion of the restructuring transaction.
- I. The Company holds no investment in any subsidiary, controlled or affiliated entity that exceeds 10% of its admitted assets.
- J. The Company did not impair any subsidiary, controlled or affiliated entity in 2021 or 2020.
- K. Not applicable.
- L. The Company does not hold an investment in a downstream noninsurance holding company.
- M. Not applicable.
- N. Not applicable.
- O. Not applicable.

11. DEBT

- A. As of December 31, 2021 and December 31, 2020, the Company had no capital notes or other debt.
- B. As of December 31, 2021 and December 31, 2020, the Company had no Federal Home Loan Bank (FHLB) Agreements.

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

- A. The Company has no Defined Benefit Plan.
- B. - D. Not applicable.
- E. The Company sponsors a qualified 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 to the plan are based on a fixed percentage of employees' contributions subject to IRS limitations. For the years ended December 31, 2021 and 2020, the Company recognized expense in the amount of \$112.9 thousand and \$116.5 thousand for the defined contribution plan, respectively.
- F. The Company has no Multi-employer Plan.
- G. The Company has no Consolidated/Holding Company Plan.
- H. & I. The Company provides postemployment benefits to its employees. The benefits include severance and temporary continuation of certain benefits, such as healthcare, for terminated employees. Amounts are reflected in the financial statements, as Employee Relations and Welfare expenses, when it is probable that the employee will be entitled to the benefit and the amount can be reasonably estimated.

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

- A. The Company has 1,000,000 shares of common stock authorized, issued and outstanding with a par value of \$15.00 per share. See Note 10.G.
- B. The Company has no preferred stock outstanding.
- C. As part of the Company's restructuring discussed in Note 21.C.(2) below, the MIA Order restricts the Company from paying dividends without the prior approval of the Commissioner.
- D. No dividends were paid in 2021 or 2020.
- E. The Company had negative earned surplus at December 31, 2021 and December 31, 2020; therefore, no dividends can be paid in 2021 pursuant to Maryland Insurance Law. Negative earned surplus represents the amount reported in the Statement of "Assets, Liabilities, Surplus and Other Funds" under the line item entitled, "Unassigned funds (surplus)".
- F. There are no restrictions on unassigned surplus.
- G. The Company is not a mutual company.
- H. The Company holds no stock for special purposes.
- I. The Company holds no special surplus funds.
- J. The portion of unassigned surplus represented by cumulative unrealized capital losses is \$773,977.

NOTES TO FINANCIAL STATEMENTS

K. The Company issued the following surplus debentures or similar obligations:

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party (Y/N)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year *	Unapproved Interest and/or Principal
1	8/8/2008	0.0%	\$ 1,000,000,000	NO	\$ -	\$ -	\$ -
Total	XXX	XXX	\$ 1,000,000,000	XXX	\$ -	\$ -	\$ -

* Total should agree with Page 3, Line 33.

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to 3rd party liquidity provider).	Current Year Principal Paid	Life-To-Date Principal Paid	Date of Maturity
1	\$ -	\$ -	\$ -	\$ 22,000,000	\$ 27,600,000	Within 30 days after the expiration, commutation or bulk reinsurance of the last insurance policy issued by the Company
Total	\$ -	\$ -	XXX	\$ 22,000,000	\$ 27,600,000	XXX

1	15	16	17	18	19
Item Number	Are Surplus Note payments contractually linked? (Y/N)	Surplus Note payments subject to administrative offsetting provisions? (Y/N)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (Y/N)	Is Asset Issuer a Related Party (Y/N)	Types of Assets Received Upon Issuance
1	NO	NO	NO	NO	Please refer to Note 21.C(2) for detailed description
Total	XXX	XXX	XXX	XXX	XXX

As part of the restructuring transaction which took place on August 8, 2008, surplus notes with a face amount of \$1 billion were issued. See Note 21.C.(2) for a description of the notes. These notes were recorded in the surplus notes section of the balance sheet along with an offsetting entry to a contra account (see Note 1.A.). All payments made under the surplus notes require advance approval of the MIA.

The Surplus Notes provide that, on or before July 15, 2013 and on every anniversary thereafter, ACA, as obligor, shall seek regulatory approval from the MIA to make a payment on the Surplus Notes to the holders thereof. ACA has made these annual requests to the MIA. For the first time, on June 17, 2019, the MIA approved a one-time payout of \$5.6 million relating to the July 2018 request. On November 25, 2020, the MIA approved a payment of \$11.0 million relating to ACA's July 2019 and July 2020 requests. ACA recorded an accrued liability at December 31, 2020 for this payment which was made on January 11, 2021. On September 22, 2021, the MIA approved another payment of \$11.0 million relating to ACA's July 2021 request. ACA recorded an accrued liability at September 30, 2021 for this payment which was made on October 21, 2021.

L.&M. The Company has not gone through any quasi-reorganization.

14. CONTINGENCIES

A. Contingency Commitments

The Company has no contingent commitments.

B. Assessments

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

C. Gain Contingencies

The Company has no gain contingencies.

We have from time to time filed for damages, reserved rights and/or delivered notices of potential claims both to private parties and governmental entities, agencies and instrumentalities. We continually seek opportunities to obtain restitution and compensation for losses and related expenses incurred on previously issued financial guaranty insurance policies and on investment losses. The outcome of any such efforts remains uncertain at this time.

D. Claims Related Extra-Contractual Obligations and Bad Faith Contingency Losses Stemming from Lawsuits

No losses were paid or incurred on claims related extra-contractual obligations and bad faith contingency losses stemming from lawsuits during the period of this statement.

Set forth below are descriptions of lawsuits where the Company is currently defending itself which could possibly result in loss payments.

The Company (specifically, ACA Management, L.L.C.) is one of many defendants in an action pending in New Mexico First Judicial District Court, in Santa Fe, filed in 2008 by Frank Foy on behalf of the State of New Mexico. The complaint alleges that Vanderbilt Capital Advisors (and certain affiliates) engaged in an unlawful "pay to play" scheme with various New Mexico state officials, causing two New Mexico state agencies to purchase certain worthless CDO investments, including some with which the Company was allegedly connected. The complaint seeks compensatory damages in excess of \$90 million, plus interest and civil penalties which the plaintiffs assert raise the claim to several hundred million dollars under certain New Mexico statutes, including the Fraud Against Taxpayers Act ("FATA"). Further, the complaint seeks to impose joint and several liability on all defendants. In April 2010, the then-presiding judge ruled that the retroactive nature of FATA

was unconstitutional. The ruling was affirmed by the New Mexico Court of Appeals. However, on June 25, 2015, the Supreme Court of the State of New Mexico reversed and held that FATA is constitutional. The New Mexico Supreme Court also consolidated multiple related cases and reassigned the consolidated proceeding to a new district judge. On June 6, 2017, the district court granted both the New Mexico Attorney General's motion to dismiss and Vanderbilt's motion to confirm its settlement with the New Mexico Attorney General. The order was entered September 8, 2017. On October 8, 2017, Frank Foy appealed the dismissal. The State of New Mexico twice unsuccessfully tried to dismiss the appeal. On June 9, 2020, the New Mexico Court of Appeals affirmed the rulings of the district court approving the settlement negotiated by the New Mexico Attorney General and dismissing Foy's claims in their entirety. On June 24, 2020 Foy moved for rehearing and on June 30, 2020 the New Mexico Court of Appeals denied the motion. On July 30, 2020 Foy sought further review by

NOTES TO FINANCIAL STATEMENTS

petitioning the New Mexico Supreme Court for writs of certiorari. On August 13, 2020, the New Mexico Supreme Court denied the writ of certiorari. Foy has the right to file a motion for rehearing. Foy asked for an extension from October 26th to November 24th to file a motion for rehearing. The Court denied the motion. On October 26, 2020, Foy filed a motion for rehearing. That motion is still pending. In February 2021, Foy filed motion to recoup attorney's fees from the settlement, which the state has argued is inappropriate. In addition, certain of the settling defendants filed suit to dismiss the case on the basis of the death of Frank Foy in April 2021. In June 2021, the State of New Mexico filed a motion for the presiding judge to recuse herself. There have also been additional procedural maneuvers by Foy, the State and certain of the key defendants. None of these maneuvers has direct relevance to the Company. To the extent activity directly involving the Company resumes in the case, the Company intends to continue to defend itself vigorously.

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.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

15. LEASES

A. Lessee Operating Lease

(1) The Company has a lease for office space at 555 Theodore Fremd Avenue in Rye, NY with a commencement date of September 1, 2016 and a termination date of November 30, 2021. In April 2021, the Company has signed a lease extension for smaller office space within the same building commenced April 15, 2021 until November 30, 2023. The Company's rental expense for the years ended December 31, 2021 and 2020 was \$115.0 thousand and \$146.1 thousand, respectively.

(2) At January 1, 2022, considering the lease extension commenced April 15, 2021, the minimum future lease payments under the leases are as follows:

Year Ending December 31,	Operating Leases
2022	105,444
2023	98,061
2024	-
2025	-
2026	-
Beyond 5 Years	-
Total	<u>\$ 203,505</u>

B. Lessor Leases

Not applicable.

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

(1) The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk:

	Assets		Liabilities	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
a. Swaps	\$ -	\$ -	\$ -	\$ -
b. Futures	-	-	-	-
c. Options	-	-	-	-
c. Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) – (4) Except for that discussed below, the Company has no financial instruments with off-balance sheet risk.

While the Company establishes reserves for losses on obligations which are in default as to payment (see Note 1.C.(11) and Note 21.C.(1)), the risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed (see description of financial guaranty insurance in Note 21.C.(4)). Net par outstanding in the tables below reflect only the outstanding principal balance for capital appreciation bond obligations that the Company has insured. The Company reports its remaining obligation, including any accreted values, as an interest obligation.

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The tables below reflect certain information regarding the Company's in-force par exposure at December 31, 2021 and December 31, 2020:

(\$ in millions)	December 31, 2021		December 31, 2020	
	Net Par	% of Net Par	Net Par	% of Net Par
	Outstanding	Outstanding	Outstanding	Outstanding
Tax-exempt obligations:				
Healthcare	\$ 12	4.5%	\$ 13	2.7%
Tax backed	49	18.4%	55	11.5%
Higher education	22	8.3%	120	25.2%
Long-term care	2	0.8%	3	0.6%
General obligations	131	49.2%	166	34.8%
Utilities	28	10.5%	29	6.1%
Transportation	13	4.9%	32	6.7%
Housing	-	0.0%	6	1.3%
Not for Profit	7	2.6%	25	5.2%
Other	2	0.8%	28	5.9%
Total municipal obligations	<u>266</u>	<u>100.0%</u>	<u>477</u>	<u>100.0%</u>
Taxable obligations				
Other	-	0.0%	-	0.0%
Total	<u>\$ 266</u>	<u>100.0%</u>	<u>\$ 477</u>	<u>100.0%</u>

For the year ended December 31, 2021, the Company reported a decrease in insured net par outstanding of \$211 million, of which \$168 million was attributable to Refundings, including early retirement due to cancellation (See Note 1.C.(1)).

(\$ in millions)	December 31, 2021		December 31, 2020	
	Net Par	% of Net Par	Net Par	% of Net Par
	Outstanding	Outstanding	Outstanding	Outstanding
PAR EXPOSURE BY STATE				
New York	\$ 140	52.6%	\$ 182	38.2%
Florida	28	10.5%	62	13.0%
Arkansas	27	10.2%	28	5.9%
Ohio	10	3.8%	11	2.3%
Missouri	12	4.5%	13	2.7%
Other states	49	18.4%	181	37.9%
Total municipal obligations	<u>\$ 266</u>	<u>100.0%</u>	<u>\$ 477</u>	<u>100.0%</u>

NET PAR OUTSTANDING BY MATURITY

(\$ in millions)	December 31, 2021	
	Net Par	
	Outstanding	
0 to 5 years	\$	197
5 to 10 years		53
10 to 15 years		16
15 to 20 years		-
20 and above		-
Total	<u>\$</u>	<u>266</u>

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 ADMINISTRATORS

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

20. FAIR VALUE MEASUREMENT

- A. Inputs used for Assets and Liabilities Measured at Fair Value

NOTES TO FINANCIAL STATEMENTS

(1) Assets measured at fair value on a non-recurring basis:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Short Term (DA-1)					
Special Rev./Assess. Oblig.	\$ 2,198,286	\$ -	\$ -	\$ -	\$ 2,198,286
Indust. & Misc.	-	-	-	-	-
Total Short Term (DA-1)	2,198,286	-	-	-	2,198,286
Long Term (D-1)					
Special Rev./Assess. Oblig.	\$ -	\$ 19,223,423	\$ -	\$ -	\$ 19,223,423
Indust. & Misc.	-	634,749	-	-	634,749
Total Long Term (D-1)	-	19,858,172	-	-	19,858,172
Total assets at fair value	\$ 2,198,286	\$ 19,858,172	\$ -	\$ -	\$ 22,056,458
b. Liabilities at fair value					
Total Liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

\$0.00 was transferred from Level 1 to Level 2 and \$0.00 was transferred from Level 2 to Level 1

(2) Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Not applicable

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

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

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

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

Level 3: Fair value measurements, based on certain inputs which are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(5) Derivative Fair Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

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

December 31, 2021							
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 142,752,130	\$ 141,199,889	\$ -	\$ 142,752,130	\$ -	\$ -	\$ -
Cash, Cash Equivalents & Short-Term Investments	11,064,520	11,064,520	11,064,520	-	-	-	-
Other Invested Assets	2,405,600	2,405,600	-	-	2,405,600	-	-
Receivable for Securities	12,388,309	12,388,309	2,400,000	9,988,309	-	-	-
Total	\$ 168,610,558	\$ 167,058,317	\$ 13,464,520	\$ 152,740,439	\$ 2,405,600	\$ -	\$ -

December 31, 2020							
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 147,834,072	\$ 141,611,293	\$ -	\$ 147,834,072	\$ -	\$ -	\$ -
Cash, Cash Equivalents & Short-Term Investments	19,187,000	19,186,851	18,334,936	852,064	-	-	-
Total	\$ 167,021,071	\$ 160,798,144	\$ 18,334,936	\$ 148,686,136	\$ -	\$ -	\$ -

D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not applicable

E. Investments Measured using Net Asset Value

Not applicable

21. OTHER ITEMS

A. Extraordinary items

The Company had no extraordinary items during 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructurings: Debtors

The Company had no troubled debt restructurings during 2021 and 2020. See also Note 5.B.

C. Other Disclosures

(1) Description of Significant Risks and Uncertainties

- As discussed in Note 1.C. (11), ACA recognizes losses and establishes related loss reserves on bond obligations it has insured upon the initial payment default by the issuer of such bond obligations (under the Company's accounting policy, the initial payment default is generally considered the incident which gives rise to a claim and triggers loss recognition relating to the incident) or when an IBNR reserve component is established. The loss recognized by ACA upon a payment default or an IBNR component represents the Company's best estimate of its ultimate loss over the life of the policy, discounted to reflect the time value of money. However, ACA may also have policies in-force upon which it believes that it is probable that payment defaults will occur in the future. Such expected future losses (hereafter referred to as "Off-Balance Sheet Losses") are not recorded by the Company in the accompanying Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2021 and December 31, 2020 because a payment default has not yet occurred. Due to the establishment of an IBNR reserve component to loss reserves in 2019, there are no Off-Balance Sheet Losses at December 31, 2021 and December 31, 2020.
- The Company is exposed to economic and political risks associated with its insurance guaranties (see Note 16). The extent and duration of any future deterioration in economic or political factors is unknown, as is the effect, if any, on potential claim payments and the ultimate amount of losses the Company may incur on obligations it has guaranteed. As discussed in Note 36, the Company classifies its insured in-force portfolio in one of four credit quality categories. As noted therein, as of December 31, 2021, the Company had insured obligations with outstanding principal totaling \$61.7 million classified in Category 4, which means that it either has paid claims on such exposures or expects to pay claims on such exposures in the future. In addition, as of such date, the Company had insured obligations with outstanding principal totaling \$12.8 million classified in Category 3, which means those credits have materially violated financial and operational covenants and require remedial action to avoid further performance deterioration. As discussed in Note 16, the risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed. No assurance can be provided that further deterioration in ACA's insured guaranties will not occur resulting in a further migration of insured exposure to categories 3 and 4 or that ACA will not incur losses that may be materially in excess of what it currently estimates. Notwithstanding the de-recognition of contingency reserves that may be approved by the Maryland Insurance Administration in the future, no assurance can be given that the recognition of such losses in the future will not cause the Company to fail to comply with its regulatory required minimum policyholders' surplus requirement of \$750,000. However, the Company believes that its policyholders' surplus will be in excess of Maryland's required minimum policyholders' surplus over the twelve months succeeding the date of the accompanying statement of Assets, Liabilities, Surplus and Other Funds and, that it has sufficient liquidity resources to satisfy its financial obligations as they come due for the foreseeable future.
- Losses incurred and reserves for losses are reported by the Company net of estimated recoveries from salvage and subrogation. Estimated salvage and subrogation are a material component of the Company's incurred losses and reserves for losses (both on-balance sheet and off-balance sheet). Pursuant to the Company's policies of insurance, should the Company pay a claim under a policy, subrogation rights enable the Company to pursue the obligor for recovery of all claims paid or losses incurred. In other cases, the Company may be assigned the rights to certain salvage as reimbursement for any claims paid or losses incurred. An important characteristic to recognize with respect to estimated salvage and subrogation recoveries is that such estimates are subject to both timing and credit risk. In many instances the timing of such recoveries is expected to occur significantly later than the associated claim payments the Company is trying to recover. In addition, in regard to subrogation, credit risk exists with respect to the obligor's ability to ultimately honor the insurer's claim for recoveries, and in respect of salvage, risk exists as to whether such salvage will ultimately be sufficient to recover all of the insurer's claims for recoveries. No assurance can be provided that estimated salvage and subrogation recoveries will be fully collected and any uncollected amount may be material to the Company's financial position and results of operations.
- Establishment of case basis reserves for unpaid losses, loss adjustment expenses and IBNR on the Company's insured guaranties requires the use and exercise of significant judgment by management, including estimates regarding the severity of loss and the amount and timing of claim payments and recoveries on a guaranteed obligation. Case basis and IBNR reserves reflect management's best estimate of the present value of the Company's ultimate loss and not the worst possible outcome. Actual experience may, and likely will, differ from those estimates and such difference may be material due to the fact that the ultimate dispositions of claims are subject to the outcome of events that have not yet occurred and, in certain cases, will occur over many years in the future. Examples of these events include changes in the level of interest rates, credit deterioration of guaranteed obligations, changes in the value of specific assets supporting guaranteed obligations, willingness of the obligor or sponsor to honor its commitments, changes in the expected timing of claims payments and recoveries, and changes in the amounts of expected claims payments and recoveries. Both qualitative and quantitative factors are used in making such estimates. Each quarter, in connection with the preparation of its financial statements, the Company reevaluates all such estimates. Changes in these estimates may be material and may result in material changes in the Company's policyholders' surplus. Any estimate of future costs is subject to the inherent limitation on management's ability to predict the aggregate course of future events. It should, therefore, be expected that the actual emergence of losses and claims will vary, perhaps materially, from any estimate. The risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed (see Note 16).
- The Company is involved from time to time in a number of legal proceedings, both as plaintiff and defendant, as well as regulatory inquiries and investigations. Management cannot predict the outcomes of any proceedings and other contingencies with certainty. In addition, it is not possible to predict whether additional suits will be filed or whether additional inquiries or investigations will be commenced. The outcome of some of these proceedings and other contingencies could require the Company to take or refrain from taking actions which could have a material adverse effect on its business, financial position or cash flows or could require the Company to pay (or fail to receive) substantial amounts of money. Additionally, prosecuting and defending lawsuits and proceedings has caused the Company to incur significant expenses.
- ACA has experienced and likely will continue to experience substantial tax losses in the conduct of its business.

Section 382 of the Internal Revenue Code ("Section 382") contains rules that limit the ability of a corporation that experiences an "ownership change" to utilize its net operating loss carryforwards ("NOLs") and certain built-in losses recognized in periods following the ownership change. An ownership change is generally any change in ownership of more than 50 percentage points of a corporation's stock over a rolling 3-year period. Accordingly, the aggregate ownership change ("Aggregate Ownership Change") at any particular date represents the summation of the amount of ownership change resulting from all transactions in a corporation's stock occurring during the three year period ended on such date. These rules

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generally operate by focusing on ownership changes among shareholders owning directly or indirectly 5% or more of the stock of a corporation or any change in ownership arising from a new issuance of stock by the corporation. For purposes of the aforementioned test, ACA's surplus notes are considered stock and ACA's surplus note holders are considered shareholders.

Under Section 382, the transfer of ACA's surplus notes can cause an ownership change that would limit ACA's ability to utilize its NOLs and recognize certain built-in losses. Depending on the resulting limitation, a significant portion of ACA's NOLs could be deferred or could expire before ACA would be able to use them to offset positive taxable income in current or future tax periods.

ACA experienced an ownership change for purposes of Section 382 in 2014. As a consequence of the ownership change, ACA's ability to use its NOLs will be limited to approximately \$5.3 million on an annual basis.

Since the ownership change mentioned above, the Company has generated significant net operating losses in 2014, 2015, 2016, 2019, and 2021. Another ownership change may further limit the initial NOL limitation and could impact the ability to fully utilize NOLs generated in 2014, 2015, 2016, 2019, and 2021.

- As a result of the COVID-19 pandemic and related governmental actions to curtail social and economic activity, uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Company. The Company has observed material financial impacts to a number of our insured obligations, particularly in hospitality, student housing and toll road sectors as well as certain investment securities, particularly airline corporate obligations. The duration of these uncertainties and the ultimate financial effects, including impacts on additional sectors, credits and investment securities cannot fully be determined at this time.

(2) Restructuring Transaction

As a result of adverse developments in the credit markets generally and the mortgage market specifically that began in the second half of 2007 and continued to deepen in 2008 and thereafter, the Company experienced material adverse effects on

its business, results of operations, and financial condition, which resulted in significant downgrades of the Company's financial strength ratings by Standard & Poor's Ratings Services ("S&P") and, ultimately, a restructuring of the Company to avoid a regulatory proceeding (the "Restructuring Transaction"). The Restructuring Transaction, which was consummated on August 8, 2008, was comprised of three main components (see also Note 10.G.).

The first component of the Restructuring Transaction consisted of a Global Settlement Agreement whereby insured credit swap counterparties' claims were settled in consideration for a cash payment of approximately \$209 million and surplus notes with a face value of approximately \$950 million. In the aggregate \$1 billion face amount of surplus notes were issued in connection with the Restructuring Transaction. Of such amount, the aforementioned insured credit swap counterparties received \$950 million as previously discussed and the balance of \$50 million was issued to ACACH. While certain of the surplus notes issued to the insured credit swap counterparties were issued to be non-voting at the request of certain of such counterparties, the surplus notes issued to the counterparties, in the aggregate, represent a 100% voting interest in the Company. The surplus notes issued to ACACH are all non-voting.

The second component of the Restructuring Transaction 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. Of the total cash settlement, approximately \$32 million was paid out of a cash collateral account supporting the issued note 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.

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.

(3) Description of the Company's On-Going Strategic Plan

Management is actively seeking to (i) remediate deteriorated insured exposures to minimize claim payments, maximize recoveries and mitigate ultimate losses, (ii) increase the Company's capital, surplus, liquidity and claims paying resources, (iii) realize maximum value from various legal proceedings described in Note 14.C. and from any other rights and remedies the Company may have, and (iv) take other actions to enhance its financial position (hereafter collectively referred to as "Strategic Actions"). In regard to the Strategic Actions, the Company is actively pursuing or exploring a number of options available to it to enhance the Company's policyholders' surplus or liquidity position or address other challenges that the Company faces. The Company has taken steps to reduce operating expenses and expects to take further steps in the future as the insured portfolio and remediation activities decrease. No assurances can be given that the Company will be successful in completing any of the aforementioned actions. Furthermore, certain of the Strategic Actions contemplated by the Company may be outside the ordinary course of the Company's operations or its control and may require consents or approvals of parties outside of the Company, including the MIA.

(4) Description of Financial Guaranty Insurance

Financial guaranty insurance provides an unconditional and irrevocable guaranty to the holder of a valid debt obligation with an enforceable guaranty of full and timely payment of the guaranteed principal and interest thereon when due. Financial guaranty insurance adds another potential source of repayment of principal and interest for an investor, namely the credit quality of the financial guarantor. Generally, in the event of any default on an insured debt obligation, payments made pursuant to the applicable insurance policy may not be accelerated by the holder of the insured debt obligation without the approval of the insurer. While the holder of such an insured debt obligation continues to receive guaranteed payments of principal and interest on schedule, as if no default had occurred, and each subsequent purchaser of the obligation generally

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receives the benefit of such guaranty, the insurer normally retains the option to pay the debt obligation in full at any time. Also, the insurer generally has recourse against the issuer of the defaulted obligation and/or any related collateral for amounts paid under the terms of the insurance policy as well as pursuant to general rights of subrogation. The issuer of an insured debt obligation generally pays the premium for financial guaranty insurance, either in full at the inception of the policy, as is the case in most public finance transactions, or in periodic installments funded by the cash flow generated by related pledged collateral, as is the case in most structured finance and international transactions. Typically, premium rates paid by an issuer are stated as a percentage of principal and interest (in the case of public finance transactions) or the total principal (in the case of structured finance and international transactions) of the insured obligation. Premiums are almost always non-refundable and are invested upon receipt. See Note 1.C.(1) for a description of NAIC SAP for premium revenue recognition.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime Exposure Related Risk

(1) The Company has no exposure to subprime mortgages among its in-force guaranties.

(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, 2021:

	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	\$ 1,589,435	\$ 1,647,804	\$ 1,699,747	\$ -
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities	-	-	-	-
e. Equity investment in SCAs				
f. Other assets				
g. Total	\$ 1,589,435	\$ 1,647,804	\$ 1,699,747	\$ -

(4) The Company has no outstanding loss reserve related to subprime mortgages.

G. Insurance-linked Securities

Not applicable.

22. EVENTS SUBSEQUENT

The Company reviewed all transactions and other matters that have occurred from January 1, 2022 through February 9, 2022 (the date the financial statements were available to be issued) to assess whether such transactions and matters qualify as "subsequent events" and require adjustment to or disclosure in the financial statements as of and for the year ended December 31, 2021. No matters came to management's attention that would require adjustment to or disclosure in the financial statements.

23. 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

(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. All other	609,328	0	0	0	609,328	0
c. TOTAL	\$ 609,328	\$ 0	\$ 0	\$ 0	\$ 609,328	\$ 0
d. Direct Unearned Premium Reserve			\$ 5,099,184			

(2) There are no contingent commission or profit sharing arrangements.

(3) Not applicable

D. Uncollectible Reinsurance

The Company has no uncollectible reinsurance balances.

E. Commutation of Ceded Reinsurance

The Company had no commutations of ceded reinsurance in 2021.

NOTES TO FINANCIAL STATEMENTS

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.

H. Not applicable.

I. Not applicable.

J. Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company has not entered into any retrospectively rated contracts or contracts subject to redetermination, including any provisions of the Affordable Care Act.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

For the year ended December 31, 2021, the Company recorded a net provision for losses incurred of \$(1.5) million, which consisted of \$2.6 million of net favorable loss development on accident years prior to 2021 ("prior accident year claims"), and \$1.1 million of discount accretion. The Company reflects loss remediation bond buybacks as loss payments and reflects a corresponding modeled reduction to estimated future losses. Loss remediation bond purchases may relate to policies where case basis reserves have already been established in the statutory financial statements or for policies related to IBNR. See footnote 21C(1). During the year ended December 31, 2021, the Company did not purchase any bonds for loss remediation purposes. As of December 31, 2021, the Company's liability for unpaid losses was \$22.0 million, which related to seven insured transactions, with a remaining aggregate in-force par outstanding of \$39.7 million, excluding the aforementioned case reserves. The aggregate in-force par outstanding of \$39.7 million represents the remaining maximum amount of par exposure subject to loss in regard to these seven insured transactions. See Note 36A.(3) b for additional information regarding the Company's reserves for losses and loss adjustment expenses.

As discussed in Note 21.C.(1), the Company's estimate of its ultimate Off-Balance Sheet Losses at December 31, 2021 was zero.

For the year period ended December 31, 2020, the Company recorded a net provision for losses incurred of \$3.3 million, which consisted of \$3.0 million of net unfavorable loss development on accident years prior to 2020, and \$0.3 million of discount accretion. During the year ended December 31, 2020, the Company purchased bonds for loss remediation purposes in the amount of \$168.8 thousand. As of December 31, 2020, the Company recorded a net salvage recoverable of \$2.6 million, which related to nineteen insured transactions, with a remaining aggregate in-force par outstanding of \$150.3 million. The aggregate in-force par outstanding of \$150.3 million represents the remaining maximum amount of par exposure subject to loss in regard to these nineteen insured transactions.

The Company's estimate of its ultimate Off-Balance Sheet Losses at December 31, 2020 is zero.

Refer to Note 1.C.(11) and Note 21.C.(1) for further information regarding the Company's reserves for losses and loss adjustment expenses.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company has no intercompany pooling arrangements.

27. STRUCTURED SETTLEMENTS

A. The Company has not entered into any structured settlements for reserves no longer being carried.

B. The Company does not hold any annuities under which the Company is the payee and the recorded asset balance due exceeds 1% of surplus.

28. HEALTH CARE RECEIVABLE

A. The Company has no pharmaceutical rebate receivables as of December 31, 2021 and December 31, 2020.

B. The Company has no risk sharing receivables as of December 31, 2021 and December 31, 2020.

29. PARTICIPATING POLICIES

The Company never issued participating policies.

30. PREMIUM DEFICIENCY RESERVE

The Company has no premium deficiency reserves. The Company includes anticipated investment income as a factor in the premium deficiency calculation.

31. HIGH DEDUCTIBLES ON UNPAID CLAIMS

The Company has no high deductibles on unpaid claims.

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

A. Not applicable

B.&C. The Company's case reserves for unpaid losses are discounted on a non-tabular basis. The discount rate used at December 31, 2021 and December 31, 2020 was 3.3% and 3.38%, respectively. The discount rate is based on the average rate of return on the Company's admitted assets determined at the end of each year. The net amount of discount associated with the Company's loss reserves at December 31, 2021 was \$4.3 million. Loss adjustment expenses are not discounted.

NOTES TO FINANCIAL STATEMENTS

33. ASBESTOS/ENVIRONMENTAL RESERVES

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

34. SUBSCRIBER SAVINGS ACCOUNTS

The Company has no subscriber savings accounts.

35. MULTIPLE PERIL CROP INSURANCE

The Company has never written this line of business.

36. FINANCIAL GUARANTY INSURANCE

A.

- (1) a. The Company has not recorded unearned premiums related to installment payments.

Premiums charged in connection with the issuance of financial guaranty insurance are received either upfront at the inception of an insurance contract or in installments (usually monthly, quarterly, semi-annually or annually) over the life of the underlying insured obligation. All of the Company's remaining in-force business was written on an upfront basis with the exception of a de minimis amount of business written on an installment basis.

b. + c. The Company has not recorded premiums receivable on installment contracts.

- (2) a. The amount of premium revenue that has been accelerated during the years ended December 31, 2021 and 2020 was \$9.0 million and \$2.9 million, respectively.

b. Schedule of the future expected earned premium revenue on contracts written on an upfront basis as of December 31, 2021:

1.	1st Quarter 2022	141,670
	2nd Quarter 2022	116,945
	3rd Quarter 2022	310,187
	4th Quarter 2022	193,695
	Year 2023	691,728
	Year 2024	653,995
	Year 2025	674,560
	Year 2026	668,833
	Subtotal	<u>3,451,612</u>
2.	2027 through 2031	1,756,272
	2032 through 2035	500,628
	Total	<u>\$ 5,708,512</u>

- (3) Claim liability:

- a. The Company used a rate of 3.3% to discount the claim liability.
b. Significant components of the change in the claim liability for the period:

Reserves for losses at December 31, 2020	\$	(2,622,073)
Accretion of the discount		1,083,559
New reserves for defaults of insured contracts		(680,842) ⁽¹⁾
Development on prior accident years reserves		24,232,849 ⁽²⁾
Change in deficiency reserves		-
Change in incurred but not reported claims		-
Total change in reserves		<u>24,635,566</u>
Reserves for losses at December 31, 2021	\$	<u>22,013,493</u>

⁽¹⁾ Represents 2021 accident year loss development of \$0, and claim payments of \$680,842.

⁽²⁾ Represents favorable loss development of \$2,598,497, and net claim recovered of \$26,831,346.

- (4) The Company's credit quality classifications are:

a. Category 1: Fully Performing

Credits are fully performing. Covenants have been met, financial reporting is timely and complete, and there have been no significant negative deviations from expected performance.

Category 2: Watch

Credits are performing below expected levels. Some covenants have been violated, projected budget and/or cash flow has not been achieved, operating performance or financial position is weakened. Although operating results are below underwriting expectations, current and projected revenues are adequate to service debt.

Category 3: Deteriorating

Credits show significant performance declines. Covenant violations are recurring and material; cashflow is significantly below projections, operating results are materially impaired. Corrective action is required to arrest credit deterioration and avert a longer-term risk of payment default.

Category 4: Paid or Expected Claim

Credits show material decline in creditworthiness and ability to pay. Operating results are increasingly negative, unreimbursed draws on debt service reserves have been made; payment defaults have occurred or are expected, and loss reserves have been established or are expected to be established in the financial statements.

NOTES TO FINANCIAL STATEMENTS

- b. & c. 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. Expenses related to risk management activities are recorded as either loss adjustment expenses or other underwriting expenses in the statement of income and the related liabilities are recorded as loss adjustment expenses or other expenses in the statement of financial position.

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. Credit quality classifications of insured transactions 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. The risk of loss under the Company's guaranties extends to the full amount of unpaid principal and interest on all debt obligations it has guaranteed. Net par outstanding in the table below reflects only the outstanding principal balance for capital appreciation bond obligations that the Company has insured. The Company reports its remaining obligation, including any accreted values, as an interest obligation.

Schedule of insured financial obligations at the end of the period:

	Credit Quality Categories				Total
	1	2	3	4	
Number of policies	13	9	2	8	32
Remaining weighted-average contract period (in years)	3	5	5	6	
Insured contractual payments outstanding:					
Principal	\$ 167,325,234	\$ 24,044,472	\$ 12,822,680	\$ 61,675,000	\$ 265,867,386
Interest	52,474,304	43,389,866	3,119,878	22,332,395	121,316,443
Total	<u>\$ 219,799,538</u>	<u>\$ 67,434,338</u>	<u>\$ 15,942,558</u>	<u>\$ 84,007,395</u>	<u>\$ 387,183,829</u>
Gross claim and LAE liability	\$ 6,265	\$ 20,000	\$ -	\$ 30,474,371	\$ 30,500,636
Less:					
Gross potential recoveries	-	-	-	3,044,921	3,044,921
Discount, net	-	-	-	4,287,272	4,287,272
Net claim and LAE liability	<u>\$ 6,265</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 23,142,178</u>	<u>\$ 23,168,443</u>
Unearned premium revenue	\$ 1,913,678	\$ 1,318,095	\$ 216,220	\$ 2,260,518	\$ 5,708,512
Reinsurance recoverables	\$ -	\$ -	\$ -	\$ -	\$ -

The Company purchases ACA insured bonds periodically in the marketplace when available and the price meets internal prescribed limits for Category 4 rated credits. For accounting purposes, the Company reflects the purchase as a loss payment and carries the bond at a zero value. Unless the bond is cancelled with the trustee, the par value remains outstanding. At December 31, 2021, the par value outstanding of Category 4 bonds purchased and not cancelled is \$4.3 million.

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]
 If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 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 [] N/A [X]
- 1.3 State Regulating? MARYLAND.....
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 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.12/31/2017
- 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.12/31/2017
- 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).06/27/2019
- 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 [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 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]
 If yes, complete and file the merger history data file with the NAIC.
- 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
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the DIHC.

- 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? Yes [] No [X]
 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [X] N/A []
 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Mazars USA LLP, 501 Office Center Drive, Suite 300 Fort Washington, PA 19034.....
 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
 10.6 If the response to 10.5 is no or n/a, please explain

11. 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 CHANSKY, MILLIMAN USA (ACTUARIAL CONSULTANTS) 289 EDGEWATER DRIVE, WAKEFIELD, MA. 01880.....
 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$.....
 12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 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.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. 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 []
17. 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 []
18. 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 []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|---------|
| | 20.11 To directors or other officers | \$..... |
| | 20.12 To stockholders not officers | \$..... |
| | 20.13 Trustees, supreme or grand (Fraternal only) | \$..... |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|---------|
| | 20.21 To directors or other officers | \$..... |
| | 20.22 To stockholders not officers | \$..... |
| | 20.23 Trustees, supreme or grand (Fraternal only) | \$..... |
- 21.1 Were any assets reported in this 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]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------|---------|
| | 21.21 Rented from others | \$..... |
| | 21.22 Borrowed from others | \$..... |
| | 21.23 Leased from others | \$..... |
| | 21.24 Other | \$..... |
- 22.1 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]
- 22.2 If answer is yes:
- | | | |
|--|--|---------|
| | 22.21 Amount paid as losses or risk adjustment | \$..... |
| | 22.22 Amount paid as expenses | \$..... |
| | 22.23 Other amounts paid | \$..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No []
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

1 Name of Third-Party	2 Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01 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 25.03) Yes [X] No []

GENERAL INTERROGATORIES

- 25.02 If no, give full and complete information, relating thereto
- 25.03 For securities 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 17 where this information is also provided)
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$.....
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$.....
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] NA [X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] NA [X]
- 25.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 25.093 Total payable for securities lending reported on the liability page \$.....
- 26.1 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 24.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$.....
 - 26.22 Subject to reverse repurchase agreements \$.....
 - 26.23 Subject to dollar repurchase agreements \$.....
 - 26.24 Subject to reverse dollar repurchase agreements \$.....
 - 26.25 Placed under option agreements \$.....
 - 26.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock \$.....
 - 26.27 FHLB Capital Stock \$.....
 - 26.28 On deposit with states \$.....4,991,967
 - 26.29 On deposit with other regulatory bodies \$.....
 - 26.30 Pledged as collateral – excluding collateral pledged to an FHLB \$.....
 - 26.31 Pledged as collateral to FHLB – including assets backing funding agreements \$.....
 - 26.32 Other \$.....27,900

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 27.2 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 [] N/A []

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No []
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [] No []
 - 27.42 Permitted accounting practice Yes [] No []
 - 27.43 Other accounting guidance Yes [] No []

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

- 28.1 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]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$.....

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

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

1 Name of Custodian(s)	2 Custodian's Address
US BANK, NATIONAL ASSOCIATION.....	1025 CONNECTICUT AVENUE, SUITE 517, WASHINGTON, DC 20036.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

GENERAL INTERROGATORIES

29.02 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:

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year? Yes [] No [X]

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

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

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

1 Name of Firm or Individual	2 Affiliation
JP MORGAN ASSET MANAGEMENT.....	U.....
STEVEN BERKOWITZ.....	I.....
SEAN LEONARD.....	I.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s invested assets? Yes [X] No []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets? Yes [X] No []

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

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

30.1 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 [X]

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999	TOTAL	

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund’s Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

GENERAL INTERROGATORIES

31. 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 (+)
31.1 Bonds.....	143,398,175	144,950,416	1,552,241
31.2 Preferred Stocks.....			
31.3 Totals	143,398,175	144,950,416	1,552,241

31.4 Describe the sources or methods utilized in determining the fair values:

32.1 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]

32.2 If the answer to 32.1 is 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 []

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

33.2 If no, list exceptions:

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 b. Issuer or obligor is current on all contracted interest and principal payments.
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
 Has the reporting entity self-designated 5GI securities? Yes [X] No []

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
 a. The security was purchased prior to January 1, 2018.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
 Has the reporting entity self-designated PLGI securities? Yes [X] No []

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
 a. The shares were purchased prior to January 1, 2019.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 d. The fund only or predominantly holds bonds in its portfolio.
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
 b. If the investment is with a nonrelated party or nonaffiliated then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
 c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a -37.c are reported as long-term investments.
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [] NA []

GENERAL INTERROGATORIES

OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$10,018

38.2 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
NAIC.....	\$.....5,018
Association Financial Guaranty Insurers.....	\$.....5,000

39.1 Amount of payments for legal expenses, if any? \$102,328

39.2 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
White & Case, LLP.....	\$.....53,743
Funk & Bolton, PA.....	\$.....48,586

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$

40.2 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

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

1.3.1 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. \$

1.6 Individual policies:

Most current three years:

1.6.1 Total premium earned \$
 1.6.2 Total incurred claims \$
 1.6.3 Number of covered lives

All years prior to most current three years:

1.6.4 Total premium earned \$
 1.6.5 Total incurred claims \$
 1.6.6 Number of covered lives

1.7 Group policies:

Most current three years:

1.7.1 Total premium earned \$
 1.7.2 Total incurred claims \$
 1.7.3 Number of covered lives

All years prior to most current three years:

1.7.4 Total premium earned \$
 1.7.5 Total incurred claims \$
 1.7.6 Number of covered lives

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$	\$	\$
2.2	Premium Denominator	\$10,065,585	\$	\$6,291,260
2.3	Premium Ratio (2.1/2.2)	.....	.....	.....
2.4	Reserve Numerator	\$	\$	\$
2.5	Reserve Denominator	\$28,876,954	\$	\$15,775,489
2.6	Reserve Ratio (2.4/2.5)	.....	.....	.....

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [] No [X]

3.2 If yes, provide the amount of premium written for participating and/or no-participating policies during the calendar year:

3.2.1 Participating policies..... \$
 3.2.2 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:

5.2.1 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A []
 5.2.2 As a direct expense of the exchange..... Yes [] No [] N/A []

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

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
 THE COMPANY IS A MONOLINE FINANCIAL GUARANTY INSURER AND AS SUCH DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 THE COMPANY IS IN RUNOFF AND NO LONGER EVALUATES ITS PROBABLE MAXIMUM LOSS EXPOSURE.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 THE COMPANY IS A MONOLINE FINANCIAL GUARANTY INSURER AND AS SUCH DOES NOT WRITE PROPERTY INSURANCE.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
 ACCORDING TO SSAP 60, THE COMPANY IS REQUIRED TO ESTABLISH CONTINGENCY RESERVES. AS A FINANCIAL GUARANTY INSURER, THESE RESERVES ARE ESTABLISHED IN ADDITION TO SPECIFIC CASE RESERVES ON FINANCIAL GUARANTY BUSINESS.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?..... Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract..... Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 36 of *SSAP No. 62R - Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?..... Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A [X]

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 15.3 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 15.3, 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 accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [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 a 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 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): \$126,510,320
- 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 reporting entity 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 the 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 is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance..... \$.....
- 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..... \$.....

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. \$.....

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

FIVE-YEAR HISTORICAL DATA

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

	1 2021	2 2020	3 2019	4 2018	5 2017
Gross Premiums Written (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)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)				2,891	11,155
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)				2,891	11,155
Net Premiums Written (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)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)				2,891	11,155
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)				2,891	11,155
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	4,780,903	(4,338,825)	(10,491,827)	(11,920,139)	293,833
14. Net investment gain (loss) (Line 11)	9,344,162	5,920,719	6,713,154	10,491,635	11,251,251
15. Total other income (Line 15)				500,000	2,719,868
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)		(194,990)	(220,729)	(364,241)	
18. Net income (Line 20)	14,125,065	1,776,884	(3,557,944)	(564,263)	14,264,952
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	167,970,107	161,869,972	212,078,535	231,006,352	266,916,037
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)					
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	50,776,402	54,368,704	133,361,830	175,254,373	210,582,619
22. Losses (Page 3, Line 1)	22,013,493	(2,622,073)	42,256,640	47,021,261	74,126,639
23. Loss adjustment expenses (Page 3, Line 3)	1,154,950	2,623,465	2,305,624	2,286,991	3,958,792
24. Unearned premiums (Page 3, Line 9)	5,708,512	15,774,097	22,065,357	26,369,654	32,763,523
25. Capital paid up (Page 3, Lines 30 & 31)	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	117,193,705	107,501,268	78,716,705	55,751,979	56,333,418
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	8,803,626	(49,856,601)	(12,277,530)	(37,849,241)	(42,361,821)
Risk-Based Capital Analysis					
28. Total adjusted capital					
29. Authorized control level risk-based capital					
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	84.5	88.1	79.1	86.9	98.5
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	6.6	11.9	20.9	13.1	1.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.4				
38. Receivables for securities (Line 9)	7.4				
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total Investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2021	2 2020	3 2019	4 2018	5 2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(477,917)	(240,812)	126,240	(20,622)	(65,747)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	9,692,437	28,784,563	22,964,726	(581,439)	14,226,684
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(26,150,504)	48,187,099	11,901,529	35,217,210	42,404,384
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	(26,150,504)	48,187,099	11,901,529	35,217,210	42,404,384
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(26,150,504)	48,187,099	11,901,529	35,217,210	42,404,384
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	(26,150,504)	48,187,099	11,901,529	35,217,210	42,404,384
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	(15.1)	52.6	165.8	126.8	27.3
68. Loss expenses incurred (Line 3)	7.7	19.2	20.5	25.0	25.9
69. Other underwriting expenses incurred (Line 4)	59.9	97.2	157.4	134.5	45.3
70. Net underwriting gain (loss) (Line 8)	47.5	(69.0)	(243.8)	(186.3)	1.6
Other Percentages					
71. 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)				280,335.2	52,003.2
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	(7.4)	71.8	186.4	151.8	53.2
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)				0.0	0.0
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	59,019	(37,815)	(2,604)	(11,821)	(2,410)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	54.9	(48.0)	(4.7)	(21.0)	(5.7)
Two Year Loss Development (\$000 omitted)					
76. 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)	22,259	(27,713)	(12,591)	(10,789)	15,341
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	28.3	(49.7)	(22.4)	(25.6)	37.3

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 2021 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 2021

NAIC Company Code 22896

Table with 12 columns: Line of Business, Gross Premiums, Dividends Paid, Direct Unearned Premium Reserves, Direct Losses Paid, Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Rows include Fire, Medical professional liability, Earthquake, etc., with a TOTAL row at the bottom.

19.GT

(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

and number of persons insured under indemnity only products

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE F - PART 1

Assumed Reinsurance as of December 31, Current Year (\$000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domiciliary Jurisdiction	5 Assumed Premium	Reinsurance On			9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held By or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	15 Amount of Assets Pledged or Collateral Held in Trust
					6 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE	8 Cols. 6 +7							
Other U.S. Unaffiliated Insurers														
13-3250292	18287	ASSURED GUAR MUNICIPAL CORP	NY										609	
0999999 - Total Other U.S. Unaffiliated Insurers										609				
9999999 Totals														

Schedule F - Part 2

NONE

Schedule F - Part 3

NONE

Schedule F - Part 4

NONE

Schedule F - Part 5

NONE

SCHEDULE F - PART 6

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	167,058,317		167,058,317
2. Premiums and considerations (Line 15)			
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)			
4. Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets	911,790		911,790
6. Net amount recoverable from reinsurers		119,644	119,644
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	167,970,107	119,644	168,089,751
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	23,168,443		23,168,443
10. Taxes, expenses, and other obligations (Lines 4 through 8)	1,870,465		1,870,465
11. Unearned premiums (Line 9)	5,708,512		5,708,512
12. Advance premiums (Line 10)			
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)			
15. Funds held by company under reinsurance treaties (Line 13)			
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)			
18. Other liabilities	20,028,982	119,644	20,148,626
19. Total liabilities excluding protected cell business (Line 26)	50,776,402	119,644	50,896,046
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	117,193,705	X X X	117,193,705
22. Totals (Line 38)	167,970,107	119,644	168,089,751

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 - Health Claims

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 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(3,078)		100				15,818	(2,979)	XXX
2. 2012	27,901	146	27,755	35,248		2,884				1,169	38,132	XXX
3. 2013	27,347	72	27,276	21,486		2,399				1,513	23,885	XXX
4. 2014	27,117	94	27,022	47,020		2,409				972	49,428	XXX
5. 2015	18,443		18,443	37,905		27					37,933	XXX
6. 2016	22,748		22,748	10,412		8,171				2,084	18,583	XXX
7. 2017	18,825		18,825	(1,424)		463				30,812	(960)	XXX
8. 2018	6,397		6,397	2,082		214					2,296	XXX
9. 2019	4,304		4,304	16,926		31				24,460	16,956	XXX
10. 2020	6,291		6,291			82					82	XXX
11. 2021	10,066		10,066	681		381					1,062	XXX
12. Totals	XXX	XXX	XXX	167,258		17,161				76,827	184,419	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 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	11,566				272							11,838	XXX
2.	6,664				135							6,799	XXX
3.													XXX
4.	1,261				20							1,281	XXX
5.													XXX
6.													XXX
7.					10							10	XXX
8.	7,864				50							7,914	XXX
9.													XXX
10.					6							6	XXX
11.	(1,054)				335		326				3,045	(393)	XXX
12.	26,301				829		326				3,045	27,456	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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	2,016	XXX	9,550	272	
2.	44,931		44,931	161.0		161.9	900		5,764	135	
3.	23,885		23,885	87.3		87.6					
4.	50,709		50,709	187.0		187.7	58		1,203	20	
5.	37,933		37,933	205.7		205.7					
6.	18,583		18,583	81.7		81.7					
7.	(950)		(950)	(5.0)		(5.0)				10	
8.	10,211		10,211	159.6		159.6	1,686		6,178	50	
9.	16,956		16,956	393.9		393.9					
10.	89		89	1.4		1.4				6	
11.	669		669	6.6		6.6	(373)		(681)	662	
12.	XXX	XXX	XXX	XXX	XXX	XXX	4,287	XXX	22,013	1,155	

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.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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	2	3	4	5	6	7	8	9	10	11	12
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	One Year	Two Year
1. Prior	75,636	70,829	80,670	77,602	85,380	101,591	93,004	93,946	90,610	100,982	10,371	7,036
2. 2012	29,662	38,703	37,640	41,534	41,293	41,740	41,303	42,022	45,863	44,931	(931)	2,909
3. 2013	XXX	27,212	30,017	29,780	28,879	27,909	26,502	22,929	22,762	23,885	1,123	957
4. 2014	XXX	XXX	33,150	29,610	24,265	30,475	34,739	35,965	30,120	50,709	20,589	14,744
5. 2015	XXX	XXX	XXX	50,086	45,911	42,237	37,933	37,933	37,933	37,933		
6. 2016	XXX	XXX	XXX	XXX	32,532	11,898	13,991	13,771	7,198	18,583	11,385	4,812
7. 2017	XXX	XXX	XXX	XXX	XXX	14,314	10,872	11,008	(1,192)	(950)	241	(11,958)
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	13,966	12,132	11,302	10,211	(1,092)	(1,922)
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,275	(1,431)	16,956	18,387	5,681
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,143	89	(1,055)	XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	669	XXX	XXX
										12. Totals	59,019	22,259

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Prior	000	15,729	29,127	35,426	45,026	67,334	85,318	89,259	92,123	89,144	XXX	XXX
2. 2012	10,749	13,465	15,529	17,909	20,938	25,188	27,536	29,568	31,975	38,132	XXX	XXX
3. 2013	XXX	17,274	19,669	20,644	21,469	23,506	23,821	24,432	22,731	23,885	XXX	XXX
4. 2014	XXX	XXX	5,258	25,198	29,063	33,464	40,117	40,864	44,039	49,428	XXX	XXX
5. 2015	XXX	XXX	XXX	14,916	22,927	30,083	37,933	37,933	37,933	37,933	XXX	XXX
6. 2016	XXX	XXX	XXX	XXX	12,680	17,905	20,259	20,786	20,667	18,583	XXX	XXX
7. 2017	XXX	XXX	XXX	XXX	XXX	2,638	3,241	3,632	27,614	(960)	XXX	XXX
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	382	1,687	1,853	2,296	XXX	XXX
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,215	21,499	16,956	XXX	XXX
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18	82	XXX	XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,062	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	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX	1,301					
7. 2017	XXX	XXX	XXX	XXX	XXX	1,375				
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX	1,375			
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,238		
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,080	
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	326

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 - Med Pro Liab Occ

NONE

Schedule P - Part 1F - Med Pro Liab Clm

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

NONE

Schedule P - Part 1O - Reinsurance

NONE

Schedule P - Part 1P - Reinsurance

NONE

Schedule P - Part 1R - Prod Liab Occur

NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	XXX	XXX	XXX	(26,831)		1,794				55,573	(25,037)	XXX
2. 2020	6,291		6,291			82					82	XXX
3. 2021	10,066		10,066	681		381					1,062	XXX
4. Totals	XXX	XXX	XXX	(26,151)		2,258				55,573	(23,893)	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 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	27,355				487							27,842	6
2.					6							6	
3.	(1,054)				335		326				3,045	(393)	1
4.	26,301				829		326				3,045	27,456	7

	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	4,661		XXX	22,694	487
2.	89		89	1.4		1.4					6
3.	669		669	6.6		6.6	(373)			(681)	662
4.	XXX	XXX	XXX	XXX	XXX	XXX	4,287		XXX	22,013	1,155

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 - Section 1

NONE

Schedule P - Part 2F - Med Pro Liab Clm

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	11 One Year	12 Two Year
1. Prior												
2. 2012												
3. 2013	XXX											
4. 2014	XXX	XXX										
5. 2015	XXX	XXX	XXX									
6. 2016	XXX	XXX	XXX	XXX								
7. 2017	XXX	XXX	XXX	XXX	XXX							
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

NONE

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

1. Prior												
2. 2012												
3. 2013	XXX											
4. 2014	XXX	XXX										
5. 2015	XXX	XXX	XXX									
6. 2016	XXX	XXX	XXX	XXX								
7. 2017	XXX	XXX	XXX	XXX	XXX							
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

NONE

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,606	(8,209)	51,865	60,074	22,259
2. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,143	89	(1,055)	XXX
3. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	669	XXX	XXX
4. Totals											59,019	22,259

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
3. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
4. Totals												

NONE

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 - Med Pro Liab Occ

NONE

Schedule P - Part 3F - Med Pro Liab Clm

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Prior	.000											
2. 2012												
3. 2013	.XXX											
4. 2014	.XXX	.XXX										
5. 2015	.XXX	.XXX	.XXX									
6. 2016	.XXX	.XXX	.XXX	.XXX								
7. 2017	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2018	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2019	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2020	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2021	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

NONE

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

1. Prior	.000											
2. 2012												
3. 2013	.XXX											
4. 2014	.XXX	.XXX										
5. 2015	.XXX	.XXX	.XXX									
6. 2016	.XXX	.XXX	.XXX	.XXX								
7. 2017	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2018	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2019	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2020	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2021	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

NONE

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

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000	49,060	24,023	.XXX	.XXX
2. 2020	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	18	.82	.XXX	.XXX
3. 2021	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	1,062	.XXX	.XXX

SCHEDULE P - PART 3T - WARRANTY

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000				
2. 2020	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
3. 2021	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.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 - Med Pro Liab Occ

NONE

Schedule P - Part 4F - Med Pro Liab Clm

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,238		
2. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,080	
3. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	326

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS
(\$000 OMITTED)**

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-Made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX	XXX
17. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	23,168					
22. Warranty						
23. Totals	23,168					

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS
(continued)**

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS
(\$000 OMITTED)**

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Professional Liability-Occurrence						
7. Medical Professional Liability -Claims-Made						
8. Special Liability						
9. Other Liability-Occurrence						
10. Other Liability-Claims-made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance-Nonproportional Assumed Property						
17. Reinsurance-Nonproportional Assumed Liability						
18. Reinsurance-Nonproportional Assumed Financial Lines						
19. Products Liability-Occurrence						
20. Products Liability-Claims-Made						
21. Financial Guaranty/Mortgage Guaranty	23,168					
22. Warranty						
23. Totals	23,168					

SECTION 2

INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)

Years in Which Policies Were Issued	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)

Years in Which Policies Were Issued	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS
(continued)**

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 6

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 7

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Prior										
2. 2012										
3. 2013	XXX									
4. 2014	XXX	XXX								
5. 2015	XXX	XXX	XXX							
6. 2016	XXX	XXX	XXX	XXX						
7. 2017	XXX	XXX	XXX	XXX	XXX					
8. 2018	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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? Yes [] No [X]
 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:
- 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 No. 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 []
- 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	2012		
1.603	2013		
1.604	2014		
1.605	2015		
1.606	2016		
1.607	2017		
1.608	2018		
1.609	2019		
1.610	2020		
1.611	2021		
1.612	Totals		

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 [X] No []
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?: 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)
- | | | |
|--------------|----|-------|
| 5.1 Fidelity | \$ | ..... |
| 5.2 Surety | \$ | ..... |
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.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L		84,885					
2. Alaska	AK	L							
3. Arizona	AZ	L		425,793		389,082	(646,429)	6,177,761	
4. Arkansas	AR	L		48,813		1,327,691	(3,209,743)	6,966,818	
5. California	CA	L		168,602		(1)	(1)		
6. Colorado	CO	L		20,573					
7. Connecticut	CT	L							
8. Delaware	DE	L							
9. Dist. Columbia	DC	L							
10. Florida	FL	L		799,647		(13,342,646)	(1,200,349)		
11. Georgia	GA	L		3,042,598		(22,576,187)	(725,572)		
12. Hawaii	HI	L							
13. Idaho	ID	L							
14. Illinois	IL	L		3,067,228		5,653,403	3,889,262		
15. Indiana	IN	L							
16. Iowa	IA	L							
17. Kansas	KS	L							
18. Kentucky	KY	L							
19. Louisiana	LA	L							
20. Maine	ME	L							
21. Maryland	MD	L							
22. Massachusetts	MA	L							
23. Michigan	MI	L		40,332					
24. Minnesota	MN	L				(19,307)	(19,307)		
25. Mississippi	MS	L							
26. Missouri	MO	L		21,350					
27. Montana	MT	L							
28. Nebraska	NE	L							
29. Nevada	NV	L							
30. New Hampshire	NH	L		77,100					
31. New Jersey	NJ	L		61,507					
32. New Mexico	NM	L							
33. New York	NY	L		900,978		1,160,404	(586,297)	(680,842)	
34. No. Carolina	NC	L							
35. No. Dakota	ND	L							
36. Ohio	OH	L		68,238					
37. Oklahoma	OK	L							
38. Oregon	OR	L							
39. Pennsylvania	PA	L		2,086					
40. Rhode Island	RI	L							
41. So. Carolina	SC	L							
42. So. Dakota	SD	L							
43. Tennessee	TN	L		6,750					
44. Texas	TX	L		520,832		683,933	787,025	4,985,734	
45. Utah	UT	L							
46. Vermont	VT	L							
47. Virginia	VA	L		13,305		573,125	196,473	4,564,022	
48. Washington	WA	L							
49. West Virginia	WV	L							
50. Wisconsin	WI	L							
51. Wyoming	WY	L							
52. American Samoa	AS	N							
53. Guam	GU	L							
54. Puerto Rico	PR	L		568,751					
55. U.S. Virgin Islands	VI	L							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX							
59. Totals		XXX		9,939,368		(26,150,503)	(1,514,938)	22,013,493	
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Sum. of remaining write-ins for Line 58 from overflow page		XXX							
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)		XXX							

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 54 R – Registered – Non-domiciled RRGs
 E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) Q – Qualified – Qualified or accredited reinsurer
 D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile N – None of the above – Not allowed to write business in the state 3

(b) Explanation of basis of allocation of premiums by states, etc.

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

Schedule T - Part 2

NONE

Schedule Y - Part 1

NONE

Schedule Y - Part 1A

NONE

Schedule Y - Part 2

NONE

Schedule Y - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2021 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?	.....SEE EXPLANATION.....
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.....

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 Risks Interrogatories be filed by April 1?	.....YES.....

MAY FILING	
8. Will this company be included in a combined annual statement that 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 **if your company is engaged in the type of business covered by the supplement. 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 by 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.....
23. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
24. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	.....NO.....
25. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	.....NO.....
26. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	.....NO.....
27. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution Contracts be filed with the state of domicile and the NAIC by March 1?	.....NO.....

APRIL FILING

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?NO.....
- 29. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?NO.....
- 30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?NO.....
- 31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?NO.....
- 32. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?NO.....
- 33. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?NO.....
- 34. Will the Life, Health & Annuity Guaranty Association Assessable Premium Exhibit – Parts 1 and 2 be filed with the state of domicile and the NAIC by April 1?NO.....
- 35. Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1?NO.....
- 36. Will the Mortgage Guaranty Insurance Exhibit be filed with the state of domicile and the NAIC by April 1?NO.....

AUGUST FILING

- 37. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?SEE EXPLANATION.....

Explanation:

- 2. Not required by domicile state
- 17. The Company has all "No" answers on interrogatory 9, indicating that there is nothing to report.
- 21. The Company does not have any exceptions to report.
- 37. The Company falls below the premium threshold, therefore is exempt from this requirement.

Bar Code:

- 3.  2 2 8 9 6 2 0 2 1 3 9 0 0 0 0 0 0
- 4.  2 2 8 9 6 2 0 2 1 3 9 0 0 0 0 0 0
- 8.  2 2 8 9 6 2 0 2 1 2 0 1 0 0 0 0 0
- 11.  2 2 8 9 6 2 0 2 1 4 2 0 0 0 0 0 0
- 13.  2 2 8 9 6 2 0 2 1 3 6 0 5 9 0 0 0
- 14.  2 2 8 9 6 2 0 2 1 4 5 5 0 0 0 0 0
- 15.  2 2 8 9 6 2 0 2 1 4 9 0 0 0 0 0 0
- 16.  2 2 8 9 6 2 0 2 1 3 8 5 0 0 0 0 0
- 18.  2 2 8 9 6 2 0 2 1 3 6 5 0 0 0 0 0
- 22.  2 2 8 9 6 2 0 2 1 5 0 0 0 0 0 0 0
- 23.  2 2 8 9 6 2 0 2 1 5 0 5 0 0 0 0 0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

24. 
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31. 
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36. 
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SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	5,388,614	3.224	5,388,614		5,388,614	3.226
1.02 All other governments						
1.03 U.S. states, territories and possessions, etc. guaranteed						
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed						
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	78,457,587	46.942	78,457,587		78,457,587	46.964
1.06 Industrial and miscellaneous	57,353,688	34.315	57,353,688		57,353,688	34.332
1.07 Hybrid securities						
1.08 Parent, subsidiaries and affiliates						
1.09 SVO identified funds						
1.10 Unaffiliated bank loans						
1.11 Total long-term bonds	141,199,889	84.481	141,199,889		141,199,889	84.521
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)						
2.02 Parent, subsidiaries and affiliates						
2.03 Total preferred stocks						
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)						
3.02 Industrial and miscellaneous Other (Unaffiliated)						
3.03 Parent, subsidiaries and affiliates Publicly traded						
3.04 Parent, subsidiaries and affiliates Other						
3.05 Mutual funds						
3.06 Unit investment trusts						
3.07 Closed-end funds						
3.08 Total common stocks						
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages						
4.02 Residential mortgages						
4.03 Commercial mortgages						
4.04 Mezzanine real estate loans						
4.05 Total valuation allowance						
4.06 Total mortgage loans						
5. Real estate (Schedule A):						
5.01 Properties occupied by company						
5.02 Properties held for production of income						
5.03 Properties held for sale						
5.04 Total real estate						
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	3,200,882	1.915	3,200,882		3,200,882	1.916
6.02 Cash equivalents (Schedule E, Part 2)	5,665,351	3.390	5,665,351		5,665,351	3.391
6.03 Short-term investments (Schedule DA)	2,198,286	1.315	2,198,286		2,198,286	1.316
6.04 Total cash, cash equivalents and short-term investments	11,064,520	6.620	11,064,520		11,064,520	6.623
7. Contract loans						
8. Derivatives (Schedule DB)						
9. Other invested assets (Schedule BA)	2,485,256	1.487	2,405,600		2,405,600	1.440
10. Receivables for securities	12,388,309	7.412	12,388,309		12,388,309	7.416
11. Securities Lending (Schedule DL, Part 1)				XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)						
13. Total invested assets	167,137,973	100.000	167,058,317		167,058,317	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

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

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....		80,144
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	2,295,000	
2.2 Additional investment made after acquisition (Part 2, Column 9).....		2,295,000
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16.....		
3.2 Totals, Part 3, Column 12.....		
4. Accrual of discount.....		110,600
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13.....	(488)	
5.2 Totals, Part 3, Column 9.....		(488)
6. Total gain (loss) on disposals, Part 3, Column 19.....		
7. Deduct amounts received on disposals, Part 3, Column 16.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17.....		
9.2 Totals, Part 3, Column 14.....		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 15.....		
10.2 Totals, Part 3, Column 11.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		2,485,256
12. Deduct total nonadmitted amounts.....		79,656
13. Statement value at end of current period (Line 11 minus Line 12).....		2,405,600

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....		141,611,293
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		62,110,454
3. Accrual of discount.....		1,780,406
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....	(234,128)	
4.2 Part 2, Section 1, Column 15.....		
4.3 Part 2, Section 2, Column 13.....		
4.4 Part 4, Column 11.....	114,558	(119,569)
5. Total gain (loss) on disposals, Part 4, Column 19.....		3,716,492
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		67,535,672
7. Deduct amortization of premium.....		287,407
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....		
8.2 Part 2, Section 1, Column 19.....		
8.3 Part 2, Section 2, Column 16.....		
8.4 Part 4, Column 15.....		
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14.....	161,878	
9.2 Part 2, Section 1, Column 17.....		
9.3 Part 2, Section 2, Column 14.....		
9.4 Part 4, Column 13.....		161,878
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees, Note 5Q, Line (2).....		85,770
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....		141,199,888
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....		141,199,888

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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
BONDS					
Governments (including all obligations guaranteed by governments)	1. United States	5,388,614	5,391,711	5,402,870	5,367,501
	2. Canada				
	3. Other Countries				
	4. Totals	5,388,614	5,391,711	5,402,870	5,367,501
U.S. States, Territories and Possessions (direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (direct and guaranteed)	6. Totals				335,000
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	78,457,587	78,590,820	78,021,380	103,560,325
Industrial and Miscellaneous, SVO Identified Funds, Unaffiliated Bank Loans and Hybrid Securities (unaffiliated)	8. United States	52,746,068	53,836,747	53,158,767	90,438,744
	9. Canada	933,045	934,798	933,045	933,045
	10. Other Countries	3,674,575	3,998,054	3,674,136	3,675,000
	11. Totals	57,353,688	58,769,598	57,765,948	95,046,789
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	141,199,889	142,752,130	141,190,198	204,309,615
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks				
	26. Total Stocks				
	27. Total Bonds and Stocks	141,199,889	142,752,130	141,190,198	

ANNUAL STATEMENT FOR THE YEAR 2021 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

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 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 11.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	240,729	5,028,277	112,504	7,104		XXX	5,388,614	3.8	19,367,395	12.4	5,388,614	
1.2 NAIC 2						XXX						
1.3 NAIC 3						XXX						
1.4 NAIC 4						XXX						
1.5 NAIC 5						XXX						
1.6 NAIC 6						XXX						
1.7 Totals	240,729	5,028,277	112,504	7,104		XXX	5,388,614	3.8	19,367,395	12.4	5,388,614	
2. All Other Governments												
2.1 NAIC 1						XXX						
2.2 NAIC 2						XXX						
2.3 NAIC 3						XXX						
2.4 NAIC 4						XXX						
2.5 NAIC 5						XXX						
2.6 NAIC 6						XXX						
2.7 Totals						XXX						
3. U.S. States, Territories and Possessions, etc., Guaranteed												
3.1 NAIC 1						XXX						
3.2 NAIC 2						XXX						
3.3 NAIC 3						XXX						
3.4 NAIC 4						XXX						
3.5 NAIC 5						XXX						
3.6 NAIC 6						XXX						
3.7 Totals						XXX						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 NAIC 1						XXX						
4.2 NAIC 2						XXX						
4.3 NAIC 3						XXX						
4.4 NAIC 4						XXX						
4.5 NAIC 5						XXX						
4.6 NAIC 6						XXX						
4.7 Totals						XXX						
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 NAIC 1	3,246,139	11,584,361	8,422,062	6,306,577	1,575,734	XXX	31,134,873	21.7	37,999,013	24.3	31,134,873	
5.2 NAIC 2						XXX						
5.3 NAIC 3						XXX						
5.4 NAIC 4						XXX						
5.5 NAIC 5		569,621	572,307			XXX	1,141,927	0.8	12,442,807	8.0	1,141,927	
5.6 NAIC 6	3,099,340		8,076,246	4,882,448	32,321,038	XXX	48,379,072	33.7	20,896,267	13.4	40,101,387	8,277,685
5.7 Totals	6,345,479	12,153,982	17,070,614	11,189,025	33,896,772	XXX	80,655,873	56.2	71,338,087	45.6	72,378,188	8,277,685

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ANNUAL STATEMENT FOR THE YEAR 2021 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

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 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 11.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)												
6.1 NAIC 1	7,880,806	17,611,870	7,919,539	87,780	16	XXX	33,500,011	23.4	34,083,086	21.8	24,056,322	9,443,689
6.2 NAIC 2	4,695,008	12,829,334	5,694,585			XXX	23,218,928	16.2	27,965,123	17.9	18,486,308	4,732,620
6.3 NAIC 3	145,617	343,385	145,747			XXX	634,749	0.4	874,118	0.6		634,749
6.4 NAIC 4						XXX			2,676,685	1.7		
6.5 NAIC 5						XXX			158,674	0.1		
6.6 NAIC 6						XXX						
6.7 Totals	12,721,432	30,784,589	13,759,872	87,780	16	XXX	57,353,688	40.0	65,757,686	42.0	42,542,630	14,811,058
7. Hybrid Securities												
7.1 NAIC 1						XXX						
7.2 NAIC 2						XXX						
7.3 NAIC 3						XXX						
7.4 NAIC 4						XXX						
7.5 NAIC 5						XXX						
7.6 NAIC 6						XXX						
7.7 Totals						XXX						
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1						XXX						
8.2 NAIC 2						XXX						
8.3 NAIC 3						XXX						
8.4 NAIC 4						XXX						
8.5 NAIC 5						XXX						
8.6 NAIC 6						XXX						
8.7 Totals						XXX						
9. SVO Identified Funds												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX							
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX							
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX							
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX							
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX							
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX							
9.7 Totals	XXX	XXX	XXX	XXX	XXX							
10. Unaffiliated Bank Loans												
10.1 NAIC 1						XXX						
10.2 NAIC 2						XXX						
10.3 NAIC 3						XXX						
10.4 NAIC 4						XXX						
10.5 NAIC 5						XXX						
10.6 NAIC 6						XXX						
10.7 Totals						XXX						

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ANNUAL STATEMENT FOR THE YEAR 2021 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

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 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 11.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
11. Total Bonds Current Year												
11.1 NAIC 1	(d) 11,367,674	34,224,508	16,454,105	6,401,460	1,575,751		70,023,498	48.8	XXX	XXX	60,579,809	9,443,689
11.2 NAIC 2	(d) 4,695,008	12,829,334	5,694,585				23,218,928	16.2	XXX	XXX	18,486,308	4,732,620
11.3 NAIC 3	(d) 145,617	343,385	145,747				634,749	0.4	XXX	XXX		634,749
11.4 NAIC 4	(d)								XXX	XXX		
11.5 NAIC 5	(d)	569,621	572,307				(c) 1,141,927	0.8	XXX	XXX	1,141,927	
11.6 NAIC 6	(d) 3,099,340		8,076,246	4,882,448	32,321,038		(c) 48,379,072	33.7	XXX	XXX	40,101,387	8,277,685
11.7 Totals	19,307,640	47,966,849	30,942,990	11,283,908	33,896,788		(b) 143,398,175	100.0	XXX	XXX	120,309,432	23,088,743
11.8 Line 11.7 as a % of Col. 7	13.5	33.5	21.6	7.9	23.6		100.0	XXX	XXX	XXX	83.9	16.1
12. Total Bonds Prior Year												
12.1 NAIC 1	33,505,710	38,185,385	15,807,712	3,626,626	324,062		XXX	XXX	91,449,494	58.4	87,080,275	4,369,220
12.2 NAIC 2	3,833,001	14,287,915	9,844,208				XXX	XXX	27,965,123	17.9	22,930,462	5,034,661
12.3 NAIC 3	238,969	468,307	166,843				XXX	XXX	874,118	0.6		874,118
12.4 NAIC 4	140,995	187,994	2,347,696				XXX	XXX	2,676,685	1.7	2,676,685	
12.5 NAIC 5	2,178,616	112,471	9,787,764		522,631		XXX	XXX	(c) 12,601,481	8.1	3,423,878	9,177,604
12.6 NAIC 6	852,064	823,919		9,191,430	10,028,854		XXX	XXX	(c) 20,896,267	13.4	20,896,267	
12.7 Totals	40,749,354	54,065,991	37,954,222	13,340,687	10,352,916		XXX	XXX	(b) 156,463,169	100.0	137,007,565	19,455,603
12.8 Line 12.7 as a % of Col. 9	26.0	34.6	24.3	8.5	6.6		XXX	XXX	100.0	XXX	87.6	12.4
13. Total Publicly Traded Bonds												
13.1 NAIC 1	8,166,671	27,999,145	16,436,782	6,401,460	1,575,751		60,579,809	42.2	87,080,275	55.7	60,579,809	XXX
13.2 NAIC 2	4,470,538	8,580,364	5,435,406				18,486,308	12.9	22,930,462	14.7	18,486,308	XXX
13.3 NAIC 3												XXX
13.4 NAIC 4									2,676,685	1.7		XXX
13.5 NAIC 5		569,621	572,307				1,141,927	0.8	3,423,878	2.2	1,141,927	XXX
13.6 NAIC 6	3,099,340			4,882,448	32,119,599		40,101,387	28.0	20,896,267	13.4	40,101,387	XXX
13.7 Totals	15,736,549	37,149,130	22,444,495	11,283,908	33,695,349		120,309,432	83.9	137,007,565	87.6	120,309,432	XXX
13.8 Line 13.7 as a % of Col. 7	13.1	30.9	18.7	9.4	28.0		100.0	XXX	XXX	XXX	100.0	XXX
13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11	11.0	25.9	15.7	7.9	23.5		83.9	XXX	XXX	XXX	83.9	XXX
14. Total Privately Placed Bonds												
14.1 NAIC 1	3,201,004	6,225,363	17,323				9,443,689	6.6	4,369,220	2.8	XXX	9,443,689
14.2 NAIC 2	224,470	4,248,971	259,179				4,732,620	3.3	5,034,661	3.2	XXX	4,732,620
14.3 NAIC 3	145,617	343,385	145,747				634,749	0.4	874,118	0.6	XXX	634,749
14.4 NAIC 4												XXX
14.5 NAIC 5									9,177,604	5.9	XXX	
14.6 NAIC 6			8,076,246		201,439		8,277,685	5.8			XXX	8,277,685
14.7 Totals	3,571,091	10,817,719	8,498,495		201,439		23,088,743	16.1	19,455,603	12.4	XXX	23,088,743
14.8 Line 14.7 as a % of Col. 7	15.5	46.9	36.8		0.9		100.0	XXX	XXX	XXX	XXX	100.0
14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11	2.5	7.5	5.9		0.1		16.1	XXX	XXX	XXX	XXX	16.1

(a) Includes \$ 15,012,497 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 18,322,412 current year of bonds with Z designations, and \$ 1,238,312 prior year of bonds with Z designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement.

(c) Includes \$ current year, \$ 9,177,604 prior year of bonds with 5GI designations and \$ 2,723,554 current year, \$ 20,896,075 prior year of bonds with 6* designations. "5GI" 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 short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$ 2,198,286 .

ANNUAL STATEMENT FOR THE YEAR 2021 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 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 11.08	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. U.S. Governments												
1.01 Issuer Obligations	130,128	4,764,039				XXX	4,894,167	3.4	18,747,470	12.0	4,894,167	
1.02 Residential Mortgage-Backed Securities	110,600	264,239	112,504	7,104		XXX	494,447	0.3	619,925	0.4	494,447	
1.03 Commercial Mortgage-Backed Securities						XXX						
1.04 Other Loan-Backed and Structured Securities						XXX						
1.05 Totals	240,729	5,028,277	112,504	7,104		XXX	5,388,614	3.8	19,367,395	12.4	5,388,614	
2. All Other Governments												
2.01 Issuer Obligations						XXX						
2.02 Residential Mortgage-Backed Securities						XXX						
2.03 Commercial Mortgage-Backed Securities						XXX						
2.04 Other Loan-Backed and Structured Securities						XXX						
2.05 Totals						XXX						
3. U.S. States, Territories and Possessions, Guaranteed												
3.01 Issuer Obligations						XXX						
3.02 Residential Mortgage-Backed Securities						XXX						
3.03 Commercial Mortgage-Backed Securities						XXX						
3.04 Other Loan-Backed and Structured Securities						XXX						
3.05 Totals						XXX						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.01 Issuer Obligations						XXX						
4.02 Residential Mortgage-Backed Securities						XXX						
4.03 Commercial Mortgage-Backed Securities						XXX						
4.04 Other Loan-Backed and Structured Securities						XXX						
4.05 Totals						XXX						
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.01 Issuer Obligations	3,099,340	569,621	8,648,553	4,882,448	32,321,038	XXX	49,520,999	34.5	33,339,074	21.3	41,243,315	8,277,685
5.02 Residential Mortgage-Backed Securities	3,246,139	11,584,361	8,422,062	6,306,577	1,575,734	XXX	31,134,873	21.7	37,999,013	24.3	31,134,873	
5.03 Commercial Mortgage-Backed Securities						XXX						
5.04 Other Loan-Backed and Structured Securities						XXX						
5.05 Totals	6,345,479	12,153,982	17,070,614	11,189,025	33,896,772	XXX	80,655,873	56.2	71,338,087	45.6	72,378,188	8,277,685
6. Industrial and Miscellaneous												
6.01 Issuer Obligations	4,199,812	12,417,912	2,495,492			XXX	19,113,216	13.3	28,485,027	18.2	15,313,641	3,799,575
6.02 Residential Mortgage-Backed Securities	569,047	1,572,362	796,980	87,780	16	XXX	3,026,185	2.1	4,903,855	3.1	2,391,436	634,749
6.03 Commercial Mortgage-Backed Securities	4,256,373	9,106,996	4,250,983			XXX	17,614,352	12.3	20,874,466	13.3	17,614,352	
6.04 Other Loan-Backed and Structured Securities	3,696,200	7,687,319	6,216,416			XXX	17,599,935	12.3	11,494,339	7.3	7,223,201	10,376,734
6.05 Totals	12,721,432	30,784,589	13,759,872	87,780	16	XXX	57,353,688	40.0	65,757,686	42.0	42,542,630	14,811,058
7. Hybrid Securities												
7.01 Issuer Obligations						XXX						
7.02 Residential Mortgage-Backed Securities						XXX						
7.03 Commercial Mortgage-Backed Securities						XXX						
7.04 Other Loan-Backed and Structured Securities						XXX						
7.05 Totals						XXX						
8. Parent, Subsidiaries and Affiliates												
8.01 Issuer Obligations						XXX						
8.02 Residential Mortgage-Backed Securities						XXX						
8.03 Commercial Mortgage-Backed Securities						XXX						
8.04 Other Loan-Backed and Structured Securities						XXX						
8.05 Affiliated Bank Loans – Issued						XXX						
8.06 Affiliated Bank Loans – Acquired						XXX						
8.07 Totals						XXX						

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ANNUAL STATEMENT FOR THE YEAR 2021 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 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 11.08	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. SVO Identified Funds												
9.01 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX							
10. Unaffiliated Bank Loans												
10.01 Bank Loans - Issued						XXX						
10.02 Bank Loans - Acquired						XXX						
10.03 Totals						XXX						
11. Total Bonds Current Year												
11.01 Issuer Obligations	7,429,281	17,751,572	11,144,045	4,882,448	32,321,038	XXX	73,528,383	51.3	XXX	XXX	61,451,123	12,077,260
11.02 Residential Mortgage-Backed Securities	3,925,786	13,420,962	9,331,546	6,401,460	1,575,751	XXX	34,655,505	24.2	XXX	XXX	34,020,756	634,749
11.03 Commercial Mortgage-Backed Securities	4,256,373	9,106,996	4,250,983			XXX	17,614,352	12.3	XXX	XXX	17,614,352	
11.04 Other Loan-Backed and Structured Securities	3,696,200	7,687,319	6,216,416			XXX	17,599,935	12.3	XXX	XXX	7,223,201	10,376,734
11.05 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
11.06 Affiliated Bank Loans						XXX			XXX	XXX		
11.07 Unaffiliated Bank Loans						XXX			XXX	XXX		
11.08 Totals	19,307,640	47,966,849	30,942,990	11,283,908	33,896,788		143,398,175	100.0	XXX	XXX	120,309,432	23,088,743
11.09 Lines 11.08 as a % Col. 7	13.5	33.5	21.6	7.9	23.6		100.0	XXX	XXX	XXX	83.9	16.1
12. Total Bonds Prior Year												
12.01 Issuer Obligations	30,270,091	14,401,626	16,156,939	9,714,061	10,028,854	XXX	XXX	XXX	80,571,571	51.5	67,394,535	13,177,036
12.02 Residential Mortgage-Backed Securities	5,568,637	23,069,075	10,934,394	3,626,626	324,062	XXX	XXX	XXX	43,522,794	27.8	42,031,352	1,491,442
12.03 Commercial Mortgage-Backed Securities	2,786,834	13,699,775	4,387,857			XXX	XXX	XXX	20,874,466	13.3	18,133,835	2,740,630
12.04 Other Loan-Backed and Structured Securities	2,123,792	2,895,514	6,475,033			XXX	XXX	XXX	11,494,339	7.3	9,447,843	2,046,496
12.05 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		
12.06 Affiliated Bank Loans						XXX	XXX	XXX	XXX	XXX		
12.07 Unaffiliated Bank Loans						XXX	XXX	XXX	XXX	XXX		
12.08 Totals	40,749,354	54,065,991	37,954,222	13,340,687	10,352,916		XXX	XXX	156,463,169	100.0	137,007,565	19,455,603
12.09 Line 12.08 as a % of Col. 9	26.0	34.6	24.3	8.5	6.6		XXX	XXX	100.0	XXX	87.6	12.4
13. Total Publicly Traded Bonds												
13.01 Issuer Obligations	7,429,281	13,951,997	3,067,799	4,882,448	32,119,599	XXX	61,451,123	42.9	67,394,535	43.1	61,451,123	XXX
13.02 Residential Mortgage-Backed Securities	3,780,169	13,077,576	9,185,799	6,401,460	1,575,751	XXX	34,020,756	23.7	42,031,352	26.9	34,020,756	XXX
13.03 Commercial Mortgage-Backed Securities	4,256,373	9,106,996	4,250,983			XXX	17,614,352	12.3	18,133,835	11.6	17,614,352	XXX
13.04 Other Loan-Backed and Structured Securities	270,726	1,012,561	5,939,915			XXX	7,223,201	5.0	9,447,843	6.0	7,223,201	XXX
13.05 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		XXX
13.06 Affiliated Bank Loans						XXX			XXX	XXX		XXX
13.07 Unaffiliated Bank Loans						XXX			XXX	XXX		XXX
13.08 Totals	15,736,549	37,149,130	22,444,495	11,283,908	33,695,349		120,309,432	83.9	137,007,565	87.6	120,309,432	XXX
13.09 Line 13.08 as a % of Col. 7	13.1	30.9	18.7	9.4	28.0		100.0	XXX	XXX	XXX	100.0	XXX
13.10 Line 13.08 as a % of Line 11.08, Col. 7, Section 11	11.0	25.9	15.7	7.9	23.5		83.9	XXX	XXX	XXX	83.9	XXX
14. Total Privately Placed Bonds												
14.01 Issuer Obligations		3,799,575	8,076,246		201,439	XXX	12,077,260	8.4	13,177,036	8.4	XXX	12,077,260
14.02 Residential Mortgage-Backed Securities	145,617	343,385	145,747			XXX	634,749	0.4	1,491,442	1.0	XXX	634,749
14.03 Commercial Mortgage-Backed Securities						XXX			2,740,630	1.8	XXX	
14.04 Other Loan-Backed and Structured Securities	3,425,474	6,674,759	276,502			XXX	10,376,734	7.2	2,046,496	1.3	XXX	10,376,734
14.05 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX				XXX	XXX		XXX
14.06 Affiliated Bank Loans						XXX			XXX	XXX		XXX
14.07 Unaffiliated Bank Loans						XXX			XXX	XXX		XXX
14.08 Totals	3,571,091	10,817,719	8,498,495		201,439		23,088,743	16.1	19,455,603	12.4	XXX	23,088,743
14.09 Line 14.08 as a % of Col. 7	15.5	46.9	36.8		0.9		100.0	XXX	XXX	XXX	XXX	100.0
14.10 Line 14.08 as a % of Line 11.08, Col. 7, Section 11	2.5	7.5	5.9		0.1		16.1	XXX	XXX	XXX	XXX	16.1

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

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	852,064	852,064			
2. Cost of short-term investments acquired	11,160,380	11,160,380			
3. Accrual of discount	461,269	461,269			
4. Unrealized valuation increase (decrease)	(357,861)	(357,861)			
5. Total gain (loss) on disposals	269	269			
6. Deduct consideration received on disposals	9,917,836	9,917,836			
7. Deduct amortization of premium					
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other-than-temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,198,286	2,198,286			
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	2,198,286	2,198,286			

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

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3	4
	Total	Bonds	Money Market Mutual Funds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	15,055,534	13,999,811	1,055,722	
2. Cost of cash equivalents acquired.....	213,225,290	16,999,148	196,226,142	
3. Accrual of discount.....	1,026	1,026		
4. Unrealized valuation increase (decrease).....				
5. Total gain (loss) on disposals.....	13	13		
6. Deduct consideration received on disposals.....	222,616,512	30,999,998	191,616,513	
7. Deduct amortization of premium.....				
8. Total foreign exchange change in book/adjusted carrying value.....				
9. Deduct current year's other-than-temporary impairment recognized.....				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	5,665,351		5,665,351	
11. Deduct total nonadmitted amounts.....				
12. Statement value at end of current period (Line 10 minus Line 11)	5,665,351		5,665,351	

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	4 Location		6 Name of Vendor or General Partner	7 NAIC Designation, NAIC Designation Modifier & SVO Administrative Symbol	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book / Adjusted Carrying Value Less Encumbrances	13-17 Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership	
			City	State								13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization)/ Accretion	15 Current Year's Other-Than-Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B./A.C.V.				
Any Other Class of Assets - Unaffiliated																				
...	LOMBARD PUBLIC FACILITIES CORP SENIOR LOAN		Lombard	IL		XXX	05/14/2021		2,295,000	2,405,600	2,405,600					110,600				XXX
4699999 - Any Other Class of Assets - Unaffiliated																				
Any Other Class of Assets - Affiliated																				
...	ACA SERVICE, LLC		New York	NY		XXX	06/07/2001		26,010,780										32,000	100,000
...	YANCOUVER DOWNTOWN REDEV		Vancouver	WA		XXX	06/27/2013													
...	PROMISSORY NOTE 4.42%		Vancouver	WA		XXX	06/27/2013													
...	TACTICAL RISK MGMT, LLC		New York	NY		XXX	04/01/2011		100,000			(488)								100,000
4799999 - Any Other Class of Assets - Affiliated																				
									26,110,780			(488)							32,000	XXX
4899999 - Subtotals - Unaffiliated																				
									2,295,000	2,405,600	2,405,600					110,600				XXX
4999999 - Subtotals - Affiliated																				
									26,110,780			(488)							32,000	XXX
5099999 Totals																				
									28,405,780	2,405,600	2,405,600	(488)			110,600				32,000	XXX

E07

1. Line
 Number Book/Adjusted Carrying Value by NAIC Designation Category Footnote:
 1A 1A \$ 1B \$ 1C \$ 1D \$ 1E \$ 1F \$ 1G \$
 1B 2A \$ 2B \$ 2C \$
 1C 3A \$ 3B \$ 3C \$
 1D 4A \$ 4B \$ 4C \$
 1E 5A \$ 5B \$ 5C \$
 1F 6 \$ 2,405,600

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After Acquisition	10 Amount of Encumbrances	11 Percentage of Ownership
		City	State							
Any Other Class of Assets - Unaffiliated										
000000-00-0...	LOMBARD PUBLIC FACILITIES CORP SENIOR LOAN	LOMBARD	IL		05/14/2021		2,295,000			100.000
4699999 - Any Other Class of Assets - Unaffiliated										
							2,295,000			XXX
4899999 - Subtotals - Unaffiliated										
							2,295,000			XXX
4999999 - Subtotals - Affiliated										
										XXX
5099999 Totals										
							2,295,000			XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other-Than- Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)							14 Total Foreign Exchange Change in B./A.C.V.
NONE																		
4499999 – Subtotals - Unaffiliated																		
4599999 – Subtotals - Affiliated																		
4699999 Totals																		

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

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

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1 CUSIP Identification	2 Description	Codes			6 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol	7 Actual Cost	Fair Value		10 Par Value	11 Book/Adjusted Carrying Value	Change in Book / Adjusted Carrying Value				Interest					Dates									
		3 Code	4 F o r e i g n	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change In B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date								
Bonds - U.S. Governments - Issuer Obligations																													
912828-B6-6	US TREASURY N/B	SD			1.A	758,232	104,1520	781,140	750,000	753,566				(1,616)					2.750	2.518	FA	7,790	20,625		01/11/2019		02/15/2024		
912828-SV-3	US TREASURY N/B				1.A	133,179	100,5860	130,762	130,000	130,128				(343)					1.750	1.481	MN	295	2,185		07/18/2012		05/15/2022		
91282C-CJ-8	US TREASURY N/B				1.A	4,011,360	98,4140	3,936,637	4,000,000	4,010,473				(887)					0.875	0.816	JD	709	1,225		11/05/2021		06/30/2026		
0199999	Bonds - U.S. Governments - Issuer Obligations					4,902,771	XXX	4,848,538	4,880,000	4,894,167				(2,846)					XXX	XXX	XXX	8,795	24,035		XXX		XXX		
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																													
36200A-BE-8	GNMA POOL 595037			4	1.A	514	110,0940	549	499	508				(1)					6.000	5.332	MON	2	30		11/04/2003		10/15/2032		
36200A-CW-7	GNMA POOL 595085			4	1.A	10,427	110,3030	11,170	10,127	10,373				1					6.000	5.051	MON	51	608		11/04/2003		10/15/2032		
36200E-TY-7	GNMA POOL 599167			4	1.A	39,506	110,0350	42,217	38,367	38,997				(22)					6.000	5.453	MON	192	2,302		11/04/2003		12/15/2033		
36200M-AT-0	GNMA POOL 604018			4	1.A	166,785	111,2410	180,308	162,087	165,063				(120)					5.500	4.802	MON	743	8,915		04/22/2003		02/15/2033		
36200M-EN-9	GNMA POOL 604141			4	1.A	8,376	116,1960	9,451	8,134	8,342				(7)					6.000	5.119	MON	41	488		11/04/2003		03/15/2033		
36200Q-2R-4	GNMA POOL 569684			4	1.A	11,292	116,1760	12,740	10,966	11,178				(8)					6.000	5.266	MON	55	658		11/04/2003		02/15/2032		
36200R-LX-8	GNMA POOL 570142			4	1.A	4,704	112,7370	5,150	4,568	4,663				(3)					6.000	5.206	MON	23	274		11/04/2003		12/15/2031		
36200R-XT-4	GNMA POOL 570490			4	1.A	640	110,6490	687	621	633									6.000	5.324	MON	3	37		11/04/2003		12/15/2031		
36200S-US-7	GNMA POOL 571293			4	1.A	455	109,9910	486	442	457				(1)					6.000	4.663	MON	2	27		11/04/2003		11/15/2031		
36201A-PF-9	GNMA POOL 577422			4	1.A	2,179	112,2320	2,375	2,117	2,151				(2)					6.000	5.376	MON	11	127		11/04/2003		01/15/2032		
36201D-AX-0	GNMA POOL 579722			4	1.A	23,147	115,5790	25,982	22,480	22,834				(18)					6.000	5.423	MON	112	1,349		11/04/2003		08/15/2032		
36201E-AG-5	GNMA POOL 580607			4	1.A	3,324	116,2010	3,751	3,228	3,293				(1)					6.000	5.297	MON	16	194		11/04/2003		02/15/2033		
36201F-AF-4	GNMA POOL 581506			4	1.A	461	110,3190	494	447	461				(1)					6.000	4.891	MON	2	27		11/04/2003		04/15/2033		
36201Y-FD-3	GNMA POOL 606864			4	1.A	975	110,1560	1,043	947	969				(1)					6.000	5.181	MON	5	57		11/04/2003		10/15/2033		
36207E-ND-2	GNMA POOL 429788			4	1.A	4,646	110,3020	4,977	4,512	4,648				(2)					6.000	4.929	MON	23	271		11/04/2003		12/15/2033		
36210J-HW-1	GNMA POOL 493545			4	1.A	338	110,0360	361	329	334									6.000	5.346	MON	2	20		11/04/2003		03/15/2031		
36213F-U4-3	GNMA POOL 553303			4	1.A	557	110,1590	596	541	547									6.000	5.560	MON	3	32		11/04/2003		06/15/2033		
36213R-2A-4	GNMA POOL 562469			4	1.A	60,368	112,5300	67,586	60,061	60,213				(3)					5.000	4.905	MON	250	3,003		02/13/2004		02/15/2034		
36213R-ZF-7	GNMA POOL 562442			4	1.A	117,318	109,9360	125,561	114,213	115,427				(56)					5.500	5.133	MON	523	6,282		01/16/2004		01/15/2034		
36213T-GW-7	GNMA POOL 563713			4	1.A	8,808	115,9880	9,922	8,554	8,715				(1)					6.000	5.314	MON	53	513		11/04/2003		01/15/2033		
36213V-GN-2	GNMA POOL 565505			4	1.A	499	112,0200	543	485	496									6.000	5.146	MON	2	29		11/04/2003		09/15/2032		
36290X-PM-6	GNMA POOL 620628			4	1.A	505	109,7510	539	491	493				(14)					6.000	4.775	MON	2	29		11/04/2003		09/15/2033		
36290X-PT-1	GNMA POOL 620634			4	1.A	32,038	110,1790	34,282	31,114	31,429				(16)					6.000	5.660	MON	156	1,867		11/04/2003		09/15/2033		
36291C-PV-1	GNMA POOL 624236			4	1.A	1,546	110,0570	1,653	1,502	1,539				(1)					6.000	5.196	MON	8	90		11/04/2003		12/15/2033		
36291E-AD-3	GNMA POOL 625604			4	1.A	132	109,7510	141	128	129									6.000	5.057	MON	1	8		11/04/2003		12/15/2033		
36291E-AV-3	GNMA POOL 625620			4	1.A	558	112,2680	609	542	555									6.000	5.218	MON	3	33		11/04/2003		12/15/2033		
0299999	Bonds - U.S. Governments - Residential Mortgage-Backed Securities					500,099	XXX	543,173	487,501	494,447				(278)					XXX	XXX	XXX	2,272	27,268		XXX		XXX		
0599999	Bonds - U.S. Governments - Subtotals - U.S. Governments					5,402,870	XXX	5,391,711	5,367,501	5,388,614				(3,124)					XXX	XXX	XXX	11,067	51,303		XXX		XXX		
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																													
453419-AZ-6	INDEP CTY AR HYDRO SENIOR				6				335,000												N/A					08/15/2017		05/01/2033	
1899999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								335,000										XXX	XXX	XXX					XXX		XXX	
2499999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								335,000										XXX	XXX	XXX					XXX		XXX	
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																													
11943D-AC-2	BUENA VISTA PUB REC FAC SER A			2	6 Z				1,675,000										5.500		JJ						12/14/2016		07/15/2035
20786L-DK-4	CONNECTOR 2000 CABS A	@			6 *	770,624	100,0000	901,054	901,054	901,054										9.153	N/A					04/01/2020		01/01/2022	
20786L-DV-0	CONNECTOR 2000 CABS B1	@		3	6 *	1,591,393	35,9860	1,827,418	5,078,137	1,822,500			46,627							10.108	N/A					04/01/2020		01/01/2032	
453419-BX-0	INDEP CTY AR HYDRO SUB SER B			2	6 *				10,000											4.800	MN					01/20/2011		05/01/2024	
453419-CB-7	INDEP CTY AR HYDRO SUB SER B			2	6 Z				175,000											5.050	MN					05/06/2020		05/01/2032	
453419-CC-5	INDEP CTY AR HYDRO SUB SER B			2	6 Z				25,000											5.150	MN					11/15/2018		05/01/2033	
453419-CH-4	INDEP CTY AR HYDRO SUB SER A			2	6 Z				1,745,000											5.150	MN					04/07/2020		05/01/2033	
52480R-CH-1	LEHIGH TAX KIDSPCEAKE SERIES C	@			6 *				2,437,315												N/A					05/23/2019		02/01/2044	
641345-CP-6	NEVADA MO HOSP REV: NEW REG			2	5 C GI	555,250	99,4350	586,667	590,000	569,621										4.300	AO	6,343	25,370		03/14/2019		10/01/2026		
641345-CQ-4	NEVADA MO HOSP REV: NEW REG			2	5 C GI	44,100	99,0520	44,573	45,000	44,327										4.350	AO		1,958		03/14/2019		10/01/2028		
641345-CR-2	NEVADA MO HOSP REV: NEW REG			2	5 C GI	506,481	97,8780	587,268	600,000	527,980										4.375	AO	6,563	26,250		04/05/2018		10/01/2031		
744450-AA-8	LOMBARD PUB FACS 1ST TIER			2	6 Z	240,196	75,7060	240,196	317,275	240,196										5.500	JJ					12/17/2021		07/01/2056	
744450-AB-6	LOMBARD PUB FACS 1ST TIER			2	6 Z																								

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	3 Codes			6 NAIC Designation NAIC Designation Modifier and SVO Administrative Symbol	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book / Adjusted Carrying Value				Interest					Dates					
		4 F o r e i g n Code	5 Bond CHAR	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change In B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date				
744450-AE-0.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	1 349	1 8200	1 349	74,122	1 349						N/A								12/17/2021	01/01/2067.	
744450-AF-7.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	60,469	1 8200	60,469	3,322,461	60,469															12/17/2021	01/01/2067.
744450-AJ-9.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	205	3 2360	205	6,332	205															12/17/2021	01/01/2047.
744450-AK-6.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	176	3 1800	176	5,535	176															12/17/2021	01/01/2048.
744450-AL-4.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	169	3 1070	169	5,446	169															12/17/2021	01/01/2049.
744450-AM-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	157	2 9830	157	5,269	157															12/17/2021	01/01/2050.
744450-AN-0.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	152	2 9260	152	5,181	152															12/17/2021	01/01/2051.
744450-AP-5.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	189	2 8120	189	6,730	189															12/17/2021	01/01/2052.
744450-AQ-3.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	183	2 7570	183	6,642	183															12/17/2021	01/01/2053.
744450-AR-1.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	172	2 6800	172	6,420	172															12/17/2021	01/01/2054.
744450-AS-9.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	165	2 6200	165	6,288	165															12/17/2021	01/01/2055.
744450-AT-7.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	159	2 5760	159	6,155	159															12/17/2021	01/01/2056.
744450-AU-4.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	171	2 5050	171	6,819	171															12/17/2021	01/01/2057.
744450-AV-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	163	2 4470	163	6,642	163															12/17/2021	01/01/2058.
744450-AW-0.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	155	2 4010	155	6,465	155															12/17/2021	01/01/2059.
744450-AX-8.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	147	2 3250	147	6,332	147															12/17/2021	01/01/2060.
744450-AY-6.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	141	2 2600	141	6,243	141															12/17/2021	01/01/2061.
744450-AZ-3.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	134	2 2050	134	6,066	134															12/17/2021	01/01/2062.
744450-BA-7.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	128	2 1590	128	5,933	128															12/17/2021	01/01/2063.
744450-BB-5.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	123	2 1220	123	5,801	123															12/17/2021	01/01/2064.
744450-BC-3.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	117	2 0520	117	5,712	117															12/17/2021	01/01/2065.
744450-BD-1.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	120	1 9550	120	6,155	120															12/17/2021	01/01/2066.
744450-BE-9.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 609	3 2360	5 609	173,322	5 609															12/17/2021	01/01/2047.
744450-BF-6.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 841	3 1800	7 841	246,559	7 841															12/17/2021	01/01/2048.
744450-BG-4.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 585	3 1070	7 585	244,117	7 585															12/17/2021	01/01/2049.
744450-BH-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 064	2 9830	7 064	236,795	7 064															12/17/2021	01/01/2050.
744450-BJ-8.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	6 786	2 9260	6 786	231,911	6 786															12/17/2021	01/01/2051.
744450-BK-5.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	8 512	2 8120	8 512	302,708	8 512															12/17/2021	01/01/2052.
744450-BL-3.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	8 211	2 7570	8 211	297,824	8 211															12/17/2021	01/01/2053.
744450-BM-1.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 720	2 6800	7 720	288,059	7 720															12/17/2021	01/01/2054.
744450-BN-9.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 419	2 6200	7 419	283,177	7 419															12/17/2021	01/01/2055.
744450-BO-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 106	2 5760	7 106	275,853	7 106															12/17/2021	01/01/2056.
744450-BQ-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 644	2 5050	7 644	305,148	7 644															12/17/2021	01/01/2057.
744450-BR-0.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	7 288	2 4470	7 288	297,824	7 288															12/17/2021	01/01/2058.
744450-BS-8.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	6 975	2 4010	6 975	290,501	6 975															12/17/2021	01/01/2059.
744450-BT-6.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	6 584	2 3250	6 584	283,177	6 584															12/17/2021	01/01/2060.
744450-BU-3.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	6 289	2 2600	6 289	278,295	6 289															12/17/2021	01/01/2061.
744450-BV-1.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 975	2 2050	5 975	270,969	5 975															12/17/2021	01/01/2062.
744450-BW-9.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 745	2 1590	5 745	266,089	5 745															12/17/2021	01/01/2063.
744450-BX-7.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 491	2 1220	5 491	258,766	5 491															12/17/2021	01/01/2064.
744450-BY-5.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 260	2 0520	5 260	256,324	5 260															12/17/2021	01/01/2065.
744450-BZ-2.	LOMBARD PUB FACS CAB 1ST TIER	@	2	.6 Z	5 393	1 9550	5 393	275,853	5 393															12/17/2021	01/01/2066.
802576-AA-6.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	9 551 714	86 0070	9 327 157	10 844 648	9 327 157		(236,244)	11,686			6 250	JJ								07/01/2021	07/01/2028.
802576-AA-6.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	5 867 647	86 0070	5 729 549	6 661 725	5 867 647			31,667			6 250	JJ								07/01/2021	07/01/2028.
802576-AJ-7.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	509 394	91 9930	582 120	632 787	526 746			20 185												07/01/2021	07/01/2012.
802576-AJ-7.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	523 349	91 9930	598 068	650 123	523 349															07/01/2021	07/01/2012.
802576-AL-2.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	1 375 261	91 9910	1 533 474	1 666 983	1 422 109			53 420												07/01/2021	07/01/2014.
802576-AN-8.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	2 542 290	91 9910	2 722 559	2 959 593	2 628 894			95 583												07/01/2021	07/01/2016.
802576-AR-9.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	3 050 059	90 5000	3 101 465	3 427 033	3 059 948			19 475												07/01/2021	07/01/2039.
802576-AS-7.	SANTA ROSA FL BAY BRIDGE AUTH	@	2	.6 Z	1 243 293	90 0000	1 390 017	1 544 464	1 285 647			49 269												07/01/2021	07/01/2020.
882385-AC-1.	TX ST HSG TEMPLE JR COLLEGE A	@	2	.6 Z				105 000							5 875	MS								05/19/2011	09/01/2022.
882385-AD-9.	TX ST HSG TEMPLE JR COLLEGE A	@	2	.6 Z				105 000							5 750	MS								03/24/2011	09/01/2021.
882385-AE-7.	TX ST HSG TEMPLE JR COLLEGE A	@	2	.6 Z				240 000							6 000	MS								05/11/2017	09/01/2033.
957372-BU-8.	WCHSTR CTY NY INDL-LC WHT PL	@	2	.6 Z	8 154 563	98 7920	8 076 246	8 175 000	8 076 246			(41,656)	2 497		6 250	AO	107,865			510,938			03/13/2017	10/15/2027.	
2599999	- Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					47,024,905	XXX	47,747,123	73,371,388	47,322,713		(231,272)	547,696		XXX	XXX	XXX	121,259	751,213	XXX	XXX				

E10.1

ANNUAL STATEMENT FOR THE YEAR 2021 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 NAIC Designation , NAIC Designation Modifier and SVO Administrative Symbol	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book / Adjusted Carrying Value				Interest				Dates				
		3 Code	4 F o r e i g n B o n d C H A R	5 B o n d C H A R			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change In B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date		
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities																							
3128MJ-2H-2	FHLMC GOLD POOL FG G08775			4	1.A	661,187	106,609	667,050	625,698	662,597					4.000	2.332	MON	2,086	25,028	08/10/2017	08/01/2047		
3128MJ-X4-7	FHLMC GOLD POOL FG G08698			4	1.A	830,981	107,507	853,775	794,158	830,646					3.500	2.336	MON	2,316	27,796	03/30/2016	03/01/2046		
3128MJ-YH-7	FHLMC GOLD POOL FH G08711			4	1.A	727,158	106,034	729,417	687,909	726,590					3.500	2.098	MON	2,006	24,077	07/13/2016	06/01/2046		
3132DW-AN-3	FHLMC POOL SD8113			4	1.A	4,542,690	99,781	4,382,272	4,391,890	4,541,840					2.000	1.517	MON	7,320	87,838	11/16/2020	12/01/2050		
3132DW-AW-3	FHLMC POOL SD8121			4	1.A	2,774,129	99,781	2,674,145	2,680,014	2,773,378					2.000	1.508	MON	4,467	53,600	12/23/2020	01/01/2051		
3133AC-HK-7	FHLMC POOL QB5634			4	1.A	4,619,895	100,094	4,461,800	4,457,610	4,616,932					2.000	1.495	MON	7,429	89,152	11/17/2020	11/01/2050		
31359S-2G-4	FNMA WL NW 2001-W1 AF6			4	1.A	31,030	122,375	36,573	29,886	31,066					6.902	5.585	MON	172	2,063	02/20/2004	07/25/2031		
31387C-M3-2	FNMA POOL 580078			4	1.A	1,921	107,141	2,002	1,868	1,903					7.000	6.320	MON	11	131	03/06/2002	09/01/2031		
3138WD-T4-3	FNMA POOL AS4170			4	1.A	617,365	109,218	630,968	577,714	624,359					4.000	2.005	MON	1,926	23,110	12/31/2014	12/01/2044		
31393W-K4-0	FHLMC 2643 OH			4	1.A	783,502	110,880	963,337	868,748	834,404					5.000	6.089	MON	3,620	43,438	06/07/2007	07/15/2033		
31394D-JJ-0	FNMA 2005-29 OE			4	1.A	1,007,725	110,952	1,242,971	1,120,278	1,076,301					5.000	6.083	MON	4,668	56,014	06/07/2007	04/25/2035		
31395J-W5-1	FHLMC 2888 HG			4	1.A	526,409	111,555	619,569	555,393	544,951					5.000	5.491	MON	2,314	27,770	11/02/2004	11/15/2034		
31402D-F7-0	FNMA POOL 725690			4	1.A	677,731	113,501	744,399	655,852	677,975					6.000	4.931	MON	3,279	39,351	01/20/2005	08/01/2034		
31405R-AR-7	FNMA POOL 796616			4	1.A	627,567	113,500	701,492	618,055	629,137					5.500	4.923	MON	2,833	33,993	11/09/2004	10/01/2034		
31407U-EK-9	FNMA POOL 840838			4	1.A	19,139	109,463	21,222	19,387	19,101					5.500	5.921	MON	89	1,066	10/27/2005	11/01/2035		
3140KQ-VE-8	FNMA POOL B05112			4	1.A	2,810,763	99,781	2,706,395	2,712,335	2,808,620					2.000	1.500	MON	4,521	54,247	12/23/2020	11/01/2050		
31418B-VG-8	FNMA POOL 2414			4	1.A	575,425	106,072	585,723	552,194	575,481					3.500	2.425	MON	1,611	19,327	09/29/2015	10/01/2045		
31418D-V7-4	FNMA POOL M44237			4	1.A	4,635,000	99,781	4,458,694	4,468,480	4,632,974					2.000	1.482	MON	7,447	89,370	12/15/2020	01/01/2051		
31418D-VA-7	FNMA POOL M44208			4	1.A	4,526,858	99,781	4,361,892	4,371,466	4,526,616					2.000	1.497	MON	7,286	87,429	11/30/2020	12/01/2050		
2699999	- Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities					30,996,474	XXX	30,843,697	30,188,936	31,134,873					35,712		XXX	XXX	XXX	65,400	784,799	XXX	XXX
3199999	- Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions					78,021,380	XXX	78,590,820	103,560,325	78,457,587	(231,272)	583,408				XXX	XXX	XXX	186,659	1,536,012	XXX	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																							
6AMCDB-SS-3	BANK OF HAWAII				1.A FE	50,000	100,000	50,000	50,000	50,000					0.070	0.070	N/A	18		07/01/2021	06/30/2023		
052528-AK-2	AUST & NEW ZEAL BANK GRP LTD				2.A FE	1,799,136	109,462	1,970,316	1,800,000	1,799,575					4.400	4.406	MN	9,240	79,200	05/12/2016	05/19/2026		
14040H-BL-8	CAPITAL ONE FINANCIAL CORP			2	2.A FE	2,998,080	100,262	3,007,860	3,000,000	2,999,924					3.050	3.064	MS	28,467	91,500	03/06/2017	03/09/2022		
29273R-AY-5	ENERGY TRANSFER LP			1,2	2.C FE	3,280,006	105,785	3,173,550	3,000,000	3,198,087					4.900	1.248	FA	61,250	73,500	03/19/2021	02/01/2024		
30161M-AR-4	EXELON GENERATION CO., LLC			1,2	2.B FE	1,197,420	100,309	1,203,708	1,200,000	1,199,888					3.400	3.447	MS	12,013	40,800	03/07/2017	03/15/2022		
38141G-RD-8	GOLDMAN SACHS GROUP INC				1.F FE	1,004,290	102,985	1,029,850	1,000,000	1,000,534					3.625	3.573	JJ	16,010	36,250	02/13/2013	01/22/2023		
61761J-ZN-2	MORGAN STANLEY				2.A FE	2,491,000	110,080	2,752,200	2,500,000	2,495,492					3.950	3.988	AO	18,653	98,750	04/20/2015	04/23/2027		
70466W-AA-7	PEACHTREE CORNERS FUND TRUST			1	2.B FE	2,000,000	106,510	2,130,200	2,000,000	2,000,000					3.976	3.976	FA	30,041	79,520	03/10/2015	02/15/2025		
872330-AB-4	TC PIPELINES LP			1,2	2.B FE	1,493,640	107,307	1,609,605	1,500,000	1,497,658					4.375	4.428	MS	19,688	65,625	03/10/2015	03/13/2025		
948741-AL-7	WEINGARTEN REALTY INVESTORS			1,2	2.A FE	992,330	105,660	1,056,600	1,000,000	997,057					3.850	3.943	JD	3,208	38,500	05/07/2015	06/01/2025		
961214-DF-7	WESTPAC BANKING CORP				2.A FE	1,875,000	108,146	2,027,738	1,875,000	1,875,000					4.322	4.322	MN	8,554	81,038	11/15/2016	11/23/2031		
3299999	- Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					19,180,902	XXX	20,011,627	18,925,000	19,113,216	(79,162)				XXX	XXX	XXX	207,142	684,683	XXX	XXX		
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																							
004375-BL-4	ACCREDITED MORT LOAN 2004-3			4	1.A FM	229,776	99,932	230,304	230,461	228,229					1.302	2.322	MON	42	3,035	01/14/2014	10/25/2034		
22540A-FK-9	INDYMAC MANU HSG 1998-1W			4	6.FE	99,4336								7.110		MON			06/06/2018	09/25/2028			
22540A-FK-9	INDYMAC MANU HSG 1998-1W			4	6.FE				11,699,000					7.110		MON			02/02/2018	09/25/2028			
362341-RX-9	GSR MORT LOAN TR 2005-AR6 2A1			4	1.A FM	109,988	102,183	112,045	109,652	109,800				(1,372)	2.851	3.197	MON	261	3,179	04/17/2015	09/25/2035		
45254N-JG-3	IMPAC CMB TRUST 2004-5 1A1			4	1.A FM	168,792	100,359	187,180	186,510	181,875				1,500	0.822	2.753	MON	21	1,551	09/27/2010	10/25/2034		
589929-Y3-6	MERRILL LYNCH MLCC 2003-E A1			4	1.A FM	23,598	99,089	24,533	24,759	23,857					0.723	3.031	MON	3	179	03/02/2015	10/25/2028		
61744C-FP-6	MORGAN ST 2004-NC7 M1 MTGE			4	1.A FM	1,159,837	98,810	1,245,690	1,260,693	1,206,633					0.957	3.078	MON	168	12,204	05/13/2016	07/25/2034		
64828M-AA-5	NEW RES MOR LN TR 2017-3A A			4	3.B	630,900	104,787	634,749	605,752	634,749				(2,856)	1.062	4.000	MON	2,019	24,230	06/05/2017	04/25/2057		
81744Y-AA-4	SEMT 2013-4 A1 - CMO/RMBS			4	1.A	635,909	99,921	647,961	648,474	641,041					3.09	2.545	MON	1,256	15,074	05/14/2013	04/27/2043		
3399999	- Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities					2,958,802	XXX	3,082,463	14,765,299	3,026,185	(2,856)	6,811			XXX	XXX	XXX	3,770	59,451	XXX	XXX		

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ANNUAL STATEMENT FOR THE YEAR 2021 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 NAIC Designation , NAIC Designation Modifier and SVO Administrative Symbol	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book / Adjusted Carrying Value				Interest				Dates			
		3 Code	4 F o r e i g n	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change In B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date	
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																						
12531Y-AU-2	CFCRE CMT 2016-C4 AM			4	1.A	2,059,866	105,5340	2,110,680	2,000,000	2,034,412			(5,749)			3.691	3.405	MON	6,152	73,820	05/04/2016	05/10/2058
12593A-BD-6	COMM CMT 2015-CR23 B			4	1.A	3,023,672	104,5460	3,136,380	3,000,000	3,007,920			(3,092)			4.183	4.097	MON	10,458	125,490	05/25/2016	05/12/2048
50179M-AH-4	LB UBS CMS TR 2006 C6 AJ			4	5.B		45,1500	73,088	161,878				68,393	161,878		5.452		MON	490	8,481	08/06/2014	09/15/2039
61761A-AZ-1	MORGAN ST BAML 2012 C5 A4			4	1.A FM	4,342,168	100,3360	4,271,685	4,257,380	4,256,373			(10,223)			3.176	2.945	MON	11,268	137,397	07/13/2012	08/17/2045
617610-AG-8	MORGAN ST BAML TR 2013-C8			4	1.A	3,244,792	101,6810	3,223,288	3,170,000	3,181,177			(14,328)			3.376	2.920	MON	8,918	107,019	04/21/2017	12/17/2048
61762D-AY-7	MORGAN ST BAML TR 2013-C9 AS			4	1.A	2,884,699	102,0920	2,833,053	2,775,000	2,793,911			(17,006)			3.456	2.827	MON	7,992	95,904	04/15/2016	05/17/2046
90276G-AX-0	UBS COMM MORT TR 2017-C3			4	1.D	2,368,861	104,6870	2,407,801	2,300,000	2,340,559			(7,137)			4.092	3.741	MON	7,843	94,116	08/17/2017	08/17/2050
3499999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities					17,924,058	18,055,975	17,664,258	17,614,352				10,859	161,878		XXX	XXX	XXX	53,121	642,227	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																						
00083M-AG-6	ACA ABS LTD 2007-3A A5L			4	6.FE			8,709,967		8,857,794								FMAN			12/30/2021	05/07/2047
00083M-AH-4	ACA ABS LTD 2007-3A B1L			4	6.FE			8,857,794										FMAN			12/30/2021	05/07/2047
00083M-AJ-0	ACA ABS LTD 2007-3A B2L			4	6.FE			8,628,806										FMAN			12/30/2021	05/07/2047
009088-AB-1	AIR CANADA 2015-2A PTT		C	1	2.B FE	385,760	99,7280	384,711	385,760	385,760						4.125	4.125	JD	707	15,913	12/01/2015	06/15/2029
009090-AB-7	AIR CANADA 2015-1B PTT		C	1	2.C FE	547,285	100,5120	550,087	547,285	547,285						3.875	3.871	MS	6,244	21,207	03/11/2015	09/15/2024
023765-AA-8	AMERICAN AIRLINES 16-2 PTT			1	2.A FE	1,223,200	100,5100	1,229,438	1,223,200	1,223,200						3.200	3.200	JD	1,740	39,142	05/02/2016	12/15/2029
02376U-AA-3	AMERICAN AIRLINES 16-1 AA PTT			1	2.A FE	476,170	101,5420	483,513	476,170	476,170						3.575	3.575	JJ	7,850	17,023	01/12/2016	07/15/2029
023770-AB-6	AMERICAN AIRLINES 15-1 B PTT			1	4.B FE		98,5000									3.700	3.492	MN			03/03/2015	11/01/2024
02529W-AC-1	2020-2			4	1.B FE	1,427,355	102,8690	1,393,875	1,355,000	1,401,866			(25,489)			3.880	1.391	MON	2,629	39,431	03/19/2021	04/13/2026
12479R-AD-9	CAPITAL AUTO REIT 2017-1A A1			4	1.E FE	994,637	100,0130	995,055	994,926	994,907			62			3.870	3.908	MON	1,711	38,507	03/30/2017	04/15/2047
14686X-AF-6	CARVANA AUTO REC TR 2019-3			4	1.A FE	1,557,305	102,1860	1,532,790	1,500,000	1,538,062			(19,243)			3.040	1.343	MON	2,027	34,200	03/19/2021	04/15/2025
17305E-GE-9	CITIBANK CC ISS TR 2017-A6			4	1.A FE	3,000,000	101,6030	3,048,090	3,000,000	3,000,000						0.879	2.327	MON	1,318	26,545	05/15/2017	05/15/2029
22535A-AC-9	2019-1			4	1.A FE	1,769,473	100,4090	1,714,428	1,707,444	1,715,928			(53,544)			3.750	(2.677)	MON	2,846	48,022	03/19/2021	04/17/2028
26253A-AC-0	DT AUTO OWN TR 2020-3			4	1.D FE	1,260,660	100,2350	1,247,926	1,245,000	1,256,272			(4,388)			1.470	0.992	MON	813	13,726	03/30/2021	06/15/2026
67571A-AA-3	OCTANE REC TR 2021-1			4	1.C FE	537,000	99,5010	534,370	537,050	537,006			5			0.930	0.932	MON	139	3,122	04/27/2021	03/22/2027
88161F-AF-3	TESLA AUTO LEASE TR 2021-A			4	1.F FE	1,999,511	99,3100	1,986,200	2,000,000	1,999,649			138			1.180	1.192	MON	721	17,044	03/25/2021	03/20/2025
90931M-AA-4	UNITED AIRLINES 2016-1 A PTT			1	2.B FE	946,727	101,2810	958,854	946,727	946,727						3.450	3.450	JJ	15,787	32,662	06/06/2016	01/07/2030
90932D-AA-3	UNITED AIRLINES 2016-2 A PTT			1	2.B FE	1,577,104	98,9280	1,560,198	1,577,104	1,577,104						3.100	3.099	AO	11,408	48,890	09/13/2016	04/07/2030
3599999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities					17,702,187	17,619,534	43,692,232	17,599,935				(102,458)			XXX	XXX	XXX	55,939	395,434	XXX	XXX
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)					57,765,948	58,769,598	95,046,789	57,353,688				(2,856)	(163,951)	161,878	XXX	XXX	XXX	319,971	1,781,795	XXX	XXX
7699999	Bonds - Total Bonds - Subtotals - Issuer Obligations					71,108,579	72,607,288	97,511,388	71,330,097				(231,272)	465,688		XXX	XXX	XXX	337,195	1,459,931	XXX	XXX
7799999	Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities					34,455,375	34,469,333	45,441,737	34,655,505				(2,856)	42,245		XXX	XXX	XXX	71,442	871,519	XXX	XXX
7899999	Bonds - Total Bonds - Subtotals - Commercial Mortgage-Backed Securities					17,924,058	18,055,975	17,664,258	17,614,352				10,859	161,878		XXX	XXX	XXX	53,121	642,227	XXX	XXX
7999999	Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities					17,702,187	17,619,534	43,692,232	17,599,935				(102,458)			XXX	XXX	XXX	55,939	395,434	XXX	XXX
8399999	Subtotals - Total Bonds					141,190,198	142,752,130	204,309,615	141,199,889				(234,128)	416,333	161,878	XXX	XXX	XXX	517,696	3,369,111	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

1.

Line		Number/Book/Adjusted Carrying Value by NAIC Designation Category Footnote:												
1A	1A	\$ 60,492,705	1B	\$ 1,401,866	1C	\$ 537,006	1D	\$ 3,596,831	1E	\$ 994,907	1F	\$ 3,000,183	1G	\$
1B	2A	\$ 11,866,418	2B	\$ 7,607,137	2C	\$ 3,745,373								
1C	3A	\$	3B	\$ 634,749	3C	\$								
1D	4A	\$	4B	\$	4C	\$								
1E	5A	\$	5B	\$	5C	\$ 1,141,927								
1F	6	\$ 46,180,786												

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 2 - SECTION 1

Showing All **PREFERRED STOCKS** Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number Of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	9 Fair Value		11 Actual Cost	12 Dividends			15 Change in Book/Adjusted Carrying Value					20 NAIC Designation, NAIC Designation Modifier and SVO Admin- istrative Symbol	21 Date Acquired
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other-Than- Temporary Impairment Recognized	18 Total Change In B./A.C.V. (15+16-17)	19 Total Foreign Exchange Change In B./A.C.V.		
000801-20-8	Industrial and Miscellaneous (Unaffiliated) Redeemable Preferred COD - ACA ABS 2002-1 LTD		C	2,000,000	0.01														6	06/29/2002
8999999 Total Preferred Stocks								XXX											XXX	XXX

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1.
Line
NumberBook/Adjusted Carrying Value by NAIC Designation Category Footnote:
 1A 1A \$ 1B \$ 1C \$ 1D \$ 1E \$ 1F \$ 1G \$
 1B 2A \$ 2B \$ 2C \$
 1C 3A \$ 3B \$ 3C \$
 1D 4A \$ 4B \$ 4C \$
 1E 5A \$ 5B \$ 5C \$
 1F 6 \$

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 2 - SECTION 2

Showing all **COMMON STOCKS** Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 Date Acquired	18 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol
		3 Code	4 Foreign			7 Rate per Share Used To Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
NONE																	
9799999 Total Common Stocks						XXX										XXX	XXX
9899999 Total Preferred and Common Stocks						XXX										XXX	XXX

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1. Line
 Number Book/Adjusted Carrying Value by NAIC Designation Category Footnote:
 1A 1A \$ 1B \$ 1C \$ 1D \$ 1E \$ 1F \$ 1G \$
 1B 2A \$ 2B \$ 2C \$
 1C 3A \$ 3B \$ 3C \$
 1D 4A \$ 4B \$ 4C \$
 1E 5A \$ 5B \$ 5C \$
 1F 6 \$

ANNUAL STATEMENT FOR THE YEAR 2021 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
Bonds - U.S. Governments								
91282C-CJ-8	US TREASURY N/B		11/05/2021	VARIOUS	XXX	4,011,360	4,000,000	4,750
0599999 - Bonds - U.S. Governments								
						4,011,360	4,000,000	4,750
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
744450-AA-8	LOMBARD PUB FACS 1ST TIER		12/17/2021	VARIOUS	XXX	240,196	317,275	
744450-AB-6	LOMBARD PUB FACS 1ST TIER		12/17/2021	VARIOUS	XXX	10,297,854	13,973,233	
744450-AE-0	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	1,349	74,122	
744450-AF-7	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	60,469	3,322,461	
744450-AJ-9	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	205	6,332	
744450-AK-6	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	176	5,535	
744450-AL-4	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	169	5,446	
744450-AM-2	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	157	5,269	
744450-AN-0	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	152	5,181	
744450-AP-5	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	189	6,730	
744450-AQ-3	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	183	6,642	
744450-AR-1	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	172	6,420	
744450-AS-9	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	165	6,288	
744450-AT-7	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	159	6,155	
744450-AU-4	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	171	6,819	
744450-AV-2	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	163	6,642	
744450-AW-0	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	155	6,465	
744450-AX-8	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	147	6,332	
744450-AY-6	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	141	6,243	
744450-AZ-3	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	134	6,066	
744450-BA-7	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	128	5,933	
744450-BB-5	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	123	5,801	
744450-BC-3	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	117	5,712	
744450-BD-1	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	120	6,155	
744450-BE-9	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,609	173,322	
744450-BF-6	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,841	246,559	
744450-BG-4	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,585	244,117	
744450-BH-2	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,064	236,795	
744450-BJ-8	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	6,786	231,911	
744450-BK-5	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	8,512	302,708	
744450-BL-3	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	8,211	297,824	
744450-BM-1	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,720	288,059	
744450-BN-9	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,419	283,177	
744450-BP-4	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,106	275,853	
744450-BQ-2	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,644	305,148	
744450-BR-0	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	7,288	297,824	
744450-BS-8	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	6,975	290,501	
744450-BT-6	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	6,584	283,177	
744450-BU-3	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	6,289	278,295	
744450-BV-1	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,975	270,969	
744450-BW-9	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,745	266,089	
744450-BX-7	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,491	258,766	
744450-BY-5	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,260	256,324	
744450-BZ-2	LOMBARD PUB FACS CAB 1ST TIER		12/17/2021	VARIOUS	XXX	5,393	275,853	
802576-AA-6	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	6,101,641	6,927,385	
802576-AA-6	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	9,551,714	10,844,648	
802576-AJ-7	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	522,625	649,224	
802576-AJ-7	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	523,349	650,123	
802576-AL-2	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	1,410,992	1,710,294	
802576-AN-8	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	2,608,343	3,036,488	
802576-AR-9	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	VARIOUS	XXX	3,129,325	3,516,095	
802576-AS-7	SANTA ROSA FL BAY BRIDGE AUTH.		07/01/2021	RECLASSIFICATION	XXX	1,275,604	3,839,601	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						35,863,082	54,346,386	
Bonds - Industrial and Miscellaneous (Unaffiliated)								
6AMCDB-SS-3	BANK OF HAWAII		07/01/2021	VARIOUS	XXX	50,000	50,000	
00083M-AG-6	ACA ABS LTD 2007-3A A5L		12/30/2021	VARIOUS	XXX		493,258	
00083M-AH-4	ACA ABS LTD 2007-3A B1L		12/30/2021	VARIOUS	XXX		642,810	

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ANNUAL STATEMENT FOR THE YEAR 2021 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 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
Bonds - U.S. Governments																				
36200A-BE-8	GNMA POOL 595037		12/01/2021	PAYDOWN	XXX	101	101	104	103		(2)		(2)		101				4	10/15/2032
36200A-CW-7	GNMA POOL 595085		12/01/2021	PAYDOWN	XXX	3,378	3,378	3,478	3,459		(82)		(82)		3,378				134	10/15/2032
36200E-TY-7	GNMA POOL 599167		12/01/2021	PAYDOWN	XXX	2,372	2,372	2,443	2,413		(40)		(40)		2,372				78	12/15/2033
36200W-AT-0	GNMA POOL 604018		12/01/2021	PAYDOWN	XXX	87,447	87,447	89,981	89,117		(1,670)		(1,670)		87,447				2,493	02/15/2033
36200M-EN-9	GNMA POOL 604141		12/01/2021	PAYDOWN	XXX	556	556	572	571		(15)		(15)		556				18	03/15/2033
362000-2R-4	GNMA POOL 569684		12/01/2021	PAYDOWN	XXX	1,436	1,436	1,478	1,464		(29)		(29)		1,436				44	02/15/2032
36200R-LX-8	GNMA POOL 570142		12/01/2021	PAYDOWN	XXX	1,073	1,073	1,104	1,096		(23)		(23)		1,073				34	12/15/2031
36200R-XT-4	GNMA POOL 570490		12/01/2021	PAYDOWN	XXX	174	174	179	177		(3)		(3)		174				4	12/15/2031
36200S-US-7	GNMA POOL 571293		12/01/2021	PAYDOWN	XXX	54	54	56	56		(2)		(2)		54				2	11/15/2031
36201A-PF-9	GNMA POOL 577422		12/01/2021	PAYDOWN	XXX	204	204	210	208		(3)		(3)		204				7	01/15/2032
36201D-AX-0	GNMA POOL 579722		12/01/2021	PAYDOWN	XXX	1,834	1,834	1,888	1,864		(30)		(30)		1,834				60	08/15/2032
36201E-AG-5	GNMA POOL 580607		12/01/2021	PAYDOWN	XXX	454	454	467	463		(9)		(9)		454				11	02/15/2033
36201F-AF-4	GNMA POOL 581506		12/01/2021	PAYDOWN	XXX	62	62	64	64		(2)		(2)		62				2	04/15/2033
36201Y-FD-3	GNMA POOL 606864		12/01/2021	PAYDOWN	XXX	822	822	847	842		(19)		(19)		822				7	10/15/2033
36207E-ND-2	GNMA POOL 429788		12/01/2021	PAYDOWN	XXX	519	519	534	535		(16)		(16)		519				17	12/15/2033
36210J-HW-1	GNMA POOL 493545		12/01/2021	PAYDOWN	XXX	147	147	151	150		(3)		(3)		147				2	03/15/2031
36213F-U4-3	GNMA POOL 553303		12/01/2021	PAYDOWN	XXX	37	37	38	38						37				1	06/15/2033
36213R-2A-4	GNMA POOL 562469		12/01/2021	PAYDOWN	XXX	3,549	3,549	3,567	3,558		(9)		(9)		3,549				97	02/15/2034
36213R-ZF-7	GNMA POOL 562442		12/01/2021	PAYDOWN	XXX	7,098	7,098	7,291	7,177		(79)		(79)		7,098				213	01/15/2034
36213T-GW-7	GNMA POOL 563713		12/01/2021	PAYDOWN	XXX	4,891	4,891	5,036	4,984		(93)		(93)		4,891				143	01/15/2033
36213V-GN-2	GNMA POOL 565505		12/01/2021	PAYDOWN	XXX	57	57	59	59		(1)		(1)		57				2	09/15/2032
36290X-PM-6	GNMA POOL 620628		12/01/2021	PAYDOWN	XXX	4,684	4,684	4,823	4,838		(153)		(153)		4,684				182	09/15/2033
36290X-PT-1	GNMA POOL 620634		12/01/2021	PAYDOWN	XXX	1,767	1,767	1,819	1,786		(19)		(19)		1,767				58	09/15/2033
36291C-PV-1	GNMA POOL 624236		12/01/2021	PAYDOWN	XXX	86	86	88	88		(2)		(2)		86				3	12/15/2033
36291E-AD-3	GNMA POOL 625604		12/01/2021	PAYDOWN	XXX	59	59	61	60		(1)		(1)		59				2	12/15/2033
36291E-AV-3	GNMA POOL 625620		12/01/2021	PAYDOWN	XXX	34	34	35	35		(1)		(1)		34				1	12/15/2033
912828-RR-3	US TREASURY N/B		11/15/2021	MATURITY @ 100.00	XXX	3,860,000	3,860,000	3,879,604	3,862,006		(2,006)		(2,006)		3,860,000				77,200	11/15/2021
0599999	Bonds - U.S. Governments					3,982,894	3,982,894	4,005,980	3,987,207		(4,313)		(4,313)		3,982,894				80,818	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
20786L-DS-7	CONNECTOR 2000 CABS A1		11/19/2021	CITIGROUP	XXX	8,764,793	16,774,724	7,156,780	7,555,249		506,257		506,257		8,061,506		703,287			01/01/2032
20786L-DT-5	CONNECTOR 2000 CABS A1		11/19/2021	CITIGROUP	XXX	7,394,410	28,169,181	5,399,846	5,715,189		401,781		401,781		6,116,970		1,277,440			01/01/2042
20786L-DU-2	CONNECTOR 2000 CABS A1		11/19/2021	CITIGROUP	XXX	4,499,312	36,729,076	2,830,080	3,008,636		228,610		228,610		3,237,245		1,262,066			07/22/2051
20786L-DV-0	CONNECTOR 2000 CABS B1		02/15/2021	CALL @ 40.76	XXX	49,156	120,586	37,789	37,952	2,760	494		3,253		41,205		7,951			01/01/2032
20786L-DW-8	CONNECTOR 2000 CABS B1		11/23/2021	CITIGROUP	XXX	1,768,806	25,450,449	1,213,416	1,304,838		119,690		119,690		1,424,528		344,279			07/22/2051
3128MJ-2H-2	FHLMC GOLD POOL FG 608775		12/01/2021	PAYDOWN	XXX	545,495	545,495	576,434	570,108		(24,614)		(24,614)		545,495				10,088	08/01/2047
3128MJ-X4-7	FHLMC GOLD POOL FG 608698		12/01/2021	PAYDOWN	XXX	652,538	652,538	682,795	674,812		(22,274)		(22,274)		652,538				10,111	03/01/2046
3128MJ-YH-7	FHLMC GOLD POOL FH 608711		12/01/2021	PAYDOWN	XXX	553,665	553,665	585,255	576,800		(23,135)		(23,135)		553,665				8,961	06/01/2046
3132DW-AN-3	FHLMC POOL SD8113		12/01/2021	PAYDOWN	XXX	593,689	593,689	614,074	613,714		(20,025)		(20,025)		593,689				7,742	12/01/2050
3132DW-AW-3	FHLMC POOL SD8121		12/01/2021	PAYDOWN	XXX	319,986	319,986	331,223	331,233		(11,245)		(11,245)		319,986				4,263	01/01/2051
3133AC-HK-7	FHLMC POOL QB5634		12/01/2021	PAYDOWN	XXX	519,192	519,192	538,093	537,803		(18,612)		(18,612)		519,192				6,231	11/01/2050
31359S-2G-4	FNMA WL NW 2001-W1 AF6		12/01/2021	PAYDOWN	XXX	3,685	3,685	3,826	3,847		(163)		(163)		3,685				151	07/25/2031
31387C-M3-2	FNMA POOL 580078		12/01/2021	PAYDOWN	XXX	127	127	130	129		(2)		(2)		127				5	09/01/2031
3138WD-T4-3	FNMA POOL AS4170		12/01/2021	PAYDOWN	XXX	430,601	430,601	460,154	458,485		(27,884)		(27,884)		430,601				8,093	12/01/2044
31393W-K4-0	FHLMC 2643 OH		12/01/2021	PAYDOWN	XXX	301,192	301,192	271,638	290,875		(10,317)		(10,317)		301,192				8,098	07/15/2033
31394D-JJ-0	FNMA 2005-29 QE		12/01/2021	PAYDOWN	XXX	364,588	364,588	327,958	351,444		13,144		13,144		364,588				9,749	04/25/2035
31395J-W5-1	FHLMC 2888 HG		12/01/2021	PAYDOWN	XXX	106,425	106,425	100,871	104,689		1,737		1,737		106,425				2,906	11/15/2034
31402D-F7-0	FNMA POOL 725690		12/01/2021	PAYDOWN	XXX	177,616	177,616	183,541	183,233		(5,617)		(5,617)		177,616				5,647	08/01/2034
31405R-AR-7	FNMA POOL 796816		12/01/2021	PAYDOWN	XXX	243,251	243,251	246,995	247,139		(3,888)		(3,888)		243,251				7,109	10/01/2034
31407U-EK-9	FNMA POOL 840838		12/01/2021	PAYDOWN	XXX	17,161	17,161	16,941	16,933		228		228		17,161				808	11/01/2035
3140KQ-VE-8	FNMA POOL B05112		12/01/2021	PAYDOWN	XXX	276,497	276,497	286,531	286,543		(10,047)		(10,047)		276,497				3,481	11/01/2050
31418B-VG-8	FNMA POOL 2414		12/01/2021	PAYDOWN	XXX	449,050	449,050	467,941	463,073		(14,023)		(14,023)		449,050				7,011	10/01/2045
31418D-V7-4	FNMA POOL IAA4237		12/01/2021	PAYDOWN	XXX	531,520	531,520	551,328	551,221		(19,701)		(19,701)		531,520				7,181	01/01/2051
31418D-VA-4	FNMA POOL IAA4208		12/01/2021	PAYDOWN	XXX	616,249	616,249	638,155	637,773		(21,524)		(21,524)		616,249				8,105	12/01/2050
72177W-BX-4	PIMA CTY AZ INDL BELL CANYON		01/20/2021	CALL @ 100.00	XXX	60,000	60,000	53,100	55,329		27		27		55,356		4,644		4,644	05/01/2028
744450-AA-8	LOMBARD PUB FACS 1ST TIER		12/01/2021	CALL @ 0.00	XXX		(2,449)		192		(192)		(192)							07/01/2056
745272-DG-6	PR ENVIR POLYTECH UNIV SER A		05/13/2021	CALL @ 100.00	XXX	2,180,000	2,180,000	2,048,113	2,077,083		2,278		2,278		2,079,361		100,639		100,639	08/01/2032
802576-AA-6	SANTA ROSA FL BAY BRIDGE AUTH		12/29/2021	DIRECT	XXX	265,661	265,661	233,994						265,661					6,826	07/01/2028
802576-AJ-7	SANTA ROSA FL B																			

ANNUAL STATEMENT FOR THE YEAR 2021 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	Stated Contractual Maturity Date	
802576-AL-2...	SANTA ROSA FL BAY BRIDGE AUTH.....		12/29/2021..	CALL @ 0.00.....	XXX.....	43,311	43,311	35,732			1,008		1,008		43,311					07/01/2014..	
802576-AN-8...	SANTA ROSA FL BAY BRIDGE AUTH.....		12/29/2021..	CALL @ 0.00.....	XXX.....	76,895	76,895	66,053			1,864		1,864		76,895					07/01/2016..	
802576-AR-9...	SANTA ROSA FL BAY BRIDGE AUTH.....		12/29/2021..	CALL @ 0.00.....	XXX.....	89,062	89,062	79,265			211		211		89,062					07/01/2039..	
802576-AS-7...	SANTA ROSA FL BAY BRIDGE AUTH.....		12/29/2021..	CALL @ 0.00.....	XXX.....	40,138	2,295,138	32,311			912		912		40,138					07/01/2020..	
957372-BU-8...	WCHSTR CTY NY INDL-LC WHT PL.....		10/15/2021..	CALL @ 100.00.....	XXX.....	1,070,000	1,070,000	1,067,325	1,062,199	5,945	280		6,225		1,068,424		1,576	1,576	66,875	10/15/2027..	
3199999	- Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					33,020,505	120,627,477	27,150,917	27,716,518		8,705	1,066,264		1,074,969		29,318,622		3,701,883	3,701,883	275,887	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
6AMCDB-SS-3...	BANK OF HAWAII.....		06/30/2021..	MATURITY @ 100.00.....	XXX.....	50,000	50,000	50,000	50,000						50,000					06/30/2021..	
004375-BL-4...	ACCREDITED MORT LOAN 2004-3.....		12/27/2021..	PAYDOWN.....	XXX.....	72,209	72,209	71,994	71,776		433		433		72,209					587	10/25/2034..
009088-AB-1...	AIR CANADA 2015-2A PTT.....	C.	12/15/2021..	PAYDOWN.....	XXX.....	25,316	25,316	25,316	25,316						25,316					783	06/15/2029..
009090-AB-7...	AIR CANADA 2015-1B PTT.....	C.	09/15/2021..	PAYDOWN.....	XXX.....	76,868	76,868	76,868	76,868						76,868					2,234	09/15/2024..
023765-AA-8...	AMERICAN AIRLINES 16-2 PTT.....		12/15/2021..	PAYDOWN.....	XXX.....	72,000	72,000	72,000	72,000						72,000					1,728	12/15/2029..
02376U-AA-3...	AMERICAN AIRLINES 16-1 AA PTT.....		07/15/2021..	PAYDOWN.....	XXX.....	29,686	29,686	29,686	29,686						29,686					796	07/15/2029..
02377B-AC-0...	AMERICAN AIRLINES 15-2 B PTT.....		01/20/2021..	MORGAN STANLEY & CO. LLC.....	XXX.....	360,919	434,842	434,842	328,989	105,854			105,854		434,842		(73,923)	(73,923)	6,378	03/22/2025..	
052528-AK-2...	AUST & NEW ZEAL BANK GRP LTD.....	C.	01/08/2021..	RBC CAPITAL MARKETS, LLC.....	XXX.....	229,412	200,000	199,904	199,943						199,943		29,469	29,469	1,296	05/19/2026..	
060516-EH-8...	BANK OF AMERICA CORP.....		05/13/2021..	MATURITY @ 100.00.....	XXX.....	4,000,000	4,000,000	3,982,600	3,999,204		796		796		4,000,000					100,000	05/13/2021..
12479R-AD-9...	CAPITAL AUTO REIT 2017-1A A1.....		12/15/2021..	PAYDOWN.....	XXX.....	16,423	16,423	16,419	16,422		1		1		16,423					389	04/15/2047..
125282-AA-1...	CDGBB COMM MORT TR 2017-B.....		03/15/2021..	PAYDOWN.....	XXX.....	2,740,630	2,740,630	2,740,630	2,740,630						2,740,630					6,326	07/15/2032..
13057D-AE-6...	CALIF REPUB AUTO REC 2017-1 B.....		07/15/2021..	PAYDOWN.....	XXX.....	1,625,000	1,625,000	1,624,484	1,624,925		75		75		1,625,000					22,224	12/15/2022..
22535A-AC-9...	CREDIT ACCEP AUTO LN TR 2019-1.....		12/15/2021..	PAYDOWN.....	XXX.....	992,556	992,556	1,028,613		(36,058)			(36,058)		992,556					27,089	04/17/2028..
362341-RX-9...	GSR MORT LOAN TR 2005-AR6 2A1.....		12/01/2021..	PAYDOWN.....	XXX.....	25,874	25,874	25,954	26,233		(359)		(359)		25,874					471	09/25/2035..
404280-AK-5...	HSBC HOLDINGS PLC.....	C.	04/05/2021..	MATURITY @ 100.00.....	XXX.....	2,000,000	2,000,000	1,995,660	1,999,859		141		141		2,000,000					51,000	04/05/2021..
45254N-JG-3...	IMPAC CMB TRUST 2004-5 1A1.....		12/27/2021..	PAYDOWN.....	XXX.....	127,543	127,543	115,427	123,348		4,196		4,196		127,543					514	10/25/2034..
50179M-AH-4...	LB UBS CMS TR 2006 C6 AJ.....		09/11/2021..	PAYDOWN.....	XXX.....	111,851	112,883	65,190	65,190		47,693		47,693		112,883		(1,032)	(1,032)	4,583	09/15/2039..	
589929-Y3-6...	MERRILL LYNCH MLCC 2003-E A1.....		12/25/2021..	PAYDOWN.....	XXX.....	7,079	7,079	6,747	6,758		321		321		7,079					25	10/25/2028..
61744C-FP-6...	MORGAN ST 2004-NC7 M1 MTGE.....		12/27/2021..	PAYDOWN.....	XXX.....	238,051	238,051	219,007	226,721		11,329		11,329		238,051					1,248	07/25/2034..
61761A-AZ-1...	MORGAN ST BAML 2012 C5 A4.....		12/01/2021..	PAYDOWN.....	XXX.....	302,620	302,620	308,646	303,275		(655)		(655)		302,620					9,269	08/17/2045..
64828M-AA-5...	NEW RES MOR LN TR 2017-3A A.....		12/01/2021..	PAYDOWN.....	XXX.....	226,084	226,084	235,470	237,576		(11,492)		(11,492)		226,084					4,903	04/25/2057..
67571A-AA-3...	OCTANE REC TR 2021-1.....		12/21/2021..	PAYDOWN.....	XXX.....	221,950	221,950	221,930		20			20		221,950					757	03/22/2027..
81744Y-AA-4...	SEQUOIA MORTGAGE 2013-4 A1.....		12/01/2021..	PAYDOWN.....	XXX.....	578,801	578,801	567,587	571,891		6,910		6,910		578,801					5,780	04/27/2043..
86765B-AR-0...	ENERGY TRANSFER EQUITY LP.....		03/05/2021..	CALL @ 100.00.....	XXX.....	2,000,000	2,000,000	1,998,100	1,999,898		71		71		1,999,970		31	31		37,644	04/01/2021..
891906-AD-1...	TOTAL SYSTEM SERVICES INC.....		03/01/2021..	CALL @ 100.00.....	XXX.....	1,375,000	1,375,000	1,371,920	1,374,837		107		107		1,374,944		56	56		21,771	04/01/2021..
90931M-AA-4...	UNITED AIRLINES 2016-1 A PTT.....		07/07/2021..	PAYDOWN.....	XXX.....	63,319	63,319	63,319	63,319						63,319					1,638	01/07/2030..
90932D-AA-3...	UNITED AIRLINES 2016-2 A PTT.....		10/07/2021..	PAYDOWN.....	XXX.....	105,724	105,724	105,724	105,724						105,724					2,458	04/07/2030..
92535T-AA-5...	VERUS SECUR TR 2018-2 A1.....		01/27/2021..	PAYDOWN.....	XXX.....	611,778	611,778	613,331	617,323		(5,545)		(5,545)		611,778					1,875	07/25/2058..
959802-AU-3...	WESTERN UNION CO. THE.....		04/01/2021..	CALL @ 100.00.....	XXX.....	3,085,770	3,000,000	2,995,770	2,998,914		220		220		2,999,134		866	866		144,570	03/15/2022..
3899999	- Bonds - Industrial and Miscellaneous (Unaffiliated)					21,372,463	21,332,236	21,263,138	19,956,624		105,854	18,206		124,060		21,331,227		(44,534)	(44,534)	458,336	XXX
8399997	- Bonds - Subtotals - Bonds - Part 4					58,375,862	145,942,607	52,420,035	51,660,348		114,558	1,080,158		1,194,716		54,632,743		3,657,349	3,657,349	815,041	XXX
8399998	- Bonds - Summary item from Part 5 for Bonds					9,159,810	34,365,000	9,104,160				(3,493)		(3,493)		9,100,667		59,143	59,143	33,825	XXX
8399999	- Bonds - Subtotals - Bonds					67,535,672	180,307,607	61,524,195	51,660,348		114,558	1,076,665		1,191,224		63,733,411		3,716,492	3,716,492	848,866	XXX
9999999	Totals					67,535,672	XXX	61,524,195	51,660,348		114,558	1,076,665		1,191,224		63,733,411		3,716,492	3,716,492	848,866	XXX

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends		
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.							
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																						
19912H-EF-2	COLUMBUS GA DEV AUTH REV		01/04/2021	VARIOUS	02/03/2021	UNKNOWN	25,365,000															
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							25,365,000															
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
00206R-MJ-8	AT&T INC		03/19/2021	CITIGROUP GLOBAL MARKETS INC	06/25/2021	U.S. Bank	3,000,000	2,997,150	3,006,000	2,997,400			250		250			.8600	.8600	.7200		
25278X-AS-8	DIAMONDBACK ENERGY INC		03/18/2021	GOLDMAN SACHS & CO	06/25/2021	Mizuho Securities	3,000,000	2,999,700	3,000,780	2,999,739			.39		.39			1.041	1.041	.7125		
500255-AS-3	KOHL'S CORP		03/19/2021	BARCLAYS CAPITAL INC FIXED INC	04/09/2021	Corporate Action	3,000,000	3,107,310	3,153,030	3,103,528			(3,782)		(3,782)			49,502	49,502	19,500		
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							9,000,000	9,104,160	9,159,810	9,100,667			(3,493)		(3,493)				59,143	59,143	33,825	
8399998 - Bonds - Subtotals - Bonds							34,365,000	9,104,160	9,159,810	9,100,667			(3,493)		(3,493)					59,143	59,143	33,825
9999999 Totals									9,104,160	9,159,810	9,100,667			(3,493)		(3,493)				59,143	59,143	33,825

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code	5 ID Number	6 NAIC Valuation Method	7 Book/Adjusted Carrying Value	8 Total Amount of Goodwill Included in Book/Adjusted Carrying Value	9 Nonadmitted Amount	Stock of Such Company Owned by Insurer on Statement Date	
									10 Number of Shares	11 % of Outstanding
NONE										
1999999 Totals - Preferred and Common Stocks									XXX	XXX

1. Total amount of goodwill nonadmitted \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Goodwill Included in Amount Shown in Column 8, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Totals - Preferred and Common				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE DA - PART 1

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

1	Codes		4	5	6	7	Change In Book/Adjusted Carrying Value				12	13	Interest					20	
	2	3					8	9	10	11			14	15	16	17	18		19
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
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations																			
SANTA ROSA FL BAY BRIDGE AUTH.			07/01/2021	Not Provided	07/01/2022	2,198,286	(357,861)	449,061			2,556,147	2,108,821						N/A	
2599999 - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations						2,198,286	(357,861)	449,061			2,556,147	2,108,821			XXX	XXX	XXX		
3199999 - Bonds - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations						2,198,286	(357,861)	449,061			2,556,147	2,108,821			XXX	XXX	XXX		
7699999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						2,198,286	(357,861)	449,061			2,556,147	2,108,821			XXX	XXX	XXX		
8399999 - Bonds - Total Bonds - Subtotals - Bonds						2,198,286	(357,861)	449,061			2,556,147	2,108,821			XXX	XXX	XXX		
9199999 Totals						2,198,286	(357,861)	449,061			XXX	2,108,821			XXX	XXX	XXX		

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1. Line
 Number Book/Adjusted Carrying Value by NAIC Designation Category Footnote:
 1A 1A \$ 1B \$ 1C \$ 1D \$ 1E \$ 1F \$ 1G \$
 1B 2A \$ 2B \$ 2C \$
 1C 3A \$ 3B \$ 3C \$
 1D 4A \$ 4B \$ 4C \$
 1E 5A \$ 5B \$ 5C \$
 1F 6 \$ 2,198,286

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part E

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Exempt Money Market Mutual Funds - as Identified by SVO								
31846V-80-7	FIRST AMERICAN FUNDS TREASURY OBLIG		12/31/2021	0.010	XXX	5,607,525	130	.6
94975H-29-6	WELLS FARGO ADV TR PL MM INS		12/02/2021	0.010	XXX	57,826	1	.6
8599999 - Exempt	Money Market Mutual Funds - as Identified by SVO					5,665,351	131	12
						5,665,351	131	12
9999999 Total Cash Equivalents						5,665,351	131	12

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1.
Line
Number Book/Adjusted Carrying Value by NAIC Designation Category Footnote:
 1A 1A \$ 1B \$ 1C \$ 1D \$ 1E \$ 1F \$ 1G \$
 1B 2A \$ 2B \$ 2C \$
 1C 3A \$ 3B \$ 3C \$
 1D 4A \$ 4B \$ 4C \$
 1E 5A \$ 5B \$ 5C \$
 1F 6 \$

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE ACA Financial Guaranty Corporation

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, etc.	1 Type of Deposits	2 Purpose of Deposits	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
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			57,826	57,826
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	2,481,480	2,435,794		
22. Massachusetts	MA	B			100,099	100,586
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			235,615	231,277
33. New York	NY					
34. North Carolina	NC	B			210,550	206,673
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	B			300,737	295,899
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			285,746	280,485
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU	C			50,000	50,000
54. Puerto Rico	PR	B			753,566	781,140
55. US Virgin Islands	VI	B			516,348	506,842
56. Northern Mariana Islands	MP					
57. Canada	CAN					
58. Aggregate Alien and Other	OT	XXX	XXX			
59. Total	XXX	XXX	2,481,480	2,435,794	2,510,487	2,510,728
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX				
5899. Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX				