



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
Assured Guaranty Corp.

NAIC Group Code 0194, 0194 NAIC Company Code 30180 Employer's ID Number 52-1533088
Organized under the Laws of Maryland, State of Domicile or Port of Entry Maryland
Country of Domicile United States
Incorporated/Organized 10/25/1985 Commenced Business 01/28/1988
Statutory Home Office 31 W 52nd Street, New York, NY 10019
Main Administrative Office 31 W 52nd Street, New York, NY 10019 212-974-0100
Mail Address 31 W 52nd Street, New York, NY 10019
Primary Location of Books and Records 31 W 52nd Street, New York, NY 10019 212-974-0100
Internet Website Address www.assuredguaranty.com
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jringler@assuredguaranty.com, 212-339-3589

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Dominic John Frederico (President and Chief Executive), Donald Hal Paston (Treasurer), James Michael Michener (Secretary and General Counsel).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Howard Wayne Albert (Chief Risk Officer), Laura Ann Bieling # (Controller), Stephen Donnarumma (Chief Credit Officer), John Mahlon Ringler (Assistant Vice President Regulatory Reporting), Robert Adam Bailenson (Chief Financial Officer), Russell Brown Brewer II (Chief Surveillance Officer), Robert Bruce Mills (Chief Operating Officer), Benjamin Gad Rosenblum (Chief Actuary).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Includes Howard Wayne Albert, Dominic John Frederico, Bruce Elliot Stern, Robert Adam Bailenson, James Michael Michener, Robert Bruce Mills, Russell Brown Brewer II, Gon Ling Chow #, Donald Hal Paston.

State of New York

County of New York ss

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

Dominic John Frederico
President

James Michael Michener
Secretary

Donald Hal Paston
Treasurer

Subscribed and sworn to before me this
day of

- 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

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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).....	2,522,711,000		2,522,711,000	2,357,649,867
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	126,352,159		126,352,159	125,505,502
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 \$ ..... encumbrances).....	2,738,541	2,738,541		
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....22,507,955 , Schedule E - Part 1), cash equivalents (\$ .....47,481,441 , Schedule E - Part 2) and short-term investments (\$ .....94,638,061 , Schedule DA).....	164,627,456		164,627,456	238,776,436
6. Contract loans (including \$ ..... premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA) .....	38,322,527	12,500,000	25,822,527	43,413,528
9. Receivables for securities .....	1,500,000		1,500,000	
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) .....	2,856,251,683	15,238,541	2,841,013,142	2,765,345,333
13. Title plants less \$ ..... charged off (for Title insurers only).....				
14. Investment income due and accrued .....	28,522,028		28,522,028	26,853,330
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	35,671,276	59,407	35,611,869	57,609,874
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	11,340,630		11,340,630	2,352,961
16.2 Funds held by or deposited with reinsured companies .....	484,077		484,077	485,576
16.3 Other amounts receivable under reinsurance contracts .....	6,038		6,038	
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				31,492,656
18.2 Net deferred tax asset .....	116,126,059	73,301,137	42,824,922	75,956,937
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software.....	322,490	2,763	319,727	224,778
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	2,061,436	2,061,436		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				29,315
23. Receivables from parent, subsidiaries and affiliates .....	24,157,302	208,905	23,948,397	28,253,957
24. Health care (\$ ..... ) and other amounts receivable.....				
25. Aggregate write-ins for other than invested assets .....	26,989,475	652,381	26,337,094	10,977,935
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,101,932,494	91,524,570	3,010,407,924	2,999,582,652
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27)	3,101,932,494	91,524,570	3,010,407,924	2,999,582,652
<b>DETAILS OF WRITE-INS</b>				
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. Supplemental Executive Retirement Plan.....	14,430,538		14,430,538	10,259,518
2502. Other assets.....	12,071,702	172,009	11,899,693	
2503. Prepaid expense.....	317,116	317,116		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	170,119	163,256	6,863	718,417
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	26,989,475	652,381	26,337,094	10,977,935

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	336,062,030	442,538,782
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	1,696,289	522,102
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	8,695,476	6,334,053
4. Commissions payable, contingent commissions and other similar charges .....	4,853,087	4,811,373
5. Other expenses (excluding taxes, licenses and fees) .....	53,701,426	65,883,381
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	(3,254,547)	(3,282,273)
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	12,309,875	
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....309,602,595 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ .....for medical loss ratio rebate per the Public Health Service Act) .....	826,446,509	876,684,636
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	9,172,965	11,699,694
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	9,197,274	7,413,818
14. Amounts withheld or retained by company for account of others .....	(425,122)	(398,839)
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	126,920	
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	17,603,723	11,535,831
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	712,722,823	721,720,136
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	1,988,908,728	2,145,462,694
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	1,988,908,728	2,145,462,694
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	15,000,480	15,000,480
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....	300,000,000	300,000,000
34. Gross paid in and contributed surplus .....	923,849,395	923,849,395
35. Unassigned funds (surplus) .....	(217,350,678)	(384,729,917)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	1,021,499,197	854,119,958
38. Totals (Page 2, Line 28, Col. 3) .....	3,010,407,925	2,999,582,652
<b>DETAILS OF WRITE-INS</b>		
2501. Supplemental Executive Retirement Plan .....	14,430,538	10,259,518
2502. Contingency Reserve .....	690,576,660	702,621,187
2503. Liability for Lease .....	4,370,804	6,641,497
2598. Summary of remaining write-ins for Line 25 from overflow page .....	3,344,821	2,197,934
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	712,722,823	721,720,136
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) .....		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	142,948,537	156,521,136
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	(98,696,164)	276,451,070
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	12,715,923	8,159,484
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	67,914,438	111,821,376
5. Aggregate write-ins for underwriting deductions .....	17,392,500	
6. Total underwriting deductions (Lines 2 through 5) .....	(673,303)	396,431,930
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	143,621,840	(239,910,794)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	80,046,743	82,580,832
10. Net realized capital gains (losses) less capital gains tax of \$ .....1,498,581 (Exhibit of Capital Gains (Losses)) .....	(1,162,862)	740,395
11. Net investment gain (loss) (Lines 9 + 10) .....	78,883,881	83,321,227
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....		
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....	10,916,980	(773,472)
15. Total other income (Lines 12 through 14) .....	10,916,980	(773,472)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	233,422,701	(157,363,039)
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) .....	233,422,701	(157,363,039)
19. Federal and foreign income taxes incurred .....	3,485,016	24,723,889
20. Net income (Line 18 minus Line 19) (to Line 22) .....	229,937,685	(182,086,928)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	854,119,958	1,223,720,008
22. Net income (from Line 20) .....	229,937,685	(182,086,928)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ ..... 405,477 .....	405,477	1,346,645
25. Change in net unrealized foreign exchange capital gain (loss) .....	(156,234)	193,723
26. Change in net deferred income tax .....	(60,459,741)	78,918,297
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	15,608,484	(71,185,488)
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 .....		28,208
33.2 Transferred to capital (Stock Dividend) .....		
33.3 Transferred from capital .....		
34. Net remittances from or (to) Home Office .....		
35. Dividends to stockholders .....	(30,000,960)	(50,001,600)
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 .....	12,044,527	(146,812,907)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	167,379,238	(369,600,050)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	1,021,499,196	854,119,958
<b>DETAILS OF WRITE-INS</b>		
0501. Termination Fee.....	17,392,500	
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) .....	17,392,500	
1401. Other Income.....	10,916,980	(773,472)
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) .....	10,916,980	(773,472)
3701. Change in Contingency Reserve.....	12,044,527	(146,812,907)
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	12,044,527	(146,812,907)

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	112,774,138	121,528,178
2. Net investment income.....	84,938,535	83,473,415
3. Miscellaneous income.....	10,912,441	(772,462)
4. Total (Lines 1 through 3).....	208,625,114	204,229,131
5. Benefit and loss related payments.....	15,594,070	108,562,125
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	107,713,241	93,036,804
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	(38,818,933)	(5,880,844)
10. Total (Lines 5 through 9).....	84,488,378	195,718,085
11. Net cash from operations (Line 4 minus Line 10).....	124,136,736	8,511,046
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	715,434,371	756,359,128
12.2 Stocks.....	63,813,667	95,098,349
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	12,746,899	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	1,609	213
12.7 Miscellaneous proceeds.....	6	1,254,171
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	791,996,552	852,711,861
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	886,626,367	1,215,881,080
13.2 Stocks.....	64,254,847	73,300,497
13.3 Mortgage loans.....		
13.4 Real estate.....		1,404,114
13.5 Other invested assets.....	7,655,898	12,500,000
13.6 Miscellaneous applications.....	1,534,808	941,640
13.7 Total investments acquired (Lines 13.1 to 13.6).....	960,071,920	1,304,027,331
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).....	(168,075,368)	(451,315,471)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		28,208
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	30,000,960	50,001,600
16.6 Other cash provided (applied).....	(209,387)	(22,026,550)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(30,210,347)	(71,999,942)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(74,148,979)	(514,804,366)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	238,776,435	753,580,802
19.2 End of year (Line 18 plus Line 19.1).....	164,627,456	238,776,435

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....				
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 .....	92,710,410	876,684,636	826,446,509	142,948,537
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.	<b>TOTALS</b>	92,710,410	876,684,636	826,446,509	142,948,537
<b>DETAILS OF WRITE-INS</b>					
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)				

**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 .....		826,446,509			826,446,509
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		826,446,509			826,446,509
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37)					826,446,509
<b>DETAILS OF WRITE-INS</b>					
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 . Pro rata based on expiration of risk .....

**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 .....	124,243,050	4,195,333	3,714,055	35,178,289	4,263,739	92,710,410
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 .....			5,165		5,165	
26. Burglary and theft .....						
27. Boiler and machinery .....						
28. Credit .....			43,763		43,763	
29. International .....						
30. Warranty .....						
31. Reinsurance - nonproportional assumed property .....	XXX					
32. Reinsurance - nonproportional assumed liability .....	XXX		13,538		13,538	
33. Reinsurance - nonproportional assumed financial lines .....	XXX					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS	124,243,050	4,195,333	3,776,521	35,178,289	4,326,205	92,710,410
<b>DETAILS OF WRITE-INS</b>						
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) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ X ] No [ ]

If yes: 1. The amount of such installment premiums \$ .....119,358,003

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....119,358,003

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

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	(21,466,529)	10,247,177	(18,999,940)	7,780,588	336,062,030	442,538,782	(98,696,164)	(69.0)
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		2,097	2,097					
26. Burglary and theft								
27. Boiler and machinery								
28. Credit		96,425	96,425					
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX							
32. Reinsurance - nonproportional assumed liability	XXX	18,728	18,728					
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	(21,466,529)	10,364,427	(18,882,690)	7,780,588	336,062,030	442,538,782	(98,696,164)	(69.0)
<b>DETAILS OF WRITE-INS</b>								
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)								

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**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 from Authorized and Unauthorized Companies	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	376,812,594	102,371,154	143,121,718	336,062,030				336,062,030	8,695,476
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		4,064	4,064			10,187	10,187		
26. Burglary and theft									
27. Boiler and machinery									
28. Credit		511,732	511,732			108,799	108,799		
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX	150,205	150,205		XXX	22,730	22,730		
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	376,812,594	103,037,155	143,787,719	336,062,030		141,716	141,716	336,062,030	8,695,476
<b>DETAILS OF WRITE-INS</b>									
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 .....	16,264,682			16,264,682
1.2 Reinsurance assumed .....	1,714,740			1,714,740
1.3 Reinsurance ceded .....	5,263,499			5,263,499
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	12,715,923			12,715,923
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		5,500		5,500
2.2 Reinsurance assumed, excluding contingent .....		2,739,557		2,739,557
2.3 Reinsurance ceded, excluding contingent .....		11,170,688		11,170,688
2.4 Contingent-direct .....				
2.5 Contingent-reinsurance assumed .....		77,541		77,541
2.6 Contingent-reinsurance ceded .....		7,680		7,680
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) .....		(8,355,770)		(8,355,770)
3. Allowances to manager and agents .....				
4. Advertising .....		3,565,573		3,565,573
5. Boards, bureaus and associations .....		4,811		4,811
6. Surveys and underwriting reports .....		2,555,015		2,555,015
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....		37,029,465	189,403	37,218,868
8.2 Payroll taxes .....		1,733,004	8,618	1,741,622
9. Employee relations and welfare .....		2,908,882	54,885	2,963,767
10. Insurance .....		487,766		487,766
11. Directors' fees .....				
12. Travel and travel items .....		1,327,484		1,327,484
13. Rent and rent items .....		5,013,307	94,591	5,107,898
14. Equipment .....		2,272,463		2,272,463
15. Cost or depreciation of EDP equipment and software .....		720,946		720,946
16. Printing and stationery .....		199,926		199,926
17. Postage, telephone and telegraph, exchange and express .....		362,215		362,215
18. Legal and auditing .....		6,025,119		6,025,119
19. Totals (Lines 3 to 18) .....		64,205,976	347,497	64,553,473
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		3,182,780		3,182,780
20.2 Insurance department licenses and fees .....		104,328		104,328
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) .....		3,287,108		3,287,108
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....		8,777,124	17,360,487	26,137,611
25. Total expenses incurred .....	12,715,923	67,914,438	17,707,984 (a)	98,338,345
26. Less unpaid expenses - current year .....	8,695,476	54,585,024	714,942	63,995,442
27. Add unpaid expenses - prior year .....	6,334,053	66,636,827	775,654	73,746,534
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) .....	10,354,500	79,966,241	17,768,696	108,089,437
<b>DETAILS OF WRITE-INS</b>				
2401. Interest paid on surplus note.....			15,000,000	15,000,000
2402. Investment Expenses.....			2,360,487	2,360,487
2403. Bank Fees.....		6,854,902		6,854,902
2498. Summary of remaining write-ins for Line 24 from overflow page .....		1,922,222		1,922,222
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) .....		8,777,124	17,360,487	26,137,611

(a) Includes management fees of \$ .....0 to affiliates and \$ .....2,095,820 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 12,086,653	11,929,036
1.1 Bonds exempt from U.S. tax	(a) 61,256,112	63,553,339
1.2 Other bonds (unaffiliated)	(a) 22,523,594	22,045,181
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	5,304	5,304
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) 214,367	221,867
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	96,086,030	97,754,727
11. Investment expenses		(g) 2,707,984
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 15,000,000
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)		17,707,984
17. Net investment income (Line 10 minus Line 16)		80,046,743
<b>DETAILS OF WRITE-INS</b>		
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)		
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 \$ 9,030,380 accrual of discount less \$ 15,495,349 amortization of premium and less \$ 6,641,889 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 \$ 59,862 accrual of discount less \$ 9,263 amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ 2,707,984 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 15,000,000 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	1,103,143	(548,220)	554,923		
1.1 Bonds exempt from U.S. tax	(1,198,372)	(1,423,909)	(2,622,281)		
1.2 Other bonds (unaffiliated)	4,375,281	(1,973,815)	2,401,466		
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				405,477	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	1,609		1,609		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	4,281,661	(3,945,944)	335,717	405,477	
<b>DETAILS OF WRITE-INS</b>					
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 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 .....	2,738,541	2,859,966	121,425
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) .....	12,500,000		(12,500,000)
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) .....	15,238,541	2,859,966	(12,378,575)
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 .....	59,407	651,859	592,452
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums .....			
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.....	73,301,137	100,628,862	27,327,725
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	2,763	46,001	43,238
21. Furniture and equipment, including health care delivery assets.....	2,061,436	1,359,094	(702,342)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....	208,905	1,569	(207,336)
24. Health care and other amounts receivable.....			
25. Aggregate write-ins for other than invested assets .....	652,381	1,585,703	933,322
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	91,524,570	107,133,054	15,608,484
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27)	91,524,570	107,133,054	15,608,484
<b>DETAILS OF WRITE-INS</b>			
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. Supplementary Executive Retirement Plan.....			
2502. Other assets.....	172,009	172,008	(1)
2503. Prepaid expenses.....	317,116	1,286,342	969,226
2598. Summary of remaining write-ins for Line 25 from overflow page .....	163,256	127,353	(35,903)
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	652,381	1,585,703	933,322

## NOTES TO FINANCIAL STATEMENTS

### 1. Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements have been prepared in accordance with statutory accounting practices (“SAP”) prescribed or permitted by the Maryland Insurance Administration and the National Association of Insurance Commissioners (“NAIC”). Assured Guaranty Corp. (the “Company” or “AGC”) is a Maryland domiciled company which commenced operations in January 1988 and provides insurance and reinsurance on investment grade financial guaranty exposures.

A reconciliation of the Company’s net income and capital and surplus between practices prescribed and permitted by the Commissioner of the Maryland Insurance Administration and NAIC SAP is shown below:

	2011	2010
Net Income (Loss), Maryland Basis	\$ 229,937,685	\$(182,086,928)
Net Income (Loss), NAIC SAP	\$ 229,937,685	\$(182,086,928)
Statutory Surplus, Maryland Basis	\$1,021,499,197	\$854,119,958
Statutory Surplus, NAIC SAP	\$1,021,499,197	\$854,119,958

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

The preparation of financial statements in conformity with Statutory Accounting Principles prescribed or permitted by the State of Maryland requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the statutory financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policies

All premiums are earned as the related principal and interest expires. Generally, premiums are received either in full at contract inception or in installments over the life of the covered risk. For purposes of earnings recognition, premiums received at contract inception are earned in direct proportion to the payment of debt service. Installment premiums are typically earned on a monthly pro-rata basis over the installment period.

In addition, the company uses the following accounting policies:

1. Short-term investments and cash equivalents are stated at amortized cost.
2. Investments in long-term bonds not backed by other loans with a NAIC designation of 1 or 2 are stated at amortized cost. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized cost or fair value. For purposes of computing amortized cost, premiums and discounts are accounted for using the effective interest method. For bonds purchased at a price below par value, discounts are accreted over the remaining term of the bond. For bonds purchased at a price above par value, which have call features, premiums are amortized on a yield to worst basis. For premium bonds that do not have call features, such premiums are amortized over the remaining terms of the bonds.

The Company purchased securities that it has insured, and for which it has loss reserves, in order to mitigate the economic effect of insured losses. These securities were purchased at a discount and are accounted for excluding the effects of the Company’s insurance on these securities.

3. Common stocks are stated at market other than investment in stocks of subsidiaries which are carried on the equity basis, to the extent admissible.
4. The Company did not hold preferred stocks at December 31, 2011.
5. The Company did not hold investments in mortgage loans at December 31, 2011.

## NOTES TO FINANCIAL STATEMENTS

6. Loan-backed bonds are reported at amortized cost using the effective interest method. Changes in the estimated cash flows from the original purchase assumptions are accounted for using the retrospective method.
7. Investments in foreign insurance subsidiaries are reported at their audited US GAAP equity adjusted to a statutory basis of accounting as provided for in paragraph 9 of Statement of Statutory Accounting Principles (“SSAP”) 97.
8. The Company has no ownership interests in joint ventures at December 31, 2011.
9. The Company did not have investments in derivatives as of December 31, 2011. The Company does utilize derivatives and credit default swaps on a limited basis as a form of collateral for its direct insurance policies as prescribed by the NAIC Financial Guaranty Insurance Model Act, §2A(5).
10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property Casualty Contracts – Premiums.
11. Unpaid losses and loss adjustments expenses include an amount determined from individual case estimates and loss reports. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. The Company has not written any policies which have been identified as having the potential for the existence of a liability due to asbestos or environmental losses.
12. The Company is required to establish a mandatory contingency reserve in accordance with NAIC SAP. The reserve amount is established by a charge to surplus for the protection of all policyholders equal to the sum of the following:
  - (i) For all policies written prior to July 1, 1989, an amount equal to 50% of cumulative earned premiums less permitted reductions; plus
  - (ii) For all policies written on or after July 1, 1989, an amount equal to the greater of 50% of premiums written for each category of insured obligation or a designated percent of principal guaranteed for that category. These amounts are provided each quarter as either 1/60<sup>th</sup> or 1/80<sup>th</sup> of the total required for each category, less permitted reductions.
13. The Company has not modified its capitalization policy from the prior period.
14. The Company did not hold business dealings with pharmaceutical rebate receivables at December 31, 2011.
15. On November 6, 2011, the NAIC adopted SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, effective for reporting periods beginning on or after January 1, 2012. The Company is still in the process of calculating the overall impact.

### 2. Accounting Changes and Corrections

#### A. Accounting Changes Other than Codification and Correction of Errors

In 2010, the Company reported surplus note interest expense of \$15,541,667 in other underwriting expenses instead of investment expenses as required by the NAIC. Had the expense been reported correctly, total other underwriting expenses incurred would have been \$52,372,771 instead of \$67,914,438 and total net investment income earned would have been \$64,505,077 instead of \$80,046,744. The error had no effect on policyholders’ surplus or net income.

### 3. Business Combinations and Goodwill

The Company has not been a party to any business combinations taking the form of a statutory merger in 2011.

### 4. Discontinued Operations

The Company does not have any discontinued operations.

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments

- A. Mortgage loans – The Company did not hold investments in mortgage loans during 2011.  
 B. Debt restructuring – The Company has no investments in restructure debt in which the Company is a creditor during 2011.  
 C. Reverse mortgages – The Company did not hold reverse mortgages as investments during 2011.

#### D. Loan-Backed Securities

1. Prepayment assumptions for single class/multi-class asset backed and residential mortgage backed/commercial mortgage backed securities were obtained from publicly available sources and internal models.  
 2. The Company had no loan-backed securities with other-than-temporary impairments (“OTTI”) due to either the intent to sell the securities or the inability or lack of intent to retain the securities.  
 3. The following table summarizes other-than-temporary-impairments recorded for loan-backed securities which the Company still owns at the end of the period recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

Cusip	Amortized Cost Before OTTI	Present Value of Projected Cash Flow	OTTI	Amortized Cost After OTTI	Fair Value of OTTI	Date of Financial Statement Where Reported
02149Q-AE-0	\$ 4,328,164	\$ 3,590,249	\$ 737,915	\$ 3,590,249	\$3,382,959	3/31/2011
88158A-AJ-1	2,827,165	2,391,263	435,902	2,391,263	712,720	9/30/2011
02149Q-AE-0	2,811,235	2,258,321	552,914	2,258,321	2,572,813	9/30/2011
88158A-AJ-1	2,376,753	2,162,553	214,200	2,162,553	717,351	12/31/2011
<b>TOTAL</b>	<b>\$12,343,317</b>	<b>\$10,402,386</b>	<b>\$1,940,931</b>	<b>\$10,402,386</b>	<b>\$7,385,843</b>	

4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.

	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Residential mortgage- backed securities	\$11,163,624	\$ (1,637,871)	\$ 8,714,976	\$(4,158,514)	\$19,878,600	\$ (5,796,385)
Other loan-backed securities	<u>15,267,584</u>	<u>(28,996,122)</u>	<u>2,305,800</u>	<u>(16,333)</u>	<u>17,573,384</u>	<u>(29,012,455)</u>
Total	<u>\$26,431,208</u>	<u>\$(30,633,993)</u>	<u>\$11,020,776</u>	<u>\$(4,174,847)</u>	<u>\$37,451,984</u>	<u>\$(34,808,840)</u>

5. All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of December 31, 2011, the Company has not made a decision to sell any such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. This unrealized loss is primarily attributable to the market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.

- E. Repurchase Agreements – The Company did not enter into repurchase agreements during 2011.

- F. Real Estate Impairment and Land Sales – The Company did not recognize any real estate impairments or engage in any retail land sales during 2011.

- G. Low-Income Housing Tax Credits – The Company did not hold investments in Low-Income Housing tax credits during 2011.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Limited Partnerships, or Limited Liability Companies that exceed 10% of admitted assets.  
 B. There were no write-downs of investments in Joint Ventures, Limited Partnerships, or Limited Liability Companies due to impairments during 2011.

## NOTES TO FINANCIAL STATEMENTS

### 7. Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

### 8. Derivative Instruments

During the year ended December 31, 2011, the Company did not enter into any investment related derivative contracts, and there were no derivative contracts outstanding as of December 31, 2011. The Company does utilize derivatives and credit default swaps on a limited basis as a form of collateral for its direct insurance policies as prescribed by the NAIC Financial Guaranty Insurance Model Act, §2A(5).

### 9. Federal Income Taxes

#### A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

(1)

Description	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$115,263,013	\$863,046	\$116,126,059	\$175,510,470	\$1,075,329	\$176,585,799
Statutory valuation allowance	-	-	-	-	-	-
Adjusted gross deferred tax assets	115,263,013	863,046	116,126,059	175,510,470	1,075,329	176,585,799
Gross deferred tax liabilities	-	-	-	-	-	-
Net deferred tax asset/(liability) before admissibility test	<u>115,263,013</u>	<u>863,046</u>	<u>116,126,059</u>	<u>175,510,470</u>	<u>1,075,329</u>	<u>176,585,799</u>
Admitted pursuant to ¶10.a.	-	-	-	-	-	-
¶10.b.i.	42,824,921	-	42,824,921	75,956,937	-	75,956,937
¶10.b.ii.	107,322,557	-	107,322,557	91,776,791	-	91,776,791
Admitted pursuant to ¶10.b. (lesser of i. or ii.)	42,824,921	-	42,824,921	75,956,937	-	75,956,937
Admitted deferred tax asset	42,824,921	-	42,824,921	75,956,937	-	75,956,937
Deferred tax liability	-	-	-	-	-	-
Net admitted DTA or DTL	42,824,921	-	42,824,921	75,956,937	-	75,956,937
Nonadmitted DTA	<u>\$ 72,438,092</u>	<u>\$863,046</u>	<u>\$ 73,301,138</u>	<u>\$ 99,553,533</u>	<u>\$1,075,329</u>	<u>\$100,628,862</u>

(2) The Company has not admitted any DTAs pursuant to paragraph 10(e).

(3) The Company recorded an increase in admitted DTAs as follows:

Description	Change During 2011		
	Ordinary	Capital	Total
Gross deferred tax assets	\$(60,247,457)	\$(212,283)	\$(60,459,740)
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	<u>(60,247,457)</u>	<u>(212,283)</u>	<u>(60,459,740)</u>
Gross deferred tax liabilities	-	-	-
Net deferred tax asset/(liability) before admissibility test	<u>(60,247,457)</u>	<u>(212,283)</u>	<u>(60,459,740)</u>
Admitted pursuant to ¶10.a.	-	-	-
¶10.b.i.	(33,132,016)	-	(33,132,016)
¶10.b.ii.	(15,545,766)	-	(15,545,766)
Admitted pursuant to ¶10.b. (lesser of i. or ii.)	<u>(33,132,016)</u>	-	<u>(33,132,016)</u>
Admitted deferred tax asset	(33,132,016)	-	(33,132,016)
Deferred tax liability	-	-	-
Change in net admitted DTA or DTL	<u>(33,132,016)</u>	-	<u>(33,132,016)</u>
Change in nonadmitted DTA	<u>\$(27,115,441)</u>	<u>\$(212,283)</u>	<u>\$(27,327,724)</u>

(4)

Description	With ¶s 10.a.-c.	With ¶s 10.e	Difference
Admitted DTAs	\$42,824,922	\$42,824,922	-
Admitted assets	Not Applicable	Not Applicable	-
Statutory surplus	Not Applicable	Not Applicable	-
Total adjusted capital	Not Applicable	Not Applicable	-
Authorized control level used in 10.d.	Not Applicable	Not Applicable	-

#### B. Temporary differences for which a DTL has not been established

N/A

## NOTES TO FINANCIAL STATEMENTS

### C. Current Tax and Change in Deferred Tax

Current income taxes consist of the following major components:

Description	2011	2010
Current income tax expense	\$3,485,016	\$24,723,889
Tax on capital gains/(losses)	1,498,581	905,711
Federal income taxes incurred	<u>\$4,983,597</u>	<u>\$25,629,600</u>

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

DTAs Resulting From Book/Tax Differences in	December 31, 2011	December 31, 2010	Change	Character
Unpaid losses and LAE	\$ 71,128,588	\$135,614,290	\$(64,485,702)	Ordinary
Unearned premiums	28,925,628	30,683,962	(1,758,334)	Ordinary
Unrealized losses	863,046	1,075,329	(212,283)	Capital
Nonadmitted assets	4,698,210	-	4,698,210	Ordinary
Other liabilities	10,510,587	9,212,218	1,298,369	Ordinary
Gross DTAs	<u>\$116,126,059</u>	<u>\$176,585,799</u>	<u>\$(60,459,740)</u>	
Nonadmitted DTAs	<u>\$ 73,301,138</u>	<u>\$100,628,862</u>	<u>\$(27,327,724)</u>	

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 Statement):

DTLs Resulting From Book/Tax Differences in	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$116,126,059	\$176,585,799	\$(60,459,740)
Total deferred tax liabilities	-	-	-
Net deferred tax asset	<u>\$116,126,059</u>	<u>\$176,585,799</u>	<u>\$(60,459,740)</u>
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax(charge)/benefit			<u>\$(60,459,740)</u>

### 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. The significant items causing this difference are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$234,403,054	\$82,041,069	35.0%
Tax-exempt interest	(53,199,355)	(18,619,774)	-8.0%
Effect of true-ups from tax return filings	(3,481,133)	(1,218,396)	-0.5%
Uncertain tax positions	7,331,158	2,565,905	1.1%
Change in deferred taxes on nonadmitted	(13,423,456)	(4,698,210)	-2.0%
Tax and Loss Bonds	14,548,298	5,091,904	2.2%
Other	802,398	280,839	0.1%
Total	<u>\$186,980,964</u>	<u>\$65,443,337</u>	<u>27.9%</u>
Federal income taxes incurred benefit		\$3,485,016	1.5%
Tax on capital gains		1,498,581	0.6%
Change in net deferred income tax benefit		60,459,740	25.8%
Total statutory income taxes		<u>\$65,443,337</u>	<u>27.9%</u>

### E. Operating Loss and Tax Credit Carryforwards

- At December 31, 2011, the Company had no operating loss or tax credit carryforwards.
- At December 31, 2011, the Company had no net capital loss carryforwards. At December 31, 2011, the Company had no AMT credit carryforwards, which do not expire.

## NOTES TO FINANCIAL STATEMENTS

3. There are no income tax expense for 2011 and 2010 that is available for recoupment in the event of future net losses.
4. The Company did not have any protective tax deposits admitted under IRC §6603.

### F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
  - Assured Guaranty US Holdings Inc.
  - Assured Guaranty Municipal Corp.
  - AG Financial Products, Inc.
  - Assured Guaranty Municipal Holdings Inc.
  - Assured Guaranty Municipal Insurance Company
  - Assured Guaranty (Europe) Ltd.
  - FSA Portfolio Management, Inc.
  - Transaction Services Corporation
  - FSA Services (Japan) Inc.
  - FSA Mexico Holdings, Inc.
  - FSA Services (Americas), Inc.
2. Each company, as a member of its respective consolidated tax return group, pays its proportionate share of the consolidated tax burden for its group as if each company filed on a separate return basis with current period credit for net losses to the extent used in consolidation.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company is a Maryland domiciled insurance company, which commenced operations in 1988 and provides reinsurance and insurance on financial guaranty exposures. The Company is a wholly owned subsidiary of Assured Guaranty US Holdings Inc. ("AGUS"), a Delaware insurance holding company. AGUS is a wholly owned subsidiary of Assured Guaranty Ltd., a Bermuda incorporated insurance holding company. The Company owns 100% of Assured Guaranty (UK) Ltd. ("AG UK"), a United Kingdom domiciled insurance company. The organization chart is included in Schedule Y.

#### B. Transactions with Affiliates

The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:

1. The Company made dividend payments of \$30.0 million in 2011 to AGUS.
  2. The Company contributed capital of \$19.2 million to AG UK in 2010.
  3. The Company has \$300.0 million of surplus notes outstanding issued to an affiliate, Assured Guaranty Municipal Corp., ("AGM"), a New York domiciled insurance company. These notes are interest bearing at a rate of 5% per annum. The Company paid AGM interest on these notes of \$15.0 million on December 30, 2011 and \$15.5 million on December 30, 2010.
- C. There have been no changes in the methods used to establish the terms of the transactions with affiliates from the prior period.

## NOTES TO FINANCIAL STATEMENTS

D. Related party receivables (payables) as of December 31, 2011 were:

Amounts Due from Related Parties:	12/31/2011
AG Analytics	\$ 67,000
AG Intermediary Inc.	1,113
Assured Guaranty Re Overseas Ltd.	851,521
Assured Guaranty Financial Products, Inc. (“AGFP”)	906,332
Assured Guaranty Finance Overseas Ltd.	1,326,710
Assured Guaranty Mortgage Insurance Co.	82,804
Assured Guaranty Ltd	2,214,455
Assured Guaranty Re Ltd.	1,469,655
AG UK	341,776
AG UK Services Ltd.	(191,015)
AG UK Services Ltd.	(29,837)
Assured Guaranty Ltd	(17,357,566)
AGUS	75,775
AGM	15,424,894
FSA Services (Americas) Inc.	1,820
FSA Services (Japan) Inc.	18,050
Assured Guaranty Services (Australia) Pty Ltd.	(25,305)
Assured Guaranty (Bermuda) Ltd.	310,238
Assured Guaranty Municipal Holdings Inc.	172,130
Assured Guaranty Municipal Insurance Co.	593,056
Assured Guaranty (Europe) Ltd	85,932
Assured Guaranty Municipal Corp. – Tokyo branch	1,569
FSA Portfolio Management Inc.	1,305
Transaction Services Corp.	211,167
Total Related Party Receivable	24,157,302
Less: Non-Admitted Receivables	(208,905)
Total Admitted Related Party Receivable	23,948,396
Total Related Party Payable	\$(17,603,723)

E. Guarantees or Contingencies for Related parties

The Company issues financial guaranty insurance policies guaranteeing the obligations of its affiliate, AGFP, to various third-party beneficiaries under credit default swap agreements that AGFP has entered into with those third-party beneficiaries. Pursuant to its financial guaranty insurance policy, the Company is obligated to pay the beneficiary named in the policy, upon receipt of a claim as contemplated thereby, amounts that become due for payment by AGFP in the event of a payment default by AGFP under the applicable credit default swap agreement. The Company remains obligated to the beneficiary as long as AGFP retains outstanding obligations under the credit default swap agreement. Pursuant to its financial guaranty insurance policy, the Company is fully subrogated to the rights of the beneficiary to the extent of payment by the Company under such policy. The financial guaranty insurance policies are non-cancelable for any reason, including by reason of non-payment of premium.

In consideration of the issuance of the financial guaranty insurance policy, AGFP agrees to pay the Company premium pursuant to a premium agreement. Pursuant to the premium agreement, AGFP also agrees to pay the fees and expenses of the Company in connection with the issuance of the financial guaranty insurance policy and the performance of its obligations under such policy. Under such premium agreement, the Company is fully subrogated to AGFP’s rights (including its right to receive payments) under the underlying agreement to the extent that the Company makes payments pursuant to the financial guaranty insurance policy.

## NOTES TO FINANCIAL STATEMENTS

The Company and AG UK entered into a net worth maintenance agreement dated as of July 16, 2004 pursuant to which, in the event that AG UK's net worth falls below an amount equal to the greater of (i) £3,796,000 or (ii) two times the minimum margin of solvency required to be maintained by AG UK by the Financial Services Authority ("FSA") (such greater amount, the "Threshold Amount"), and such deficiency is at least £100,000, the Company will invest such additional funds as may be required to bring the capital of AG UK back to the Threshold Amount. In exchange for such funds, the Company will be issued shares of capital stock of AG UK with par value representing the amount of the additional capital contribution. In consideration for the guarantee provided by the Company, AG UK agrees to pay a fee each calendar quarter equal to £14,000.

The Company had guaranteed the obligations of AG UK under a credit facility between certain of the Assured Guaranty Ltd. ("Assured Guaranty") companies and a syndicate of banks. The credit facility expired in November 2011 and has not been replaced.

The Company guarantees the lease obligations of AG UK for its lease of office space at 1 Finsbury Square, London.

### F. Management, Service Contracts or Cost Sharing Arrangements

In 2010, the Company entered into a service agreement with various of its affiliates pursuant to which the Company makes available to its affiliates office space, equipment, insurance and/or services, including underwriting, actuarial, surveillance, marketing, claims handling, legal, information technologies, corporate secretarial, human resources, accounting, tax, financial reporting and investment planning services. Expenses are allocated directly where appropriate and, where not appropriate, based upon an allocation of employee time and corresponding office overhead.

G. All outstanding shares of the Company's stock are owned by the Parent, an indirect subsidiary of Assured Guaranty Ltd, a Bermuda incorporated insurance holding company.

H. The Company owns no shares in an upstream intermediate or ultimate parent.

I. None of the Company's investments in subsidiaries exceeds 10% of the admitted assets of the Company at December 31, 2011.

J. There were no write-downs of SCA entities due to impairments during the year ended December 31, 2011

K. The Company is not a life insurance company and is not subject to CARVM and the related Actuarial guidelines.

L. The Company does not hold any investment in a downstream non-insurance holding company.

## 11. Debt

### A. Capital Notes

The Company has a surplus note outstanding for \$300 million with its affiliate, AGM, as of December 31, 2011 and December 31, 2010.

### B. All Other Debt

The Company has no debt outstanding, nor has it guaranteed any debt of an affiliate as of December 31, 2011 or December 31, 2010.

## 12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

### A. Defined Benefit Plan

The Company does not sponsor a defined benefit plan.

## NOTES TO FINANCIAL STATEMENTS

### B. Defined Contribution Plan

The Company maintains savings incentive plans, which are qualified under Section 401(a) of the Internal Revenue Code. The U.S. savings incentive plan is available to all full-time employees with a minimum of six months of service. Eligible participants may contribute a percentage of their salary subject to a maximum of \$16,500 for 2011. Contributions are matched by the Company at a rate of 100% up to 6% of the participant's compensation, subject to IRS limitations. The Company has amended the U.S. savings incentive plan. The amendments include matching employee contributions up to 6%, subject to IRS limitations, with an additional 6% contribution up to the amount permitted by IRS limits, with amounts in excess of those permitted by the IRS limits contributed to the U.S. supplemental executive retirement nonqualified plan ("SERP"), regardless if the employee contributes to the plan. However, an employee may also contribute up to 6% to the SERP and the Company will also match up to 6% in the SERP. In addition, employees will be fully vested after 1 year of service, as defined in the plan and plan eligibility is immediate upon hire.

The Company's expense for the defined contribution plan was \$1.1 million and \$3.0 million for the years ended December 31, 2011 and 2010, respectively.

Total expense incurred under the profit sharing plans was \$1.2 million and \$3.0 million for the years ended December 31, 2011 and 2010, respectively.

### C. Multiemployer Plans

The Company does not participate in a multiemployer pension plan.

### D. Consolidated/Holding Company Plans

The Company does not operate a non-qualified long-term incentive plan for the benefit of certain employees.

### E. Postemployment Benefits and Compensated Absences

The Company has no post-retirement plans. The Company does have an obligation for compensation related to earned vacation.

### F. Impact of Medicare Modernization Act on Post Retirement Benefits

The Company has no post-retirement plans.

## 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

### A. Outstanding Shares

The Company has 500,000 shares of \$720 par value common stock authorized and 20,834 shares issued and outstanding as of December 31, 2011. Under the committed capital facility, the Company has authorized preferred stock, of which none is issued or outstanding.

### B. Dividend Rate on Preferred Stock – not applicable.

### C. – E. Dividend Restrictions

Under Maryland's 1993 revised insurance law, the amount of surplus available for distribution as dividends is subject to certain statutory provisions, which generally prohibit the payment of dividends in any twelve-month period without prior approval of the Maryland Commissioner of Insurance in an aggregate amount exceeding the lesser of 10% of surplus or net investment income (at the preceding December 31). The amount available for distribution from the Company during 2012 with notice to, but without prior approval of, the Maryland Commissioner of Insurance under the Maryland insurance law is approximately \$102.1 million. Dividends of \$30.0 million and \$50.0 million were paid in 2011 and 2010, respectively.

### F. The Company has no restrictions on unassigned surplus.

### G. The Company is not a mutual company; as such, there were no mutual surplus advances during 2011.

### H. The Company holds no stock for special purposes.

## NOTES TO FINANCIAL STATEMENTS

I. There were no special surplus funds as of December 31, 2011 and 2010.

J. The portion of unassigned funds (surplus) represented by cumulative unrealized losses is \$24,212,318.

### K. Surplus Notes

In 2009, the Company borrowed \$300.0 million from AGM in the form of surplus notes, all of which is outstanding at December 31, 2011. These notes bear 5% interest. Principal of the surplus notes are payable at any time at the option of the Company, subject to prior approval of the Maryland Insurance Administration Commissioner and compliance with the conditions to such payments as contained in the Maryland Insurance Laws. These notes have no stated maturity. The Company paid \$15.0 million and \$15.5 million of interest on these surplus notes in each of the years ending December 31, 2011 and 2010.

L. The Company has not undergone a reorganization or quasi-reorganization.

M. The Maryland Insurance Administration granted the Company permission in 2011 to release contingency reserves of \$199.4 million, which is reflected as an increase to unassigned surplus.

## 14. Contingencies

A. The Company has no commitments or contingent commitments to any subsidiary.

B. The Company does not issue life insurance policies and therefore is not subject to guaranty fund assessments.

C. The Company has not recognized any gain contingencies subsequent to the balance sheet date.

D. The Company did not incur claims related to extra contractual obligation losses or bad faith losses.

E. The Company does not issue any product warranties.

### F. All Other Contingencies

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position or liquidity, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations in a particular quarter or fiscal year. In addition, in the ordinary course of its business, the Company asserts claims in legal proceedings against third parties to recover losses paid in prior periods. For example, as described below in "Recovery Litigation—RMBS Transactions," as of the date of this filing, AGC has filed complaints against certain sponsors and underwriters of RMBS securities that AGC had insured, alleging, among other claims, that such persons had breached representations and warranties ("R&W") in the transaction documents, failed to cure or repurchase defective loans and/or violated state securities laws. The amounts, if any, the Company will recover in proceedings to recover losses are uncertain, and recoveries, or failure to obtain recoveries, in any one or more of these proceedings during any quarter or fiscal year could be material to the Company's results of operations in that particular quarter or fiscal year.

The Company receives subpoenas *duces tecum* and interrogatories from regulators from time to time. The Company has satisfied the requests it has received. It may receive additional inquiries from these or other regulators and expects to provide additional information to such regulators regarding their inquiries, if any, in the future.

## NOTES TO FINANCIAL STATEMENTS

Beginning in December 2008, AGC's affiliate, AGM, and various other financial guarantors were named in complaints filed in the Superior Court, San Francisco County, California. Since that time, plaintiffs' counsel has filed amended complaints against AGC and AGM and added additional plaintiffs. As of the date of this filing, the plaintiffs with complaints against AGC and AGM, among other financial guaranty insurers, are: (a) *City of Los Angeles, acting by and through the Department of Water and Power*; (b) *City of Sacramento*; (c) *City of Los Angeles*; (d) *City of Oakland*; (e) *City of Riverside*; (f) *City of Stockton*; (g) *County of Alameda*; (h) *County of Contra Costa*; (i) *County of San Mateo*; (j) *Los Angeles World Airports*; (k) *City of Richmond*; (l) *Redwood City*; (m) *East Bay Municipal Utility District*; (n) *Sacramento Suburban Water District*; (o) *City of San Jose*; (p) *County of Tulare*; (q) *The Regents of the University of California*; (r) *The Redevelopment Agency of the City of Riverside*; (s) *The Public Financing Authority of the City of Riverside*; (t) *The Jewish Community Center of San Francisco*; (u) *The San Jose Redevelopment Agency*; (v) *The Redevelopment Agency of the City of Stockton*; (w) *The Public Financing Authority of the City of Stockton*; and (x) *The Olympic Club*. Complaints filed by the City and County of San Francisco and the Sacramento Municipal Utility District were subsequently dismissed against AGC and AGM. These complaints allege that the financial guaranty insurer defendants (i) participated in a conspiracy in violation of California's antitrust laws to maintain a dual credit rating scale that misstated the credit default risk of municipal bond issuers and created market demand for municipal bond insurance, (ii) participated in risky financial transactions in other lines of business that damaged each insurer's financial condition (thereby undermining the value of each of their guaranties), and (iii) failed to adequately disclose the impact of those transactions on their financial condition. In addition to their antitrust claims, various plaintiffs in these actions assert claims for breach of the covenant of good faith and fair dealing, fraud, unjust enrichment, negligence, and negligent misrepresentation. At hearings held in July and October 2011 relating to AGC, AGM and the other defendants' motion to dismiss, the court overruled the motion to dismiss on the following claims: breach of contract, violation of California's antitrust statute and of its unfair business practices law, and fraud. The remaining claims were dismissed. On December 2, 2011, AGC, AGM and the other bond insurer defendants filed an Anti-SLAPP ("Strategic Lawsuit Against Public Participation") motion to strike the complaints under California's Code of Civil Procedure. The complaints in these lawsuits generally seek unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from these lawsuits.

On April 8, 2011, AGC and its affiliate, Assured Guaranty Re Ltd. ("AGRE"), filed a Petition to Compel Arbitration with the Supreme Court of the State of New York, requesting an order compelling Ambac to arbitrate Ambac's disputes with AGC and AGRE concerning their obligations under reinsurance agreements with Ambac. In March 2010, Ambac placed a number of insurance policies that it had issued, including policies reinsured by AGC and AGRE pursuant to the reinsurance agreements, into a segregated account. The Wisconsin state court has approved a rehabilitation plan whereby permitted claims under the policies in the segregated account will be paid 25% in cash and 75% in surplus notes issued by the segregated account. Ambac has advised AGC and AGRE that it has and intends to continue to enter into commutation agreements with holders of policies issued by Ambac, and reinsured by AGC and AGRE, pursuant to which Ambac will pay a combination of cash and surplus notes to the policyholder. AGC and AGRE have informed Ambac that they believe their only current payment obligation with respect to the commutations arises from the cash payment, and that there is no obligation to pay any amounts in respect of the surplus notes until payments of principal or interest are made on such notes. Ambac has disputed this position on one commutation and may take a similar position on subsequent commutations. On April 15, 2011, attorneys for the Wisconsin Insurance Commissioner, as Rehabilitator of Ambac's segregated account, and for Ambac filed a motion with Lafayette County, Wis., Circuit Court Judge William Johnston, asking him to find AGC and AGRE to be in violation of an injunction protecting the interests of the segregated account by their seeking to compel arbitration on this matter and failing to pay in full all amounts with respect to Ambac's payments in the form of surplus notes. On June 14, 2011, Judge Johnston issued an order granting the Rehabilitator's and Ambac's motion to enforce the injunction against AGC and AGRE and the parties filed a stipulation dismissing the Petition to Compel Arbitration without prejudice. AGC and AGRE have appealed Judge Johnston's order to the Wisconsin Court of Appeals.

## NOTES TO FINANCIAL STATEMENTS

On November 28, 2011, Lehman Brothers International (Europe) (in administration) (“LBIE”) sued AG Financial Products Inc. (“AG Financial Products”), an affiliate of AGC which in the past had provided credit protection to counterparties under credit default swaps. AGC acts as the credit support provider of AG Financial Products under these credit default swaps. LBIE’s complaint, which was filed in the Supreme Court of the State of New York, alleged that AG Financial Products improperly terminated nine credit derivative transactions between LBIE and AG Financial Products and improperly calculated the termination payment in connection with the termination of 28 other credit derivative transactions between LBIE and AG Financial Products. With respect to the 28 credit derivative transactions, AG Financial Products calculated that LBIE owes AG Financial Products approximately \$24.8 million, whereas LBIE asserted in the complaint that AG Financial Products owes LBIE a termination payment of approximately \$1.4 billion. LBIE is seeking unspecified damages. Following defaults by LBIE, AG Financial Products properly terminated the transactions in question in compliance with the requirements of the agreement between AG Financial Products and LBIE, and calculated the termination payment properly. The Company cannot reasonably estimate the possible loss that may arise from this lawsuit.

### *RMBS Transactions*

As of the date of this filing, AGC has filed lawsuits with regard to three second lien U.S. RMBS transactions insured by it, alleging breaches of R&W both in respect of the underlying loans in the transactions and the accuracy of the information provided to AGC, and failure to cure or repurchase defective loans identified by AGC to such persons. These transactions consist of the ACE Securities Corp. Home Equity Loan Trust, Series 2007-SL2 and the ACE Securities Corp. Home Equity Loan Trust, Series 2007-SL3 transactions (in each of which AGC has sued Deutsche Bank AG affiliates DB Structured Products, Inc. and ACE Securities Corp. in the Supreme Court of the State of New York), and the SACO I Trust 2005-GP1 transaction (in which AGC has sued JPMorgan Chase & Co.’s affiliate EMC Mortgage Corporation in the United States District Court for the Southern District of New York). In these lawsuits, which AGC brought between July and October 2010, AGC seeks damages, including indemnity or reimbursement for losses.

In October 2011, AGC and its affiliate AGM brought an action in the Supreme Court of the State of New York against DLJ Mortgage Capital, Inc. (“DLJ”) and Credit Suisse Securities (USA) LLC (“Credit Suisse”) with regard to six first lien U.S. RMBS transactions insured by them: CSAB Mortgage-Backed Pass Through Certificates, Series 2006-2; CSAB Mortgage-Backed Pass Through Certificates, Series 2006-3; CSAB Mortgage-Backed Pass Through Certificates, Series 2006-4; CMSC Mortgage-Backed Pass Through Certificates, Series 2007-3; CSAB Mortgage-Backed Pass Through Certificates, Series 2007-1; and TBW Mortgage-Backed Pass Through Certificates, Series 2007-2. The complaint alleges breaches of R&W by DLJ in respect of the underlying loans in the transactions, breaches of contract by DLJ and Credit Suisse in procuring falsely inflated shadow ratings (a condition to the issuance by AGC and AGM of its policies) by providing false and misleading information to the rating agencies, and failure by DLJ to cure or repurchase defective loans identified by AGC and AGM.

### *“XXX” Life Insurance Transactions*

In December 2008, AG UK, a subsidiary of AGC that AGC reinsures, filed an action against J.P. Morgan Investment Management Inc. (“JPMIM”), the investment manager in the Orkney Re II transaction, in the Supreme Court of the State of New York alleging that JPMIM engaged in breaches of fiduciary duty, gross negligence and breaches of contract based upon its handling of the investments of Orkney Re II. In January 2010, the court ruled against AG UK on a motion to dismiss filed by JPMIM, dismissing the AG UK’s claims for breaches of fiduciary duty and gross negligence on the ground that such claims are preempted by the Martin Act, which is New York’s blue sky law, such that only the New York Attorney General has the authority to sue JPMIM. AG UK appealed and, in November 2010, the Appellate Division (First Department) issued a ruling, ordering the court’s order to be modified to reinstate AG UK’s claims for breach of fiduciary duty and gross negligence and certain of its claims for breach of contract, in each case for claims accruing on or after June 26, 2007. In December 2011, the New York Court of Appeals ruled that AG UK may pursue its common-law tort claims for breach of fiduciary duty and gross negligence against

## NOTES TO FINANCIAL STATEMENTS

JPMIM. This decision, together with the Appellate Division decision in favor of AG UK and a recent ruling by Justice Kapnick in the trial court, make clear that all of AG UK's claims for breaches of fiduciary duty, gross negligence and contract are reinstated in full. Separately, at the trial court level, a preliminary conference order related to discovery was entered in February 2011 and discovery is ongoing.

### 15. Leases

- A. In June 2008, the Company entered into a five-year lease agreement on the rental of office space at 1251 Avenue of the Americas, New York, NY 10019. The Company also has lease agreements in Sydney, Australia and Irvine, CA. Rental expense for the year ended December 31, 2011 was \$4,353,616.

Future minimum rental payments are as follows (in thousands)

Year Ended December 31,	
2012	\$ 5,953
2013	4,900
2014	150
2015	137
Thereafter	-
Total	\$11,140

- B. The Company has no other lease obligations which could have a material financial effect.

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

The Company provides insurance for public finance and structured finance obligations. Total principal and interest exposure at December 31, 2011 were \$154.5 billion (\$112.2 billion for municipal exposures and \$42.3 billion for non municipal exposures).

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. The Company has not sold or transferred any receivables during 2011.

- B. The Company has not transferred or serviced any financial assets during 2011.

- C. The Company did not engage in any wash sale transactions during 2011.

### 18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. The Company does not serve as an Administrative Services Only ("ASO") provider.

- B. The Company does not serve as an Administrative Services Contract ("ASC") provider.

- C. The Company is not party to any medicare or similarly structured cost based reimbursement contracts.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company did not write direct premiums through managing general agents or third party administrators.

### 20. Fair Value

Effective December 31, 2010, the Company adopted Statement of Statutory Accounting Practices ("SSAP") 100, "Fair Value Measurements." SSAP 100 defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurements.

## NOTES TO FINANCIAL STATEMENTS

### *Fair Value Hierarchy*

SSAP 100 specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Company estimates of market assumptions. In accordance with SSAP 100, the fair value hierarchy prioritizes model inputs into three broad levels as follows:

- Level 1 – Quoted prices for identical instruments in active markets. The Company generally defines an active market as a market in which trading occurs at significant volumes. Active markets generally are more liquid and have a lower bid-ask spread than an inactive market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and observable inputs other than quoted prices, such as interest rates or yield curves and other inputs derived from or corroborated by observable market inputs.
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

An asset or liability's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following table presents information about financial instruments carried at fair value and indicates the level of the fair value measurement on the levels of the inputs used. Bonds are generally recorded at amortized cost. Stocks, excluding those for investments in subsidiaries, are reported at fair value on a recurring basis.

*(in thousands of dollars)*

As of December 31, 2011	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds	\$ -	\$ -	\$ -	\$ -
Stocks	4,004	-	-	4,004
Total	<u>\$4,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,004</u>

### **Cash and Short-Term Investments**

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost.

### **Bonds**

Bonds with an NAIC designation of 1 and 2 are carried at amortized cost while bonds with an NAIC designation of 3 through 6 are carried at the lower of cost or fair value.

The fair value of bonds in the investment portfolio is generally based on quoted market prices received from third party pricing services or alternative pricing sources with reasonable levels of price transparency. Such quotes generally include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. Additional valuation factors that can be taken into account are nominal spreads, dollar basis, and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news. The overwhelming majority of fixed maturities are classified as Level 2 because the most significant inputs used in the pricing techniques are observable. Prices determined based upon model processes where at least one significant model assumption or input is unobservable, are considered to be Level 3 in the fair value hierarchy.

### **Stocks**

The Company's Stocks are comprised primarily of investments in subsidiaries. As discussed within our significant accounting policies, investments in subsidiaries are recorded in compliance with SSAP 97.

## NOTES TO FINANCIAL STATEMENTS

### 21. Other Items

- A. The Company had no extraordinary items during 2011.
- B. The Company had no debt restructuring during 2011.
- C. The Company had no unusual items to disclose during 2011, other than pledging \$736.5 million of investments as collateral under the terms of financial guaranty insurance contracts.
- D. As of December 31, 2011, the Company had uncollected premiums of \$35,671,276. Uncollected premiums more than 90 days past due were \$59,407.
- E. The Company had no business interruption insurance recoveries during 2011.
- F. The Company had no state transferable tax credits.
- G. Subprime Mortgage-Related Exposure
  - (1) – (3) The Company does not own any subprime mortgage investments at December 31, 2011.
  - (4) Underwriting Exposure

#### *Year-End 2011 U.S. Residential Mortgage-Backed Securities (“RMBS”) Loss Projections*

The shape of the RMBS loss projection curves used by the Company in both the year end of 2011 and the year end of 2010 assume that the housing and mortgage markets will eventually improve. The Company retained the same general shape of the RMBS loss projection curves at year end 2011 as at year end 2010, reflecting the Company’s view, based on its observation of continued elevated levels of early stage delinquencies, that the housing and mortgage market recovery is occurring at a slower than previously expected pace. Over the course of 2011, the Company also made a number of changes to its RMBS loss projection assumptions reflecting that same view of the housing and mortgage markets.

The scenarios the Company used to project RMBS collateral losses for second lien RMBS transactions at year end 2011 were essentially the same as those it used at year end 2010, except that based on its observation of the continued elevated levels of early stage delinquencies, (i) as noted above, the Company retained the same general shape of its RMBS loss projection curves, (ii) the Company increased its base case expected period for reaching the final conditional default rate in 2011; and (iii) the Company adjusted the probability weightings it applied from year-end 2010 to reflect the changes to those scenarios. Taken together, the changes in assumptions between year-end 2010 and 2011 had the effect of reflecting a slower recovery in the housing market than had been assumed at the beginning of the year.

The Company used the same general approach to project RMBS collateral losses for first lien RMBS transactions at year end 2011 as it did at year end 2010, except that (i) as noted above, based on its observation of the continued elevated levels of early stage delinquencies, the Company retained the same general shape of its RMBS loss projection curves; (ii) based on its observation of increased loss severity rates, the Company increased its projected loss severity rates in various of its scenarios; and (iii) based on its observation of liquidation rates, the Company decreased the liquidation rates it applies to non-performing loans (the Company made this change at year-end 2011). Finally, again reflecting continued high levels of early stage delinquencies and increased loss severity rates, the Company added a more stressful scenario at year-end 2011 reflecting an even slower potential recovery in the housing and mortgage markets. Additionally, the Company’s year-end 2011 base case is a scenario that in previous quarters was assumed to be one of the stress scenarios. Taken together, the changes in assumptions between year-end 2010 and 2011 had the effect of (a) reflecting a slower recovery in the housing market than had been assumed at the beginning of the year and (b) for subprime transactions increasing the initial loss severities in most scenarios from 80% to 90% and for other first lien transactions increasing initial loss severities from 60% to 65% and peak loss severities in a stress case from 60% to 75%.

## NOTES TO FINANCIAL STATEMENTS

The Company also used generally the same methodology to project the credit received for recoveries in R&W at year-end 2011 as at year-end 2010. The primary difference relates to the execution of the Bank of America Agreement and the inclusion of the terms of the agreement as a potential scenario in transactions not covered by the Bank of America as well as incorporating the projected terms of a potential agreement with another entity. Compared with year-end 2010, the Company calculated R&W credits for eight more first lien transactions where either it obtained loan files, concluded it had the right to obtain loan files that it had not previously concluded were accessible or anticipates receiving a benefit due to an agreement or potential agreement with an R&W provider.

### *Year-End 2010 U.S. RMBS Loss Projections*

The Company retained the same general shape of the RMBS loss projection curves at year end 2010 as at year end 2009, reflecting the Company's view, based on its observation of continued elevated levels of early stage delinquencies, that the housing and mortgage market recovery was occurring at a slower than previously expected pace. The specific shape of those curves was adjusted in the second quarter 2010 to reflect the Company's view that it was observing the beginning of an improvement in the housing and mortgage markets, and this specific shape of the loss projection curves was retained at year-end 2010. However, in the fourth quarter 2010, due to the Company's concerns about the timing and strength of any recovery in the mortgage and housing markets, the Company adjusted the probability weightings it applied to its scenarios to reflect a somewhat more pessimistic view. Also in the fourth quarter 2010, the Company increased its initial subprime loss severity assumption to reflect recent experience. Taken together, the changes in the assumptions between year-end 2009 and 2010 had the effect of (a) reflecting a slower recovery in the housing market than had been assumed at the beginning of the year, and (b) increasing the assumed initial loss severities for subprime transactions from 70% to 80%.

The Company also used generally the same methodology to project the credit received for recoveries on R&W at year-end 2010 as it used at year-end 2009. Other than the impact of the increase in projected collateral defaults on the calculation of the credit, the primary difference relates to the population of transactions the Company included in its R&W credits. The Company added credits for five first lien transactions where it has obtained loan files that it had not previously concluded were accessible. The Company also refined some of the assumptions in the calculation of the amount of the credit to reflect actual experience.

### *U.S. Second Lien RMBS: Home Equity Lines of Credit ("HELOC") and Closed End Secondary ("CES")*

The Company insures two types of second lien RMBS: those secured by HELOCs and those secured by closed end second lien mortgages. HELOCs are revolving lines of credit generally secured by a second lien on a one to four family home. A mortgage for a fixed amount secured by a second lien on a one to four family home is generally referred to as a closed end second lien. Both first lien RMBS and second lien RMBS sometimes include a portion of loan collateral with a different priority than the majority of the collateral. The Company has material exposure to second lien mortgage loans originated and serviced by a number of parties, but the Company's most significant second lien exposure is to HELOCs originated and serviced by Countrywide, a subsidiary of Bank of America.

The delinquency performance of HELOC and closed end second lien exposures included in transactions insured by the Company began to deteriorate in 2007, and such transactions, particularly those originated in the period from 2005 through 2007, continue to perform below the Company's original underwriting expectations. While insured securities benefit from structural protections within the transactions designed to absorb collateral losses in excess of previous historically high levels, in many second lien RMBS projected losses now exceed those structural protections.

## NOTES TO FINANCIAL STATEMENTS

The Company believes the primary variables affecting its loss reserves in second lien RMBS transactions are the amount and timing of future losses in the collateral pool supporting the transactions and the amount of loans repurchased for breaches of R&W (or agreements with R&W providers related to such obligations). Loss reserves are also a function of the structure of the transaction, the voluntary prepayment rate (typically also referred to as conditional prepayment rate of the collateral); the interest rate environment; and assumptions about the draw rate and loss severity. These variables are interrelated, difficult to predict and subject to considerable volatility. If actual experience differs from the Company's assumptions, the losses incurred could be materially different from the estimate. The Company continues to update its evaluation of these exposures as new information becomes available.

The following table shows the key assumptions used in the calculation of estimated loss reserves for direct vintage 2004 - 2008 second lien U.S. RMBS.

### Key Assumptions in Base Case Loss Reserve Estimates Second-Lien RMBS <sup>(1)</sup>

<b>HELOC Key Variables</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Plateau conditional default rate ("CDR").....	6.3 – 17.9%	10.0 - 19.4%
Final CDR trended down to.....	0.5 - 2.2%	0.5 - 2.2%
Expected Period until Final CDR achieved.....	36 months	24 months
Initial conditional prepayment rate ("CPR").....	3.5 – 24.6%	3.9 - 17.5%
Final CPR.....	10%	10%
Loss Severity.....	98%	98%
Initial Draw Rate.....	0.0 – 0.4%	0.0 - 0.5%

<b>CES Key Variables</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Plateau CDR.....	6.9 – 24.8%	7.3 – 27.1%
Final CDR Rate trended down to.....	3.5 – 9.2%	2.9 - 8.1%
Expected Period until Final CDR achieved.....	36 months	24 months
Initial CPR.....	0.9 – 14.7%	1.3 – 9.7%
Final CPR.....	10%	10%
Loss Severity.....	98%	98%

(1) Represents assumptions for most heavily weighted scenario (the "base case").

In second lien transactions the projection of near-term defaults from currently delinquent loans is relatively straightforward because loans in second lien transactions are generally "charged off" (treated as defaulted) by the securitization's servicer once the loan is 180 days past due. Most second lien transactions report the amount of loans in five monthly delinquency categories (*i.e.*, 30-59 days past due, 60-89 days past due, 90-119 days past due, 120-149 days past due and 150-179 days past due). The Company estimates the amount of loans that will default over the next five months by calculating current representative liquidation rates (the percent of loans in a given delinquency status that are assumed to ultimately default) from selected representative transactions and then applying an average of the preceding 12 months' liquidation rates to the amount of loans in the delinquency categories. The amount of loans projected to default in the first through fifth months is expressed as a conditional default rate. The first four months' conditional default rate is calculated by applying the liquidation rates to the current period past due balances (*i.e.*, the 150-179 day balance is liquidated in the first projected month, the 120-149 day balance is liquidated in the second projected month, the 90-119 day balance is liquidated in the third projected month and the 60-89 day balance is liquidated in the fourth projected month). For the fifth month the conditional default rate is calculated using the average 30-59 day past due balances for the prior three months. An average of the third, fourth and fifth month conditional default rates is then used as the basis for the plateau period that follows the embedded five months of losses.

## NOTES TO FINANCIAL STATEMENTS

As of December 31, 2011, for the base case scenario, the conditional default rate (the “plateau conditional default rate”) was held constant for one month. Once the plateau period has ended, the conditional default rate is assumed to gradually trend down in uniform increments to its final long-term steady state conditional default rate. In the base scenario, the time over which the conditional default rate trends down to its final conditional default rate is 30 months (compared with 18 months at year-end 2010). Therefore, the total stress period for second lien transactions is 36 months, comprising five months of delinquent data, a one month plateau period and 30 months of decrease to the steady state conditional default rate. This is 12 months longer than the 24 months of total stress period used at year-end 2010. The long-term steady state conditional default rates are calculated as the constant conditional default rates that would have yielded the amount of losses originally expected at underwriting. When a second lien loan defaults, there is generally very low recovery. Based on current expectations of future performance, the Company assumes that it will only recover 2% of the collateral, the same as the year-end 2010.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected (which is a function of the conditional default rate and the loan balance over time) as well as the amount of excess spread (which is the excess of the interest paid by the borrowers on the underlying loan over the amount of interest and expenses owed on the insured obligations). In the base case, the current conditional prepayment rate is assumed to continue until the end of the plateau before gradually increasing to the final conditional prepayment rate over the same period the conditional default rate decreases. For transactions where the initial conditional prepayment rate is higher than the final conditional prepayment rate, the initial conditional prepayment rate is held constant. The final conditional prepayment rate is assumed to be 10% for both HELOC and closed end second lien transactions. This level is much higher than current rates, but lower than the historical average, which reflects the Company’s continued uncertainty about the projected performance of the borrowers in these transactions. This pattern is consistent with how the Company modeled the conditional prepayment rate at year-end 2010. To the extent that prepayments differ from projected levels it could materially change the Company’s projected excess spread and losses.

The Company uses a number of other variables in its second lien loss projections, including the spread between relevant interest rate indices, and HELOC draw rates (the amount of new advances provided on existing HELOCs expressed as a percentage of current outstanding advances). For HELOC transactions, the draw rate is assumed to decline from the current level to a final draw rate over a period of three months. The final draw rates were assumed to range from 0.0% to 0.2%.

In estimating loss reserves, the Company modeled and probability weighted three possible conditional default rate curves applicable to the period preceding the return to the long-term steady state conditional default rate. Given that draw rates have been reduced to levels below the historical average and that loss severities in these products have been higher than anticipated at inception, the Company believes that the level of the elevated conditional default rate and the length of time it will persist is the primary driver behind the likely amount of losses the collateral will suffer (before considering the effects of repurchases of ineligible loans). The Company continues to evaluate the assumptions affecting its modeling results.

At year-end 2011, the Company’s base case assumed a one month conditional default rate plateau and a 30 month ramp-down (for a total stress period of 36 months). Increasing the conditional default rate plateau to four months and keeping the ramp-down at 30 months (for a total stress period of 39 months) would increase the loss reserves by approximately \$9.1 million for HELOC transactions and \$0.9 million for closed end second lien transactions. On the other hand, keeping the conditional default rate plateau at one month but decreasing the length of the conditional default rate ramp-down to a 24 month assumption (for a total stress period of 30 months) would decrease the loss reserve by approximately \$7.5 million for HELOC transactions and \$0.8 million for closed end second lien transactions.

## NOTES TO FINANCIAL STATEMENTS

### *U.S. First Lien RMBS Loss Projections: Alt-A First Lien, Option Adjustable Rate Mortgage (“ARM”), Subprime and Prime*

First lien RMBS are generally categorized in accordance with the characteristics of the first lien mortgage loans on one-to-four family homes supporting the transactions. The collateral supporting “subprime RMBS” transactions consists of first-lien residential mortgage loans made to subprime borrowers. A “subprime borrower” is one considered to be a higher risk credit based on credit scores or other risk characteristics. Another type of RMBS transaction is generally referred to as “Alt-A first lien.” The collateral supporting such transactions consists of first-lien residential mortgage loans made to “prime” quality borrowers who lack certain ancillary characteristics that would make them prime. When more than 66% of the loans originally included in the pool are mortgage loans with an option to make a minimum payment that has the potential to amortize the loan negatively (*i.e.*, increase the amount of principal owed), the transaction is referred to as an “Option ARM.” Finally, transactions may be composed primarily of loans made to prime borrowers. Both first lien RMBS and second lien RMBS sometimes include a portion of loan collateral that differs in priority from the majority of the collateral.

The performance of the Company’s first lien RMBS exposures began to deteriorate in 2007 and such transactions, particularly those originated in the period from 2005 through 2007 continue to perform below the Company’s original underwriting expectations. The Company currently projects first lien collateral losses many times those expected at the time of underwriting. While insured securities benefited from structural protections within the transactions designed to absorb some of the collateral losses, in many first lien RMBS transactions, projected losses exceed those structural protections.

The majority of projected losses in first lien RMBS transactions are expected to come from non-performing mortgage loans (those that are delinquent or in foreclosure or where the loan has been foreclosed and the RMBS issuer owns the underlying real estate). An increase in non-performing loans beyond that projected in the previous period is one of the primary drivers of loss development in this portfolio. In order to determine the number of defaults resulting from these delinquent and foreclosed loans, the Company applies a liquidation rate assumption to loans in each of various delinquency categories. The Company arrived at its liquidation rates based on data in Loan Performance and assumptions about how delays in the foreclosure process may ultimately affect the rate at which loans are liquidated. The Loan Performance securities databases, provided by CoreLogic, Inc., are said to be the industry’s largest and most comprehensive and include loan-level data on more than \$2.2 trillion in mortgage-backed and asset-backed securities (more than 90% of the market) as well as analytical tools designed to help evaluate that data. The liquidation rate is a standard industry measure that is used to estimate the number of loans in a given aging category that will default within a specified time period. The Company projects these liquidations to occur over two years. For year-end 2011 the Company reviewed data in Loan Performance and, based on that data, determined that its liquidation rate assumptions needed to be updated. The following table shows liquidation assumptions for various delinquency categories.

## NOTES TO FINANCIAL STATEMENTS

The following table shows the Company's liquidation assumptions for various delinquency categories as of December 31, 2011 and December 31, 2010.

	December 31, 2011	December 31, 2010
<b>30 - 59 Days Delinquent</b>		
Alt-A First lien .....	35%	50%
Alt-A Option ARM .....	50	50
Subprime.....	30	45
<b>60 - 89 Days Delinquent</b>		
Alt-A First lien .....	55	65
Alt-A Option ARM .....	65	65
Subprime.....	45	65
<b>90+ Days Delinquent</b>		
Alt-A First lien .....	65	75
Alt-A Option ARM .....	75	75
Subprime.....	60	70
<b>Bankruptcy</b>		
Alt-A First lien .....	55	75
Alt-A Option ARM .....	70	75
Subprime.....	50	70
<b>Foreclosure</b>		
Alt-A First lien .....	85	85
Alt-A Option ARM .....	85	85
Subprime.....	80	85
<b>Real Estate Owned</b>		
All .....	100	100

While the Company uses liquidation rates as described above to project defaults of non-performing loans, it projects defaults on presently current loans by applying a conditional default rate trend. The start of that conditional default rate trend is based on the defaults the Company projects will emerge from currently non-performing loans. The total amount of expected defaults from the non-performing loans is translated into a constant conditional default rate (*i.e.*, the conditional default rate plateau), which, if applied for each of the next 24 months, would be sufficient to produce approximately the amount of defaults that were calculated to emerge from the various delinquency categories. The conditional default rate thus calculated individually on the collateral pool for each RMBS is then used as the starting point for the conditional default rate curve used to project defaults of the presently performing loans.

In the base case, each transaction's conditional default rate is projected to improve over 12 months to an intermediate conditional default rate (calculated as 20% of its conditional default rate plateau, which was a stress case in prior periods when 15% was used in the base case); that intermediate conditional default rate is held constant for 36 months and then trails off in steps to a final conditional default rate of 5% of the conditional default rate plateau. Under the Company's methodology, defaults projected to occur in the first 24 months represent defaults that can be attributed to loans that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected conditional default rate trend after the first 24 month period represent defaults attributable to borrowers that are currently performing.

Another important driver of loss projections is loss severity, which is the amount of loss the transaction incurs on a loan after the application of net proceeds from the disposal of the underlying property. Loss severities experienced in first lien transactions have reached historic high levels and the Company is assuming that these historic high levels generally will continue for another year (in the case of subprime loans, the Company assumes the unprecedented 90% loss severity rate will continue for six months then drop to 80% for six months before following the ramp described below). The Company determines its initial loss severity based on actual recent experience. (Based on these observations, the Company has increased its loss severity assumptions for year-end 2011 as compared to year-end 2010 as shown in the table below.) The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning in December 2012, and in the base scenario decline over two years to 40%.

## NOTES TO FINANCIAL STATEMENTS

The following table shows the key assumptions used in the calculation of loss reserves for direct vintage 2004 - 2008 first lien U.S. RMBS.

### Key Assumptions in Base Case Loss Reserve Estimates of First-Lien RMBS Transactions

	December 31, 2011	December 31, 2010
<b><i>Alt-A First Lien</i></b>		
Plateau CDR.....	2.8% - 21.7%	2.4% - 25.9%
Intermediate CDR .....	0.6% - 9.3%	0.4% - 3.9%
Final CDR .....	0.1% - 1.1%	0.1% - 1.3%
Initial Loss Severity .....	65%	60%
Initial CPR.....	1.1% - 37.5%	0.0% - 37.2%
Final CPR.....	15%	10%
<b><i>Alt-A Option ARM</i></b>		
Plateau CDR.....	9.6% - 26.4%	9.8% - 32.3%
Intermediate CDR.....	1.9% - 5.3%	1.5% - 4.8%
Final CDR .....	0.5% - 1.3%	0.5% - 1.6%
Initial Loss Severity .....	65%	60%
Initial CPR.....	0.0% - 29.1%	0.0% - 18.7%
Final CPR.....	15%	10%
<b><i>Subprime</i></b>		
Plateau CDR.....	8.4% - 25.4%	9.0% - 28.5%
Intermediate CDR .....	1.7% - 5.1%	1.3% - 4.3%
Final CDR .....	0.4% - 1.3%	0.4% - 1.4%
Initial Loss Severity .....	90%	80%
Initial CPR.....	0.0% - 16.3%	0.0% - 17.0%
Final CPR.....	15%	10%

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected (since that amount is a function of the conditional default rate and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the conditional prepayment rate follows a similar pattern to that of the conditional default rate. The current level of voluntary prepayments is assumed to continue for the plateau period before gradually increasing over 12 months to the final conditional prepayment rate, which is assumed to be either 10% or 15% depending on the scenario run. For transactions where the initial conditional prepayment rate is higher than the final conditional prepayment rate, the initial conditional prepayment rate is held constant.

The ultimate performance of the Company's first lien RMBS transactions remains highly uncertain and may be subject to considerable volatility due to the influence of many factors, including the level and timing of loan defaults, changes in housing prices and other variables. The Company will continue to monitor the performance of its RMBS exposures and will adjust the loss projections for those transactions based on actual performance and management's estimates of future performance.

In estimating loss reserves, the Company modeled and probability weighted sensitivities for first lien transactions by varying its assumptions of how fast a recovery is expected to occur. One of the variables used to model sensitivities was how quickly the conditional default rate returned to its modeled equilibrium, which was defined as 5% of the current conditional default rate. The Company also stressed conditional prepayment rates and the speed of recovery of loss severity rates. For year-end 2011 the Company added a more stressful scenario and adjusted its scenario probability weightings, which had the effect of shifting its base case to a scenario that had been considered a stress scenario in prior periods. The Company probability weighted a total of five scenarios (including its base case) at year-end 2011, one more than it weighted in prior periods. In a somewhat more stressful environment than that of the base case, where the conditional default rate plateau was extended three months (to be 27 months long) before the same more gradual conditional default rate recovery and loss severities were assumed to recover over four rather than two years (and subprime loss severities were assumed to recover only to 60%), loss reserves would increase from current projections by approximately \$28.7 million for Alt-A first liens, \$6.8 million for Option ARM, \$18.4 million for subprime and \$0.4 million for prime transactions. In an even more stressful scenario where other loss severities were assumed to recover over six years (and subprime severities were assumed to recover only to 60% and other assumptions were the same as the other stress

## NOTES TO FINANCIAL STATEMENTS

scenario), loss reserves would increase from current projections by approximately \$120.3 million for Alt-A first liens, \$18.1 million for Option ARM, \$26.2 million for subprime and \$1.1 million for prime transactions. The Company also considered two scenarios where the recovery was faster than in its base case. In scenario somewhat less stressful environment than the base case, where conditional default rate recovery was somewhat less gradual and the initial subprime loss severity rate was assumed to be 80% for 12 months and was assumed to recover to 40% over two years (the same scenario used for the base case at year-end 2010), loss reserves would decrease from current projections by approximately \$6.3 million for Alt-A first lien, \$2.7 million for Option ARM, \$5.8 million for subprime and \$0.1 million for prime transactions. In an even less stressful scenario where the conditional default rate plateau was three months shorter (21 months, effectively assuming that liquidation rates would improve) and the conditional default rate recovery was more pronounced, loss reserves would decrease from current projections by approximately \$25.0 million for Alt-A first lien, \$8.3 million for Option ARM, \$13.9 million for subprime and \$0.3 million for prime transactions.

### **Breaches of Representations and Warranties**

The Company is pursuing reimbursements for breaches of representations and warranties (“R&W”) regarding loan characteristics. Performance of the collateral underlying certain first and second lien securitizations has substantially differed from the Company’s original expectations. The Company has employed several loan file diligence firms and law firms as well as devoted internal resources to review the mortgage files surrounding many of the defaulted loans. The Company’s success in these efforts resulted in two negotiated agreements, in respect of the Company’s R&W claims, including one on April 14, 2011 with Bank of America.

The R&W development during 2011 resulted in large part from the Bank of America Agreement executed on April 14, 2011 related to the Company’s R&W claims. The benefit of the Bank of America Agreement is included in the R&W credit for the transactions directly affected by the agreement. In addition, the Bank of America Agreement caused the Company to increase the probability of successful pursuit of R&W claims against other providers where the Company believed those providers were breaching at a similar rate. The remainder of the development during 2011 primarily relates to changes in recovery assumptions due to the inclusion of the terms of the Bank of America Agreement as a potential scenario for other transactions and to reflect advanced discussions with other R&W providers.

The Company assumes that recoveries on HELOC and closed-end second lien loans that were not subject to the Bank of America Agreement will occur in two to four years from the balance sheet date depending on the scenarios and that recoveries on Alt-A first lien, Option ARM and Subprime loans will occur as claims are paid over the life of the transactions. Recoveries on second lien transactions subject to the Bank of America Agreement will be paid in full by March 31, 2012.

As of December 31, 2011, cumulative collateral losses on the 9 first lien RMBS transactions are executed as financial guaranties and subject to the Bank of America Agreement were approximately \$0.2 billion. The Company estimates that cumulative projected collateral losses for these first lien transactions will be \$0.4 billion, which will result in estimated gross loss reserves to the Company of \$106.6 million before considering R&W recoveries from Bank of America, and \$21.3 million after considering such R&W recoveries, all on an undiscounted basis.

### ***Student Loan Transactions***

The Company has insured or reinsured \$0.6 billion net par of student loan securitizations issued by public authorities and classified as public finance. Of this amount, \$37.0 million is rated below investment grade (“BIG”). The Company is projecting approximately \$0.3 million of loss reserves in these portfolios. In general the losses are due to: (i) the poor credit performance of private student loan collateral; (ii) high interest rates on auction rate securities with respect to which the auctions have failed or (iii) high interest rates on variable rate demand obligations (“VRDO”) that have been put to the liquidity provider by the holder and are therefore bearing high “bank bond” interest rates.

## NOTES TO FINANCIAL STATEMENTS

### *Trust Preferred Securities Collateralized Debt Obligation*

The Company has insured or reinsured \$4.7 billion of net par of collateralized debt obligations (“CDOs”) backed by trust preferred securities (“TruPS”) and similar debt instruments, or “TruPS CDOs.” Of that amount, \$2.7 billion is rated BIG. The underlying collateral in the TruPS CDOs consists of subordinated debt instruments such as TruPS issued by bank holding companies and similar instruments issued by insurance companies, real estate investment trusts (“REITs”) and other real estate related issuers.

The Company projects losses for TruPS CDOs by projecting the performance of the asset pools across several scenarios (which it weights) and applying the CDO structures to the resulting cash flows. For the year ended December 31, 2011, the Company had loss reserves on TruPS CDOs of \$20.6 million.

### *“XXX” Life Insurance Transactions*

The Company has insured \$525.9 million of net par in “XXX” life insurance reserve securitizations based on discrete blocks of individual life insurance business. In each such transaction the monies raised by the sale of the bonds insured by the Company were used to capitalize a special purpose vehicle that provides reinsurance to a life insurer or reinsurer. The monies are invested at inception in accounts managed by third-party investment managers. In order for the Company to incur an ultimate net loss on these transactions, adverse experience on the underlying block of life insurance policies and/or credit losses in the investment portfolio would need to exceed the level of credit enhancement built into the transaction structures. In particular, such credit losses in the investment portfolio could be realized in the event that circumstances arise resulting in the early liquidation of assets at a time when their market value is less than their intrinsic value.

The Company’s \$525.9 million net par of XXX life insurance transactions includes, as of December 31, 2011, a total of \$208.1 million is rated BIG, consisting of Class A-2 Floating Rate Notes issued by Ballantyne Re p.l.c and Series A-1 Floating Rate Notes issued by Orkney Re II p.l.c (“Orkney Re II”). The Ballantyne Re and Orkney Re II XXX transactions had material amounts of their assets invested in U.S. RMBS transactions. Based on its analysis of the information currently available, including estimates of future investment performance provided by the investment manager, and projected credit impairments on the invested assets and performance of the blocks of life insurance business at December 31, 2011, the Company’s loss reserve is \$14.0 million.

### *Other Notable Loss or Claim Transactions*

The preceding pages describe the asset classes in the financial guaranty portfolio that encompass most of the Company’s projected losses. The Company also projects losses on, or is monitoring particularly closely, a number of other transactions, the most significant of which are described in the following paragraphs.

The Company has net exposure to Jefferson County, Alabama of \$187.6 million. On November 9, 2011, Jefferson County filed for bankruptcy under Chapter 9 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Alabama (Southern Division).

The Company has net exposure of \$187.6 million to Jefferson County, of which \$187.0 million is derived from reinsurance provided by the Company relating to warrants issued by Jefferson County in respect of its sewer system. Jefferson County’s sewer revenue warrants are secured by a pledge of the net revenues of the sewer system, and the bankruptcy court has affirmed that the net revenues constitute “special revenue” under Chapter 9. Although, the net revenues of the sewer system are not subject to an automatic stay during the pendency of the County’s bankruptcy case, whether sufficient net revenues will be made available for the payment of regularly scheduled debt service will be a function of the bankruptcy court’s determination of “necessary operating expenses” under the bankruptcy code. The Company has loss reserves of \$18.1 million as of December 31, 2011 on the sewer revenue warrants, which is an estimate based on a number of probability-weighted scenarios.

## NOTES TO FINANCIAL STATEMENTS

The Company expects that bondholder rights will be enforced. However, due to the early stage of the bankruptcy proceeding, and the circumstances surrounding Jefferson County's debt, the nature of the action is uncertain. The Company will continue to analyze developments in the matter closely.

The Company insures a total of \$86.7 million net par of securities backed by manufactured housing loans, of which \$83.7 million is rated BIG.

The Company has \$8.9 million of net par exposure to The City of Harrisburg, Pennsylvania, all of which is rated BIG.

The following summarizes U.S. subprime loss activity:

- The aggregate amount of U.S. subprime related net losses paid in the current year were \$7,634,456;
- The aggregate amount of U.S. subprime related net losses incurred in the current year was \$(28,599,743);
- The aggregate amount of U.S. subprime related net case reserves at the end of the current reporting period were \$56,887,870, and
- The Company does not establish IBNR reserves.

### 22. Events Subsequent

Subsequent events have been considered through March 1, 2012 for these statutory financial statements which are to be issued March 1, 2012. There were no material events occurring subsequent to December 31, 2011 that require disclosure.

### 23. Reinsurance

A. The Company has no unsecured reinsurance recoverable at December 31, 2011.

B. The Company has no reinsurance recoverable in dispute at December 31, 2011.

C. Reinsurance Assumed and Ceded

	Assumed		Ceded		Net	
	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity
Affiliates	\$ 30,637,546	\$12,255,018	\$300,115,899	\$80,564,133	\$(269,478,353)	\$(68,309,115)
Non Affiliates	118,393,301	32,126,981	9,486,695	2,597,761	108,906,606	29,529,220
Total	\$149,030,847	\$44,381,999	\$309,602,594	\$83,161,894	\$(160,571,747)	\$(38,779,895)

Direct Unearned Premium Reserve \$987,018,256

D. Uncollectible Reinsurance – not applicable.

E. Commutation of Ceded Reinsurance – not applicable

F. Retroactive Reinsurance – not applicable

G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.

### 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not issue retrospectively rated contracts or contracts subject to redetermination; none of the Company's reinsurance contracts are retrospectively rated or subject to redetermination.

## NOTES TO FINANCIAL STATEMENTS

### 25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss adjustment expenses ("LAE") attributable to insured events of prior years were \$(90,339,019) and \$280,733,311 for the years ended December 31, 2011 and 2010, respectively. The current year decrease is a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

### 26. Intercompany Pooling Arrangements

The Company is not a participant to any intercompany pooling agreements.

### 27. Structured Settlements

The Company has not purchased any annuities in 2011.

### 28. Health Care Receivables

The Company does not have any healthcare receivables at December 31, 2011.

### 29. Participating Policies

The Company had no participating accident or health contracts during 2011.

### 30. Premium Deficiency Reserves

The Company had no premium deficiency reserves during 2011.

### 31. High Deductibles

The Company has not recorded any reserve credits during 2011.

### 32. Discounting of Liabilities for Unpaid Losses and Loss Adjustment Expense

The Company discounts the liability for unpaid losses for financial guaranty claims on a non-tabular basis at a rate of 5.0%, the approximate taxable equivalent yield on the Company's investment portfolio. The amount of discounted loss and loss adjustment reserves at December 31, 2011 and December 31, 2010 is \$344,757,506 and \$448,872,835, respectively. The amount of the discount as of December 31, 2011 and December 31, 2010 is \$161,762,386 and \$288,875,142, respectively.

### 33. Asbestos/Environmental Reserves

The Company has not written any policies which have been identified as having the potential for the existence of a liability due to asbestos or environmental losses.

### 34. Subscriber Savings Accounts

The Company is not a reciprocal exchange and, therefore, does not have subscriber savings accounts.

### 35. Multiple Peril Crop Insurance

The Company does not write multiple peril crop insurance.

### 36. Financial Guaranty Insurance

#### A. (1) Installment Contracts

a. The gross unearned premium reserve on an undiscounted basis for the entire book of business that would have been reported had all installment premiums been received at inception would have been \$1,451,081,158 as of December 31, 2011.

## NOTES TO FINANCIAL STATEMENTS

b. Schedule of gross premiums (undiscounted) expected to be collected under all installment contracts (in thousands):

1st Quarter 2012	\$ 10,089
2nd Quarter 2012	9,159
3rd Quarter 2012	8,237
4th Quarter 2012	9,450
2013	33,342
2014	26,999
2015	24,107
2016	21,305
2017 through 2021	79,999
2022 through 2026	39,798
2027 through 2031	25,954
After 2031	26,593
Total	<u>\$315,032</u>

c. Roll forward of the expected gross future premiums (undiscounted), (in thousands):

Expected future premiums – beginning of year	\$372,317
Premium payments received for existing installment contracts	(39,578)
Expected premium payments for new installment contracts	40,411
Adjustments to the expected future premium payments	(58,118)
Expected future premiums – end of year	<u>\$315,032</u>

### (2) Non-installment Contracts

a. The gross unearned premium reserve on non-installment contracts that was recognized as earned premium on an accelerated basis was \$20,913,435 in 2011. Such accelerations are recognized 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.

b. Schedule of expected gross future earned premium revenue on non-installment contracts as of December 31, 2011 (in thousands):

1st Quarter 2012	\$ 10,812
2nd Quarter 2012	9,731
3rd Quarter 2012	12,514
4th Quarter 2012	9,722
2013	43,614
2014	46,583
2015	47,686
2016	51,977
2017 through 2021	222,854
2022 through 2026	201,309
2027 through 2031	167,141
After 2031	<u>295,569</u>
Total	<u>\$1,119,512</u>

### (3) Claim Liability

a. The Company used a rate of 5% to discount the claim liability. This rate approximates the taxable equivalent yield on the Company's investment portfolio.

**NOTES TO FINANCIAL STATEMENTS**

b. Significant components of the change in the claim liability for the period (in thousands):

Accretion of the discount	\$ 37,442
Changes in timing	(80,745)
New reserves for defaults of insured contracts	3,121
Claim recoveries on prior year reserves	478
Development in prior year reserves	(64,411)
Change in deficiency reserves	0
Change in incurred but not reported claims	0
Total change in claim liability	\$(104,115)

**(4) Risk Management Activities**

a. The following is a description of each grouping or category used to track and monitor below investment grade (“BIG”) insured financial obligations:

BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make lifetime losses possible, but for which none are currently expected. Transactions on which claims have been paid but are expected to be fully reimbursed (other than investment grade transactions on which only liquidity claims have been paid) are in this category.

BIG Category 2: Below-investment-grade transactions for which lifetime losses are expected but for which no claims (other than liquidity claims) have yet been paid.

BIG Category 3: Below-investment-grade transactions for which lifetime losses are expected and on which claims (other than liquidity claims) have been paid. Transactions remain in this category when claims have been paid and only a recoverable remains.

b. The Company’s surveillance personnel are responsible for monitoring and reporting on all transactions in the insured portfolio. The primary objective of the surveillance process is to monitor trends and changes in transaction credit quality, detect any deterioration in credit quality, and recommend to management such remedial actions as may be necessary or appropriate. All transactions in the insured portfolio are assigned internal credit ratings, and surveillance personnel are responsible for recommending adjustments to those ratings to reflect changes in transaction credit quality.

The Company’s work-out personnel are responsible for managing work-out and loss mitigation situations, working with surveillance and legal personnel (as well as outside vendors) as appropriate. They develop strategies for the Company to enforce its contractual rights and remedies and to mitigate its losses, engage in negotiation discussions with transaction participants and, when necessary, manage (along with legal personnel) the Company’s litigation proceedings.

Since the onset of the financial crisis, the Company has shifted personnel to loss mitigation and work-out activities and hired new personnel to augment its efforts. Although the Company’s loss mitigation efforts may extend to any transaction it has identified as having loss potential, much of the activity has been focused on RMBS.

## NOTES TO FINANCIAL STATEMENTS

The Company segregates its insured portfolio into investment grade and BIG surveillance categories to facilitate the appropriate allocation of resources to monitoring and loss mitigation efforts and to aid in establishing the appropriate cycle for periodic review for each exposure. BIG exposures include all exposures with internal credit ratings below BBB-. The Company's internal credit ratings are based on internal assessments of the likelihood of default and loss severity in the event of default. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and are generally reflective of an approach similar to that employed by the rating agencies.

The Company monitors its investment grade credits to determine whether any new credits need to be internally downgraded to BIG. The Company refreshes its internal credit ratings on individual credits in quarterly, semi-annual or annual cycles based on the Company's view of the credit's quality, loss potential, volatility and sector. Ratings on credits in sectors identified as under the most stress or with the most potential volatility are reviewed every quarter. The Company's insured credit ratings on assumed credits are based on the Company's reviews of low-rated credits or credits in volatile sectors, unless such information is not available, in which case, the ceding company's credit rating of the transactions are used. For example, the Company models all assumed RMBS credits with par above \$1 million, as well as certain RMBS credits below that amount.

c. Performance of the collateral underlying certain first and second lien securitizations has substantially differed from the Company's original expectations. The Company has employed several loan file diligence firms and law firms as well as devoted internal resources to review the mortgage files surrounding many of the defaulted loans. During its activities to avoid and mitigate claim liabilities, the Company incurred direct loss adjustment expenses of \$16,264,682 and \$9,715,046 in 2011 and 2010, respectively. The direct reserve for unpaid loss adjustment expenses was \$10,194,161 and \$6,856,694 at December 31, 2011 and 2010, respectively.

### B. Schedule of insured financial obligations as of December 31, 2011:

Included in the BIG exposures below is \$0.5 billion of net par outstanding related to first lien U.S. RMBS transactions covered by the Bank of America Agreement, which represents 11% of the first lien U.S. RMBS BIG net par outstanding as of December 31, 2011. Under the Bank of America Agreement, 80% of first lien claims paid by Assured Guaranty will be reimbursed, until such time as losses on the collateral underlying the RMBS on which Assured Guaranty is paying claims reach \$6.6 billion.

<i>Dollars in thousands</i>	Surveillance Categories			Total
	BIG 1	BIG 2	BIG 3	
Number of risks	122	68	67	257
Remaining weighted-average contract period (in years)	11	8	12	11
Insured contractual payments outstanding:				
Principal	\$6,313,370	\$2,461,680	\$4,415,868	\$13,190,918
Interest	<u>1,587,051</u>	<u>298,163</u>	<u>1,033,273</u>	<u>2,918,487</u>
Total	<u>\$7,900,421</u>	<u>\$2,759,843</u>	<u>\$5,449,141</u>	<u>\$16,109,405</u>
Gross claim liability	\$181,313	\$474,468	\$887,742	\$1,543,523
Less: Gross potential recoveries - subrogation	172,144	202,211	359,578	733,933
Ceded claim liability	3,086	44,111	255,873	303,070
Discount, net	<u>6,102</u>	<u>55,878</u>	<u>99,782</u>	<u>161,762</u>
Net liability reported in the balance sheet	<u>\$ (19)</u>	<u>\$172,268</u>	<u>\$172,509</u>	<u>\$ 344,758</u>
Reinsurance recoverables	\$1,004	\$2	\$10,335	\$11,341
Unearned premium reserve	\$7,888	\$4,890	\$11,469	\$24,247

# 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 [ X ] No [ ]
- 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 [ X ] No [ ] NA [ ]
- 1.3 State Regulating? ..... Maryland.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2011
- 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. ....12/31/2006
- 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). ....04/30/2008
- 3.4 By what department or departments? Maryland Insurance Administration.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] NA [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] NA [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ X ] No [ ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control .....100.0
- 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
Bermuda.....	Corporation .....
.....	.....
.....	.....
.....	.....

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PriceWaterhouse Coopers LLP 300 Madison Avenue, New York, NY 10017
- 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 17A 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 [ ] NA [ ]
- 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? .....  
Benjamin Rosenblum, Actuary of Assured Guaranty Corp., 31 W 52nd Street, New York, NY 10019
- 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 [ ] NA [ ]
- 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 [ ]
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- a. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- b. Compliance with applicable governmental laws, rules and regulations;
- c. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- d. 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 [ X ] No [ ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
Routine updates for new laws and regulations.
- 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

## BOARD OF DIRECTORS

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?..... 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

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 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 [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$ .....75,775

## INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3)..... Yes [ X ] No [ ]
- 24.2 If no, give full and complete information, relating thereto
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [ ] No [ ] NA [ X ]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. .... \$ .....
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. .... \$ .....
- 24.7 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 ]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [ ] No [ ] NA [ X ]
- 24.9 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 ]

## GENERAL INTERROGATORIES

- 25.1 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 21.1 and 24.3) ..... Yes [  ] No [  ]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- |  |       |   |    |             |
|--|-------|---|----|-------------|
|  | 25.21 | Subject to repurchase agreements .....                | \$ |             |
|  | 25.22 | Subject to reverse repurchase agreements.....         | \$ |             |
|  | 25.23 | Subject to dollar repurchase agreements.....          | \$ |             |
|  | 25.24 | Subject to reverse dollar repurchase agreements.....  | \$ |             |
|  | 25.25 | Pledged as collateral.....                            | \$ | 736,455,376 |
|  | 25.26 | Placed under option agreements.....                   | \$ |             |
|  | 25.27 | Letter stock or securities restricted as to sale..... | \$ |             |
|  | 25.28 | On deposit with state or other regulatory body.....   | \$ | 7,315,239   |
|  | 25.29 | Other.....  | \$ |             |

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [  ] No [  ]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [  ] No [  ] NA [  ]  
If no, attach a description with this statement.
- 27.1 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 [  ]
- 27.2 If yes, state the amount thereof at December 31 of the current year ..... \$.....

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

28.01 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
The Bank of New York Mellon.....	One Wall Street, New York, NY 10286.....
M&T Trust.....	25 South Charles Street, Baltimore, MD 21201.....

28.02 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)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? ..... Yes [  ] No [  ]
- 28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
801-48433.....	BlackRock Financial Management, Inc.....	40 East 52nd Street, New York, NY 10022.....
104-518.....	Deutsche Investment Management Americas, Inc.....	345 Park Avenue, New York, NY 10154.....
105-900.....	General Re-New England Asset Management, Inc.....	76 Batterson Park Road, Farmington, CT 06032.....
106-595.....	Wellington Management Company, LLP.....	75 State Street, Boston, MA 02109.....

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**GENERAL INTERROGATORIES**

- 29.1 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
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001. 55376T-42-9.....	MTB MONEY MARKET FUND.....	4,004,283
29.2999 TOTAL		4,004,283

- 29.3 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
MTB MONEY MARKET FUND.....	FFCB.....	210,025	12/31/2011.....
MTB MONEY MARKET FUND.....	FFCBDN.....	209,945	12/31/2011.....
MTB MONEY MARKET FUND.....	FFCB.....	140,030	12/31/2011.....
MTB MONEY MARKET FUND.....	FFCB.....	139,990	12/31/2011.....
MTB MONEY MARKET FUND.....	HSBC.....	139,990	12/31/2011.....

30. 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
30.1 Bonds.....	2,664,830,503	2,779,256,623	114,426,120
30.2 Preferred Stocks.....			
30.3 Totals	2,664,830,503	2,779,256,623	114,426,120

- 30.4 Describe the sources or methods utilized in determining the fair values:

Fair values were determined by using quoted market values by independent pricing services.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes  No
- 31.2 If the answer to 31.1 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
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes  No
- 32.2 If no, list exceptions:

## GENERAL INTERROGATORIES

### OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$ .....5,210,775

33.2 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
Moody's Investors Services.....	1,634,502
Standard & Poors Inc.....	2,796,800

34.1 Amount of payments for legal expenses, if any?.....\$ .....33,551,836

34.2 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
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$ .....798,266

35.2 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
Patton Boggs.....	548,636

# GENERAL INTERROGATORIES

(continued)

## PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U.S. business only. .... \$ .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ .....
- 1.6 Individual policies:

- Most current three years:
- 1.61 Total premium earned ..... \$ .....
- 1.62 Total incurred claims ..... \$ .....
- 1.63 Number of covered lives .....
- All years prior to most current three years:
- 1.64 Total premium earned ..... \$ .....
- 1.65 Total incurred claims ..... \$ .....
- 1.66 Number of covered lives .....

- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned ..... \$ .....
- 1.72 Total incurred claims ..... \$ .....
- 1.73 Number of covered lives .....
- All years prior to most current three years:
- 1.74 Total premium earned ..... \$ .....
- 1.75 Total incurred claims ..... \$ .....
- 1.76 Number of covered lives .....

2. Health Test:

			1		2
			Current Year		Prior Year
2.1	Premium Numerator	\$	.....	\$	.....
2.2	Premium Denominator	\$	.....	\$	.....
2.3	Premium Ratio (2.1/2.2)		.....		.....
2.4	Reserve Numerator	\$	.....	\$	.....
2.5	Reserve Denominator	\$	.....	\$	.....
2.6	Reserve Ratio (2.4/2.5)		.....		.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies..... \$ .....
- 3.22 Non-participating policies..... \$ .....

4. For Mutual reporting entities and Reciprocal Exchanges only:

- 4.1 Does the reporting entity issue assessable policies?..... Yes [ ] No [ ]
- 4.2 Does the reporting entity issue non-assessable policies?..... Yes [ ] No [ ]
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %
- 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums..... \$ .....

5. For Reciprocal Exchanges Only:

- 5.1 Does the exchange appoint local agents?..... Yes [ ] No [ ]
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation..... Yes [ ] No [ ] NA [ ]
- 5.22 As a direct expense of the exchange..... Yes [ ] No [ ] NA [ ]
- 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:.....  
 Not applicable.....
- 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 evaluates its probable maximum loss as part of the underwriting process and uses various financial and exposure models as part of the process of evaluating its exposures. See Footnotes 1C and 21G for further information on the Company's loss evaluation process.....
- 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/reinsurer. It does not write property insurance or reinsurance.....
- 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.  
 As a financial guaranty insurer/reinsurer, the Company is required by state insurance law to establish contingency reserves. These reserves are established in addition to specific case reserves. The Company also has access to standby credit facilities that augment its claims paying resources.....
- 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 the 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 31 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 [X] No [ ] N/A [ ]

**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 [ ] NA [ X ]  
 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From..... %  
 12.42 To..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ ] No [ X ]  
 12.6 If yes, state the amount thereof at December 31 of the current year:  
 12.61 Letters of Credit..... \$ .....  
 12.62 Collateral and other funds..... \$ .....
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ ..... 108,000,000  
 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 [ X ] No [ ]  
 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. ....1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [ ] No [ X ]  
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants: .....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [ ] No [ ]  
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [ ] No [ ]  
 14.5 If 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 it excludes from Schedule F – Part 5. Yes [ ] No [ X ]

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

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

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

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

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

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

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

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

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**FIVE-YEAR HISTORICAL DATA**

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

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
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)	132,201,366	200,890,497	723,426,857	600,130,760	239,687,110
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	13,538	8,032	8,515	46,467	67,200
6. Total (Line 35)	132,214,904	200,898,529	723,435,372	600,177,227	239,754,310
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
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)	92,710,410	146,373,525	510,904,074	429,412,410	170,564,143
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	92,710,410	146,373,525	510,904,074	429,412,410	170,564,143
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	143,621,840	(239,910,794)	(358,385,532)	(33,730,285)	36,861,780
14. Net investment gain (loss) (Line 11)	78,883,881	83,321,227	73,543,181	63,340,366	57,831,245
15. Total other income (Line 15)	10,916,980	(773,472)	1,054,993	473,224	484,311
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	3,485,016	24,723,889	(40,644,042)	2,366,969	23,597,914
18. Net income (Line 20)	229,937,685	(182,086,928)	(243,143,316)	27,716,336	71,579,422
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	3,010,407,924	2,999,582,652	3,049,898,249	1,803,146,295	1,361,538,502
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	35,611,869	57,609,874	45,820,235	51,006,077	44,195,479
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)	1,988,908,728	2,145,462,694	1,826,178,241	1,425,012,944	961,967,238
22. Losses (Page 3, Line 1)	336,062,030	442,538,782	277,037,998	67,660,080	14,348,915
23. Loss adjustment expenses (Page 3, Line 3)	8,695,476	6,334,053	3,139,531	682,650	(1,855,195)
24. Unearned premiums (Page 3, Line 9)	826,446,509	876,684,636	886,832,247	570,277,060	302,307,796
25. Capital paid up (Page 3, Lines 30 & 31)	15,000,480	15,000,480	15,000,480	15,000,480	15,000,480
26. Surplus as regards policyholders (Page 3, Line 37)	1,021,499,197	854,119,958	1,223,720,008	378,133,351	399,571,264
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	124,136,736	8,511,046	312,461,058	340,094,266	96,533,324
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital					
29. Authorized control level risk-based capital					
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	88.8	85.3	67.2	89.1	92.4
31. Stocks (Lines 2.1 & 2.2)	4.4	4.5	5.1	4.1	5.7
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)	5.8	8.6	26.6	5.3	0.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)	0.9	1.6	1.1	1.5	1.5
38. Receivables for securities (Line 9)	0.1		0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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)	122,347,875	121,941,398	101,414,337	60,763,279	27,860,659
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	122,347,875	121,941,398	101,414,337	60,763,279	27,860,659
49. 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)	12.0	14.3	8.3	16.1	7.0

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24) .....	405,477	1,346,645	30,496,054	(6,896,251)	3,805,631
51. Dividends to stockholders (Line 35) .....	(30,000,960)	(50,001,600)	(16,813,038)	(16,521,362)	(12,125,388)
52. Change in surplus as regards policyholders for the year (Line 38) .....	167,379,238	(369,600,050)	845,586,657	(21,437,913)	113,617,501
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
53. 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) .....					
54. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	(11,120,830)	153,254,275	271,229,565	138,499,399	(11,124,253)
57. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	18,728	(2,331)	9,090	(2,624)	27,279
58. Total (Line 35) .....	(11,102,102)	153,251,944	271,238,655	138,496,775	(11,096,974)
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
59. 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) .....					
60. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	7,780,588	110,950,286	200,626,802	88,360,218	(11,267,760)
63. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
64. Total (Line 35) .....	7,780,588	110,950,286	200,626,802	88,360,218	(11,267,760)
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
65. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2) .....	(69.0)	176.6	238.6	87.8	(10.3)
67. Loss expenses incurred (Line 3) .....	8.9	5.2	5.3	2.6	(3.2)
68. Other underwriting expenses incurred (Line 4) .....	47.5	71.4	40.5	30.6	79.1
69. Net underwriting gain (loss) (Line 8) .....	100.5	(153.3)	(184.4)	(20.9)	34.4
<b>Other Percentages</b>					
70. 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) .....	80.2	76.9	15.2	11.4	49.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	(60.1)	181.8	243.9	90.3	(13.5)
72. 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) .....	9.1	17.1	41.8	113.6	42.7
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11) .....	(218,508)	219,814	59,930	73,503	9,172
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	(25.6)	18.0	15.8	18.4	3.2
<b>Two Year Loss Development (000 omitted)</b>					
75. 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) .....	(9,623)	98,413	28,895	9,588	18,054
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	(0.8)	26.0	7.2	3.4	6.1

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 2011 OF THE Assured Guaranty Corp.**

**NAIC Group Code 0626**      **BUSINESS IN THE STATE OF Consolidated**      **DURING THE YEAR 2011**      **NAIC Company Code 30180**  
**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

Line	Line of Business	1		2	3	4	5	6	7	8	9	10	11	12
		Gross Premiums and Membership Fees Less Return Premiums and Premiums on Policies not Taken	Direct Premiums Written											
1.	Fire													
2.1	Allied lines													
2.2	Multiple peril crop													
2.3	Federal flood													
3.	Farmowners multiple peril													
4.	Homeowners multiple peril													
5.1	Commercial multiple peril (non-liability portion)													
5.2	Commercial multiple peril (liability portion)													
6.	Mortgage guaranty													
8.	Ocean marine													
9.	Inland marine													
10.	Financial guaranty	124,243,050	124,243,050	177,176,085		987,018,256	(21,466,529)	(109,462,971)	376,812,594	12,927,215	16,264,682	10,194,161	5,500	3,229,500
11.	Medical professional liability													
12.	Earthquake													
13.	Group accident and health (b)													
14.	Credit A & H (group and individual)													
15.1	Collectively renewable A & H (b)													
15.2	Non-cancelable A & H (b)													
15.3	Guaranteed renewable A & H (b)													
15.4	Non-renewable for stated reasons only (b)													
15.5	Other accident only													
15.6	Medicare Title XVIII exempt from state taxes or fees													
15.7	All other A & H (b)													
15.8	Federal employees health benefits program premium (b)													
16.	Workers' compensation													
17.1	Other liability - Occurrence													
17.2	Other Liability - Claims-Made													
17.3	Excess workers' compensation													
18.	Products liability													
19.1	Private passenger auto no-fault (personal injury protection)													
19.2	Other private passenger auto liability													
19.3	Commercial auto no-fault (personal injury protection)													
19.4	Other commercial auto liability													
21.1	Private passenger auto physical damage													
21.2	Commercial auto physical damage													
22.	Aircraft (all perils)													
23.	Fidelity													
24.	Surety													
26.	Burglary and theft													
27.	Boiler and machinery													
28.	Credit													
30.	Warranty													
34.	Aggregate write-ins for other lines of business													
35.	TOTALS (a)	124,243,050	124,243,050	177,176,085		987,018,256	(21,466,529)	(109,462,971)	376,812,594	12,927,215	16,264,682	10,194,161	5,500	3,229,500
<b>DETAILS OF WRITE-INS</b>														
3401.														
3402.														
3403.														
3498.	Summary of remaining write-ins for Line 34 from overflow page													
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)													

(a) Finance and service charges not included in Lines 1 to 35 \$ ..... and number of persons insured under PPO managed care products .....  
(b) For health business on indicated lines report: Number of persons insured under indemnity only products .....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE ASSURED GUARANTY CORP.

**SCHEDULE F - PART 1**

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Federal ID Number	NAIC Company Code	Name of Reinsured	Domiciliary Jurisdiction	Assumed Premium	Paid Losses and Loss Adjustment Expenses	Known Case Losses and LAE	Cols. 6 + 7	Contingent Commissions Payable	Assumed Premiums Receivable	Unearned Premium	Funds Held By or Deposited With Reinsured Companies	Letters of Credit Posted	Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	Amount of Assets Pledged or Collateral Held in Trust
AA-3190538	00000	Assured Guaranty Re Overseas	BM	4,195	354	71,814	72,168		2,158	30,638				
AA-1120078	00000	Assured Guaranty (UK) Ltd	GB	4,195	354	71,814	72,168		2,158	30,638				
0499999	Total - Affiliates			4,195	354	71,814	72,168		2,158	30,638				
39-1135174	18708	FMBAC Assurance Corp	WI	690		5,332	5,332	1,435	83	14,547				
75-1331666	25771	CIFG Assurance NA Inc	NY	438		22,027	22,027	2,966	192	37,643				
13-2710717	12815	Financial Guaranty Insurance Company	NY	1		2,681	2,681	57	363	61,795				
43-0899449	12041	MBIA Insurance Corp	NY	2,559	1,083	2,516	2,516			501				
13-3635896	20311	Security Capital Assured Ltd	NY	27		1	1	400	638	118,382				
0599999	Total - Other U.S. Unaffiliated Insurers			3,714	1,083	32,557	33,640	4,858						
0699998	Total - Pools and Associations - Reins Col 8 < 100,000													
0799998	Total - Pools and Associations - Reins Col 8 < 100,000													
AA-1340096	00000	Gerling Konzern Spezialre Kreditversicher	DE	(18)	259	98	358	(5)			526			
	00000	Unistrat Assurances	FR	18		483	483		22		(47)			
0999998	Total - Other Non-U.S. Insurers - Reins Col 8 < 100,000			62	259	665	925	(5)	22	12	484			
0999999	Total - Other Non-U.S. Insurers			62	259	665	925	(5)	22	12	484			
9999999	Totals			7,972	1,696	105,036	106,733	4,853	2,817	149,031	484			

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year

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

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE ASSURED GUARANTY CORP.**

**SCHEDULE F - PART 3**

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 thru 14 Totals	16 Reinsurance Payable		18 Net Amount Recoverable From Reinsurers [16 + 17]	19 Funds Held Under Reinsurance Treaties
															16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers		
13-3250292	18287	Assured Guaranty Municipal Corp	NY									1,524		1,524	1,524	1,524		
0299999	-	Authorized - Affiliates - U.S. Non-Pool										1,524			1,524	1,524		
0499999	-	Total - Authorized - Affiliates										1,524			1,524	1,524		
95-2371728	22867	Ace American Insurance Company	PA		62	275		666		142		12		1,094	28	1,066		483
39-1135174	18708	AMBAC Assurance Group	WI									1,233		1,233	(0)	1,233		
23-2018130	33790	Radian Guaranty Inc.	PA									3,019		3,019		3,019		
0599998	-	Other U.S. Unaffiliated Insurers (Under \$100,000)			185													
0599999	-	Authorized - Other U.S. Unaffiliated Insurers			248	275		666		142		4,284			50	(22)		
0999998	-	Authorized - Other Non-U.S. Insurers (Under \$100,000)			248	275		666		142					50			483
0999999	-	Total - Authorized			248	275		666		142		5,788			50		6,821	
AA-3190538	00000	Assured Guaranty Re Overseas Ltd.	BM		2,242			6,006				670		6,676	(193)	6,868		5,055
AA-3190809	00000	Assured Guaranty Re Ltd.	BM		32,936	11,360		133,726	3,447			297,922		446,456	7,512	438,943		3,660
1299999	-	Unaffiliated - Other (Non-U.S.)			35,178	11,360		139,732	3,447			298,592		453,131	7,319	445,812		8,715
1399999	-	Total - Unaffiliated - Affiliates			35,178	11,360		139,732	3,447			298,592		453,131	7,319	445,812		8,715
1499998	-	Authorized - Other U.S. Unaffiliated Insurers (Under \$100,000)			4,078	(295)		3,390	51			5,223		8,369	604	7,765		
1799998	-	Authorized - Other Non-U.S. Insurers (Under \$100,000)			4,078	(295)		3,390	51			5,223		8,369	1,200	(1,200)		
1899999	-	Total - Authorized			39,257	11,066		143,122	3,498			303,815		461,500	9,123	452,377		8,715
1999999	-	Total - Authorized and Unauthorized			39,504	11,341		143,788	3,498	142		309,603		468,371	9,173	459,198		9,197
2099999	-	Total - Protected Cells																
9999999	Totals				39,504	11,341		143,788	3,498	142		309,603		468,371	9,173	459,198		9,197

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

1 Name of Reinsurer	2 Commission Rate		3 Ceded Premium		4 Affiliated	
	Total Recoverables	Ceded Premium	Total Recoverables	Ceded Premium	Yes	No
American Overseas Reinsurance Co. Ltd.	446,456	34,140	32,936	4,078	[ X ]	[ ]
Assured Guaranty Re Ltd.	8,369	29,620	4,078	32,936	[ ]	[ X ]
Ace American Insurance Company	6,676	22,040	2,242	62	[ X ]	[ ]
MBIA Assurance Group	3,019	5,000	185	185	[ ]	[ X ]
Assured Guaranty Re Overseas	1,524	2,242		2,242	[ X ]	[ ]

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

1 Name of Reinsurer	2 Total Recoverables		3 Ceded Premiums		4 Affiliated	
	Total Recoverables	Ceded Premiums	Total Recoverables	Ceded Premiums	Yes	No
Assured Guaranty Re Ltd.	446,456	34,140	32,936	4,078	[ X ]	[ ]
American Overseas Reinsurance Co. Ltd.	8,369	29,620	4,078	32,936	[ ]	[ X ]
Assured Guaranty Re Overseas	6,676	22,040	2,242	62	[ X ]	[ ]
Radian Guaranty Inc.	3,019	5,000	185	185	[ ]	[ X ]
Assured Guaranty Municipal Corp	1,524	2,242		2,242	[ X ]	[ ]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE ASSURED GUARANTY CORP.

**SCHEDULE F - PART 4**

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Aging of Ceded Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						11 Total Due Cols. 5 + 10	12 Percentage Overdue Col. 10/Col. 11	13 Percentage more Than 120 Days Overdue Col. 9/ Col. 11
				6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9				
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling												
0299999 - Authorized - Affiliates - U.S. Non-Pool												
0399999 - Authorized - Affiliates - Other (Non-U.S.)												
0499999 - Total - Authorized - Affiliates												
95-2371728.....22667...Ace American Insurance Company.....			PA	275					275			
0599999 - Authorized - Other U.S. Unaffiliated Insurers				275					275			
0699999 - Authorized - Pools - Mandatory Pools												
0799999 - Authorized - Pools - Voluntary Pools												
0899999 - Authorized - Other Non-U.S. Insurers												
0999999 - Total - Authorized				275					275			
1099999 - Unauthorized - Affiliates - U.S. Intercompany Pooling												
1199999 - Unauthorized - Affiliates - U.S. Non-Pool												
1299999 - Unauthorized - Affiliates - Other (Non-U.S.)			BM	11,360					11,360			
AA-3190809.....00000...Assured Guaranty Re Ltd.....				11,360					11,360			
1399999 - Total - Unauthorized - Affiliates				11,360					11,360			
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers												
1599999 - Unauthorized - Pools - Mandatory Pools												
1699999 - Unauthorized - Pools - Voluntary Pools												
1799999 - Unauthorized - Other Non-U.S. Insurers			BM	(295)					(295)			
AA-3670026.....00000...American Overseas Reinsurance Co. Ltd.....				(295)					(295)			
1899999 - Total - Unauthorized				11,065					11,065			
1999999 - Total - Authorized and Unauthorized				11,341					11,341			
2099999 - Total - Protected Cells												
9999999 Totals				11,341					11,341			

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE ASSURED GUARANTY CORP.

**SCHEDULE F - PART 5**

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 OMITTED)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable All Items Schedule F Part 3 Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	American Bankers Association (ABA) Routing Number	Letter of Credit Code	Bank Name	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Cols. 6+7+11+12+13 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 14	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Col. 16	Smaller of Col. 14 or Col. 17	Smaller of Col. 14 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 15+18+19
AA-3190538	00000	Assured Guaranty Re Overseas Ltd.	BM	6,076	5,055					(193)		25,931,952	6,076						
AA-3190609	00000	Assured Guaranty Re Ltd.	BM	446,456	3,660					7,512		539,160,464	446,456						
0999999 - Affiliates - Other (Non-U.S.)				453,131	8,715					7,319		665,092,416	453,131						
0999999 - Total - Affiliates				453,131	8,715					7,319		665,092,416	453,131						
00-0000000	00000	GE Frankona Rick Vers AG	DE							1,200									
AA-3610026	00000	American Overseas Reinsurance Co., Ltd.	BM	8,369						604		20,111,740	8,369						
0899999 - Other Non-U.S. Insurers				8,369						1,804		20,111,740	8,369						
0899999 - Total - Affiliates and Others				461,500	8,715					9,123		665,204,156	461,500						
1099999 - Total - Protected Cells																			
9999999 Totals				461,500	8,715		XXX	XXX	XXX	9,123		665,204,156	461,500						

1. Amounts in dispute totaling \$ ..... are included in Column 5.  
 2. Amounts in dispute totaling \$ ..... are excluded from Column 16.

(a)	Code	American Bankers Association (ABA) Routing Number	Bank Name

Schedule F - Part 6

**NONE**

Schedule F - Part 7

**NONE**

## SCHEDULE F - PART 8

## Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 3)			
1. Cash and invested assets (Line 12) .....	2,841,013,142		2,841,013,142
2. Premiums and considerations (Line 15) .....	35,611,869		35,611,869
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) .....	11,340,630	(11,340,630)	
4. Funds held by or deposited with reinsured companies (Line 16.2) .....	484,077		484,077
5. Other assets .....	121,958,206	728,478,722	850,436,928
6. Net amount recoverable from reinsurers .....			
7. Protected cell assets (Line 27) .....			
8. Totals (Line 28) .....	3,010,407,924	717,138,092	3,727,546,016
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	346,453,795	174,427,308	520,881,103
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	67,609,841		67,609,841
11. Unearned premiums (Line 9) .....	826,446,509	309,602,595	1,136,049,104
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) .....	9,172,965	(9,172,965)	
15. Funds held by company under reinsurance treaties (Line 13) .....	9,197,274	(9,197,274)	
16. Amounts withheld or retained by company for account of others (Line 14) .....	(425,122)		(425,122)
17. Provision for reinsurance (Line 16) .....			
18. Other liabilities .....	730,453,466	251,478,428	981,931,894
19. Total liabilities excluding protected cell business (Line 26) .....	1,988,908,728	717,138,092	2,706,046,820
20. Protected cell liabilities (Line 27) .....			
21. Surplus as regards policyholders (Line 37) .....	1,021,499,197	X X X	1,021,499,197
22. Totals (Line 38) .....	3,010,407,925	717,138,092	3,727,546,017

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 [ ]

If yes, give full explanation:

Schedule H - Part 1

**NONE**

Schedule H - Part 2

**NONE**

Schedule H - Part 3

**NONE**

Schedule H - Part 4

**NONE**

Schedule H - Part 5

**NONE**

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 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	1,094	(181)	3	0			224	1,278	XXX
2. 2002	123,114	18,179	104,935	53,191	18,358	2,389	30			10,062	37,193	XXX
3. 2003	169,269	10,244	159,026	16,301	10,796	2,169	27			2,767	7,648	XXX
4. 2004	185,593	64,961	120,633	7,468	834	1,228				4,809	7,863	XXX
5. 2005	108,419	19,480	88,939	920		162				8,012	1,082	XXX
6. 2006	135,361	26,285	109,076	221		1				635	222	XXX
7. 2007	146,797	39,658	107,140	179,621	67,502	10,583	5,025			193,194	117,678	XXX
8. 2008	218,239	56,796	161,443	195,576	32,648	10,557	1,892			76,584	171,593	XXX
9. 2009	291,620	97,271	194,349	167,542	42,270	11,402	2,414			8,290	134,260	XXX
10. 2010	214,915	58,394	156,521	6,064	1,259	2,291	826			107	6,270	XXX
11. 2011	208,947	65,998	142,949	2,278	345	293	44				2,182	XXX
12. Totals	XXX	XXX	XXX	630,275	173,831	41,081	10,258			304,683	487,267	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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	5,720	5									19	5,715	XXX
2. ....	427	427											XXX
3. ....	167	235	142	142							226	(68)	XXX
4. ....	2,122											2,122	XXX
5. ....	152										1,089	152	XXX
6. ....	(171)										171	(171)	XXX
7. ....	82,603	42,638			1,350	1,035					32,393	40,280	XXX
8. ....	136,064	148,522			5,046	1,125					84,643	(8,537)	XXX
9. ....	558,185	107,111			4,461	1,002					355,169	454,534	XXX
10. ....	9,635	454			95	18					27,193	9,258	XXX
11. ....	3,157	848			1,241	318					8,442	3,233	XXX
12. Totals	798,063	300,238	142	142	12,193	3,498					509,344	506,520	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	4		XXX	5,712	
2. ....	56,007	18,815	37,193	45.5	103.5	35.4					
3. ....	18,779	11,199	7,580	11.1	109.3	4.8	1			(69)	
4. ....	10,819	834	9,985	5.8	1.3	8.3	139			1,984	
5. ....	1,234		1,234	1.1		1.4	(87)			239	
6. ....	51		51	0.0		0.0				(171)	
7. ....	274,157	116,200	157,958	186.8	293.0	147.4	1,896			38,068	315
8. ....	347,243	184,187	163,056	159.1	324.3	101.0	6,170			(18,628)	3,921
9. ....	741,591	152,797	588,794	254.3	157.1	303.0	149,011			302,064	3,459
10. ....	18,086	2,558	15,528	8.4	4.4	9.9	3,793			5,388	77
11. ....	6,970	1,554	5,415	3.3	2.4	3.8	836			1,474	923
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	161,762		XXX	336,062	8,695

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 2011 OF THE Assured Guaranty Corp.**

**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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	37,617	45,876	40,617	35,437	42,983	35,025	34,903	34,031	33,888	34,057	168	26
2. 2002	35,620	48,816	45,672	44,729	44,786	37,858	37,862	37,260	37,162	37,193	30	(67)
3. 2003	XXX	22,930	17,974	11,888	10,578	8,700	8,895	7,932	7,622	7,580	(42)	(352)
4. 2004	XXX	XXX	1,784	8,565	8,048	9,526	10,327	9,150	9,970	9,985	16	835
5. 2005	XXX	XXX	XXX	10,456	13,649	38,022	37,558	828	991	1,234	243	406
6. 2006	XXX	XXX	XXX	XXX	300	386	386	172	201	51	(150)	(121)
7. 2007	XXX	XXX	XXX	XXX	XXX	811	73,899	69,850	114,154	157,958	43,803	88,108
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	84,362	188,901	182,617	163,056	(19,561)	(25,844)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	661,407	842,739	588,794	(253,945)	(72,614)
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,600	15,528	10,929	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,415	XXX	XXX
<b>12. Totals</b>											<b>(218,508)</b>	<b>(9,623)</b>

**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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	2,440	10,183	22,256	22,979	23,690	24,712	25,802	27,064	28,341	XXX	XXX
2. 2002	16,100	37,132	39,209	46,276	45,472	42,528	37,862	37,470	37,239	37,193	XXX	XXX
3. 2003	XXX	3,234	5,298	10,024	9,906	9,374	8,679	8,516	8,236	7,648	XXX	XXX
4. 2004	XXX	XXX	1,185	4,330	9,053	4,952	6,100	6,935	7,634	7,863	XXX	XXX
5. 2005	XXX	XXX	XXX	44	6,129	278	558	725	793	1,082	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	0	764	386	333	291	222	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	194	71,497	187,008	232,628	117,678	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	21,971	105,564	149,306	171,593	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,928	32,248	134,260	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	755	6,270	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,182	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		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	826	2,503										
2. 2002	5,305	3,628										
3. 2003	XXX	7,143										
4. 2004	XXX	XXX										
5. 2005	XXX	XXX	XXX									
6. 2006	XXX	XXX	XXX	XXX								
7. 2007	XXX	XXX	XXX	XXX	XXX							
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

Schedule P - Part 1A - Home/Farm

**NONE**

Schedule P - Part 1B - Private Passenger

**NONE**

Schedule P - Part 1C - Comm Auto/Truck

**NONE**

Schedule P - Part 1D - Workers' Comp

**NONE**

Schedule P - Part 1E - Comm Multi Peril

**NONE**

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

**NONE**

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

**NONE**

Schedule P - Part 1G - Special Liability

**NONE**

Schedule P - Part 1H - Other Liab Occur

**NONE**

Schedule P - Part 1H - Other Liab Claims

**NONE**

Schedule P - Part 1I - Special Property

**NONE**

Schedule P - Part 1J - Auto Physical

**NONE**

**SCHEDULE P - PART 1K - FIDELITY/SURETY**

(\$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	2	2					8	XXX	
2. 2010	8	8									XXX	
3. 2011	6	6									XXX	
4. Totals	XXX	XXX	XXX	2	2					8	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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	4	4	10	10									
2.													
3.													
4.	4	4	10	10									

	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			XXX		
2.											
3.											
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

(\$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	.96	.96	.0	.0			.376		XXX
2. 2010	.33	.33										XXX
3. 2011	.65	.65										XXX
4. Totals	XXX	XXX	XXX	.96	.96	.0	.0			.376		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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	.512	.512	.109	.109									
2.													
3.													
4.	.512	.512	.109	.109									

	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			XXX		
2.											
3.											
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

Schedule P - Part 1M - International

**NONE**

Schedule P - Part 1N - Reinsurance A

**NONE**

Schedule P - Part 1O - Reinsurance B

**NONE**

**SCHEDULE P - PART 1P - REINSURANCE - NONPROPORTIONAL ASSUMED FINANCIAL LINES**

(\$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	(29)	(29)	.0	.0			29		XXX
2. 2002	4,769		4,769	2,319	1,440	18	18			101	879	XXX
3. 2003	7,871		7,871	540	540	23	23			29		XXX
4. 2004	7,916	11,769	(3,853)	271	271							XXX
5. 2005	737	737										XXX
6. 2006	677	677										XXX
7. 2007	170	170										XXX
8. 2008	65	65										XXX
9. 2009	23	23										XXX
10. 2010	18	18										XXX
11. 2011	14	14										XXX
12. Totals	XXX	XXX	XXX	3,102	2,223	41	41			159	879	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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	.0	.0											XXX
2.	97	97											XXX
3.	53	53	23	23									XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.													XXX
9.													XXX
10.													XXX
11.													XXX
12.	150	150	23	23									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			XXX		
2.	2,434	1,555	879	51.0		18.4					
3.	639	639		8.1							
4.	271	271		3.4	2.3						
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

Schedule P - Part 1R - Prod Liab Occur

**NONE**

Schedule P - Part 1R - Prod Liab Claims

**NONE**

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 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	(19,364)	(20,569)	12,941	3,708			160,441	10,438	XXX
2. 2010	214,856	58,335	156,521	6,064	1,259	2,291	826			107	6,270	XXX
3. 2011	208,862	65,914	142,949	2,278	345	293	44				2,182	XXX
4. Totals	XXX	XXX	XXX	(11,023)	(18,965)	15,526	4,579			160,548	18,890	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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	784,604	298,271			10,857	3,162					473,709	494,028	
2.	9,635	454			95	18					27,193	9,258	
3.	3,157	848			1,241	318					8,442	3,233	
4.	797,397	299,572			12,193	3,498					509,344	506,520	

	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	157,134		XXX	329,199	7,695
2.	18,086	2,558	15,528	8.4	4.4	9.9	3,793			5,388	77
3.	6,970	1,554	5,415	3.3	2.4	3.8	836			1,474	923
4.	XXX	XXX	XXX	XXX	XXX	XXX	161,762		XXX	336,062	8,695

Schedule P - Part 1T - Warranty

**NONE**

Schedule P - Part 2A

**NONE**

Schedule P - Part 2B

**NONE**

Schedule P - Part 2C

**NONE**

Schedule P - Part 2D

**NONE**

Schedule P - Part 2E

**NONE**

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

**NONE**

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

**NONE**

Schedule P - Part 2G

**NONE**

Schedule P - Part 2H - Other Liab Occur

**NONE**

Schedule P - Part 2H - Other Liab Claim

**NONE**

**SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
4. Totals												

**SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
4. Totals												

**SCHEDULE P - PART 2K - FIDELITY, SURETY**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
4. Totals												

**SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
4. Totals												

**SCHEDULE P - PART 2M - INTERNATIONAL**

1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

**SCHEDULE P - PART 2N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

**SCHEDULE P - PART 2O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

**SCHEDULE P - PART 2P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior	.826	.1,764	.9	.9	.9	.9	.9	.9	.9	.9		
2. 2002	.2,197	.1,379	.879	.879	.879	.879	.879	.879	.879	.879	.0	
3. 2003	.XXX	.1,958										
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals											.0	

**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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior												
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.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. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2011	.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	629,250	849,064	619,627	(229,437)	(9,623)
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	4,600	15,528	10,929	.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	5,415	.XXX	.XXX
4. Totals											(218,508)	(9,623)

**SCHEDULE P - PART 2T - WARRANTY**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
3. 2011	.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 - Prof. Liab. Occur

**NONE**

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

**NONE**

Schedule P - Part 3G

**NONE**

Schedule P - Part 3H - Other Liab Occur

**NONE**

Schedule P - Part 3H - Other Liab Claims

**NONE**

**SCHEDULE P - PART 3I - SPECIAL PROPERTY  
(FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000			XXX	XXX
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			XXX	XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		XXX	XXX

**SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000				
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

**SCHEDULE P - PART 3K - FIDELITY/SURETY**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000			XXX	XXX
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			XXX	XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000			XXX	XXX
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			XXX	XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		XXX	XXX

**SCHEDULE P - PART 3M - INTERNATIONAL**

1. Prior	.000										XXX	XXX
2. 2002											XXX	XXX
3. 2003	.XXX										XXX	XXX
4. 2004	.XXX	.XXX									XXX	XXX
5. 2005	.XXX	.XXX	.XXX								XXX	XXX
6. 2006	.XXX	.XXX	.XXX	.XXX							XXX	XXX
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX						XXX	XXX
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					XXX	XXX
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				XXX	XXX
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			XXX	XXX
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	.000										XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior	.000										XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior	.000	.9	.9	.9	.9	.9	.9	.9	.9	.9	XXX	XXX
2. 2002		.879	.879	.879	.879	.879	.879	.879	.879	.879	XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**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
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	.000											
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

**NONE**

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

1. Prior	.000											
2. 2002												
3. 2003	.XXX											
4. 2004	.XXX	.XXX										
5. 2005	.XXX	.XXX	.XXX									
6. 2006	.XXX	.XXX	.XXX	.XXX								
7. 2007	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2011	.XXX	.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	115,160	125,598	.XXX	.XXX
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.755	6,270	.XXX	.XXX
3. 2011	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	2,182	.XXX	.XXX

**SCHEDULE P - PART 3T - WARRANTY**

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000			.XXX	.XXX
2. 2010	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			.XXX	.XXX
3. 2011	.XXX	.XXX	.XXX	.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 - Prof. Liab. Occur

**NONE**

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

**NONE**

Schedule P - Part 4G

**NONE**

Schedule P - Part 4H - Other Liab Occur

**NONE**

Schedule P - Part 4H - Other Liab Claims

**NONE**

**SCHEDULE P - PART 4I - SPECIAL PROPERTY  
(FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4N - REINSURANCE**

**Nonproportional Assumed Property**

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4O - REINSURANCE**

**Nonproportional Assumed Liability**

1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4P - REINSURANCE**

**Nonproportional Assumed Financial Lines**

1. Prior	826	1,755								
2. 2002	2,197	501								
3. 2003	XXX	1,958								
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

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

1. Prior										
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	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			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4T - WARRANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2011	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**

Schedule P - Part 7A - Section 1

**NONE**

Schedule P - Part 7A - Section 2

**NONE**

Schedule P - Part 7A - Section 3

**NONE**

Schedule P - Part 7A - Section 4

**NONE**

Schedule P - Part 7A - Section 5

**NONE**

Schedule P - Part 7B - Section 1

**NONE**

Schedule P - Part 7B - Section 2

**NONE**

Schedule P - Part 7B - Section 3

**NONE**

Schedule P - Part 7B - Section 4

**NONE**

Schedule P - Part 7B - Section 5

**NONE**

Schedule P - Part 7B - Section 6

**NONE**

Schedule P - Part 7B - Section 7

**NONE**

## SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? 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 #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 [ ]
- 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	2002.....		
1.603	2003.....		
1.604	2004.....		
1.605	2005.....		
1.606	2006.....		
1.607	2007.....		
1.608	2008.....		
1.609	2009.....		
1.610	2010.....		
1.611	2011.....		
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? Answer: Yes [ X ] No [ ]
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [ X ] No [ ]  
 If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.  
 Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:  
 (in thousands of dollars)
- 5.1 Fidelity .....  
 5.2 Surety .....
6. Claim count information is reported per claim or per claimant (indicate which).....  
 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 2011 OF THE Assured Guaranty Corp.

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, etc.	1 Active Status	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	302,359	1,687,333		(76,686,575)			
2. Alaska	AK	L		74,473					
3. Arizona	AZ	L		411,430					
4. Arkansas	AR	L	994,160	1,077,288	7,886,990	(173,889,584)	(54,872,154)		
5. California	CA	L	446,911	3,098,398		912,940	2,701,066		
6. Colorado	CO	L		402,450					
7. Connecticut	CT	L	1,187,500	359,227					
8. Delaware	DE	L	1,599,183	1,119,547	25,324,043	6,916,488	(20,645,919)		
9. Dist. of Columbia	DC	L		215,769					
10. Florida	FL	L	185,845	3,085,309					
11. Georgia	GA	L		2,914,563					
12. Hawaii	HI	L							
13. Idaho	ID	L		52,953					
14. Illinois	IL	L	3,690,045	4,736,053		239,813	803,248		
15. Indiana	IN	L		259,300					
16. Iowa	IA	L		226,473					
17. Kansas	KS	L		293,663					
18. Kentucky	KY	L		1,181,030					
19. Louisiana	LA	L	147,589	1,133,605					
20. Maine	ME	L	481,506	538,767					
21. Maryland	MD	L	6,281,468	6,588,884	(165,443)	807,545	755,683		
22. Massachusetts	MA	L	474,811	1,080,080		790,683	5,696,574		
23. Michigan	MI	L		2,283,023					
24. Minnesota	MN	L	4,656,936	6,778,540					
25. Mississippi	MS	L	27,495	175,397					
26. Missouri	MO	L		418,912					
27. Montana	MT	L		105,485					
28. Nebraska	NE	L		77,813					
29. Nevada	NV	L		20,063					
30. New Hampshire	NH	L		14,423					
31. New Jersey	NJ	L	477,289	1,485,192					
32. New Mexico	NM	L		29,391					
33. New York	NY	L	100,994,864	114,144,995	(54,512,119)	131,445,720	442,374,096		
34. No. Carolina	NC	L	276,635	1,295,529					
35. No. Dakota	ND	L		96,241					
36. Ohio	OH	L	69,298	818,402					
37. Oklahoma	OK	L		158,539					
38. Oregon	OR	L		83,917					
39. Pennsylvania	PA	L	124,224	2,368,005					
40. Rhode Island	RI	L		285,180					
41. So. Carolina	SC	L		4,969,433					
42. So. Dakota	SD	L		62,853					
43. Tennessee	TN	L		1,030,171					
44. Texas	TX	L	810,807	3,763,051					
45. Utah	UT	L		95,194					
46. Vermont	VT	L	1,014,125	1,030,812					
47. Virginia	VA	L		110,277					
48. Washington	WA	L		538,351					
49. West Virginia	WV	L		18,500					
50. Wisconsin	WI	L		135,519					
51. Wyoming	WY	L		2,040					
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	L		4,244,241					
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 52		124,243,050	177,176,085	(21,466,529)	(109,462,971)	376,812,594		
<b>DETAILS OF WRITE-INS</b>									
5801.		XXX							
5802.		XXX							
5803.		XXX							
5898. Sum. of remaining write-ins for Line 58 from overflow page.		XXX							
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)		XXX							

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

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

All premiums were allocated by location of risk and/or policyholders.

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

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

Allocated By States and Territories

States, Etc.	Direct Business Only					Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
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						
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						
22. Massachusetts MA						
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						
33. New York NY						
34. North Carolina NC						
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
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						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CN						
58. Aggregate Other Alien OT						
59. Totals						

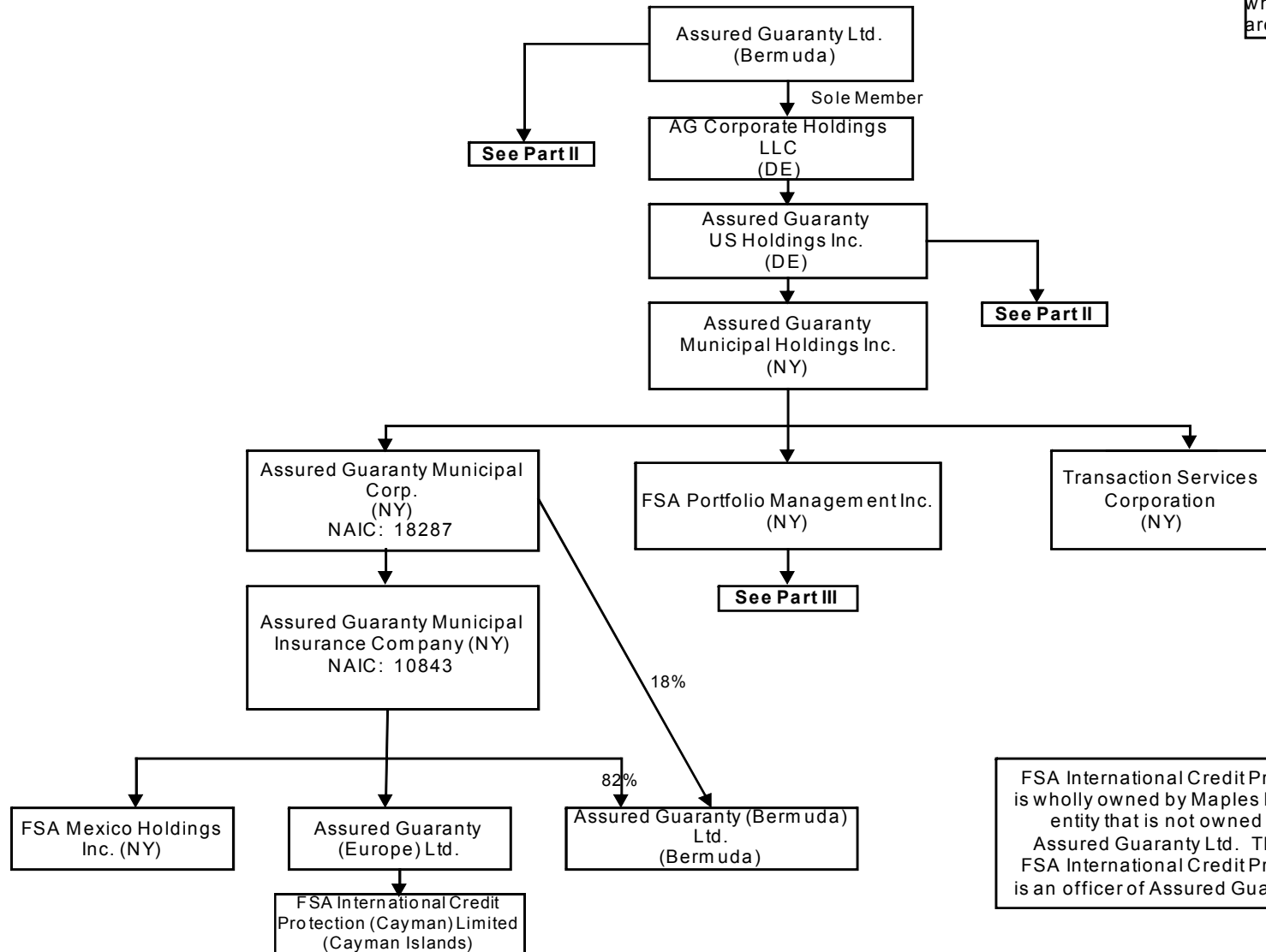
**NONE**

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

**PART 1 - ORGANIZATIONAL CHART**

ORGANIZATIONAL CHART OF  
ASSURED GUARANTY LTD.  
Part I

Notes: Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control, except that percentages in parentheses represent economic interest where voting control and economic interest are different.



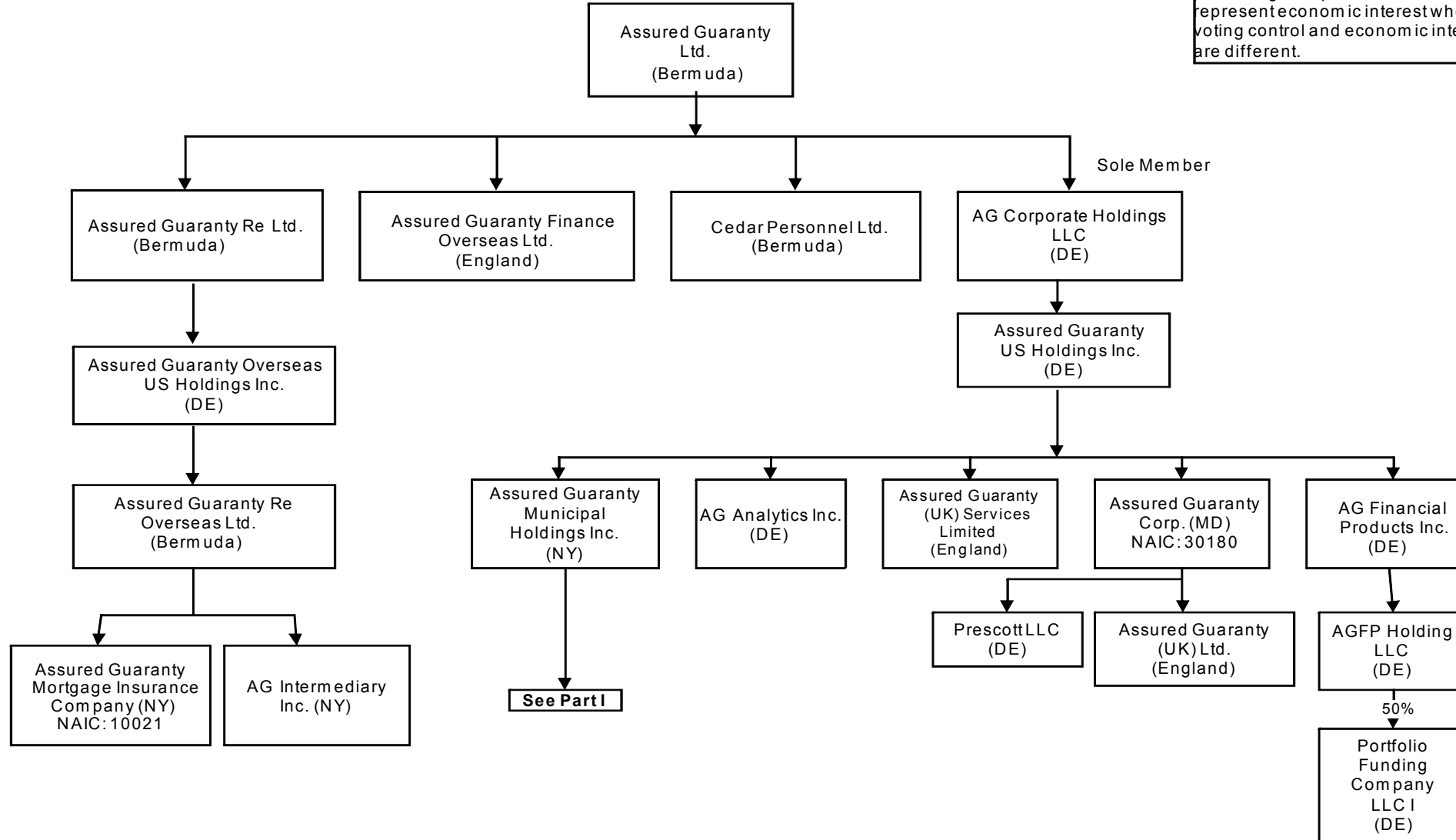
FSA International Credit Protection (Cayman) is wholly owned by Maples Finance Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The sole director of FSA International Credit Protection (Cayman) is an officer of Assured Guaranty (Europe) Ltd.

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

**PART 1 - ORGANIZATIONAL CHART**

ORGANIZATIONAL CHART OF  
ASSURED GUARANTY LTD.  
Part II

Notes: Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control, except that percentages in parentheses represent economic interest where voting control and economic interest are different.



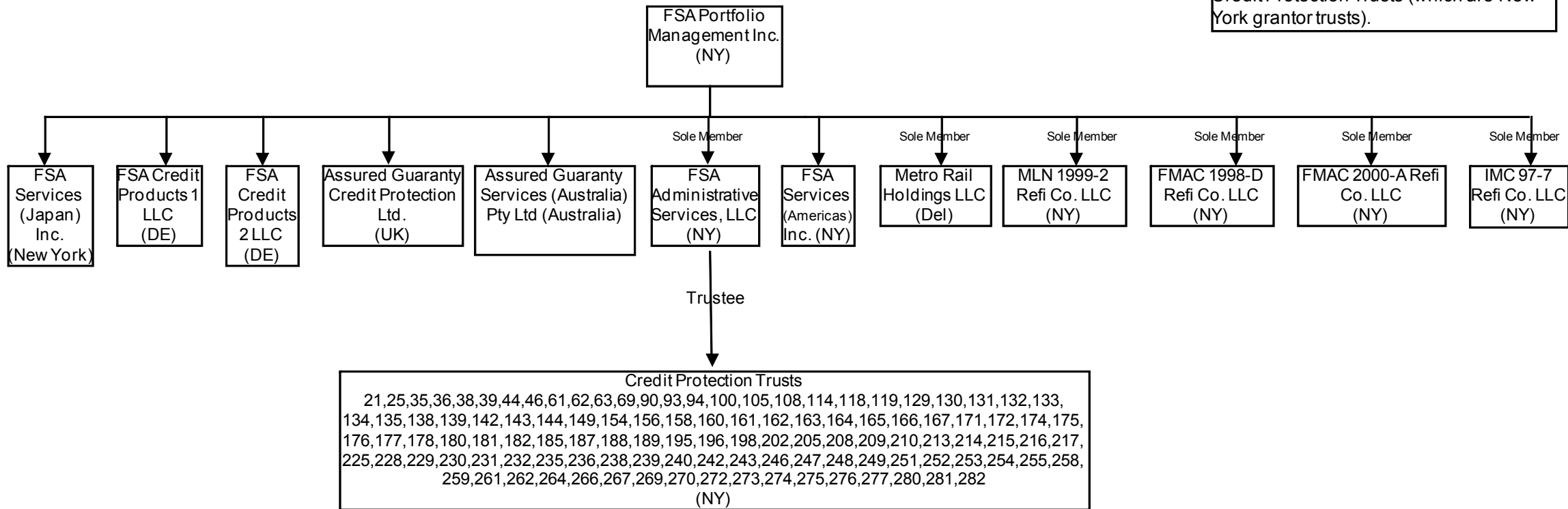
94.1

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

**PART 1 - ORGANIZATIONAL CHART**

ORGANIZATIONAL CHART OF  
ASSURED GUARANTY LTD.  
Part III: FSA Portfolio Management Inc.

Notes: Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control. All companies listed are corporations, except for limited liability companies (designated as LLCs) and the Credit Protection Trusts (which are New York grantor trusts).



94.2

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0194	Assured Guaranty Ltd				0001273813	NYSE	Assured Guaranty Ltd AG Corporate Holdings LLC	.BM	UDP				Assured Guaranty Ltd	
0194	Assured Guaranty Ltd						Assured Guaranty US Holdings Inc	.DE	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		20-1082002		0001289244		Assured Guaranty Municipal Holdings Inc	.DE	DS	AG Corporate Holdings LLC	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd	01945	13-3261323		0000913357		Assured Guaranty Municipal Holdings Inc	.NY	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd	18287	13-3250292				Assured Guaranty Municipal Corp	.NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd						FSA Portfolio Management Inc	.NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd						Transaction Services Corporation	.NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd	10843	13-3954813				Assured Guaranty Municipal Insurance Co	.NY	DS	Assured Guaranty Municipal Corp	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd						FSA Mexico Holdings Inc	.NY	DS	Assured Guaranty Municipal Insurance Co	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		98-0223300				Assured Guaranty (Bermuda) Ltd	.BM	DS	Assured Guaranty Municipal Insurance Co	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		AA-2510099				Assured Guaranty (Europe) Ltd	.GB	DS	Assured Guaranty Municipal Insurance Co	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		AA-3190809				Assured Guaranty Re Ltd	.BM	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd						Assured Guaranty Finance Overseas Ltd	.GB	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		52-2221232				Assured Guaranty Overseas US Holdings Inc	.DE	DS	Assured Guaranty Re Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		AA-3190538				Assured Guaranty Re Overseas Ltd	.BM	DS	Assured Guaranty Re Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd	10021	06-1384770				Assured Guaranty Mortgage Insurance Company	.NY	DS	Assured Guaranty Re Overseas Ltd	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd	30180	52-1533088				Assured Guaranty Corp	.MD	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		13-4031196				AG Financial Products Inc	.DE	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		AA-1120078				Assured Guaranty (UK) Ltd	.GB	DS	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	
0194	Assured Guaranty Ltd		03-0575850				AGFP Holdings LLC	.DE	DS	AG Financial Products Inc	Ownership	100.0	Assured Guaranty Ltd	

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**SCHEDULE Y**  
**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
30180	52-1533088	Assured Guaranty Corp.	(30,000,960)	(1,000)			114,003,198	91,326,055		(15,000,000)	160,327,293	76,365,602
	20-1082002	AGC US Holdings	30,000,960				122,208,526				152,209,486	
	13-4031196	Assured Guaranty Financial Products Inc.	21,332,216				(21,744,546)	(138,817,086)			(139,229,416)	
	03-0575850	Assured Guaranty Financial Products LLC	(21,332,216)								(21,332,216)	
		Assured Guaranty Financial Overseas Ltd.					6,887,543				6,887,543	
		Assured Guaranty Ltd.	86,000,000	472			(7,272,231)				78,728,241	
10021	06-1384770	Assured Guaranty Mortgage Insurance Company					(321,484)				(321,484)	
	52-2221232	Assured Guaranty Overseas US Holdings Inc.					(4,492,450)	83,459,825			(7,032,625)	(779,011,574)
	AA-3190809	Assured Guaranty Re Ltd.	(86,000,000)				(1,658,316)	(3,685,198)			(5,343,514)	
	AA-3190538	Assured Guaranty Re Overseas Ltd.					(2,139,787)	(964,861)			(3,104,648)	72,167,889
	AA-1120078	Assured Guaranty (UK) Ltd.					5,342,503				5,342,503	
		Assured Guaranty (UK) Svcs Ltd.					(198,804,558)	(92,690,533)		15,000,000	(326,494,091)	1,073,736,964
18287	13-3250292	Assured Guaranty Municipal Corp.			(49,999,000)		(814,469)	15,682,956			14,868,487	(146,632,310)
	98-0223300	Assured Guaranty (Bermuda) Ltd.										
01945	13-3261323	Assured Guaranty Municipal Holdings Inc.			50,000,000		10,134,815				60,134,815	
10843	13-3954813	Assured Guaranty Municipal Insurance Co.			(1,000)		(1,129,758)	59,465,585			58,334,827	(787,554,002)
	AA-2510099	Assured Guaranty (Europe) Ltd.					(14,903,119)	(13,776,743)			(28,679,862)	490,927,431
		FSA Seguros Mexico S.A. de C.V.										
		Assured Guaranty Svc (Australia) Pty Ltd.					125,676				125,676	
		Transaction Services Corp.					(5,513,590)				(5,513,590)	
		Prescott LLC			1,000						1,000	
		AG Corporate Holdings LLC		(472)							(472)	
		FSA Services (America) Inc.					26,348				26,348	
		FSA Portfolio Management Inc.					65,699				65,699	
9999999 Control Totals												
										XXX		

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# 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.

<b>MARCH FILING</b>	<b>RESPONSES</b>
1. Will an actuarial opinion be filed by March 1?	.....YES.....
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....YES.....
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	.....WAIVED.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	.....WAIVED.....
<b>APRIL FILING</b>	
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.....
<b>MAY FILING</b>	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	.....SEE EXPLANATION.....
<b>JUNE FILING</b>	
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.....
<b>AUGUST FILING</b>	
11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	.....YES.....
The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of <b>NO</b> 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 <b>SEE EXPLANATION</b> and provide an explanation following the interrogatory questions.	
<b>MARCH FILING</b>	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....SEE EXPLANATION.....
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?	.....YES.....
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....NO.....
15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	.....NO.....
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	.....SEE EXPLANATION.....
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	.....NO.....
18. 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.....
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?	.....YES.....
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	.....YES.....
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	.....SEE EXPLANATION.....
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
25. 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.....
26. 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.....
27. 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.....
<b>APRIL FILING</b>	
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 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 Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	.....NO.....
<b>AUGUST FILING</b>	
33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	.....SEE EXPLANATION.....

**Explanation:**

8. The Company is not part of a combined insurance group of domestic insurance companies.

12. The Company has less than 100 stockholders.

14.

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

15.

16. The Company is not a US branch of a non-US entity.

17.

18. The Company did not answer "Yes" to General Interrogatory #9.

19.

22. The Company does not have any exceptions to the Reinsurance Attestation Supplement in 2011.

23.

24.

25.

26.

27.

28.

29.

30.

31.

32.

33. The Company did not write gross premiums of \$500 million or more in 2011.

**Bar Code:**

3.   
3 0 1 8 0 2 0 1 1 3 9 0 0 0 0 0 0

4.   
3 0 1 8 0 2 0 1 1 3 9 0 0 0 0 0 0

14.   
3 0 1 8 0 2 0 1 1 3 6 0 5 9 0 0 0

15.   
3 0 1 8 0 2 0 1 1 4 5 5 0 0 0 0 0

17.   
3 0 1 8 0 2 0 1 1 3 8 5 0 0 0 0 0

19.   
3 0 1 8 0 2 0 1 1 3 6 5 0 0 0 0 0

23.   
3 0 1 8 0 2 0 1 1 5 0 0 0 0 0 0 0

24.   
3 0 1 8 0 2 0 1 1 5 0 5 5 9 0 0 0

25.   
3 0 1 8 0 2 0 1 1 2 2 4 0 0 0 0 0

26.   
3 0 1 8 0 2 0 1 1 2 2 5 0 0 0 0 0

27.   
3 0 1 8 0 2 0 1 1 2 2 6 0 0 0 0 0

28.   
3 0 1 8 0 2 0 1 1 2 3 0 5 9 0 0 0

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

29.   
3 0 1 8 0 2 0 1 1 3 0 6 0 0 0 0 0

30.   
3 0 1 8 0 2 0 1 1 2 1 0 0 0 0 0 0

31.   
3 0 1 8 0 2 0 1 1 2 1 6 5 9 0 0 0

32.   
3 0 1 8 0 2 0 1 1 2 1 7 0 0 0 0 0

---

**OVERFLOW PAGE FOR WRITE-INS**

P002 Additional Aggregate Lines for Page 2 Line 25.

\*ASSETS - Assets

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 – 2)	Net Admitted Assets
2504. Security deposit.....	92,436	92,436		
2505. Other receivables.....	34,917	34,917		
2506. Rent receivable.....	42,766	35,903	6,863	718,417
2597. Summary of remaining write-ins for Line 24 from page 2	170,119	163,256	6,863	718,417

P003 Additional Aggregate Lines for Page 3 Line 25.

\*LIAB - Liabilities

	1	2
	Current Year	Prior Year
2504. Miscellaneous liability.....	3,344,821	1,772,671
2505. Direct losses payable.....		425,263
2597. Summary of remaining write-ins for Line 24 from page 3	3,344,821	2,197,934

P011 Additional Aggregate Lines for Page 11 Line 24.

\*EXEXP - Underwriting and Investment - Part 3 - Expenses

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404. Other miscellaneous corporate expenses.....		408,752		408,752
2405. Realized foreign exchange gain.....		376,085		376,085
2406. Outside service fees.....		1,137,385		1,137,385
2497. Summary of remaining write-ins for Line 24 from page 11		1,922,222		1,922,222

P013 Additional Aggregate Lines for Page 13 Line 25.

\*EXNONADMIT - Exhibit of Nonadmitted Assets

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (C2 - C1)
2504. Security deposit.....	92,436	92,436	
2505. Other receivables.....	34,917	34,917	
2506. Rent receivable.....	35,903		(35,903)
2597. Summary of remaining write-ins for Line 24 from page 13	163,256	127,353	(35,903)

E27 Additional Aggregate Lines for Line 58.

\*SCEPT3 - Schedule E - Part 3 - Special Deposits

	1	2	3	4	5	6
	Type of Deposit	Purpose of Deposit	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
5804. Merrill Lynch.....		CSA/Collateral for Merrill Lynch			247,498,662	259,892,398
5805. Natixis.....		CSA/Collateral for Natixis			10,841,724	10,912,322
5806. RBS.....		CSA/Collateral for RBS			227,339,039	240,907,723
5807. LOC FBO BNY.....		TRUST			3,499,477	3,502,188
5898. Summary of remaining write-ins for Line 58 from page E25	XXX	XXX			489,178,902	515,214,631

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....	329,610,443	11.551	329,610,443		329,610,443	11.602
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....						
1.22 Issued by U.S. government sponsored agencies .....	149,298,151	5.232	149,298,151		149,298,151	5.255
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....	1,189,028	0.042	1,189,028		1,189,028	0.042
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations .....	240,145,034	8.416	240,145,034		240,145,034	8.453
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	333,787,715	11.697	333,787,715		333,787,715	11.749
1.43 Revenue and assessment obligations .....	1,052,627,094	36.889	1,052,627,094		1,052,627,094	37.051
1.44 Industrial development and similar obligations .....						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA .....						
1.512 Issued or guaranteed by FNMA and FHLMC .....	86,111,040	3.018	86,111,040		86,111,040	3.031
1.513 All other .....	12,616,256	0.442	12,616,256		12,616,256	0.444
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....	9,247,875	0.324	9,247,875		9,247,875	0.326
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....						
1.523 All other .....	98,254,343	3.443	98,254,343		98,254,343	3.458
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	155,759,345	5.459	155,759,345		155,759,345	5.483
2.2 Unaffiliated non-U.S. securities (including Canada) .....	54,064,674	1.895	54,064,674		54,064,674	1.903
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....	4,004,283	0.140	4,004,283		4,004,283	0.141
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....						
3.32 Unaffiliated .....						
3.4 Other equity securities:						
3.41 Affiliated .....	122,347,875	4.288	122,347,875		122,347,875	4.306
3.42 Unaffiliated .....						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....						
3.52 Unaffiliated .....						
4. Mortgage loans:						
4.1 Construction and land development .....						
4.2 Agricultural .....						
4.3 Single family residential properties .....						
4.4 Multifamily residential properties .....						
4.5 Commercial loans .....						
4.6 Mezzanine real estate loans .....						
5. Real estate investments:						
5.1 Property occupied by company .....						
5.2 Property held for the production of income (including \$ ..... of property acquired in satisfaction of debt) .....						
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....						
6. Contract loans .....						
7. Derivatives .....						
8. Receivables for securities .....	1,500,000	0.053	1,500,000		1,500,000	0.053
9. Securities Lending (Line 10, Asset Page reinvested collateral) .....				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments .....	164,627,457	5.769	164,627,457		164,627,457	5.795
11. Other invested assets .....	38,322,527	1.343	25,822,527		25,822,527	0.909
12. Total invested assets	2,853,513,140	100.000	2,841,013,140		2,841,013,140	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....	2,859,967
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.....	121,426
8.2 Totals, Part 3, Column 9.....	121,426
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	2,738,541
10. Deduct total nonadmitted amounts.....	2,738,541
11. Statement value at end of current period (Line 9 minus Line 10).....	

## 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.....	43,413,528
2. Cost of acquired:	
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	7,655,898
2.2 Additional investment made after acquisition (Part 2, Column 9).....	7,655,898
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 16.....	
3.2 Totals, Part 3, Column 12.....	
4. Accrual of discount.....	
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 13.....	
5.2 Totals, Part 3, Column 9.....	
6. Total gain (loss) on disposals, Part 3, Column 19.....	
7. Deduct amounts received on disposals, Part 3, Column 16.....	12,746,899
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).....	38,322,527
12. Deduct total nonadmitted amounts.....	12,500,000
13. Statement value at end of current period (Line 11 minus Line 12).....	25,822,527

## SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book /adjusted carrying value, December 31 of prior year.....	2,483,155,371
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	950,881,214
3. Accrual of discount.....	9,030,380
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12.....	
4.2 Part 2, Section 1, Column 15.....	
4.3 Part 2, Section 2, Column 13.....	405,477
4.4 Part 4, Column 11.....	405,477
5. Total gain (loss) on disposals, Part 4, Column 19.....	4,280,049
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	779,248,038
7. Deduct amortization of premium.....	15,495,349
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.....	1,673,851
9.2 Part 2, Section 1, Column 17.....	
9.3 Part 2, Section 2, Column 14.....	
9.4 Part 4, Column 13.....	2,272,094
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,649,063,159
11. Deduct total nonadmitted amounts.....	
12. Statement value at end of current period (Line 10 minus Line 11).....	2,649,063,159

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	478,908,594	506,933,885	484,642,809	472,214,000
	2. Canada .....				
	3. Other Countries .....	1,189,028	1,245,335	1,188,453	1,190,000
	4. Totals	480,097,622	508,179,220	485,831,262	473,404,000
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	240,145,034	257,999,808	243,202,894	223,100,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	333,787,715	354,750,839	338,743,607	315,965,000
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	1,147,986,009	1,213,715,858	1,158,684,209	1,102,122,188
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States.....	266,629,946	246,655,977	268,575,626	345,765,921
	9. Canada.....	7,706,923	8,507,360	7,699,600	7,725,000
	10. Other Countries .....	46,357,751	47,328,052	47,318,854	45,550,000
	11. Totals	320,694,620	302,491,389	323,594,080	399,040,921
Parent, Subsidiaries and Affiliates	12. Totals				
	13. <b>Total Bonds</b>	2,522,711,000	2,637,137,114	2,550,056,052	2,513,632,109
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries .....				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. <b>Total Preferred Stocks</b>				
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	4,004,283	4,004,283	4,004,283	
	21. Canada .....				
	22. Other Countries .....				
	23. Totals	4,004,283	4,004,283	4,004,283	
Parent, Subsidiaries and Affiliates	24. Totals	122,347,875	122,347,875	98,135,557	
	25. <b>Total Common Stocks</b>	126,352,158	126,352,158	102,139,840	
	26. <b>Total Stocks</b>	126,352,158	126,352,158	102,139,840	
	27. <b>Total Bonds and Stocks</b>	2,649,063,158	2,763,489,272	2,652,195,892	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**SCHEDULE D - PART 1A - SECTION 1**

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	174,194,518	333,159,737	64,326,912			571,681,167	21.5	597,646,657	23.2	571,681,167	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	174,194,518	333,159,737	64,326,912			571,681,167	21.5	597,646,657	23.2	571,681,167	
<b>2. All Other Governments</b>											
2.1 Class 1		1,189,028				1,189,028	0.0	1,188,735			1,189,028
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals		1,189,028				1,189,028	0.0	1,188,735			1,189,028
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
3.1 Class 1	15,025,487	44,210,667	99,549,520	76,209,357	5,150,000	240,145,031	9.0	192,636,831	7.5	240,145,031	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals	15,025,487	44,210,667	99,549,520	76,209,357	5,150,000	240,145,031	9.0	192,636,831	7.5	240,145,031	
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1	20,572,086	81,440,024	99,832,542	92,991,392	38,951,672	333,787,716	12.5	339,998,794	13.2	333,787,716	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals	20,572,086	81,440,024	99,832,542	92,991,392	38,951,672	333,787,716	12.5	339,998,794	13.2	333,787,716	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1	36,487,463	299,070,900	454,509,556	237,928,008	119,232,185	1,147,228,112	43.1	984,181,728	38.1	1,147,228,112	
5.2 Class 2			757,895			757,895	0.0	13,840,645	0.5	757,895	
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	36,487,463	299,070,900	455,267,451	237,928,008	119,232,185	1,147,986,007	43.1	998,022,373	38.7	1,147,986,007	

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (unaffiliated)</b>											
6.1 Class 1 .....	96,055,124	151,035,604	59,874,589	16,240,291	16,669,548	339,875,156	12.8	450,847,097	17.5	263,857,265	76,017,889
6.2 Class 2 .....	2,252,441	17,255,110	10,658,847			30,166,398	1.1			19,507,551	10,658,847
6.3 Class 3 .....											
6.4 Class 4 .....											
6.5 Class 5 .....											
6.6 Class 6 .....											
6.7 Totals	98,307,565	168,290,714	70,533,436	16,240,291	16,669,548	370,041,554	13.9	450,847,097	17.5	283,364,816	86,676,736
<b>7. Hybrid Securities</b>											
7.1 Class 1 .....											
7.2 Class 2 .....											
7.3 Class 3 .....											
7.4 Class 4 .....											
7.5 Class 5 .....											
7.6 Class 6 .....											
7.7 Totals											
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Class 1 .....											
8.2 Class 2 .....											
8.3 Class 3 .....											
8.4 Class 4 .....											
8.5 Class 5 .....											
8.6 Class 6 .....											
8.7 Totals											

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>9. Total Bonds Current Year</b>											
9.1 Class 1	(d) 342,334,678	910,105,960	778,093,119	423,369,048	180,003,405	2,633,906,210	98.8	XXX	XXX	2,556,699,291	77,206,917
9.2 Class 2	(d) 2,252,441	17,255,110	11,416,742			30,924,293	1.2	XXX	XXX	20,265,446	10,658,847
9.3 Class 3	(d)							XXX	XXX		
9.4 Class 4	(d)							XXX	XXX		
9.5 Class 5	(d)					(c)		XXX	XXX		
9.6 Class 6	(d)					(c)		XXX	XXX		
9.7 Totals	344,587,119	927,361,070	789,509,861	423,369,048	180,003,405	(b) 2,664,830,503	100.0	XXX	XXX	2,576,964,737	87,865,764
9.8 Line 9.7 as a % of Col. 6	12.9	34.8	29.6	15.9	6.8	100.0	XXX	XXX	XXX	96.7	3.3
<b>10. Total Bonds Prior Year</b>											
10.1 Class 1	320,707,356	920,885,281	679,633,523	407,339,352	237,934,330	XXX	XXX	2,566,499,842	99.5	2,525,649,727	40,850,116
10.2 Class 2	4,000,000	4,000,000	5,840,645			XXX	XXX	13,840,645	0.5	13,840,645	
10.3 Class 3						XXX	XXX				
10.4 Class 4						XXX	XXX				
10.5 Class 5						XXX	XXX	(c)			
10.6 Class 6						XXX	XXX	(c)			
10.7 Totals	324,707,356	924,885,281	685,474,168	407,339,352	237,934,330	XXX	XXX	(b) 2,580,340,487	100.0	2,539,490,372	40,850,116
10.8 Line 10.7 as a % of Col. 8	12.6	35.8	26.6	15.8	9.2	XXX	XXX	100.0	XXX	98.4	1.6
<b>11. Total Publicly Traded Bonds</b>											
11.1 Class 1	327,149,685	892,436,450	760,091,892	410,834,246	166,187,019	2,556,699,292	95.9	2,525,649,728	97.9	2,556,699,292	XXX
11.2 Class 2	2,252,441	17,255,110	757,895			20,265,446	0.8	13,840,645	0.5	20,265,446	XXX
11.3 Class 3											XXX
11.4 Class 4											XXX
11.5 Class 5											XXX
11.6 Class 6											XXX
11.7 Totals	329,402,126	909,691,560	760,849,787	410,834,246	166,187,019	2,576,964,738	96.7	2,539,490,373	98.4	2,576,964,738	XXX
11.8 Line 11.7 as a % of Col. 6	12.8	35.3	29.5	15.9	6.4	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	12.4	34.1	28.6	15.4	6.2	96.7	XXX	XXX	XXX	96.7	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Class 1	15,184,992	17,669,511	18,001,227	12,534,801	13,816,386	77,206,917	2.9	40,850,116	1.6	XXX	77,206,917
12.2 Class 2			10,658,847			10,658,847	0.4			XXX	10,658,847
12.3 Class 3										XXX	
12.4 Class 4										XXX	
12.5 Class 5										XXX	
12.6 Class 6										XXX	
12.7 Totals	15,184,992	17,669,511	28,660,074	12,534,801	13,816,386	87,865,764	3.3	40,850,116	27.5	XXX	87,865,764
12.8 Line 12.7 as a % of Col. 6	17.3	20.1	32.6	14.3	15.7	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.6	0.7	1.1	0.5	0.5	3.3	XXX	XXX	XXX	XXX	3.3

(a) Includes \$ 84,273,407 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ current year, \$ prior year of bonds with Z designations and \$ , current year, \$ 115,961,255 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. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ current year, \$ prior year of bonds with 5\* designations and \$ , current year, \$ prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 49,346,929 ; NAIC 2 \$ ; NAIC 3 \$ ; NAIC 4 \$ ; NAIC 5 \$ ; NAIC 6 \$ .

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 9.5	Total from Col 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations	174,194,518	333,159,737	64,326,912			571,681,167	21.5	597,646,657	23.2	571,681,167	
1.2 Residential Mortgage-Backed Securities											
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals	174,194,518	333,159,737	64,326,912			571,681,167	21.5	597,646,657		571,681,167	
<b>2. All Other Governments</b>											
2.1 Issuer Obligations		1,189,028				1,189,028	0.0	1,188,735			1,189,028
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals		1,189,028				1,189,028	0.0	1,188,735			1,189,028
<b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>											
3.1 Issuer Obligations	15,025,487	44,210,667	99,549,520	76,209,357	5,150,000	240,145,031	9.0	192,636,831	7.5	240,145,031	
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals	15,025,487	44,210,667	99,549,520	76,209,357	5,150,000	240,145,031	9.0	192,636,831	7.5	240,145,031	
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations	20,572,086	81,440,024	92,352,517	92,991,392	38,951,672	326,307,691	12.2	339,998,794	13.2	326,307,691	
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities			7,480,025			7,480,025	0.3			7,480,025	
4.5 Totals	20,572,086	81,440,024	99,832,542	92,991,392	38,951,672	333,787,716	12.5	339,998,794	13.2	333,787,716	
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Issuer Obligations	23,710,655	263,330,932	427,115,205	214,466,130	117,070,392	1,045,693,314	39.2	921,472,691	35.7	1,045,693,314	
5.2 Residential Mortgage-Backed Securities	12,776,808	34,914,601	25,034,128	14,851,610	2,161,793	89,738,940	3.4	72,569,085	2.8	89,738,940	
5.3 Commercial Mortgage-Backed Securities		825,367	3,118,119	1,676,490		5,619,976	0.2	3,980,597	0.2	5,619,976	
5.4 Other Loan-Backed Structured Securities				6,933,777		6,933,777	0.3			6,933,777	
5.5 Totals	36,487,463	299,070,900	455,267,452	237,928,007	119,232,185	1,147,986,007	43.1	998,022,373	38.7	1,147,986,007	
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations	76,617,691	82,135,205	43,454,422		1,980,198	204,187,516	7.7	282,001,675	10.9	178,073,731	26,113,785
6.2 Residential Mortgage-Backed Securities	4,934,220	11,785,654	7,014,303	4,294,231	883,682	28,912,090	1.1	40,097,594	1.6	23,271,693	5,640,398
6.3 Commercial Mortgage-Backed Securities	15,798,908	55,500,759	10,658,847			81,958,514	3.1	75,863,660	2.9	71,299,667	10,658,847
6.4 Other Loan-Backed Structured Securities	956,745	18,869,097	9,405,864	11,946,059	13,805,668	54,983,433	2.1	52,884,168	2.1	10,719,726	44,263,706
6.5 Totals	98,307,564	168,290,715	70,533,436	16,240,290	16,669,548	370,041,553	13.9	450,847,097	17.5	283,364,817	86,676,736
<b>7. Hybrid Securities</b>											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed Structured Securities											
7.5 Totals											
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed Structured Securities											
8.5 Totals											

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>9. Total Bonds Current Year</b>											
9.1 Issuer Obligations	310,120,437	805,465,593	726,798,576	383,666,879	163,152,262	2,389,203,747	89.7	XXX	XXX	2,361,900,934	27,302,813
9.2 Residential Mortgage-Backed Securities	17,711,028	46,700,255	32,048,431	19,145,841	3,045,475	118,651,030	4.5	XXX	XXX	113,010,633	5,640,398
9.3 Commercial Mortgage-Backed Securities	15,798,908	56,326,126	13,776,966	1,676,490		87,578,490	3.3	XXX	XXX	76,919,643	10,658,847
9.4 Other Loan-Backed and Structured Securities	956,745	18,869,097	16,885,889	18,879,836	13,805,668	69,397,235	2.6	XXX	XXX	25,133,528	44,263,706
9.5 Totals	344,587,118	927,361,071	789,509,862	423,369,046	180,003,405	2,664,830,502	100.0	XXX	XXX	2,576,964,738	87,865,764
9.6 Lines 9.5 as a % of Col. 6	12.9	34.8	29.6	15.9	6.8	100.0		XXX	XXX	96.7	3.3
<b>10. Total Bonds Prior Year</b>											
10.1 Issuer Obligations	286,487,633	791,131,989	644,076,425	389,699,260	223,550,076	XXX	XXX	2,334,945,383	90.5	2,310,476,511	24,468,873
10.2 Residential Mortgage-Backed Securities	22,010,590	44,982,205	19,794,095	14,725,770	11,154,020	XXX	XXX	112,666,680	4.4	106,239,856	6,426,823
10.3 Commercial Mortgage-Backed Securities	12,298,793	57,030,482	9,697,486	817,497		XXX	XXX	79,844,257	3.1	76,242,946	3,601,311
10.4 Other Loan-Backed and Structured Securities	3,910,340	31,740,606	11,906,163	2,096,825	3,230,234	XXX	XXX	52,884,168	2.0	46,531,059	6,353,109
10.5 Totals	324,707,356	924,885,282	685,474,169	407,339,352	237,934,330	XXX	XXX	2,580,340,488	100.0	2,539,490,372	40,850,116
10.6 Line 10.5 as a % of Col. 8	12.6	35.8	26.6	15.8	9.2	XXX	XXX	100.0		98.4	1.6
<b>11. Total Publicly Traded Bonds</b>											
11.1 Issuer Obligations	296,770,308	798,753,497	719,557,988	383,666,879	163,152,262	2,361,900,934	88.6	2,310,476,511	89.5	2,361,900,934	XXX
11.2 Residential Mortgage-Backed Securities	16,832,910	43,892,212	30,693,654	18,557,100	3,034,757	113,010,633	4.2	106,239,856	4.1	113,010,633	XXX
11.3 Commercial Mortgage-Backed Securities	15,798,908	56,326,125	3,118,119	1,676,490		76,919,642	2.9	76,242,946	3.0	76,919,642	XXX
11.4 Other Loan-Backed and Structured Securities		10,719,726	7,480,025	6,933,777		25,133,528	0.9	46,531,059	1.8	25,133,528	XXX
11.5 Totals	329,402,126	909,691,560	760,849,786	410,834,246	166,187,019	2,576,964,737	96.7	2,539,490,372	98.4	2,576,964,737	XXX
11.6 Line 11.5 as a % of Col. 6	12.8	35.3	29.5	15.9	6.4	100.0				100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	12.4	34.1	28.6	15.4	6.2	96.7				96.7	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Issuer Obligations	13,350,129	6,712,097	7,240,587			27,302,813	1.0	24,468,873	0.9	XXX	27,302,813
12.2 Residential Mortgage-Backed Securities	878,119	2,808,042	1,354,777	588,742	10,718	5,640,398	0.2	6,426,823	0.2	XXX	5,640,398
12.3 Commercial Mortgage-Backed Securities			10,658,847			10,658,847	0.4	3,601,311	0.1	XXX	10,658,847
12.4 Other Loan-Backed and Structured Securities	956,745	8,149,371	9,405,864	11,946,059	13,805,668	44,263,707	1.7	6,353,109	0.2	XXX	44,263,707
12.5 Totals	15,184,993	17,669,510	28,660,075	12,534,801	13,816,386	87,865,765	3.3	40,850,116	1.6	XXX	87,865,765
12.6 Line 12.5 as a % of Col. 6	17.3	20.1	32.6	14.3	15.7	100.0				XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.6	0.7	1.1	0.5	0.5	3.3				XXX	3.3

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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.....	97,257,705	97,257,705			
2. Cost of short-term investments acquired.....	137,956,098	137,956,098			
3. Accrual of discount.....	37,546	37,546			
4. Unrealized valuation increase (decrease).....					
5. Total gain (loss) on disposals.....	1,014	1,014			
6. Deduct consideration received on disposals.....	140,605,039	140,605,039			
7. Deduct amortization of premium.....	9,263	9,263			
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).....	94,638,061	94,638,061			
11. Deduct total nonadmitted amounts.....					
12. Statement value at end of current period (Line 10 minus Line 11)	94,638,061	94,638,061			

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

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Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	125,432,915	125,432,915	
2. Cost of cash equivalents acquired.....	469,436,355	469,436,355	
3. Accrual of discount.....	22,315	22,315	
4. Unrealized valuation increase (decrease).....			
5. Total gain (loss) on disposals.....	595	595	
6. Deduct consideration received on disposals.....	547,410,739	547,410,739	
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).....	47,481,441	47,481,441	
11. Deduct total nonadmitted amounts.....			
12. Statement value at end of current period (Line 10 minus Line 11)	47,481,441	47,481,441	

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

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE A - PART 1**

Showing All Real Estate OWNED December 31 of Current Year

1 Description Of Property	2 Code	Location		5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	Change in Book/Adjusted Carrying Value Less Encumbrances					16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs, and Expenses Incurred
		3 City	4 State							11 Current Year's Depreciation	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Changes in Encumbrances	14 Total Change in B./A. C. V. (13 - 11 - 12)	15 Total Foreign Exchange Change in B./A. C. V.		
Condo Unit 15 West 53rd St		New York	New York	04/23/2004	04/23/2004	1,935,081		1,389,742	1,389,742	70,366						
Condo Unit 35C West 53rd St		New York	New York	12/16/2010	12/16/2010	1,404,114		1,348,799	1,348,799	51,060						
0299999 - Properties occupied by the reporting entity - Administrative						3,339,195		2,738,541	2,738,541	121,426						
0399999 - Total properties occupied by the reporting entity						3,339,195		2,738,541	2,738,541	121,426						
0699999 Totals						3,339,195		2,738,541	2,738,541	121,426						

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Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/ Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership
			4 City	5 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.			
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.07/11/2005		86,950	86,950	86,950								100.000
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.03/01/2011		7,654,995	7,654,995	7,654,995								100.000
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.09/14/2007		2,600,000	2,600,000	2,600,000								100.000
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.06/16/2008		3,056,183	3,056,183	3,056,183								100.000
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.12/14/2007		3,423,496	3,423,496	3,423,496								100.000
.000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS		BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT		.06/16/2009		9,000,000	9,000,000	9,000,000								100.000
.000000-00-0	ADVANTAGE CAPITAL CONNECTICUT PARTNERS		NEW YORK	NY	DIRECT		.06/29/2011		903	903	903								0.903
.000000-00-0	AMBAC ASSURANCE CORPORATION		NEW YORK	NY	DIRECT		.09/30/2010		12,500,000	12,500,000	12,500,000								100.000
3799999	- Any Other Class of Assets - Unaffiliated								38,322,527	38,322,527	38,322,527								XXX
3999999	- Subtotal Unaffiliated								38,322,527	38,322,527	38,322,527								XXX
4099999	- Subtotal Affiliated																		XXX
4199999	Totals								38,322,527	38,322,527	38,322,527								XXX

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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	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
		3 City	4 State							
..000000-00-0..	US MTG INS CO TAX & LOSS BONDS	NEW YORK	NY	DIRECT	03/16/2011		7,654,995			100.000
..000000-00-0..	ADVANTAGE CAPITAL CONNECTICUT PARTNERS	NEW YORK	NY	DIRECT	06/29/2011		903			0.810
3799999 - Any Other Class of Assets - Unaffiliated							7,655,898			XXX
3999999 - Subtotal Unaffiliated							7,655,898			XXX
4099999 - Subtotal Affiliated										XXX
4199999 Totals							7,655,898			XXX

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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.						
000000-00-0	US MTG GUARANTY INS TAX & LOSS BONDS	BALTIMORE	MD	BUREAU OF THE PUBLIC DEBT	07/11/2005	12/09/2011	12,746,899							12,746,899	12,746,899				
3799999	Any Other Class of Assets - Unaffiliated						12,746,899							12,746,899	12,746,899				
3999999	Subtotal Unaffiliated						12,746,899							12,746,899	12,746,899				
4099999	Subtotal Affiliated																		
4199999	Totals						12,746,899							12,746,899	12,746,899				

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
3128X3-F3-2	FEDERAL HOME LN MTG CORP MTN				1FE	18,044,895	112.1830	18,510,228	16,500,000	17,339,868		(280,416)			5.000	3.127	AO	146,667	825,000	06/04/2009	10/27/2014
912810-EH-7	UNITED STATES TREAS BDS	SD			1	3,924,727	152.6020	4,578,048	3,000,000	3,642,156		(54,554)			7.875	4.994	FA	89,236	236,250	03/08/2006	02/15/2021
912828-KN-9	UNITED STATES TREAS NTS				1	9,843,784	103.6250	10,362,500	10,000,000	9,924,090		31,372			1.875	2.223	AO	31,937	187,500	05/22/2009	04/30/2014
912828-KV-1	UNITED STATES TREAS NTS				1	48,733,347	104.6170	52,308,594	50,000,000	49,365,003		250,690			2.250	2.818	MN	98,361	1,125,000	06/09/2009	05/31/2014
3133XD-VS-7	FEDERAL HOME LN BKS				1FE	17,833,339	125.1610	22,528,908	18,000,000	17,850,385		12,735			5.250	5.440	JD	52,500	945,000	08/25/2010	12/11/2020
3137EA-CA-5	FEDERAL HOME LN MTG CORP				1FE	8,115,300	114.1530	8,561,483	7,500,000	8,027,668		(65,230)			3.750	2.692	MS	73,438	281,250	08/25/2010	03/27/2019
3137EA-CL-1	FREDDIE MAC NT				1FE	3,787,173	100.7830	3,829,754	3,800,000	3,792,576		4,011			0.875	0.986	AO	5,819	39,531	08/25/2010	10/28/2013
912828-KN-9	UNITED STATES TREAS NTS				1	4,446,803	103.6250	4,663,125	4,500,000	4,465,840		14,118			1.875	2.223	AO	14,372	84,375	08/25/2010	04/30/2014
912828-KP-4	UNITED STATES TREAS NTS				1	9,365,325	100.4880	9,546,389	9,500,000	9,482,514		46,460			1.375	1.884	MN	16,866	130,625	06/09/2009	05/15/2012
912828-KV-1	UNITED STATES TREAS NTS				1	47,364,939	104.6170	50,216,250	48,000,000	47,683,962		125,304			2.250	2.549	MN	94,426	1,080,000	06/09/2009	05/31/2014
313560-BA-0	FANNIE MAE				1FE	5,491,541	105.6550	5,811,042	5,500,000	5,492,821		1,280			2.375	2.422	AO	29,028	78,738	03/09/2011	04/11/2016
3128X3-F3-2	FEDERAL HOME LN MTG CORP MTN				1FE	1,968,534	112.1830	2,019,298	1,800,000	1,891,622		(30,591)			5.000	3.127	AO	16,000	90,000	06/04/2009	10/27/2014
31359M-NU-3	FEDERAL NATIONAL MORTGAGE ASSOCIAT				1FE	10,577,155	102.7660	10,276,560	10,000,000	10,196,645		(332,055)			5.250	1.856	FA	218,750	525,000	11/08/2010	08/01/2012
31398A-DW-1	FEDERAL NATL MTG ASSN				1FE	7,934,558	120.8230	9,061,695	7,500,000	7,789,630		(45,852)			5.375	4.618	JD	21,276	403,125	08/28/2008	06/12/2017
31359M-QV-8	FNMA				1FE	27,383,075	105.0310	26,257,825	25,000,000	25,735,186		(630,806)			4.750	2.135	FA	428,819	1,187,500	05/01/2009	02/21/2013
3137EA-CT-4	FREDDIE MAC				1FE	10,256,752	105.9080	10,590,750	10,000,000	10,236,660		(20,092)			2.500	1.946	MN	23,611	159,028	08/10/2011	05/27/2016
912828-HA-1	TREASURY NOTE				1	452,303	120.4060	541,828	450,000	451,450		(221)			4.750	4.739	FA	8,074	21,375	09/20/2007	08/15/2017
912828-HT-0	UNITED STATES TREAS NTS				1	1,770,795	102.9610	1,750,335	1,700,000	1,721,991		(18,554)			2.750	1.629	FA	15,797	46,750	05/01/2009	02/28/2013
912828-KP-4	UNITED STATES TREAS NTS				1	6,805,019	100.4880	6,732,716	6,700,000	6,687,668		32,767			1.375	1.884	MN	11,895	92,125	06/09/2009	05/15/2012
912828-KV-1	UNITED STATES TREAS NTS				1	8,751,827	104.6170	9,415,547	9,000,000	8,875,505		49,131			2.250	2.867	MN	17,705	202,500	06/09/2009	05/31/2014
912828-PR-5	UNITED STATES TREASURY NOTE				1	1,048,753	100.4880	1,055,127	1,050,000	1,049,288		535			0.625	0.689	JJ	2,746	3,281	03/11/2011	01/31/2013
912828-QF-0	UNITED STATES TREASURY NOTE				1	20,103,647	105.5940	21,118,760	20,000,000	20,091,503		(12,144)			2.000	1.898	AO	68,132	200,000	05/25/2011	04/30/2016
912828-RJ-1	UNITED STATES TREASURY NOTE				1	9,285,871	101.0310	9,395,902	9,300,000	9,286,382		512			1.000	1.034	MS	23,631		10/26/2011	09/30/2016
912828-QJ-2	US Treas Note/Bond				1	17,154,449	106.0940	18,035,946	17,000,000	17,131,159		(23,289)			2.125	1.941	FA	122,071	180,625	03/23/2011	02/29/2016
3128X3-F3-2	FEDERAL HOME LN MTG CORP MTN				1FE	1,859,171	112.1830	1,907,114	1,700,000	1,786,532		(28,891)			5.000	3.127	AO	15,111	85,000	06/04/2009	10/27/2014
31398A-DW-1	FEDERAL NATL MTG ASSN				1FE	7,934,558	120.8230	9,061,695	7,500,000	7,789,630		(45,852)			5.375	4.618	JD	21,276	403,125	08/28/2008	06/12/2017
31359M-QV-8	FNMA				1FE	27,383,075	105.0310	26,257,825	25,000,000	25,735,186		(630,806)			4.750	2.135	FA	428,819	1,187,500	05/01/2009	02/21/2013
912828-HA-1	TREASURY NOTE				1	4,109,375	120.4060	4,816,248	4,000,000	4,068,581		(10,532)			4.750	4.451	FA	71,766	190,000	10/30/2007	08/15/2017
912810-EK-0	UNITED STATES TREAS BDS				1	11,957,637	156.6250	13,939,625	8,900,000	11,065,257		(172,237)			8.125	4.981	FA	273,137	723,125	03/08/2006	08/15/2021
912828-HT-0	UNITED STATES TREAS NTS				1	34,686,744	102.9610	34,285,980	33,300,000	33,730,766		(363,448)			2.750	1.629	FA	309,443	915,750	05/01/2009	02/28/2013
912828-KK-5	UNITED STATES TREAS NTS				1	31,289,101	100.3790	31,418,596	31,300,000	31,298,925		3,705			1.375	1.392	AO	91,719	430,375	05/04/2009	04/15/2012
912828-KN-9	UNITED STATES TREAS NTS				1	10,139,097	103.6250	10,673,375	10,300,000	10,221,813		32,313			1.875	2.223	AO	32,895	193,125	05/22/2009	04/30/2014
912828-KP-4	UNITED STATES TREAS NTS				1	23,462,603	100.4880	23,916,215	23,800,000	23,756,193		116,395			1.375	1.884	MN	42,255	327,250	06/09/2009	05/15/2012
912828-KV-1	UNITED STATES TREAS NTS				1	17,503,654	104.6170	18,831,094	18,000,000	17,751,010		98,261			2.250	2.867	MN	35,410	405,000	06/09/2009	05/31/2014
912828-EE-6	TREASURY NOTE BND/GOVT	SD			1	707,781	113.3200	821,572	725,000	717,755		1,800			4.250	4.604	FA	11,638	30,813	10/27/2005	08/15/2015
912810-EH-7	UNITED STATES TREAS BDS	SD			1	3,663,078	152.6020	4,272,845	2,800,000	3,399,345		(50,917)			7.875	4.994	FA	99,037	204,249	03/08/2006	02/15/2021
912828-R0-5	US TREASURY N/B	SD			1FE	3,499,465	100.0630	3,502,188	3,500,000	3,499,477		12			0.375	0.381	MN	1,695		12/07/2011	11/15/2014
880591-DW-9	TENNESSEE VALLEY AUTH				1FE	5,941,911	106.8050	5,755,700	5,389,000	5,633,742		(150,950)			4.750	1.836	FA	106,657	255,978	12/08/2009	08/01/2013
912810-EH-7	UNITED STATES TREAS BDS	SD			1	261,648	152.6020	305,203	200,000	242,810		(3,637)			7.875	4.994	FA	5,949	23,571	03/08/2006	02/15/2021
0199999	- U.S. Governments - Issuer Obligations					484,642,809	XXX	506,933,885	472,214,000	478,908,594		(2,149,673)			XXX	XXX	XXX	3,177,964	13,499,439	XXX	XXX
0599999	- Subtotals - U.S. Governments					484,642,809	XXX	506,933,885	472,214,000	478,908,594		(2,149,673)			XXX	XXX	XXX	3,177,964	13,499,439	XXX	XXX
74727P-AJ-0	STATE OF QATAR		R		1FE	1,188,453	104.6500	1,245,335	1,190,000	1,189,028		293			4.000	4.069	JJ	21,342	47,600	11/17/2009	01/20/2015
0699999	- All Other Government - Issuer Obligations					1,188,453	XXX	1,245,335	1,190,000	1,189,028		293			XXX	XXX	XXX	21,342	47,600	XXX	XXX
1099999	- Subtotals - All Other Governments					1,188,453	XXX	1,245,335	1,190,000	1,189,028		293			XXX	XXX	XXX	21,342	47,600	XXX	XXX
574192-4U-1	MD GO NC S09C				1FE	7,451,938	119.6700	7,682,814	6,420,000	7,406,466		(45,472)			5.000	1.684	MN	53,500	160,500	10/27/2011	11/01/2016
882721-VR-1	TEXAS ST			1	1FE	10,079,599	107.9630	10,796,300	10,000,000	10,062,160		(10,132)			5.000	4.924	AO	125,000	500,000	01/13/2011	04/01/2037
882722-TE-1	TX GO C20 S10A				1FE	5,731,593	120.9970	6,049,850	5,000,000	5,679,220		(45,786)			5.000	3.606	AO	62,500	250,000	11/08/2010	10/01/2023
93974C-EC-0	WA GO C19 S09C				1FE	9,793,347	117.6000	10,431,120	8,870,000	9,723,206		(48,477)			5.000	4.087	FA	184,792	443,500	01/14/2011	02/01/2025
882722-KF-7	TEXAS ST																				

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	BOND CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
207726-Y6-9	CT GO C19 S09A				1FE	4,381,520	116.9020	4,676,080	4,000,000	4,354,019		(18,099)			5.000	4.208	FA	75,556	200,000	06/18/2010	02/15/2026
20772J-AP-7	CT GO C20 S10D				1FE	5,698,361	122.6820	5,870,334	4,785,000	5,620,211		(65,486)			5.000	3.104	AO	59,813	227,288	10/14/2010	10/01/2022
419780-X6-3	HAWAII ST	G.O.		1	1FE	2,120,168	100.3820	2,108,022	2,100,000	2,101,387		(16,077)		5.500	4.760	FA	48,125	115,500	10/29/2010	02/01/2016	
419791-YB-8	HI GO NC S10D				1FE	11,194,605	121.4700	11,934,428	9,825,000	11,058,683		(135,922)			5.000	2.764	FA	204,688	245,625	04/06/2011	02/01/2018
604129-VX-1	MN GO C20 S10D			1	1FE	7,822,950	121.8520	8,121,436	6,665,000	7,793,244		(29,706)		5.000	2.790	FA	138,854		09/29/2011	08/01/2023	
604129-WU-6	MN GO NC S10D				1FE	5,601,969	118.5710	5,620,265	4,740,000	5,499,786		(102,183)		5.000	1.384	FA	98,750	118,500	05/11/2011	08/01/2016	
641461-JF-6	NV ST GO C18 S08				1FE	6,218,183	108.6570	6,497,689	5,980,000	6,202,021		(10,616)		5.000	4.698	JD	29,917	299,000	06/16/2010	08/01/2016	
677521-EA-0	OHIO STATE GO NC S10				1FE	11,940,000	124.1550	12,415,500	10,000,000	11,690,486		(203,998)		5.000	2.552	FA	208,333	406,944	09/30/2010	08/01/2019	
68608K-6T-0	OR GO NC S11J				1FE	2,152,914	120.2780	2,189,060	1,820,000	2,120,008		(32,906)		5.000	1.757	MN	15,167	39,181	05/19/2011	05/01/2017	
68608K-6U-7	OR GO NC S11J				1FE	2,160,540	122.6580	2,226,243	1,815,000	2,131,836		(28,704)		5.000	2.058	MN	15,125	39,073	05/19/2011	05/01/2018	
70914P-AS-1	PA GO C17 S07A				1FE	5,535,800	114.7490	5,737,450	5,000,000	5,493,834		(28,929)		5.000	4.048	MN	41,667	250,000	07/14/2010	11/01/2024	
70914P-KZ-4	PA GO NC S09				1FE	5,696,000	120.7180	6,035,900	5,000,000	5,604,953		(91,047)		5.000	2.640	JJ	125,000	125,000	02/07/2011	07/01/2017	
70914P-KE-1	PENNSYLVANIA ST				1FE	7,625,032	118.5100	7,833,511	6,610,000	7,550,192		(60,039)		5.000	3.593	AO	69,772	330,500	09/30/2010	04/15/2024	
83710D-4F-2	SC GO NC S11				1FE	11,482,200	116.9970	11,699,700	10,000,000	11,235,838		(246,362)		5.000	1.910	MS	166,667	250,000	02/17/2011	03/01/2016	
97705L-C9-6	WI GO C21 S11			1	1FE	10,567,500	120.1570	10,524,875	10,000,000	10,524,875		(42,625)		5.250	4.605	MN	392,292	87,500	01/12/2011	05/01/2026	
419791-YH-5	HAWAII ST				1FE	2,613,624	108.0400	2,809,040	2,600,000	2,609,595		(2,201)		3.380	3.310	FA	36,617	87,880	02/10/2010	02/01/2016	
419791-YJ-1	HAWAII ST				1FE	6,080,968	109.2150	6,602,047	6,045,000	6,072,090		(4,858)		3.730	3.666	FA	93,949	225,479	02/10/2010	02/01/2017	
419780-Y5-4	HAWAII ST	G.O.		1	1FE	3,027,949	100.3820	2,911,078	2,900,000	2,901,916		(22,201)		5.500	4.760	FA	66,458	159,500	08/02/2005	02/01/2016	
546415-ZP-8	LOUISIANA ST			1	1FE	2,969,325	123.7720	3,094,300	2,500,000	2,917,783		(43,805)		5.000	2.771	MN	15,972	136,111	10/26/2010	11/15/2020	
594610-F6-9	MICHIGAN ST	GO		1	1FE	5,330,300	106.5130	5,325,650	5,000,000	5,000,000				5.250	5.319	MN	43,750	262,500	11/05/2003	05/01/2021	
880541-PA-9	TENNESSEE ST				1FE	1,316,438	114.1810	1,427,263	1,250,000	1,310,260		(6,178)		4.000	3.361	MN	8,333	50,556	10/21/2010	05/01/2020	
880541-PB-7	TENNESSEE ST				1FE	1,305,625	113.3450	1,416,813	1,250,000	1,301,068		(4,557)		4.000	3.514	MN	8,333	50,556	10/14/2010	05/01/2021	
882721-S4-6	TEXAS ST			1	1FE	2,137,200	112.3870	2,247,740	2,000,000	2,128,712		(8,488)		5.000	3.869	AO	25,000	50,000	07/12/2011	04/01/2029	
939745-SJ-5	WASHINGTON ST	VAR			1FE	5,429,150	102.8330	5,141,650	5,000,000	5,022,184		(42,731)		6.000	5.155	JJ	150,000	300,000	06/22/1999	07/01/2012	
977056-R0-5	WISCONSIN ST	G.O.			1FE	5,038,878	117.0380	5,717,306	4,885,000	4,933,632		(11,182)		5.500	5.278	MN	44,779	268,675	07/09/1999	11/01/2015	
575827-6Q-8	MASSACHUSETTS ST	G.O.			1FE	5,385,750	124.3640	6,218,200	5,000,000	5,176,196		(25,600)		5.500	4.858	MN	45,833	275,000	12/05/2001	11/01/2017	
594610-F6-9	MICHIGAN ST	GO		1	1FE	1,081,680	106.5130	1,065,130	1,000,000	1,000,000				5.250	5.319	MN	8,750	52,500	01/08/2004	05/01/2021	
882721-VR-1	TEXAS ST	MOB		1	1FE	5,123,150	107.9630	5,398,150	5,000,000	5,090,189		(14,860)		5.000	4.662	AO	62,500	250,000	04/15/2008	04/01/2037	
93974A-HQ-0	WASHINGTON ST	MOT		1	1FE	4,881,500	100.0000	5,000,000	5,000,000	5,000,000		48,855		5.000	6.112	JJ	125,000	250,000	02/27/2002	01/01/2027	
1199999 - U.S. States, Territories and Possessions - Issuer Obligations						243,202,894	XXX	257,999,808	223,100,000	240,145,034		(1,568,950)		XXX	XXX	XXX	3,586,431	9,109,011	XXX	XXX	
1799999 - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)						243,202,894	XXX	257,999,808	223,100,000	240,145,034		(1,568,950)		XXX	XXX	XXX	3,586,431	9,109,011	XXX	XXX	
167485-2N-0	CHICAGO ILL			1	1FE	5,565,000	101.6250	5,655,431	5,565,000	5,565,000				5.000	5.063	JJ	139,125	278,250	05/03/2010	01/01/2034	
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.			1	1FE	2,408,712	100.6160	2,414,784	2,400,000	2,402,181		(6,530)		5.750	5.064	FA	52,133		08/16/2011	02/15/2021	
251129-Z0-8	DETROIT MICH CITY SCH DIST	G.O.		1	1FE	11,281,470	101.7060	10,679,130	10,500,000	10,531,134		(90,296)		5.500	4.650	MN	96,250	577,500	01/08/2002	05/01/2015	
341535-E5-7	FLORIDA ST BRD ED PUB ED	CAP		1	1FE	12,327,267	113.6380	13,414,966	11,805,000	12,206,471		(81,210)		5.000	4.193	JD	49,188	590,250	06/30/2010	06/01/2020	
346843-FH-3	FORT BEND TEX INDPT SCH DIST				1FE	6,949,234	115.9800	7,161,765	6,175,000	6,895,875		(35,854)		5.000	3.981	FA	116,639	308,750	06/30/2010	08/15/2026	
414005-GV-4	HARRIS CNTY TEX				1FE	3,336,450	120.4710	3,614,130	3,000,000	3,332,482		(3,967)		5.000	3.857	AO	37,500		10/27/2011	10/01/2023	
414005-HH-4	HARRIS CNTY TEX				1FE	3,331,678	118.6500	3,559,500	3,000,000	3,310,621		(18,415)		5.000	3.997	AO	37,500	150,000	11/08/2010	10/01/2024	
930863-Z5-7	NC Wake Co GO NC S11				1FE	7,170,767	124.0650	7,629,998	6,150,000	7,133,500		(37,267)		5.000	2.256	AO	76,875	154,604	09/29/2011	04/01/2018	
89438V-5J-1	TX Co GO C20 S10				1FE	6,468,103	120.9150	7,019,116	5,805,000	6,455,313		(12,790)		5.000	3.798	MS	96,750		09/28/2011	03/01/2023	
283767-5T-4	TX EL Paso SD GO C17 S07				1FE	6,239,280	115.5380	6,551,005	5,670,000	6,197,050		(28,387)		5.000	4.145	FA	107,100	283,500	06/30/2010	08/15/2025	
702333-4Y-8	TX Pasadena SD GO C20 S10				1FE	6,951,465	115.3130	7,207,063	6,250,000	6,933,733		(17,731)		5.000	4.020	FA	118,056	143,750	10/27/2011	02/15/2026	
763227-DR-3	TX RICHARDSON GO C20				1FE	2,208,404	117.7210	2,354,420	2,000,000	2,194,097		(12,244)		5.000	4.023	FA	37,778	116,667	10/29/2010	02/15/2024	
763227-DT-9	TX RICHARDSON GO C20				1FE	2,184,226	115.4690	2,309,380	2,000,000	2,173,854		(8,878)		5.000	4.223	FA	37,778	116,667	10/29/2010	02/15/2026	
34153P-JS-8	FLORIDA ST BRD ED PUB ED	CAP		1	1FE	9,822,744	107.5020	10,750,199	10,000,000	9,826,237		3,057		5.000	5.186	JD	41,667	500,000	11/08/2010	06/01/2038	
346843-CC-7	FORT BEND TEX INDPT SCH DIST F SCH				1FE	5,109,327	110.5200	5,526,000	5,000,000	5,095,539		(12,055)		5.000	4.716	FA	94,444	250,000	11/08/2010	08/15/2030	
614121-RE-3	MONTGOMERY TEX INDPT SCH DIST SCH			1	1FE	3,480,057	105.9290	3,691,626	3,485,000	3,480,165		95		5.000	5.073	FA	65,828	174,250	11/08/2010	02/15/2037	
734260-ZB-7	PORT HOUSTON AUTH TEX HARRIS C.				1FE	1,101,791	114.5250	1,145,250	1,000,000	1,097,284		(3,941)		5.000	4.230	AO	55,833	120,000	11/08/2010	10/01/2028	
73474M-EG-6	PORT NECHES-GROVES TEX INDPT S SCH			1	1FE	4,780,481	106.4430	4,986,855</													

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
54438C-HL-9	LOS ANGELES CALIF CMNTY COLLEG GO.				1FE	9,860,000	105.8180	10,581,800	10,000,000	9,868,168		3,556			5.000	5.169	FA	208,333	500,000	08/07/2009	08/01/2032
544646-TQ-5	LOS ANGELES CALIF UNI SCH DIST GO.			1	1FE	4,760,550	104.9630	5,248,150	5,000,000	4,774,652		5,279			5.000	5.423	JJ	125,000	250,000	02/05/2009	01/01/2034
64966F-8A-5	NEW YORK N Y GO.				1FE	10,601,200	114.7400	11,474,000	10,000,000	10,334,512		(58,868)			5.000	4.295	JJ	250,000	500,000	01/30/2007	01/01/2021
930863-T6-2	WAKE CNTY N C				1FE	11,964,300	129.5120	12,951,200	10,000,000	11,759,175		(129,824)			5.000	3.146	MS	166,667	500,000	05/27/2010	03/01/2023
167485-2D-2	CHICAGO ILL			1	1FE	5,435,000	108.9570	5,921,813	5,435,000	5,435,000					5.000	5.063	JJ	135,875	271,750	10/29/2010	01/01/2034
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.			1	1FE	2,611,899	100.6160	2,616,016	2,600,000	2,602,363		(9,536)			5.750	5.064	FA	56,478	74,750	06/29/2011	02/15/2021
213185-EF-4	IL Cook Co GO C20 S10G			1	1FE	5,502,900	109.7410	5,487,050	5,000,000	5,449,346		(44,931)			5.000	3.834	MN	31,944	270,833	09/17/2010	11/15/2025
105025-B4-1	MA Braintree GO C19 S09			1	1FE	8,142,339	122.6630	8,445,348	6,885,000	7,970,306		(131,730)			5.000	2.651	MN	344,250	43,988	09/09/2010	05/15/2021
64966H-B0-2	NY GO NC S08C				1FE	4,618,527	120.9250	4,697,936	3,885,000	4,697,936					5.250	1.777	FA	84,984		11/09/2011	08/01/2017
64966H-E3-0	NY GO NC S10B				1FE	6,672,777	121.8260	6,962,356	5,715,000	6,598,675		(74,102)			5.000	2.458	FA	119,063	142,875	05/24/2011	08/01/2018
64966J-EQ-5	NY NYC GO NC S11				1FE	6,807,819	117.2460	7,087,521	6,045,000	6,701,073		(106,746)			5.000	2.496	FA	125,938	100,750	03/14/2011	08/01/2016
199491-5H-0	OH Columbus GO NC S11A				1FE	1,777,245	120.7180	1,810,770	1,500,000	1,758,263		(18,982)			5.000	1.714	JJ	26,250		07/28/2011	07/01/2017
763665-XG-6	SC Richland GO C20 S10				1FE	5,959,603	119.4780	6,350,256	5,315,000	5,903,406		(37,283)			5.000	3.889	MS	88,583	265,750	06/23/2010	03/01/2024
592112-ED-4	TN Nashville CO GO C20 S10A				1FE	4,640,251	115.6200	4,821,354	4,170,000	4,606,371		(22,103)			5.000	4.080	JJ	104,250	220,663	06/04/2010	07/01/2026
592112-EB-8	TN Nashville GO C20 S10A				1FE	3,177,159	118.0090	3,339,655	2,830,000	3,156,366		(20,023)			5.000	3.867	JJ	70,750	149,754	12/17/2010	07/01/2024
442331-TN-4	TX Houston GO NC S10A				1FE	8,478,719	119.1620	8,931,192	7,495,000	8,342,918		(135,801)			5.000	2.661	MS	124,917	274,817	02/08/2011	03/01/2017
528828-VV-5	TX Lewisville GO C19 S09				1FE	6,628,440	116.4750	6,988,500	6,000,000	6,586,767		(28,792)			5.000	4.146	FA	113,333	300,000	07/15/2010	08/15/2026
167505-PA-8	CHICAGO IL BRD OF EDU			1	1FE	971,180	103.0690	1,030,690	1,000,000	1,030,690					5.000	5.260	JD	8,333		10/13/2011	12/01/2041
172252-H2-7	CINCINNATI OHIO CITY SCH DIST				1FE	1,628,655	111.1460	1,667,190	1,600,000	1,621,493		(5,004)			5.000	4.353	JD	6,250	75,000	07/21/2010	06/01/2028
172252-H4-3	CINCINNATI OHIO CITY SCH DIST				1FE	1,726,339	109.6930	1,766,057	1,510,000	1,720,870		(3,822)			5.000	4.498	JD	6,708	80,500	07/21/2010	06/01/2030
44236P-FG-8	HOUSTON TEX CMNTY COLLEGE				1FE	1,250,936	113.9150	1,310,023	1,150,000	1,245,118		(4,171)			5.000	4.330	FA	21,722	60,056	07/15/2010	02/15/2028
44236P-FH-6	HOUSTON TEX CMNTY COLLEGE				1FE	2,515,797	112.9950	2,632,784	2,330,000	2,505,984		(7,038)			5.000	4.417	FA	44,011	121,678	07/15/2010	02/15/2029
544644-M4-6	LOS ANGELES CALIF UNI SCH DIST GO.				1FE	6,153,720	108.4070	6,504,420	6,000,000	6,114,326		(6,547)			5.000	4.853	JJ	150,000	300,000	08/15/2008	07/01/2024
64966F-W7-5	NEW YORK N Y GO.			1	1FE	5,282,050	113.2320	5,661,600	5,000,000	5,150,484		(29,131)			5.000	4.316	FA	104,167	250,000	02/01/2007	08/01/2023
64966H-Q7-8	NEW YORK NY GO.			1	1Z	5,431,250	108.6760	5,433,800	5,000,000	5,098,134		(51,793)			5.250	4.144	AO	55,417	262,500	09/21/2004	10/15/2018
763682-YJ-4	RICHLAND CNTY SC DIST NO.				1FE	2,399,180	123.4760	2,469,520	2,000,000	2,342,005		(43,856)			5.000	2.378	FA	41,667	89,722	09/10/2010	02/01/2019
796237-WZ-4	SAN ANTONIO TEX.			1	1FE	1,354,113	114.5610	1,432,013	1,250,000	1,350,147		(3,965)			5.000	4.026	FA	24,479		07/13/2011	08/01/2017
797355-NH-3	SAN DIEGO CALIF UNI SCH DIST G.O.			1	1FE	5,195,900	103.2330	5,161,650	5,000,000	5,054,755		(20,154)			5.250	4.837	JJ	131,250	262,500	09/12/2003	07/01/2025
798189-DR-4	SAN JOSE EVERGREEN CALIF CMNTY REF.			1	1FE	5,533,350	110.3860	5,519,300	5,000,000	5,162,853		(56,796)			5.250	3.991	MS	87,500	262,500	08/20/2004	09/01/2018
038699-QM-9	ARAPAOE CNTY COLO SCH DIST NO GO.			1	1FE	5,324,950	104.4730	5,223,650	5,000,000	5,036,408		(38,052)			5.250	4.480	JD	21,875	262,500	01/09/2003	12/01/2019
101547-JD-7	BOULDER VALLEY COLO SCH DIST N GO.				1FE	9,970,500	109.5030	10,950,300	10,000,000	9,971,760		646			5.000	5.084	JD	41,667	500,000	02/24/2009	12/01/2034
167485-XC-0	CHICAGO ILL			1	1FE	5,306,700	108.0620	5,403,100	5,000,000	5,168,923		(30,298)			5.000	4.277	JD	20,833	250,000	01/30/2007	12/01/2023
414004-5K-3	HARRIS CNTY TEX			1	1FE	575,575	108.2130	595,172	500,000	558,902		(4,794)			5.250	4.327	AO	7,219	28,875	04/28/2008	10/01/2020
414018-2H-3	HARRIS CNTY TEX FLOOD CTL DIST G.O.			1	1FE	10,195,294	110.0220	10,507,101	9,550,000	9,901,379		(65,637)			5.000	4.182	AO	119,375	477,500	02/15/2007	10/01/2025
544646-LJ-9	LOS ANGELES CALIF UNI SCH DIST GO.			1	1FE	5,043,800	107.0190	5,350,950	5,000,000	5,028,613		(4,435)			5.000	4.940	JJ	125,000	250,000	03/24/2008	07/01/2028
659154-6W-3	NORTH EAST INDPT SCH DIST TEX.			1	1FE	5,117,850	108.4800	5,424,000	5,000,000	5,073,047		(11,198)			5.000	4.755	FA	104,167	250,000	08/13/2007	08/01/2032
1899999	U.S. Political Subdivisions - Issuer Obligations					331,102,562	XXX	347,197,989	308,715,000	326,307,689		(1,627,324)			XXX	XXX	XXX	4,930,174	13,877,994	XXX	XXX
59333M-RV-9	MIAMI-DADE CNTY FLA SCH BRD CT COP.			1	1AM	5,268,150	104.9410	5,247,050	5,000,000	5,157,893		(25,788)			5.000	4.378	MN	41,667	250,000	05/17/2007	05/01/2025
59333M-RY-3	MIAMI-DADE CNTY FLA SCH BRD CTFS.			1	1AM	2,372,895	102.4800	2,305,800	2,250,000	2,322,133		(11,785)			5.000	4.367	MN	18,750	112,500	05/03/2007	05/01/2032
2199999	U.S. Political Subdivisions - Other Loan-Backed and Structured Securities					7,641,045	XXX	7,552,850	7,250,000	7,480,026		(37,573)			XXX	XXX	XXX	60,417	362,500	XXX	XXX
2499999	Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					338,743,607	XXX	354,750,839	315,965,000	333,787,715		(1,664,897)			XXX	XXX	XXX	4,990,591	14,240,494	XXX	XXX
254776-EB-7	DC Inc Tx C20 S10A				1FE	5,512,092	114.9190	5,745,950	5,000,000	5,478,190		(22,791)			5.000	4.177	JD	250,000	250,000	06/30/2010	12/01/2026
57604P-4L-5	MASSACHUSETTS WATER POL ABART.				1FE	4,626,497	125.7650	5,030,600	4,000,000	4,568,297		(49,768)			5.000	3.288	FA	83,333	212,778	10/29/2010	08/01/2021
650035-QF-8	NEW YORK ST URBAN DEV C18 S09				1FE	8,533,721	110.8650	8,592,038	7,750,000	8,502,941		(29,972)			5.000	4.238	JD	17,222	387,500	12/21/2010	12/15/2028
64971M-V6-3	NY NYC TFA C20 S10C				1FE	6,403,932	116.7120	6,670,091	5,715,000	6,348,259		(37,405)			5.000	3.933	MN	47,625	285,750	06/30/2010	11/01/2024
759136-LN-2	REGIONAL TRANSN DIST COLO SALES TA			1	1FE	33,290,500	119.6180	35,885,400	30,000,000	32,039,520		(381,323)			5.000	3.491	MN	250,000	1,500,000	08/25/2008	11/01/2036
798111-AH-3	SAN JOAQUIN HILLS CALIF TRANSN SR.				1FE	5,595,809	89.1490	7,310,218	8,200,000	5,928,579		225,674			5.000	5.548	MAT			06/30/2010	01/01/2019
882135-2E-5	TX A&M Univ C20 S10				1FE	3,894,581	118.1670	4,129,937													

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE D - PART 1**

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
64972F-RA-6	NEW YORK N Y CITY MUN WTR FIN WTR			1	1FE	5,126,511	105.3970	5,269,850	5,000,000	5,107,134		(16,939)			5.000	4.604	JD	11,111	250,000	11/08/2010	06/15/2038
794665-AU-3	SALES TAX ASSET RECEIVABLE CORP.			1	1FE	5,105,372	107.4460	5,372,300	5,000,000	5,076,529		(25,237)			5.000	4.460	AO	52,778	250,000	11/08/2010	10/15/2032
798111-AW-0	SAN JOAQUIN HILLS CALIF TRANSN SR			1	1FE	3,268,889	86.0580	4,302,900	5,000,000	3,417,275		130,069				5.873	MAT			11/08/2010	01/01/2020
040654-RG-2	AZ TRN BRD-A			1	1FE	3,696,175	108.4580	3,796,030	3,500,000	3,655,052		(20,340)			5.000	4.258	JJ	87,500	175,000	09/08/2009	07/01/2032
072024-MV-1	BAY AREA TOLL-F-1-SAN			1	1FE	6,216,300	106.1610	6,369,660	6,000,000	6,183,215		(20,914)			5.000	4.552	AO	75,410	300,000	05/26/2010	04/01/2034
196558-RP-7	COLORADO RIVER TEX MUN WTR			1	1FE	6,547,970	106.2460	6,905,990	6,500,000	6,546,219		(1,751)			5.000	4.961	JJ	121,875		07/22/2011	01/01/2036
235241-FD-3	DALLAS TEX AREA RAPID TRAN SAL SR			1	1FE	9,954,900	105.0930	10,509,300	10,000,000	9,957,581		840			5.000	5.093	JD	41,667	500,000	08/10/2009	12/01/2036
240523-UJ-7	DE KALB CNTY GA WTR & SEW REV			1	1FE	7,322,673	120.1400	7,310,519	6,085,000	7,238,012		(58,419)			5.250	3.617	AO	79,866		07/20/2010	10/01/2026
341507-TM-3	FLORIDA ST BRD ED LOTTERY REV REV			1	1FE	7,196,797	117.1010	7,810,637	6,670,000	7,032,843		(47,915)			5.000	4.081	JJ	166,750	333,500	05/09/2008	07/01/2018
347658-SC-1	FORT LAUDERDALE FLA WTR REV			1	1FE	7,821,851	108.6630	8,013,896	7,375,000	7,802,558		(12,687)			5.000	4.616	MS	122,917	368,750	05/26/2010	09/01/2032
438701-EW-0	HONOLULU HAWAII CITY & CNTY WASTE			1	1FE	5,256,700	106.3090	5,315,450	5,000,000	5,244,687		(7,607)			5.000	4.670	JJ	125,000	250,000	05/25/2010	07/01/2031
451296-K9-7	IDAHO HSG AGY SIN			1	1FE	99,750	100.0850	100,085	100,000	99,865		15			6.250	6.367	JJ	3,125	6,875	08/27/1996	07/01/2027
452245-CU-5	ILLINOIS ST TOLL HWY AUTH TOLL PRI			1	1FE	5,389,092	111.9290	6,044,166	5,400,000	5,397,046		882			5.500	5.596	JJ	148,500	297,000	06/08/2000	01/01/2015
455141-NA-5	INDIANA TRANSN FIN AUTH HWY RE REF			1	1FE	5,789,624	123.1600	6,453,584	5,240,000	5,582,212		(49,894)			5.500	4.285	JD	24,017	288,200	07/10/2007	12/01/2017
46613P-YY-6	JEA FLA WTR & SWR SYS			1	1FE	5,201,050	105.9460	5,297,300	5,000,000	5,196,244		(9,894)			5.000	4.800	AO	62,500	250,000	07/21/2010	10/01/2039
544435-U9-9	LOS ANGELES CALIF DEPT ARPTS			1	1FE	5,085,600	108.8040	5,440,200	5,000,000	5,077,479		(7,514)			5.250	5.084	MN	33,542	251,563	11/18/2010	05/15/2033
544495-XA-7	LOS ANGELES CALIF DEPT WTR & PWR			1	1FE	11,632,700	124.2480	12,424,800	10,000,000	11,556,933		(75,767)			5.000	3.120	JJ	251,389		06/16/2011	07/01/2021
574300-HM-4	MARYLAND ST TRANSN AUTH TRANSN TRA			1	1FE	10,025,000	106.1930	10,619,300	10,000,000	10,018,056		(2,301)			5.000	5.029	JJ	250,000	500,000	07/30/2008	07/01/2041
575579-HJ-9	MASSACHUSETTS BAY TRAN AUTH MASS S			1	1FE	2,267,660	119.9570	2,399,140	2,000,000	2,254,324		(8,431)			5.000	4.092	JJ	50,000	100,000	05/25/2010	07/01/2031
575579-LK-1	MASSACHUSETTS BAY TRANS AUTH			1	1FE	1,171,400	122.9020	1,229,020	1,000,000	1,162,196		(5,828)			5.250	4.041	JJ	26,250	52,500	05/26/2010	09/01/2030
57583R-PC-3	MASSACHUSETTS ST DEV FIN AGY			1	1FE	10,223,100	105.0850	10,508,500	10,000,000	10,179,771		(28,100)			5.000	4.680	JJ	250,000	500,000	06/09/2010	07/01/2042
57586C-FV-2	MASSACHUSETTS ST HEALTH & EDL REV			1	1FE	5,308,450	107.4100	5,370,500	5,000,000	5,123,870		(31,794)			5.000	4.284	JJ	115,278	250,000	06/20/2005	07/15/2036
592646-T7-8	METROPOLITAN WASH DC ARPTS AUTH			1	1FE	1,052,000	108.5370	1,085,370	1,000,000	1,049,701		(1,641)			5.000	4.654	AO	12,500	50,000	08/02/2010	10/01/2030
59266T-DY-4	METROPOLITAN WTR DIST CALIF			1	1FE	5,584,950	115.7010	5,785,050	5,000,000	5,545,418		(27,792)			5.000	4.041	JJ	125,000	235,417	07/15/2010	07/01/2026
644614-YF-0	NEW HAMPSHIRE HEALTH & ED FACS			1	1FE	7,708,610	113.0480	7,913,360	7,000,000	7,668,245		(25,552)			5.000	4.265	JD	29,167	350,000	05/25/2010	06/01/2029
649451-AV-3	NEW YORK CONVENTION CTR DEV CO REV			1	1FE	10,291,600	103.5760	10,357,600	10,000,000	10,184,740		(42,771)			5.000	4.525	MN	63,889	500,000	07/21/2006	11/15/2030
64970K-4R-5	NEW YORK N Y CITY MUN WTR FIN WTR			1	1FE	10,222,600	105.8250	10,582,500	10,000,000	10,107,474		(20,531)			5.000	4.793	JD	22,222	500,000	07/21/2006	06/15/2037
64971M-AT-9	NEW YORK N Y CITY TRANSITIONAL FUT			1	1FE	2,542,549	104.4680	2,528,126	2,420,000	2,451,498		(34,812)			5.375	3.882	MN	16,621	130,075	12/16/2005	11/15/2021
64983S-FU-4	NEW YORK ST DORM AUTH REVS			1	1FE	4,587,961	124.9970	4,949,881	3,960,000	4,559,974		(19,247)			5.500	4.388	JJ	108,900	217,800	07/13/2010	07/01/2031
649903-BD-2	NEW YORK ST DORM AUTH REVS NON REV			1	1FE	1,062,330	109.5910	1,095,910	1,000,000	1,034,770		(6,124)			5.000	4.266	JJ	25,000	50,000	01/19/2007	07/01/2025
649905-VF-0	NEW YORK ST DORM AUTH REVS NON REV			1	1FE	6,207,180	107.5550	6,453,300	6,000,000	6,170,273		(18,665)			5.000	4.601	JJ	150,000	300,000	12/02/2009	07/01/2039
649902-SZ-2	NEW YORK ST DORM AUTH ST PERS			1	1FE	10,269,000	107.9440	10,794,400	10,000,000	10,258,646		(10,354)			5.000	4.706	MS	147,222	75,000	07/14/2011	03/15/2041
650009-OP-1	NEW YORK ST TWY AUTH GEN REV			1	1FE	10,326,900	106.6460	10,664,600	10,000,000	10,144,090		(37,170)			5.000	4.602	JJ	250,000	500,000	07/21/2006	01/01/2032
66285W-AU-0	NORTH TEX TWY AUTH REV			1	1FE	4,891,700	106.8760	5,343,800	5,000,000	4,899,551		2,406			5.625	5.875	JJ	140,625	281,250	03/07/2008	01/01/2033
66285W-B0-8	NORTH TEX TWY AUTH REV			1	1FE	2,988,750	105.0530	3,151,590	3,000,000	2,989,050		154			5.750	5.860	JJ	86,250	172,500	03/10/2008	01/01/2040
68607D-HM-0	OREGON ST DEPT TRANSN HWY USER HGH			1	1FE	8,312,960	109.5020	8,760,160	8,000,000	8,165,959		(29,809)			5.000	4.572	MN	51,111	400,000	07/21/2006	11/15/2028
686507-EM-2	ORLANDO FLA UTIL COMMSYS R			1	1FE	2,332,700	121.7030	2,434,060	2,000,000	2,314,953		(17,747)			5.000	2.967	AO	25,000	23,333	06/07/2011	10/01/2020
717893-MP-3	PHILADELPHIA PA WTR & WASTEWTR REV			1	1FE	7,357,995	104.2240	7,066,387	6,780,000	6,841,802		(71,257)			5.375	4.297	MN	60,738	364,425	07/25/2003	11/01/2018
745260-K0-4	PUERTO RICO ELEC PWR AUTH PWR PWR	SD		1	2FE	760,395	107.0190	802,643	750,000	757,895		(1,228)			5.250	4.837	JJ	18,750	37,500	11/10/2009	07/01/2022
759911-PK-0	REGIONAL TRANSN AUTH ILL G.O.			1	1FE	5,144,610	126.7170	5,651,578	4,460,000	4,796,850		(43,079)			6.250	4.940	JJ	139,375	278,750	01/24/2002	07/01/2018
79575D-XF-2	SALT RIVER PROJ AZ			1	1FE	5,133,550	105.9340	5,296,700	5,000,000	5,104,572		(14,821)			5.000	4.650	JJ	125,000	250,000	11/24/2009	01/01/2038
812643-DW-1	SEATTLE WASH MUN LT & PWR REV			1	1FE	2,669,127	124.3660	2,860,418	2,300,000	2,615,541		(33,904)			5.000	3.094	FA	47,917	135,764	05/26/2010	02/01/2020
837151-CC-1	SOUTH CAROLINA ST PUB SVC AUTH			1	1FE	10,869,500	108.3220	10,832,200	10,000,000	10,852,931		(16,569)			5.000	3.991	JD	69,444		10/06/2011	12/01/2036
915115-X8-7	UNIVERSITY TEX PERM UNIV FD BOND			1	1FE	5,974,650	128.8770	6,443,850	5,000,000	5,906,482		(46,773)			5.250	3.664	JJ	131,250	262,500	07/12/2010	07/01/2026
915137-2Y-8	UNIVERSITY TEX UNIV REVS			1	1FE	4,599,880	121.2730	4,850,920	4,000,000	4,535,173		(40,992)			5.000	3.513	FA	75,566	200,000	05/27/2010	08/15/2022
928172-UH-6	VIRGINIA ST PUB BLDG AUTH			1	1FE	4,420,560	113.6010	4,544,040	4,000,000	4,394,914		(16,249)			5.000	4.213	FA	83,333	200,000	05/26/2010	08/01/2028
05159P-AZ-5	AURORA COLO WTR IMPT REV WTR			1	1FE	7,053,143	110.9490	7,489,058	6,750,000	6,935,214		(28,634)									

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
438701-QX-5	HONOLULU HAWAII CITY & CNTY C20			17	1FE	10,929,375		11,393,384	10,050,000	10,839,024		(81,040)			5.000	3.944	JJ	251,250	312,667	10/27/2010	07/01/2026
57563C-AU-6	MA DOT Hwy C20 S10B				1FE	11,533,800		11,840,000	10,000,000	11,409,857		(103,786)			5.000	3.479	JJ	250,000	500,000	10/20/2010	01/01/2023
57563C-AW-2	MA DOT Hwy C20 S10B				1FE	4,930,097		5,094,057	4,470,000	4,890,560		(24,141)			5.000	4.103	JJ	111,750	223,500	05/04/2010	01/01/2025
576051-BK-1	MA MWRA C20 S10B				1FE	6,734,580		7,233,060	6,000,000	6,677,223		(37,133)			5.000	3.959	FA	125,000	300,000	06/09/2010	08/01/2025
59447P-HC-8	MICHIGAN ST FIN AUTH REVENUE				1FE	4,349,683		4,477,407	3,700,000	4,331,248		(18,435)			5.000	1.867	AO	29,806		10/27/2011	10/01/2017
64711R-JT-4	NM Fin Au Trn C20 S10			1	1FE	684,374		700,134	585,000	672,938		(9,308)			5.000	2.998	JD	1,300	29,250	09/23/2010	06/15/2023
64711R-JU-1	NM Fin Au Trn C20 S10			1	1FE	680,086		690,827	585,000	669,181		(8,876)			5.000	3.079	JD	1,300	29,250	09/23/2010	06/15/2024
64711R-JS-6	NM Fin Au Trn NC S10				1FE	753,213		787,469	625,000	739,909		(10,827)			5.000	2.795	JD	1,389	31,250	09/23/2010	06/15/2021
658203-PH-1	NORTH CAROLINA MUN PWR AGY NO CAT				1	3,915,000		4,008,255	3,915,000	3,915,000					5.500	5.576	JJ	107,663		08/10/2011	01/01/2013
64971M-GR-8	NY NYC TFA C20 S11C				1FE	5,330,550		5,932,550	5,000,000	5,317,954		(12,596)			5.500	4.978	MN	45,833	214,653	01/13/2011	11/01/2027
89602N-PP-3	NY TBTA C18 S08C				1FE	5,475,450		5,619,050	5,000,000	5,442,350		(21,059)			5.000	4.238	MN	31,944	250,000	05/28/2010	11/15/2026
67755C-F5-3	OHIO ST BLDG AUTH				1FE	1,719,930		1,745,340	1,500,000	1,701,336		(14,081)			5.000	3.622	AO	18,750	81,458	08/19/2010	10/01/2023
67755C-F6-1	OHIO ST BLDG AUTH				1FE	2,238,905		2,259,393	1,970,000	2,218,363		(15,549)			5.000	3.782	AO	24,625	106,982	08/19/2010	10/01/2024
68607V-UN-3	OR DASL C19 S09A				1FE	6,373,935		6,631,914	5,650,000	6,311,150		(41,022)			5.250	4.071	AO	74,156	296,625	06/14/2010	04/01/2024
720175-MP-0	PIEDMONT MUN PWR AGY S C ELEC ELE				1	2,200,949		2,378,765	2,375,000	2,264,115		5,548			5.375	5.981	JJ	63,828	127,656	06/14/1994	01/01/2025
79575D-B6-6	SALT RIVER PROJ ARIZ AGRIC IMP REV			1	1FE	9,612,818		10,750,000	9,750,000	9,621,184		3,119			5.000	5.166	JJ	243,750	487,500	01/30/2009	01/01/2034
79575D-XF-2	SALT RIVER PROJ AZ			1	1FE	9,510,521		10,106,104	9,540,000	9,512,514		540			5.000	5.083	JJ	238,500	477,000	02/05/2009	01/01/2038
882756-R8-4	TX PFA Unemploy C16 S10A				1FE	7,155,163		7,399,638	6,415,000	7,050,061		(105,102)			5.000	2.881	JJ	160,375	174,631	02/07/2011	01/01/2017
796253-K6-8	TX S Antonio E&G C18 S08				1FE	6,547,500		6,803,940	6,000,000	6,503,577		(28,454)			5.000	4.205	FA	125,000	300,000	06/09/2010	02/01/2025
91412F-6A-0	UNIVERSITY CALIF REVS REV			1	1FE	4,767,300		5,448,100	5,000,000	4,776,812		3,410			5.250	5.647	MN	33,542	262,500	03/13/2009	05/15/2039
927793-TJ-8	VA ComWith Trn Bd NC S11				1FE	11,509,829		12,075,000	9,725,000	11,329,799		(180,030)			5.000	1.775	MN	62,132	229,618	05/12/2011	05/15/2017
29270C-XB-6	WA Egy NW Elc NC S11A				1FE	1,894,096		1,952,768	1,600,000	1,871,537		(22,559)			5.000	2.197	JJ	40,000	19,111	06/01/2011	07/01/2018
29270C-RB-3	WA Egy NW Elc NC S08A				1FE	4,819,261		4,805,806	4,065,000	4,733,367		(85,894)			5.250	1.467	JJ	106,706	106,706	05/25/2011	01/01/2016
29270C-VZ-5	WA Egy NW NC S10A				1FE	7,969,570		8,388,310	7,000,000	7,843,106		(126,464)			5.000	2.651	JJ	175,000	175,000	02/08/2011	07/01/2017
29270C-WA-9	WA Egy NW Wash Elc NC S10A				1FE	6,258,974		6,724,845	5,510,000	6,176,245		(82,730)			5.000	2.964	JJ	137,750	137,750	02/07/2011	01/01/2018
812643-EC-4	WA Seattle L&P C20 S10B				1FE	5,493,250		5,715,950	5,000,000	5,456,694		(23,484)			5.000	4.181	FA	104,167	295,139	06/03/2010	02/01/2026
95648M-KY-4	WEST VIRGINIA ECONOMIC DEV AUTH LE			1	1FE	2,338,755		2,454,904	2,385,000	2,390,944		40,883			5.000	6.900	JD	9,938	119,250	02/05/2002	06/01/2026
95648M-KZ-1	WEST VIRGINIA ECONOMIC DEV AUTH LE			1	1FE	1,583,685		1,651,919	1,087,000	1,592,429		1,087			5.000	5.208	JD	6,729	80,750	02/05/2002	06/01/2026
977092-TX-3	WI Cln Wtr C20 S10			1	1FE	3,600,379		3,770,878	3,220,000	3,560,816		(35,572)			5.000	3.566	JD	13,417	166,814	11/03/2010	06/01/2025
977092-TY-1	WI Cln Wtr C20 S10			1	1FE	3,850,585		4,004,258	3,465,000	3,810,623		(35,934)			5.000	3.648	JD	14,438	179,506	11/03/2010	06/01/2026
977092-RD-9	WI Wtr C18 S08 1				1FE	4,090,172		4,189,132	3,705,000	4,059,326		(19,517)			5.000	4.109	JD	15,438	185,250	05/25/2010	06/01/2025
977100-BZ-8	WISCONSIN ST GEN FD ANNUAL APP GEN			1	1FE	4,872,650		5,713,900	5,000,000	4,880,070		2,739			5.750	6.038	MN	47,917	287,500	03/20/2009	05/01/2033
052476-YC-6	AUSTIN TX WTR & WSTWTR SYS REV			1	1FE	1,654,205		1,669,230	1,530,000	1,653,585		(621)			5.000	4.042	MN	12,750		12/09/2011	11/15/2036
052476-YD-4	AUSTIN TX WTR & WSTWTR SYS REV			1	1FE	3,101,231		3,176,199	2,925,000	3,100,089		(1,143)			5.000	4.296	MN	24,375		12/02/2011	11/15/2041
130178-VU-7	CALIFORNIA EDL FACS AUTH REV				1FE	3,751,615		4,692,450	3,500,000	3,747,541		(4,074)			5.250	4.848	AO	45,938	183,750	11/18/2010	04/01/2040
16772P-BC-9	CHICAGO IL TRANSIT AUTH SALES			1	1FE	1,041,510		1,068,440	1,000,000	1,041,232		(278)			5.250	4.780	JD	8,313		11/30/2011	12/01/2036
196558-MS-6	COLORADO RIVER TEX MUN WTR DIS REV			1	1FE	5,537,350		5,249,850	5,000,000	5,064,781		(62,241)			5.375	4.081	JJ	134,375	268,750	02/25/2003	01/01/2016
196632-HU-0	COLORADO SPRINGS COLO UTILS			1	1FE	1,462,438		1,495,875	1,250,000	1,438,654		(18,928)			5.000	3.069	MN	7,986	71,528	09/09/2010	11/15/2023
196632-HV-8	COLORADO SPRINGS COLO UTILS			1	1FE	1,742,130		1,770,225	1,500,000	1,715,136		(21,486)			5.000	3.160	MN	9,583	85,833	09/09/2010	11/15/2024
235241-FD-3	DALLAS TEX AREA RAPID TRAN SAL SR			1	1FE	8,581,124		9,059,017	8,620,000	8,583,434		724			5.000	5.093	JD	35,917	431,000	08/07/2009	12/01/2036
235416-3C-6	DALLAS TEX WTRWKS & SWR SYS RE			1	1FE	1,355,800		1,417,900	1,250,000	1,351,998		(3,802)			5.000	4.022	AO	15,625	11,285	07/20/2011	10/01/2030
235241-JY-3	DALLAS TEX AREA RAPID TRANSIT S			1	1FE	5,088,818		5,128,813	4,750,000	5,080,859		(7,959)			5.250	4.126	JD	20,781	98,438	11/29/2011	12/01/2038
246419-AW-5	DELAWARE TRANSN AUTH				1FE	1,133,340		1,196,900	1,000,000	1,119,439		(9,040)			5.000	3.672	MS	16,667	61,250	06/09/2010	09/01/2022
249181-3R-7	DENVER ARPT SYS 5.00%			1	1FE	1,064,710		1,091,700	1,000,000	1,036,243		(6,578)			5.000	4.214	MN	6,389	50,000	05/01/2007	11/15/2023
373541-A7-6	GEORGIA MUN ELEC AUTH PWR REV REV				1FE	3,329,849		3,413,614	3,340,000	3,337,732		721			6.400	6.576	JJ	106,880	269,760	04/05/2005	01/01/2013
41422E-DW-2	HARRIS CNTY TEX MET TRAN AUTH			1	1FE	9,384,078		9,536,100	8,750,000	9,381,283		(2,795)			5.000	4.143	MN	72,917		12/13/2011	11/01/2036
442435-65-6	HOUSTON TX UTILITY SYS REVENUE			1	1FE	1,571,775		1,608,525	1,500,000	1,571,313		(462)			5.000	4.450	MN	9,583		12/02/2011	11/15/2040
45129W-KU-3	IDAHO HSG & FIN ASSN			1	1FE	2,319,413		2,447,235	2,250,000	2,316,833		(2,580)			5.000	4.665	JJ	47,813		07/13/2011	07/15/2029
45200B-6F-0	ILLINOIS FA - UNIV OF CHICAGO			1	1FE	5,093,650		5,249,250	5,000,000	5,070,527		(10,995)			5.000	4.761	JJ	125,000	250,000	01/30/2008	07

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign Bond CHAR	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
54810C-6Y-1	LOWER COLO RIV AUTH TEX REV				1FE	2,027,375		120,3620	1,750,000	1,992,779		(31,161)			5.000	2.918	MN	11,181	85,799	10/22/2010	05/15/2019
54810C-6Z-8	LOWER COLO RIV AUTH TEX REV				1FE	1,448,238		120,5970	1,250,000	1,426,595		(19,498)			5.000	3.097	MN	7,986	61,285	10/22/2010	05/15/2020
54810C-5R-7	LOWER COLO RIV TEX REV				1FE	3,747,748		120,3620	3,235,000	3,683,795		(57,603)			5.000	2.918	MN	20,668	158,605	10/22/2010	05/15/2019
57583R-PC-3	MASSACHUSETTS ST DEV FIN AGY			1	1FE	2,334,983		105,0850	2,250,000	2,334,032		(951)		5.000	4.277	JJ	56,250		12/06/2011	07/01/2042	
576000-LP-6	MASSACHUSETTS ST SCH BLDG AUTH			1	1FE	1,330,075		108,4420	1,250,000	1,329,475		(600)		5.000	4.245	AO	10,069		11/28/2011	10/15/2041	
576049-P8-7	MASSACHUSETTS ST WTR RES AUTH GEN			1	1FE	5,006,100		106,5020	5,000,000	5,004,267		(810)		5.000	5.041	FA	104,167	250,000	02/05/2009	08/01/2036	
59334K-D0-8	MIAMI-DADE CNTY FLA EXPWY AUTH TOL				1FE	5,247,334		106,8660	5,476,883	5,236,722		(7,157)		5.000	4.808	JJ	128,125	256,250	02/15/2007	07/01/2023	
59334D-AC-8	MIAMI-DADE CNTY FLA WTR & SWR REV			1	1FE	4,847,800		100,0980	5,004,900	4,886,429		3,822		5.000	5.265	AO	62,500	250,000	05/13/1999	10/01/2033	
594614-ZN-2	MICHIGAN ST BLDG AUTH REV			1	1FE	4,925,250		102,2700	5,113,500	4,927,875		1,772		5.000	5.176	AO	52,778	250,000	06/20/2005	10/15/2033	
63968A-PA-7	NEBRASKA PUB PWR DIST REV			17	1FE	3,799,985		109,7390	3,840,865	3,751,913		(36,918)		5.000	3.687	JJ	87,500	175,000	09/10/2010	10/01/2026	
644614-AC-3	NEW HAMPSHIRE HEALTH & ED FACS REV			1	1FE	6,057,689		100,0600	5,768,459	5,765,000		(12,293)		6.000	6.090	JD	28,825	345,900	04/25/2002	06/01/2039	
649710-PA-5	NEW YORK CITY NY TRANSITIONAL			1	1FE	1,616,540		116,2550	1,465,000	1,613,854		(2,686)		5.000	3.790	MN	12,208		10/13/2011	11/01/2027	
649710-RM-7	NEW YORK CITY NY TRANSITIONAL			1	1FE	2,901,525		108,7290	2,990,048	2,900,506		(1,019)		5.000	4.358	MN	16,806		12/01/2011	11/01/2038	
64972F-ZL-3	NEW YORK N Y CITY MUN WTR FIN WTR			1	1FE	9,845,700		106,7130	10,000,000	9,852,020		2,434		5.000	5.166	JD	22,222	500,000	02/04/2009	06/15/2039	
649905-S2-3	NEW YORK ST DORM AUTH REV				1FE	1,866,953		111,4780	1,750,000	1,865,370		(1,583)		5.000	4.555	JJ	43,750		07/14/2011	07/01/2026	
649902-S2-2	NEW YORK ST DORM AUTH ST PERS			1	1FE	1,272,218		107,9440	1,210,000	1,271,823		(395)		5.000	4.368	MS	17,814		12/05/2011	03/15/2041	
678505-CM-8	OKLAHOMA AGRIC & MECHANICAL				1FE	1,374,963		115,0170	1,250,000	1,366,664		(5,950)		5.000	4.184	FA	26,042	62,847	07/14/2010	08/01/2026	
73358W-FR-0	PORT AUTH OF NEW YORK & NEW JE			1	1FE	7,645,425		103,1140	7,500,000	7,644,845		(580)		5.000	4.807	AO	79,167		12/13/2011	10/15/2041	
736742-TH-0	PORTLAND ORE SWR SYS REV				1FE	3,112,835		114,4480	2,750,000	3,088,517		(18,027)		5.000	3.901	MS	45,833	142,083	08/11/2010	03/01/2026	
756872-FJ-1	RED RIVER TEX ED FIN REV			1	1FE	1,022,100		105,1700	1,000,000	1,020,550		(1,550)		5.000	4.604	MS	14,722	25,000	07/20/2011	03/15/2032	
759911-MX-5	REGIONAL TRANS AUTH ILL	6.0			1FE	5,172,900		106,8600	5,000,000	5,024,226		(16,024)		5.750	5.463	JD	23,958	287,500	08/12/1999	06/01/2013	
795750-XB-1	SALT RIVER PROJ ARIZ AGRIC IMP				1FE	1,366,833		111,2360	1,255,000	1,358,582		(5,336)		5.000	4.258	JJ	31,375	62,750	08/08/2010	01/01/2026	
795750-XF-2	SALT RIVER PROJ AZ			1	1FE	4,865,600		105,9340	5,296,700	4,872,612		2,443		5.000	5.250	JJ	125,000	250,000	01/30/2009	01/01/2038	
79765A-H3-3	SAN FRANCISCO CALIF CITY & CNT SEC			1	1FE	5,399,400		109,4050	5,470,250	5,203,019		(24,127)		5.000	4.010	MN	41,667	250,000	12/13/2006	05/01/2023	
837147-8L-4	SOUTH CAROLINA ST PUB SVC AUTH				1FE	1,185,650		119,7850	1,000,000	1,157,744		(42,483)		5.000	2.193	JJ	25,000	32,083	11/08/2010	01/01/2018	
837152-HA-8	SOUTH CAROLINA TRANS INFRASTR REV			1	1FE	5,150,350		103,5490	5,000,000	5,067,906		(36,621)		5.000	4.231	AO	62,500	250,000	04/11/2006	10/01/2033	
850578-QK-4	SPRINGFIELD ILL ELEC REV			1	1FE	5,189,150		102,1740	5,000,000	5,090,161		(19,246)		5.000	4.572	MS	83,333	250,000	04/11/2006	03/01/2035	
89602N-WT-8	TRIBOROUGH BRDG & TUNL AUTH N Y RE			1	1FE	5,147,400		107,2450	5,362,250	5,113,864		(15,061)		5.000	4.636	MN	31,944	250,000	04/15/2008	11/15/2037	
914126-FV-2	UNIVERSITY CALIF REVS			1	1FE	2,358,743		106,7730	2,250,000	2,357,920		(822)		5.000	4.419	MN	14,375		11/29/2011	05/15/2041	
91412F-6A-0	UNIVERSITY CALIF REVS			1	1FE	5,068,200		108,9620	5,448,100	5,055,096		(6,026)		5.250	5.133	MN	33,542	262,500	08/05/2009	05/15/2039	
914233-TL-5	UNIVERSITY CONN				1FE	1,591,137		120,9420	1,395,000	1,569,322		(14,109)		5.000	3.553	FA	26,350	69,750	06/09/2010	02/15/2022	
914301-J6-4	UNIVERSITY HOUSTON TEX UNIV			1	1FE	1,559,708		111,7680	1,693,285	1,555,046		(4,661)		5.000	4.613	FA	28,617	75,750	08/26/2010	02/15/2026	
914468-AW-3	UNIVERSITY MINN SPL PURP REV			1	1FE	1,733,565		118,2260	1,500,000	1,689,355		(38,959)		5.000	2.108	FA	31,250	75,000	11/12/2010	08/01/2017	
924166-DH-1	VERMONT EDL & HEALTH BLDGS			1	1FE	2,331,000		108,2940	2,250,000	2,327,688		(3,312)		5.000	4.573	MN	18,750	56,250	07/13/2011	10/01/2040	
95648M-KY-4	WEST VIRGINIA ECONOMIC DEV AUTH LE			1	1FE	1,304,211		102,9310	1,330,000	1,333,314		22,799		5.000	6.900	JD	5,542	66,500	01/16/2002	06/01/2026	
95648M-KZ-1	WEST VIRGINIA ECONOMIC DEV AUTH LE			1	1FE	657,009		102,2860	670,000	660,636		451		5.000	5.208	JD	2,792	33,500	01/16/2002	06/01/2026	
977100-BZ-8	WISCONSIN ST GEN FD ANNUAL APP GEN			1	1FE	3,610,133		114,2780	3,250,000	3,601,266		(8,866)		5.750	4.074	MN	31,146	93,438	10/13/2011	05/01/2033	
011842-RV-5	Alaska Arpt AMT			1	1FE	10,423,800		106,4730	10,000,000	10,379,219		(35,975)		5.000	4.522	AO	125,000	502,778	09/15/2010	10/01/2025	
02765U-AP-9	AMERICAN MUN PWR OHIO INC REV ENE			1	1FE	8,193,760		112,9510	8,000,000	8,134,052		(18,340)		5.250	4.990	FA	158,667	420,000	06/20/2008	02/15/2021	
047856-EX-3	ATLANTA GA URBAN RESIDENTIAL				1FE	3,723,950		101,8050	3,614,078	3,735,371		15,095		5.500	5.277	MON	195,495	88,270	08/27/2010	03/01/2041	
052476-GH-5	AUSTIN TEX WTR & WASTEWATER SY REF			1	1FE	10,219,200		104,2680	10,000,000	10,056,536		(39,016)		5.000	4.623	MN	63,889	500,000	06/21/2007	11/15/2026	
130178-SC-1	CA EDL FAC UNIV SO CA			1	1FE	9,169,200		108,5430	9,000,000	9,130,460		(14,196)		5.250	5.076	AO	118,125	472,500	02/25/2009	10/01/2039	
13066Y-QM-4	CA St Dept Wtr Res				1FE	8,017,170		123,4020	7,000,000	7,865,016		(103,524)		5.000	3.127	MN	58,333	350,000	07/08/2010	05/01/2019	
16756K-BF-3	CHICAGO ILL MOTOR FUEL TAX REV MOT				1FE	3,598,686		103,8120	3,773,566	3,627,936		1,829		5.375	5.587	JJ	97,691	224,675	06/08/2000	01/01/2014	
20775N-CG-3	CT RESOURCE RECOVERY				1FE	2,840,794		108,8320	2,635,000	2,797,894		(41,147)		4.000	2.335	MN	13,468		12/02/2010	11/15/2015	
240523-HK-4	DE KALB CNTY GA WTR & SEW REV WTR			1	1FE	5,608,300		114,1720	5,000,000	5,514,783		(24,558)		5.250	4.346	AO	65,625	262,500	11/29/2007	10/01/2032	
271014-NH-1	EAST BAY CALIF MUN UTIL DIST W WTR			1	1FE	10,205,500		104,7080	10,470,800	10,109,319		(28,873)		5.000	4.704	JD	41,667	500,000	06/10/2008	06/01/2035	
341507-XK-2	FLORIDA ST BRD ED LOTTERY REV LOT				1FE	8,483,060		112,7630	8,925,191	8,226,055		(81,619)		5.000	3.826	JJ	197,875	395,750	08/21/2008	07/01/2015	
373541-QQ-7	GEORGIA MUN ELEC AUTH PWR REV REV				1FE	219,091		102,7550	220,000	219,994		175		6.400	6.505	JJ	7,040	16,800	02/16/2001	01/01/2013	
392274-ZY-5	Gr Orlando Av Auth			1	1FE	1,043,270		106,6640	1,000,000	1,042,198		(1,072)		5.000	4.511	AO	14,028		09/08/2011	10/01/2025	
442436-ST-4	HOUSTON TEX WTR & SWR SYS REV REF				1FE																

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
48543B-NC-8	KS DFA KU Health 11H			1	1FE	1,073,250	111.4590	1,114,590	1,000,000	1,071,666		(1,584)			5.000	4.004	MS	9,028		10/14/2011	03/01/2021
48543B-NE-4	KS DFA KU Health 11H			1	1FE	1,049,310	108.8550	1,088,550	1,000,000	1,048,259		(1,051)			5.000	4.339	MS	9,028		10/14/2011	03/01/2023
48543B-NG-9	KS DFA KU Health 11H			1	1FE	1,430,307	106.0380	1,479,230	1,395,000	1,429,566		(742)			5.000	4.686	MS	12,594		10/14/2011	03/01/2025
531127-AC-2	LIBERTY N Y DEV CORP REV	REV			1FE	5,457,200	103.1610	5,158,050	5,000,000	5,409,728		(9,266)			5.250	4.730	AO	65,625	262,500	04/11/2006	10/01/2035
546850-BD-9	Louisville KY AirAMT				1FE	5,756,617	109.2420	5,953,689	5,450,000	5,717,281		(39,336)			5.000	3.840	JJ	136,250	32,549	04/08/2011	07/01/2016
546850-BE-7	Louisville KY AirAMT				1FE	5,902,924	110.3990	6,259,623	5,670,000	5,878,621		(24,303)			5.000	4.288	JJ	141,750	33,862	04/08/2011	07/01/2017
575579-EZ-6	MASSACHUSETTS BAY TRANSN AUTH SEN				1FE	6,632,197	118.6100	7,324,168	6,175,000	6,405,011		(45,366)			5.250	4.377	JJ	162,094	324,188	06/27/2006	07/01/2016
57604P-E3-4	MASSACHUSETTS ST WTR POLLUTN A REV			1	1FE	5,475,967	107.7580	5,705,786	5,295,000	5,343,996		(29,146)			5.250	4.691	FA	277,988		01/19/2007	08/01/2028
592646-V6-7	Metro Wash DC Airprt				1FE	3,471,618	113.2970	3,682,153	3,250,000	3,448,512		(16,438)			5.000	4.274	AO	40,625	162,500	07/21/2010	10/01/2021
59334D-AC-8	MIAMI-DADE CNTY FLA WTR & SWR REV			1	1FE	2,427,625	100.0980	2,502,450	2,500,000	2,446,011		1,819			5.000	5.255	AO	31,250	125,000	05/13/1999	10/01/2029
60636X-8E-6	MO HSG SF PAC			1	1FE	3,645,814	107.0440	3,623,439	3,385,000	3,621,261		(22,190)			4.500	3.604	MN	25,388	144,066	11/03/2010	11/01/2027
605356-AX-0	MS HSG PAC			1	1FE	2,868,407	106.9630	2,865,362	2,678,835	2,847,326		(20,104)			4.500	3.533	JD	10,046	118,244	01/04/2011	12/01/2031
64972F-Z2-8	New York City Municip				1FE	13,179,480	118.2360	14,188,320	12,000,000	13,131,267		(48,213)			5.000	4.071	JD	26,667	425,000	04/26/2011	06/15/2024
64971M-AT-9	NEW YORK N Y CITY TRANSITIONAL FUT			1	1FE	1,909,550	104.4680	1,890,871	1,810,000	1,826,961		(18,670)			5.375	4.316	MN	12,431	97,288	03/19/2007	11/15/2021
649903-BE-0	NEW YORK ST DORM AUTH REVS NON REV			1	1FE	1,061,500	108.9610	1,089,610	1,000,000	1,034,313		(6,042)			5.000	4.276	JJ	25,000	50,000	01/19/2007	01/01/2026
650009-QK-2	NEW YORK ST TWY AUTH GEN REV	REV		1	1FE	7,499,993	107.9900	7,721,285	7,150,000	7,297,031		(38,090)			5.000	4.408	JJ	178,750	357,500	01/27/2006	01/01/2028
66285W-AU-0	NORTH TEX TWY AUTH REV	FIR		1	1FE	4,975,000	106.8760	5,343,800	5,000,000	4,976,503		572			5.625	5.744	JJ	140,625	281,250	03/07/2008	01/01/2033
67760H-CG-4	OHIO ST TPK COMMN TPK REV	REF			1FE	6,447,480	122.3750	7,342,500	6,000,000	6,301,300		(17,779)			5.250	5.005	FA	124,667	330,000	02/14/2002	02/15/2024
67919P-AX-1	OKLAHOMA ST WTR RES BRD REVOLV REV			1	1FE	6,276,375	107.8850	6,176,416	5,725,000	5,839,892		(60,946)			5.250	4.113	AO	75,141	300,563	10/28/2003	04/01/2024
392274-ZT-6	Orlando FL Arpt AMT			1	1FE	1,054,860	108.8370	1,088,370	1,000,000	1,053,491		(1,369)			5.000	4.369	AO	14,028		09/08/2011	10/01/2017
720175-MP-0	PIEDMONT MUN PWR AGY S C ELEC ELE			1	1FE	1,853,424	127.9480	2,558,960	2,000,000	1,906,821		4,662			5.375	5.980	JJ	53,750	107,500	03/14/1994	01/01/2025
794665-AU-3	SALES TAX ASSET RECEIVABLE CORP			1	1FE	6,531,461	107.4460	6,855,055	6,380,000	6,437,733		(18,953)			5.000	4.705	AO	67,344	319,000	06/30/2006	10/15/2032
79575D-04-5	SALT RIVER PROJ ARIZ AGRIC IMP REV			1	1FE	2,269,530	104.6270	2,369,802	2,265,000	2,266,087		(1,035)			5.000	5.012	JJ	56,625	113,250	04/03/2008	01/01/2031
79575D-05-2	SALT RIVER PROJ ARIZ AGRIC IMP REV			1	1FE	4,744,470	102.5850	4,857,400	4,735,000	4,737,272		(2,163)			5.000	5.012	JJ	118,375	236,750	04/03/2008	01/01/2031
79765A-G7-5	SAN FRAN CALIF CITY & CNTY 5.25%				1FE	5,677,750	119.3820	5,969,100	5,000,000	5,461,214		(45,924)			5.250	3.980	MN	262,500		11/21/2006	05/01/2020
875290-VQ-8	TAMPA FLA WTR & SWR REV	WTR		1	1FE	8,102,320	104.9720	8,282,291	7,890,000	8,048,297		(23,542)			5.000	4.652	AO	98,625	394,500	01/30/2008	10/01/2037
89602N-RB-2	TRIBOROUGH BRDG & TUNL AUTH N SUB			1	1FE	7,588,527	108.5030	8,208,252	7,565,000	7,581,578		(1,980)			5.000	5.024	MN	48,332	378,250	07/24/2008	11/15/2031
882756-09-3	TX PFA UNEMP 5.000%				1FE	8,386,801	108.9150	8,299,323	7,620,000	8,116,721		(259,198)			5.000	1.679	JJ	190,500	207,433	11/19/2010	01/01/2014
917565-HN-6	UTAH TRAN AUTH SALES TAX REV	SAL		1	1FE	5,148,350	107.6290	5,381,450	5,000,000	5,114,775		(14,961)			5.000	4.638	JD	11,111	250,000	04/10/2008	06/15/2036
96634R-AM-4	WHITING IN BP RPDCTS 5.0000% 01-01				1FE	10,821,200	111.9770	11,197,700	10,000,000	10,698,559		(122,641)			5.000	3.153	JJ	250,000	125,000	03/29/2011	01/01/2016
985900-CR-8	Yavapi IDA N AZ Hith				1FE	2,541,160	115.7690	2,610,591	2,255,000	2,534,195		(6,964)			5.000	3.384	AO	24,742		09/29/2011	10/01/2020
985900-CT-4	Yavapi IDA N AZ Hith			1	1FE	5,472,906	115.8530	5,642,041	4,870,000	5,460,195		(12,711)			5.250	3.790	AO	56,106		09/29/2011	10/01/2022
2599999	U.S. Special Revenue - Issuer Obligations					1,056,263,072	XXX	1,107,438,270	1,002,133,835	1,045,693,317		(4,571,585)			XXX	XXX	XXX	14,368,203	42,119,045	XXX	XXX
31417V-PW-7	FNMA PASS-THRU INT 15 YEAR				1FE	8,579,917	108.2320	8,925,544	8,246,707	8,557,585		(18,942)			4.500	3.447	MON	30,925	371,634	11/08/2010	12/01/2024
31398W-SD-7	FHLMC 3632 PK CMO/AGENCY				1FE	2,900,238	111.2690	2,901,750	2,607,871	2,946,317		46,079			5.000	2.148	MON	10,866		11/29/2011	02/15/2040
3138AX-RK-9	FNMA 30YR MBS/POOL				1FE	11,272,863	102.9340	11,296,537	10,974,494	11,273,577		715			3.500	3.203	MON	32,009		12/15/2011	11/01/2041
3128MJ-0G-8	FEDERAL HOME LN MTG CORP #608454				1FE	1,842,750	106.0010	1,881,602	1,775,075	1,847,804		5,055			4.500	4.037	MON	6,657	33,283	06/17/2011	07/01/2041
3128PV-BS-8	FEDERAL HOME LN MTG CORP #115449				1FE	9,020,193	105.1070	9,063,069	8,822,739	9,042,783		22,589			4.000	3.109	MON	28,742	114,970	07/18/2011	05/01/2026
3128PU-EW-8	FG J14649				1FE	17,518,017	104.3230	18,363,741	17,602,838	17,517,682		(335)			3.500	3.656	MON	51,342	462,069	03/18/2011	04/01/2026
3128PU-HG-0	FG J14731				1FE	17,795,514	104.3230	18,654,627	17,881,671	17,796,967		1,453			3.500	3.655	MON	52,155	469,394	03/18/2011	03/01/2026
3128PQ-08-7	FHLMC PC GOLD 15 YR				1FE	13,006,771	107.6080	13,361,584	12,416,966	12,863,816		(46,895)			4.500	3.216	MON	46,564	557,751	12/08/2009	12/01/2024
3132GE-3X-6	FHLMC POOL 001714				1FE	2,566,120	105.0490	2,677,080	2,548,401	2,568,212		2,092			4.000	3.968	MON	8,495	42,473	06/13/2011	07/01/2041
31396A-AV-6	FHLMC REMIC SERIES 3031				1FE	677,636	104.0840	676,961	650,400	681,583		4,723			4.500	3.321	MON	29,374		12/23/2009	08/15/2033
3138A8-SL-1	FN AH6822				1FE	4,643,616	104.6670	4,821,175	4,606,191	4,642,614		(1,002)			3.500	3.396	MON	13,435	107,822	03/17/2011	03/01/2026
2699999	U.S. Special Revenue - Residential Mortgage-Backed Securities					89,823,635	XXX	92,623,670	87,933,353	89,738,940		15,532			XXX	XXX	XXX	283,629	2,188,770	XXX	XXX
383766-B6-6	GOVERNMENT NATIONAL MORTGAGE A 11				1FE	1,630,508	106.9010	1,870,766	1,750,000	1,637,165		6,657			4.000	4.799	MON	5,833		01/04/2011	02/01/2052
383766-DM-9	Government National Mortgage Assoc				1FE	3,978,750	111.3660	4,454,648	4,000,000	3,982,810		2,214			4.450	4.618	MON	14,833	178,000	01/06/2010	03/16/2051
2799999	U.S. Special Revenue - Commercial Mortgage-Backed Securities					5,609,258	XXX	6,325,414													

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	For eig n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity	
055660-BP-2	BP CAPITAL MKT PLC		R		1FE	3,480,785		3,854,799	3,500,000	3,482,749		1,584		4,500	4.621	AO	39,375	157,500	157,500	09/28/2010	10/01/2020	
35177P-AS-6	FRANCE TELECOM		R		1FE	8,000,100		7,922,393	7,500,000	7,784,244		(107,396)		4,375	2.826	JJ	157,682	328,125	328,125	12/14/2009	07/08/2014	
90261X-EM-0	UBS AG BRH MTN SR DEP NT BE		R		1FE	4,394,720		4,580,616	4,400,000	4,396,490		478		5,875	5.978	JD	7,899	258,500	258,500	12/17/2007	12/20/2017	
90261X-FA-5	UBS AG BRH MTN SR DEP NT BE		R		1FE	3,627,297		3,781,674	3,650,000	3,634,195		2,016		5,750	5.918	AO	38,477	209,875	209,875	04/22/2008	04/25/2018	
026660-ZH-9	AMER HONDA FIN CORP MTN BE144A				1FE	1,148,850		1,159,337	1,150,000	1,149,938		250		5,100	5.188	MS	15,314	58,650	58,650	03/20/2007	03/27/2012	
037411-AU-9	APACHE CORP				1FE	2,636,114		2,886,944	2,650,000	2,644,714		2,852		6,000	6.219	MS	46,817	159,000	159,000	09/26/2008	09/15/2013	
172967-EC-1	CITIGROUP INC				1FE	1,578,896		1,598,008	1,600,000	1,580,248		326		5,875	6.059	MN	8,356	94,000	94,000	05/18/2007	05/29/2037	
26442C-AA-2	DUKE ENERGY CALOLINAS				1FE	399,948		509,594	400,000	399,950		1		6,100	6.194	JD	2,033	24,400	24,400	05/31/2007	06/01/2037	
26875P-AB-7	EOG RES INC				1FE	2,823,898		3,066,546	2,825,000	2,824,579		221		6,125	6.228	AO	43,258	173,031	173,031	09/25/2008	10/01/2013	
369626-5C-4	Gen Elec Cap Corp Sr Unsec				1FE	5,389,524		5,553,808	5,400,000	5,390,811		1,287		2,950	3.014	MN	23,010	79,650	79,650	05/04/2011	05/01/2016	
369626-3U-6	GENERAL ELECTRIC CAPITAL CORPORATI				1FE	9,125,570		10,248,018	9,150,000	8,929,916		27,719		5,625	6.181	MN	85,781	514,688	514,688	04/16/2008	05/01/2018	
373334-FN-6	GEORGIA PWR CO				1FE	1,525,200		1,554,384	1,500,000	1,502,721		(2,977)		5,125	4.971	MN	9,823	76,875	76,875	11/20/2002	11/15/2012	
377372-AD-9	GLAXOSMITHKLINE CAPITAL INC				1FE	3,497,865		4,212,625	3,500,000	3,498,518		188		5,650	5.738	MN	25,268	197,750	197,750	05/06/2008	05/15/2018	
38141G-FM-1	GOLDMAN SACHS GROUP INC				1FE	1,758,785		1,806,156	1,750,000	1,756,194		(793)		6,150	6.174	AO	26,906	107,625	107,625	04/22/2008	04/01/2018	
459200-GN-5	INTERNATIONAL BUSINESS MACHS				1FE	2,765,204		3,060,262	2,775,000	2,771,128		1,974		6,500	6.692	AO	38,079	180,375	180,375	10/09/2008	10/15/2013	
48121C-VZ-6	JP MORGAN CHASE BANK NA				1FE	2,976,570		3,219,009	3,000,000	2,985,437		2,163		6,000	6.198	JJ	88,000	180,000	180,000	06/22/2007	07/05/2017	
136375-BR-2	CANADIAN NATL RY CO				1FE	3,484,740		4,164,479	3,500,000	3,489,441		1,344		5,550	5.686	MN	24,821	194,250	194,250	04/24/2008	05/15/2014	
225460-AA-5	CREDIT SUISSE NEW YORK		R		1FE	3,831,030		3,637,970	3,500,000	3,683,409		(74,567)		5,500	3.179	MN	32,083	192,500	192,500	12/22/2009	05/01/2014	
05531F-AG-8	BB&T CORPORATION				1FE	1,248,263		1,303,039	1,250,000	1,248,533		270		3,200	3.256	MS	11,778	20,889	20,889	02/28/2011	03/15/2016	
166751-AH-0	CHEVRON CORP				1FE	5,250,900		5,346,995	5,000,000	5,134,701		(59,433)		3,950	2.683	MS	64,736	197,500	197,500	01/08/2010	03/03/2014	
20829C-AT-1	CONOCOPHILLIPS				1FE	2,154,240		2,211,988	2,000,000	2,104,147		(32,388)		4,600	2.820	JJ	42,422	92,000	92,000	06/10/2010	01/15/2015	
369604-AY-9	GENERAL ELECTRIC COMPANY				1FE	2,672,450		2,605,238	2,500,000	2,561,475		(55,168)		5,000	2.701	FA	52,083	125,000	125,000	12/14/2009	02/01/2013	
38141E-A3-3	GOLDMAN SACHS GROUP INC				1FE	5,530,450		5,190,070	5,000,000	5,292,614		(118,535)		6,000	3.400	MN	50,000	300,000	300,000	12/14/2009	05/01/2014	
717081-DA-8	Pfizer Inc				1FE	5,549,100		5,655,930	5,000,000	5,345,864		(101,136)		5,350	3.092	MS	78,764	267,500	267,500	12/14/2009	03/15/2015	
055650-BF-4	BP CAPITAL MARKETS PLC		R		1FE	5,524,950		5,362,820	5,000,000	5,255,706		(133,531)		5,250	2.422	MN	39,375	262,500	262,500	12/14/2009	11/07/2015	
44328M-AB-0	HSBC BANK PLC		R		1FE	3,024,222		3,024,222	3,000,000	3,024,222		(12,764)	32,884	3,500	3.280	JD	875	105,000	105,000	03/02/2011	06/28/2015	
225460-AB-3	CREDIT SUISSE NEW YORK BRANCH		R		1FE	7,786,950		7,592,633	7,500,000	7,557,814		(113,290)		3,450	3.870	JJ	119,313	258,750	258,750	12/11/2009	07/02/2012	
86959L-AB-9	SVENSKA HANDELSBANKEN MTN 144A		R		1FE	7,648,800		7,570,928	7,500,000	7,538,923		(54,346)		2,875	2.139	MS	64,089	215,625	215,625	12/11/2009	09/14/2012	
084664-BD-2	BERKSHIRE HATHAWAY FIN CORP				1FE	5,366,000		5,259,210	5,000,000	5,150,569		(106,672)		4,600	2.372	MN	29,389	230,000	230,000	12/11/2009	05/15/2013	
097014-AK-0	BOEING CAP CORP				1FE	7,545,525		7,985,978	7,500,000	7,527,247		(9,055)		3,250	3.199	AO	43,333	243,750	243,750	12/11/2009	10/27/2014	
141781-AY-0	CARGILL INC				1FE	7,227,217		8,168,527	7,515,000	7,240,587		13,369		4,307	4.853	MN	42,257	160,039	160,039	05/31/2011	05/14/2021	
38143U-SC-6	GOLDMAN SACHS GROUP INC				1FE	2,441,324		2,347,922	2,430,000	2,439,835		(1,489)		3,625	3.549	FA	35,235	44,044	44,044	04/28/2011	02/07/2016	
46625H-GT-1	JPMORGAN CHASE & CO				1FE	3,284,970		3,101,610	3,000,000	3,077,999		(102,239)		5,375	1.879	AO	40,313	161,250	161,250	12/11/2009	10/01/2016	
57629W-BM-1	MASSMUTUAL GBL 144A				1FE	2,498,475		2,509,948	2,500,000	2,498,847		297		2,300	2.326	MS	14,854	57,657	57,657	09/20/2010	09/28/2015	
74153W-AS-8	PRICOA GBLB FDG I MTN 144A				1FE	4,871,894		4,683,419	4,610,000	4,661,268		(104,271)		4,625	2.312	JD	3,554	213,213	213,213	12/11/2009	06/25/2012	
94979C-AL-1	WELLS FARGO FINL INC				1FE	1,891,068		1,795,127	1,750,000	1,782,100		(53,997)		5,500	2.332	FA	40,104	96,250	96,250	12/11/2009	08/01/2012	
3299999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					157,633,912	XXX	162,503,458	153,055,000	154,840,589		(1,275,913)	32,884		XXX	XXX	XXX	1,575,893	6,845,392	6,845,392	XXX	XXX
12629E-AF-2	CSAB MTG-BCKD TR 2007-1				1FM	6,934,676		5,797,855	10,615,640	6,975,858		108,998		5,356	10.600	MON	41,773			11/10/2009	05/25/2037	
021490-AE-0	CWALT INC 2007 0A10				1FM	5,691,133		7,722,538	8,656,992	4,736,280		622,985	1,003,443		97,273	MON	1,292			04/13/2010	09/25/2047	
872227-AH-6	TBW MTG BKD TR 2007-2				1FM	11,815,860		11,080,303	24,541,893	11,559,555		(296,832)		5,038	14.052	MON	2,786			11/16/2009	07/25/2037	
88158A-AJ-1	TERWIN MORTGAGE TRUST 07-9 SL				1FM	2,409,834		2,036,800	4,100,700	2,412,637		101,622	637,524		15,967	MON	1,593			11/30/2011	06/25/2038	
88158A-AA-0	TERWIN MTG TR 2007-SL9				1FM	3,124,390		1,052,904	4,954,995	3,227,761		155,866			11,949	MON	1,562			11/30/2009	06/25/2038	
3399999	Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities					29,975,893	XXX	25,475,204	52,870,220	28,912,091		692,639	1,640,967		XXX	XXX	XXX		49,006		XXX	XXX
05950V-AE-0	BANC AMER CMBS 2006-6				1FM	5,979,794		6,397,708	5,950,000	5,963,797		(969)		5,356	5.423	MON	26,557	318,682	318,682	11/10/2006	10/10/2045	
173067-AC-3	CGCMT 2004-C1 A3				2FM	4,229,800		103,2530	4,089,078	4,181,639		(48,161)		5,251	2.831	MON	17,894	161,237	161,237	03/28/2011	04/15/2040	
46625Y-OP-2	JP MORGAN CHASE CMBS 2005-LDP1				1FM	6,817,259		7,834,595	7,220,000	7,071,988		19,945		5,038	6.026	MON	30,312	363,743	363,743	06/15/2006	03/15/2046	
46625Y-QR-7	JP MORGAN COM MTG 2005-C1BC12				1FM	6,029,685		6,544,920	6,000,000	6,008,236		(689)		4,895	4.960	MON	24,475	293,700	293,700	07/20/2005	09/12/2037	
617459-AD-4	MORGAN STANLEY CAPITAL I 11-C2 A4				2FM	7,069,735		7,696,997	7,000,000	7,066,489		(3,245)										

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**SCHEDULE D - PART 1**

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book / Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
46625Y-QR-7	JP MORGAN COM MTG 2005-C1BC12				1FM	2,411,874	109.0820	2,617,968	2,400,000	2,403,294		(276)			4.895	4.960	MON.	9,790	117,480	07/20/2005	09/12/2037
46625Y-ZX-4	JPMCC 2006-CB14 A4				1FM	4,864,130	108.7480	5,276,463	4,852,000	4,860,445		(1,954)			5.481	5.567	MON.	22,162	265,938	01/25/2010	12/12/2044
52108H-5X-8	LB-UBS CMBS 2005-C3				1FM	1,808,868	107.9400	1,942,920	1,800,000	1,802,972		(922)			4.739	4.780	MON.	4,739	85,302	06/21/2005	07/15/2030
59022H-FY-3	MLMT 2005-MKB2 A4				2FM	3,086,250	107.9540	3,238,632	3,000,000	3,048,179		(20,099)			5.204	4.538	MON.	13,010	156,120	01/25/2010	09/12/2042
3499999	Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities					81,722,419	XXX	87,702,112	81,550,655	81,958,508		(93,484)			XXX	XXX	XXX	347,796	3,975,677	XXX	XXX
161571-BC-7	CHASE ISSUANCE TRUST 06-A2 A2				1AM	11,009,375	115.4300	11,543,031	10,000,000	10,719,726		(160,387)			5.160	3.341	MON.	22,933	516,000	03/02/2010	04/15/2018
000292-AB-8	AAA 2007-2 A2				1AM	36,979,760	13.7980	11,488,256	83,259,801	37,457,657		477,897				7.101	MON.	1,630	1,630	10/20/2011	01/27/2046
058521-AC-9	BALLANTYNE RE PLC 2006-1A A2B				1AM	6,272,722	20.6460	3,779,328	18,305,245	6,806,049		487,751				8.840	MON.	1,070	1,070	09/21/2010	05/02/2036
3599999	Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities					54,261,857	XXX	26,810,615	111,565,046	54,983,432		805,261			XXX	XXX	XXX	22,933	518,700	XXX	XXX
3899999	Subtotals - Industrial and Miscellaneous (Unaffiliated)					323,594,081	XXX	302,491,389	399,040,921	320,694,620		128,503	1,673,851		XXX	XXX	XXX	1,946,622	11,388,775	XXX	XXX
7799999	Subtotals - Issuer Obligations					2,274,033,702	XXX	2,383,318,745	2,160,407,835	2,247,084,251		(11,193,152)	32,884		XXX	XXX	XXX	27,660,007	85,498,481	XXX	XXX
7899999	Subtotals - Residential Mortgage-Backed Securities					119,799,528	XXX	118,098,874	140,803,573	118,651,031		708,171	1,640,967		XXX	XXX	XXX	283,629	2,237,776	XXX	XXX
7999999	Subtotals - Commercial Mortgage-Backed Securities					87,331,677	XXX	94,027,526	87,300,655	87,578,483		(84,613)			XXX	XXX	XXX	368,462	4,217,844	XXX	XXX
8099999	Subtotals - Other Loan-Backed and Structured Securities					68,891,146	XXX	41,691,969	125,120,046	69,397,235		728,652			XXX	XXX	XXX	202,445	1,216,591	XXX	XXX
8399999	Totals					2,550,056,053	XXX	2,637,137,114	2,513,632,109	2,522,711,000		(9,840,942)	1,673,851		XXX	XXX	XXX	28,514,543	93,170,692	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book / Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		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.		
62386#-10-9	ASSURED GUARANTY (UK) LTD.		F	8,300,000.000	122,346,875	14.692	122,346,875	98,134,557				405,477		405,477	U	12/31/2003	
000000-00-0	PRESCOTT, LLC			1,000.000	1,000	1.000	1,000	1,000							U	11/22/2011	
9199999	- Parent, Subsidiaries and Affiliates				122,347,875	XXX	122,347,875	98,135,557				405,477		405,477	XXX	XXX	
55376T-42-9	MTB MONEY MARKET FUND.			3,247,303.410	3,247,303	1.000	3,247,303	3,247,303		2,081					L	12/15/2011	
55376T-42-9	MTB MONEY MARKET FUND.			395,929.571	395,930	1.000	395,930	395,930		460					L	12/27/2011	
55376T-42-9	MTB MONEY MARKET FUND.			361,050.510	361,051	1.000	361,051	361,051		320					L	12/12/2011	
9399999	- Money Market Mutual Funds				4,004,284	XXX	4,004,284	4,004,284		2,861					XXX	XXX	
9799999	Total Common Stocks				126,352,159	XXX	126,352,159	102,139,841		2,861		405,477		405,477	XXX	XXX	
9899999	Total Preferred and Common Stocks				126,352,159	XXX	126,352,159	102,139,841		2,861		405,477		405,477	XXX	XXX	

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues ..... , the total \$ value (included in Column 8) of all such issues \$ .....

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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
313560-BA-0	FANNIE MAE		03/09/2011	AGC TRANSFERS		5,491,541	5,500,000	1,814
3137EA-CT-4	FREDDIE MAC		08/10/2011	AGC TRANSFERS		10,256,752	10,000,000	84,722
912828-PR-5	UNITED STATES TREASURY NOTE		03/11/2011	AGC TRANSFERS		1,048,753	1,050,000	662
912828-OF-0	UNITED STATES TREASURY NOTE		05/25/2011	AGC TRANSFERS		20,103,647	20,000,000	25,000
912828-RJ-1	UNITED STATES TREASURY NOTE		10/26/2011	AGC TRANSFERS		9,285,871	9,300,000	6,607
912828-QJ-2	US Treas Note/Bond		03/23/2011	AGC TRANSFERS		17,154,449	17,000,000	22,578
912828-RQ-5	US TREASURY N/B		12/07/2011	NOMURA SECURITIES INT'L I		3,499,465	3,500,000	829
0599999 - Bonds	- U.S. Governments					66,840,478	66,350,000	142,212
574192-AU-1	MD GO NC S09C		10/27/2011	AGC TRANSFERS		7,451,938	6,420,000	139,281
882721-VR-1	TEXAS ST MOB		01/13/2011	AGC TRANSFERS		856,020	850,000	12,042
93974C-EC-0	WA GO C19 S09C		01/14/2011	AGC TRANSFERS		848,137	770,000	17,432
917542-SR-4	UTAH ST		06/16/2011	JP Morgan Securities		5,973,450	5,000,000	
13062P-PU-0	CALIFORNIA ST GO		08/10/2011	AGC TRANSFERS		5,041,616	5,000,000	6,250
419791-YB-8	HI GO NC S10D		04/06/2011	JEFFRIES		11,194,605	9,825,000	95,521
604129-VX-1	MN GO C20 S10D		09/29/2011	AGC TRANSFERS		7,822,950	6,665,000	53,690
604129-WU-6	MN GO NC S10D		05/11/2011	JEFFRIES		5,601,969	4,740,000	69,125
68608K-6T-0	OR GO NC S11J		05/19/2011	CITIGROUP GLOBAL MARKETS		2,152,914	1,820,000	
68608K-6U-7	OR GO NC S11J		05/19/2011	CITIGROUP GLOBAL MARKETS		2,160,540	1,815,000	
70914P-KZ-4	PA GO NC S09		02/07/2011	Added by SunGard		5,696,000	5,000,000	27,083
83710D-4F-2	SC GO NC S11		02/17/2011	JP Morgan Securities		11,482,200	10,000,000	
97705L-C9-6	WI GO C21 S11		01/12/2011	JP Morgan Securities		10,567,500	10,000,000	
882721-S4-6	TEXAS ST		07/12/2011	Added by SunGard		2,137,200	2,000,000	28,889
1799999 - Bonds	- U.S. States, Territories and Possessions (Direct and Guaranteed)					78,987,039	69,905,000	449,313
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.		08/16/2011	AGC TRANSFERS		2,408,712	2,400,000	383
414005-GV-4	HARIS CNTY TEX		10/27/2011	AGC TRANSFERS		3,336,450	3,000,000	10,833
930863-Z5-7	NC Wake Co GO NC S11		09/29/2011	AGC TRANSFERS		7,170,767	6,150,000	152,896
89438V-5J-1	TX Co GO C20 S10		09/28/2011	AGC TRANSFERS		6,468,103	5,805,000	17,116
702333-4Y-8	TX Pasadena SD GO C20 S10		10/27/2011	AGC TRANSFERS		6,951,465	6,250,000	37,917
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.		06/29/2011	AGC TRANSFERS		5,022,882	5,000,000	107,014
64966H-BQ-2	NY GO NC S08C		11/09/2011	Morgan Stanley Co.		4,618,527	3,885,000	58,923
64966H-E3-0	NY GO NC S10B		05/24/2011	WACHOVIA SECURITIES INC		6,672,777	5,715,000	92,075
64966J-EQ-5	NY NYC GO NC S11		03/14/2011	Merrill Lynch		6,807,819	6,045,000	
199491-5H-0	OH Columbus GO NC S11A		07/28/2011	STIFEL NICOLAUS & CO INC		1,777,245	1,500,000	
442331-TN-4	TX Houston GO NC S10A		02/08/2011	MORGAN GUANTRY		8,478,719	7,495,000	66,622
167505-PA-8	CHICAGO IL BRD OF EDU		10/13/2011	JEFFRIES		971,180	1,000,000	
796237-WZ-4	SAN ANTONIO TEX		07/13/2011	MURIEL SIEBURT & CO		1,354,113	1,250,000	
2499999 - Bonds	- U.S. Political Subdivisions, Territories and Possessions (Direct and Guaranteed)					62,038,759	55,495,000	543,779
38376C-B6-6	GOVERNMENT NATIONAL MORTGAGE A 11-		01/04/2011	JEFFRIES		1,630,508	1,750,000	5,250
196558-RP-7	COLORADO RIVER TEX MUN WTR		07/22/2011	BARCLAYS CAPITAL		6,547,970	6,500,000	
31398W-SD-7	FHLMC, 3632-PK CMO/AGENCY		11/29/2011	UBS Securities		2,900,238	2,607,871	362
3138AX-RK-9	FNMA 30YR MBS/POOL		12/15/2011	WELLS FARGO BROK SER LLC		11,272,863	10,974,494	20,272
544495-XA-7	LOS ANGELES CALIF DEPT WTR & PWR		06/16/2011	Morgan Stanley Co.		11,632,700	10,000,000	
649902-5Z-2	NEW YORK ST DORM AUTH ST PERS		07/14/2011	WELLS FARGO BROK SER LLC		10,269,000	10,000,000	
686507-EM-2	ORLANDO FLA UTIL COMMSYS R		06/07/2011	JP Morgan Securities		2,332,700	2,000,000	
837151-CC-1	SOUTH CAROLINA ST PUB SVC AUTH		10/06/2011	WELLS FARGO BROK SER LLC		10,869,500	10,000,000	1,389
360066-ND-2	GA Fulton Co W&S NC S11		09/07/2011	CITIGROUP GLOBAL MARKETS		1,900,624	1,600,000	
74265L-YE-2	GA Pvt Clg & Univ Au NC S11A		08/12/2011	BARCLAYS CAPITAL		1,608,012	1,350,000	
59447P-HC-8	MICHIGAN ST FIN AUTH REVENUE		10/27/2011	Merrill Lynch		4,349,683	3,700,000	
658203-PH-1	NORTH CAROLINA MUN PWR AGY NO CAT		08/10/2011	AGC TRANSFERS		3,915,000	3,915,000	23,327
64971M-GR-8	NY NYC TFA C20 S11C		01/13/2011	BARCLAYS CAPITAL		5,330,550	5,000,000	
882756-R8-4	TX PFA Unemploy C16 S10A		02/07/2011	JEFFRIES		7,155,163	6,415,000	49,003
927793-TJ-8	VA ComWith Trn Bd NC S11		05/12/2011	WACHOVIA SECURITIES INC		11,509,829	9,725,000	
29270C-XB-6	WA Egy NW El NC S11A		06/01/2011	STONE & YOUNGBERG		1,894,096	1,600,000	13,556
29270C-RB-3	WA Egy NW Elec NC S08A		05/25/2011	JEFFRIES		4,819,261	4,065,000	88,922
29270C-VZ-5	WA Egy NW NC S10A		02/08/2011	Added by SunGard		7,969,570	7,000,000	38,889
29270C-WA-9	WA Egy NW Wash Elec NC S10A		02/07/2011	LEBENTHAL & CO LLC		6,258,974	5,510,000	29,846
052476-YC-6	AUSTIN TX WTR & WSTWTR SYS REV		12/09/2011	BANK OF NEW YORK		1,654,205	1,530,000	9,138
052476-YD-4	AUSTIN TX WTR & WSTWTR SYS REV		12/02/2011	Added by SunGard		3,101,231	2,925,000	14,625
16772P-BC-9	CHICAGO IL TRANSIT AUTH SALES		11/30/2011	WELLS FARGO BROK SER LLC		1,041,510	1,000,000	4,521
235416-3C-6	DALLAS TEX WTRWKS & SWR SYS RE		07/20/2011	PIPEN JOFFERY		1,355,800	1,250,000	
235241-JY-3	DALLAS TX AREA RAPID TRANSIT S		11/29/2011	VARIOUS		5,088,818	4,750,000	75,068

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

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
3128MJ-QG-8	FEDERAL HOME LN MTG CORP #G08454		06/17/2011	JEFFRIES		2,076,250	2,000,000	3,250
3128PV-BS-8	FEDERAL HOME LN MTG CORP #J15449		07/18/2011	Added by SunGard		10,195,672	9,746,423	16,244
3128PU-EW-8	FG J14649		03/18/2011	VARIOUS		19,903,632	20,000,000	30,625
3128PU-HG-0	FG J14731		03/18/2011	VARIOUS		19,903,636	20,000,000	30,625
3132GE-3X-6	FHLMC POOL 001714		06/13/2011	NOMURA SECURITIES INT'L I		3,020,860	3,000,001	4,333
3138A8-SL-1	FN AH6822		03/17/2011	BARCLAYS CAPITAL		5,040,625	5,000,000	8,264
41422E-DM-2	HARRIS CNTY TEX MET TRAN AUTH		12/13/2011	JEFFRIES		9,384,078	8,750,000	52,743
442435-G5-6	HOUSTON TX UTILITY SYS REVENUE		12/02/2011	WELLS FARGO BROK SER LLC		1,571,775	1,500,000	4,583
45129W-KU-3	IDAHO HSG & FIN ASSN		07/13/2011	Added by SunGard		2,319,413	2,250,000	
45505M-AR-7	INDIANA FIN AUTH IN WSTWTR		12/13/2011	Added by SunGard		1,038,370	1,000,000	15,278
45505M-AS-5	INDIANA FIN AUTH IN WSTWTR		12/02/2011	Added by SunGard		2,041,559	1,925,000	28,354
57583R-PC-3	MASSACHUSETTS ST DEV FIN AGY		12/06/2011	Added by SunGard		2,334,983	2,250,000	49,375
576000-LP-6	MASSACHUSETTS ST SCH BLDG AUTH		11/28/2011	BARCLAYS CAPITAL		1,330,075	1,250,000	4,861
64971Q-PA-5	NEW YORK CITY NY TRANSITIONAL		10/13/2011	Merrill Lynch		1,616,540	1,465,000	
64971Q-RM-7	NEW YORK CITY NY TRANSITIONAL		12/01/2011	VARIOUS		2,901,525	2,750,000	7,257
649905-S2-3	NEW YORK ST DORM AUTH REV		07/14/2011	Added by SunGard		1,866,953	1,750,000	4,375
649902-S2-2	NEW YORK ST DORM AUTH ST PERS		12/05/2011	Added by SunGard		1,272,218	1,210,000	13,949
73358W-FR-0	PORT AUTH OF NEW YORK & NEW JE		12/13/2011	JEFFRIES		7,645,425	7,500,000	63,542
756872-FJ-1	RED RIVER TEX ED FIN REV		07/20/2011	UBS Securities		1,022,100	1,000,000	18,056
914126-FV-2	UNIVERSITY CALIF REV		11/29/2011	BARCLAYS CAPITAL		2,358,743	2,250,000	5,313
924166-DH-1	VERMONT EDL & HEALTH BLDGS		07/13/2011	Added by SunGard		2,331,000	2,250,000	24,063
977100-BZ-8	WISCONSIN ST GEN FD ANNUAL APP GEN		10/13/2011	WELLS FARGO BROK SER LLC		3,610,133	3,250,000	86,689
392274-ZY-5	Gr Orlando Av Auth		09/08/2011	BANK OF NEW YORK		1,043,270	1,000,000	
490580-DU-8	Kent MI Hos Spectrum		06/09/2011	JP Morgan Securities		1,355,724	1,200,000	
490580-DW-4	Kent MI Hos Spectrum		06/09/2011	Added by SunGard		1,673,400	1,500,000	
48543B-NB-0	KS DFA KU Health 11H		10/14/2011	PIPER JAFFREY INC		1,087,330	1,000,000	
48543B-NC-8	KS DFA KU Health 11H		10/14/2011	PIPER JAFFREY INC		1,073,250	1,000,000	
48543B-NE-4	KS DFA KU Health 11H		10/14/2011	PIPER JAFFREY INC		1,049,310	1,000,000	
48543B-NG-9	KS DFA KU Health 11H		10/14/2011	PIPER JAFFREY INC		1,430,307	1,395,000	
546850-BD-9	Louisville KY AirAMT		04/08/2011	US BANCORP PIPER JAFFRAY		5,756,617	5,450,000	
546850-BE-7	Louisville KY AirAMT		04/08/2011	US BANCORP PIPER JAFFRAY		5,902,924	5,670,000	
60535G-AX-0	MS HSG PAC		01/04/2011	George K Baum		789,375	750,000	2,625
64972F-ZZ-8	New York City Munici		04/26/2011	RBC		13,179,480	12,000,000	48,333
392274-ZT-6	Orlando FL Arpt AMT		09/08/2011	BANK OF NEW YORK		1,054,860	1,000,000	
96634R-AM-4	WHITING IN BP RPDCS 5.0000% 01-01		03/29/2011	BANK OF NEW YORK		10,821,200	10,000,000	
985900-CR-8	Yavapi IDA N AZ Hlth		09/29/2011	Merrill Lynch		2,541,160	2,250,000	
985900-CT-4	Yavapi IDA N AZ Hlth		09/29/2011	Merrill Lynch		5,472,906	4,870,000	
3199999 - Bonds - U.S. Special Revenue						285,424,483	267,353,788	896,905
36962G-5C-4	Gen Elec Cap Corp Sr Unsec		05/04/2011	Morgan Stanley Co		5,389,524	5,400,000	
05531F-AG-8	BB&T CORPORATION		02/28/2011	Added by SunGard		1,248,263	1,250,000	
617459-AD-4	MORGAN STANLEY CAPITAL I 11-C2 A4		06/10/2011	Added by SunGard		7,069,735	7,000,000	19,032
44328M-AB-0	HSBC BANK PLC	R	03/02/2011	UBS Securities		3,069,870	3,000,000	20,125
141781-AY-0	CARGILL INC		05/31/2011	DIRECT		7,227,217	7,515,000	
173067-AC-3	CGCMT 2004-C1 A3		03/28/2011	CITIGROUP GLOBAL MARKETS		5,106,385	4,936,500	21,603
38143U-SC-6	GOLDMAN SACHS GROUP INC		04/28/2011	Added by SunGard		2,441,324	2,430,000	21,043
000292-AB-8	AAA 2007-2 A2		10/20/2011	FSA		37,000,531	83,306,566	1,630
88158A-AJ-1	TERWIN MORTGAGE TRUST 07-9 SL		11/30/2011	FSA		249,027	524,013	623
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						68,801,876	115,362,079	84,056
8399997 - Subtotals - Bonds - Part 3						562,092,635	574,465,867	2,116,265
8399998 - Summary item from Part 5 for Bonds						324,533,732	302,080,000	4,525,624
8399999 - Subtotals - Bonds						886,626,367	876,545,867	6,641,889
8999998 - Summary item from Part 5 for Preferred Stocks							XXX	
8999999 - Subtotals - Preferred Stocks							XXX	
000000-00-0	PRESCOTT, LLC		11/22/2011	DIRECT	1,000,000	1,000		
9199999 - Common Stocks - Parent, Subsidiaries, Affiliates						1,000	XXX	
55376T-42-9	MTB MONEY MARKET FUND		12/15/2011	AGC TRANSFERS	3,671,373.030	3,671,373		
55376T-42-9	MTB MONEY MARKET FUND		12/27/2011	AGC TRANSFERS	770,946.200	770,946		
55376T-42-9	MTB MONEY MARKET FUND		12/12/2011	AGC TRANSFERS	404,076.790	404,077		
9399999 - Common Stocks - Money Market Mutual Fund						4,846,396	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
3136FM-FG-4	FANNIE MAE		03/31/2011	CALLED @ 100.000000		1,000,000	1,000,000	999,547	999,715		285		285		1,000,000				10,000	03/30/2015
3136FM-K9-4	FANNIE MAE		07/14/2011	CALLED @ 100.000000		10,000,000	10,000,000	10,000,000	10,000,000						10,000,000				100,000	07/14/2015
912826-HT-0	UNITED STATES TREAS NTS		02/23/2011	Added by SunGard		15,609,325	15,000,000	15,624,660	15,357,754		(23,912)		(23,912)		15,333,842		275,483	275,483	201,692	02/28/2013
912810-OL-5	UNITED STATES TREASURY BOND		05/16/2011	AGC TRANSFERS		19,129,895	20,000,000	19,128,120	19,675,003		3,112	548,220	(545,108)		19,129,895				427,310	11/15/2040
880591-DW-9	TENNESSEE VALLEY AUTH.		03/28/2011	JP Morgan Securities		5,424,900	5,000,000	5,513,000	5,367,129		(33,589)		(33,589)		5,333,540			91,360	158,333	08/01/2013
059999 - Bonds - U.S. Governments						51,164,120	51,000,000	51,265,327	51,399,601		(54,104)	548,220	(602,324)		50,797,277		366,843	366,843	897,335	XXX
13062P-PU-0	CALIFORNIA ST	GO	08/10/2011	AGC TRANSFERS		5,041,616	5,000,000	5,058,822	5,051,148		(9,533)		(9,533)		5,041,616				256,250	02/01/2033
604129-VX-1	MN GO C20 S10D		09/29/2011	AGC TRANSFERS		7,822,950	6,665,000	7,924,881	7,908,182		(85,232)		(85,232)		7,822,950				333,250	08/01/2023
882721-VR-1	TEXAS ST	MOB	01/13/2011	AGC TRANSFERS		856,020	850,000	856,919	856,047		(28)		(28)		856,020				12,042	04/01/2037
939740-EC-0	WA GO C19 S09C		01/14/2011	AGC TRANSFERS		848,137	770,000	850,596	848,288		(151)		(151)		848,137				17,432	02/01/2025
419791-YG-7	HAWAII ST		11/30/2011	PIPER JOFFERY		2,640,900	2,500,000	2,509,925	2,508,284		(1,796)		(1,796)		2,506,488			134,412	100,833	02/01/2015
882722-JU-6	TEXAS ST		09/22/2011	WELLS FARGO BROK SER LLC		1,400,040	1,125,000	1,364,276	1,359,210		(17,649)		(17,649)		1,341,561			58,479	55,625	10/01/2019
179999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						18,609,663	16,910,000	18,565,419	18,531,159		(114,389)		(114,389)		18,416,772		192,891	192,891	775,432	XXX
213185-AA-9	COOK CNTY ILL	G.O.	04/11/2011	AGC TRANSFERS		5,114,432	5,120,000	5,032,837	5,098,428		16,003		16,003		5,114,432				106,418	11/15/2026
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.		06/29/2011	AGC TRANSFERS		5,022,882	5,000,000	5,288,500	5,040,376		(17,494)		(17,494)		5,022,882				250,764	02/15/2021
413450-FI-9	HARPER CREEK MICH CMNTY SCH DI G.O.		03/25/2011	AGC TRANSFERS		3,877,665	3,900,000	3,876,614	3,877,386		279		279		3,877,665				79,950	05/01/2026
88438V-5J-1	TX Co GO C20 S10		02/25/2011	AGC TRANSFERS		6,494,556	5,805,000	6,512,638	6,501,400		(6,844)		(6,844)		6,494,556				237,030	03/01/2023
213185-AB-7	COOK CNTY ILL	G.O.	05/16/2011	CALLED @ 100.000000		1,880,000	1,880,000	1,869,033	1,872,079		7,921		7,921		1,880,000				48,175	11/15/2026
181054-UJ-4	CLARK CNTY NEV SCH DIST	G.O.	06/01/2011	MATURITY		3,000,000	3,000,000	2,983,560	2,999,437		563		563		3,000,000				105,000	06/01/2011
232760-PC-6	CYPRESS-FAIRBANKS TEX INDPT SC G.O.		08/16/2011	AGC TRANSFERS		2,408,712	2,400,000	2,410,983	2,408,712		(2,272)		(2,272)		2,408,712				69,383	02/15/2021
258885-TL-6	DOUGLAS CNTY COLO SCH DIST NO G.O.		04/12/2011	PIPER JAFFREY INC.		7,713,896	7,470,000	7,529,909	7,505,773		(10,301)		(10,301)		7,495,472		218,423	218,423	130,725	12/15/2015
414005-GV-4	HARTS CNTY TEX		10/27/2011	AGC TRANSFERS		3,336,450	3,000,000	3,355,369	3,354,529		(18,080)		(18,080)		3,336,450				160,833	10/01/2023
413450-FU-6	HARPER CREEK MICH CMNTY SCH DI G.O.		05/02/2011	CALLED @ 100.000000		2,600,000	2,600,000	2,576,014	2,594,692		5,308		5,308		2,600,000				66,625	05/01/2026
702333-4Y-8	TX Pasadena SD GO C20 S10		10/27/2011	AGC TRANSFERS		6,951,465	6,250,000	6,983,063	6,970,915		(19,450)		(19,450)		6,951,465				193,646	02/15/2026
235219-CP-5	DALLAS TEX		07/25/2011	TD SECURITIES		1,175,130	1,000,000	1,185,490	1,166,115		(16,017)		(16,017)		1,166,115		9,015	9,015	34,722	02/15/2017
258885-TL-6	DOUGLAS CNTY COLO SCH DIST NO G.O.		04/18/2011	PIPER JOFFERY		484,697	470,000	490,489	472,251		(687)		(687)		471,564				8,636	12/15/2015
442330-T8-9	HOUSTON TEX	REF	03/01/2011	CALLED @ 100.000000		5,000,000	5,000,000	5,353,950	5,007,800		(7,800)		(7,800)		5,000,000				137,500	03/01/2016
614121-OB-0	MONTGOMERY TEX INDPT SCH DIST G.O.		02/15/2011	CALLED @ 100.000000		1,845,000	1,845,000	1,775,628	1,837,761		7,239		7,239		1,845,000				46,125	02/15/2026
833085-A2-9	SNOHOMISH CNTY WASH	G.O.	12/01/2011	CALLED @ 100.000000		8,305,000	8,305,000	8,351,817	8,323,549		(18,549)		(18,549)		8,305,000				446,394	12/01/2020
833085-ZM-8	SNOHOMISH CNTY WASH	G.O.	12/01/2011	CALLED @ 100.000000		1,045,000	1,045,000	1,050,891	1,047,334		(2,334)		(2,334)		1,045,000				56,169	12/01/2020
249999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						66,254,885	64,090,000	66,626,785	63,685,842		(82,515)		(82,515)		66,014,313		240,571	240,571	2,178,103	XXX
658203-PH-1	NORTH CAROLINA MUN PWR AGY NO CAT		08/10/2011	VARIOUS		5,730,000	5,730,000	5,826,222	5,807,794		(77,794)		(77,794)		5,730,000				288,564	01/01/2013
31417V-PW-7	FNMA PASS-THRU INT 15 YEAR		12/27/2011	PRINCIPAL RECEIPT		1,739,855	1,739,855	1,810,154	1,809,439		(69,584)		(69,584)		1,739,855				45,954	12/01/2024
64985H-D6-8	NEW YORK ST ENVIRONMENTAL FACS REV.		03/11/2011	AGC TRANSFERS		5,060,000	5,060,000	5,060,000	5,060,000						5,060,000				194,880	07/15/2018
130178-JD-9	CALIFORNIA EDL FACI AUTH REV.		03/17/2011	BANK OF NEW YORK		6,218,073	5,700,000	6,650,260	6,639,609		(3,847)		(3,847)		6,635,762		(417,689)	(417,689)	148,042	03/15/2039
451296-K9-7	IDAHO HSG AGY	SIN	07/01/2011	Sink PMT @ 100.000000		45,000	45,000	44,888	44,933		57		57		45,000				1,406	07/01/2027
575579-HJ-9	MASSACHUSETTS BAY TRAN AUTH MASS S		07/22/2011	Merrill Lynch		6,970,076	6,295,000	7,137,460	7,122,021		(14,671)		(14,671)		7,107,351		(137,275)	(137,275)	337,482	07/01/2031
606092-CP-7	MISSOURI JT MUN ELEC UTIL COMM REV.		10/06/2011	WELLS FARGO BROK SER LLC		10,113,600	10,000,000	9,621,800	10,165,156		(10,738)	531,276	(542,014)		9,623,142		490,458	490,458	640,278	01/01/2042
649905-S2-3	NEW YORK ST DORM AUTH REV.		07/14/2011	CITIGROUP GLOBAL MARKETS		10,647,500	10,000,000	10,769,800	10,758,080		(11,478)		(11,478)		10,746,602		(99,102)	(99,102)	555,556	07/01/2032
798147-K6-0	SAN JOSE CALIF REDEV AGY TAX A TAX		06/22/2011	VARIOUS		5,164,726	5,915,000	5,289,299	6,180,826		(2,103)	892,633	(894,736)		5,286,900		(121,364)	(121,364)	252,575	08/01/2023
812643-DW-1	SEATTLE WASH MUN LT & PWR REV.		06/22/2011	WELLS FARGO BROK SER LLC		8,203,930	7,000,000	8,123,430	8,063,527		(48,609)		(48,609)		8,014,918		189,012	189,012	380,139	02/01/2020
13066K-UR-8	CALIFORNIA ST DEPT WTR RES CEN REF		04/12/2011	STIFEL NICOLAUS & CO INC.		58,722	55,000	57,063	56,270		(180)		(180)		56,090		2,632	2,632	1,049	12/01/2022
873519-HP-0	TACOMA WASH ELEC SYS REV	REF	01/03/2011	CALLED @ 101.000000		5,050,000	5,000,000	5,054,258	5,050,000		(2,158)		(2,158)		5,050,000				143,750	01/01/2016
13066Y-RK-7	CALIFORNIA ST DEPT WTR RES		07/25/2011	Morgan Stanley Co.		1,429,475	1,250,000	1,427,950	1,420,511		(31,713)		(31,713)		1,398,930		30,545	30,545	48,264	05/01/2015
13066Y-RL-5	CALIFORNIA ST DEPT WTR RES		11/28/2011	Added by SunGard		1,445,538	1,250,000	1,445,400	1,438,819		(31,713)		(31,713)		1,407,106		38,432	38,432	69,618	05/01/2016
31398P-AB-2	FANNIE MAE 1039 TG		02/25/2011	VARIOUS		1,911,257	1,854,790	1,896,450	1,903,131		(2,391)		(2,391)		1,900,739		10,518	10,518	17,194	10/25/2037
3128M-JG-8	FEDERAL HOME LN MTG CORP #608454		12/15/2011	PRINCIPAL RECEIPT		224,925	224,925	233,500	224,925		(8,575)		(8,575)		224,925				3,380	07/01/2041
3128PV-BB-8	FEDERAL HOME LN MTG CORP #J15449		12/15/2011	PRINCIPAL RECEIPT		1,123,684	1,123,684	1,175,479	1,175,479		(51,795)		(51,795)		1,123,684				9,853	05/01/2026
3128PU-EW-8	FG J14649		12/15/2011	PRINCIPAL RECEIPT		2,397,162	2,397,162	2,385,614	2,397,162		(11,547)		(11,547)		2,397,162				45,979	04/01/2026
3128PU-HG-0	FG J14731		12/15/2011	PRINCIPAL RECEIPT		2,118,329	2,1													

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
16756K-BF-3	CHICAGO ILL MOTOR FUEL TAX REV MOT.		01/01/2011	Sink PMT @ 100.0000000		1,090,000	1,090,000	1,079,111	1,087,333		2,667		2,667		1,090,000						01/01/2014
373541-A2-7	GEORGIA MUN ELEC AUTH PWR REV REV.		01/03/2011	CALLED @ 100.0000000		55,000	55,000	54,833	55,000						55,000				1,760		01/01/2013
373541-Q0-7	GEORGIA MUN ELEC AUTH PWR REV REV.		01/01/2011	VARIOUS @ 100.0000000		85,000	85,000	84,649	84,930		70		70		85,000						01/01/2013
60636K-8E-6	MO HSG SF PAC		12/01/2011	Sink PMT @ 100.0000000		115,000	115,000	123,861	123,780		(8,780)		(8,780)		115,000				3,534		11/01/2027
60535E-AX-0	MS HSG PAC		12/01/2011	Sink PMT @ 100.0000000		71,165	71,165	76,348	61,856		(5,154)		(5,154)		71,165				2,663		12/01/2031
64985W-D2-7	NEW YORK ST ENVIRONMENTAL FACS REV.		03/01/2011	CALLED @ 100.0000000		4,060,000	4,060,000	4,155,778	4,060,000						4,060,000				158,949		07/15/2016
667027-C8-7	NORTHSIDE TEX INDPT SCH DIST ULT.		02/15/2011	CALLED @ 100.0000000		1,910,000	1,910,000	1,956,967	1,914,694		(4,694)		(4,694)		1,910,000				47,750		02/15/2026
97710N-ZL-3	WISCONSIN ST HEALTH & EDL FACS REV.		03/01/2011	CALLED @ 100.0000000		4,000,000	4,000,000	4,168,440	4,000,000						4,000,000				67,222		06/01/2018
3199999	U.S. Special Revenue and Special Assessment Obligations and all Non Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					140,994,085	136,420,595	141,997,839	135,972,538		(889,033)	1,423,909	(2,312,942)		140,428,525		565,557	565,557	5,061,507	XXX	
064149-A5-6	BANK OF NOVA SCOTIA		05/26/2011	BARCLAYS CAPITAL		4,006,255	3,915,000	3,910,694	3,912,013		517		517		3,912,531		93,724	93,724	71,858		01/22/2013
17305E-ER-2	CCCIT 2009-A5 A5		05/26/2011	VARIOUS		17,059,283	16,702,000	16,686,133	16,691,393		1,194		1,194		16,692,587		366,696	366,696	99,557		12/23/2014
34529H-AC-7	FORDO 2009-E A3		02/18/2011	VARIOUS		4,330,461	4,300,000	4,307,559	4,304,067		(336)		(336)		4,303,731		26,730	26,730	10,482		01/15/2014
36962G-4H-4	GEN ELEC CAP GE		05/04/2011	BANQUE NATIONAL DE PARIS		5,532,673	5,390,000	5,383,047	5,385,255		782		782		5,386,037		146,636	146,636	126,186		01/08/2013
61755Y-AF-1	MORGAN STANLEY CAP 2007-1Q15		04/07/2011	JP Morgan Securities		4,857,012	4,500,000	4,359,727	4,403,906		6,219		6,219		4,410,126		446,886	446,886	96,968		06/11/2049
742718-DR-7	PROCTER & GAMBLE SR NT		02/09/2011	VARIOUS		15,633,405	15,500,000	15,488,685	15,492,731		478		478		15,493,210		140,195	140,195	112,483		08/01/2012
98153Y-AC-8	WOART 2010-A A3		02/08/2011	NOMURA SECURITIES INT'L		4,680,008	4,656,000	4,655,371	4,655,660		32		32		4,655,692		24,315	24,315	9,705		12/16/2013
225460-AA-5	CREDIT SUISSE NEW YORK		03/04/2011	Added by SunGard		1,649,070	1,500,000	1,641,870	1,610,561		(5,521)		(5,521)		1,605,040		44,030	44,030	29,333		05/01/2014
06051G-DY-2	BANK OF AMERICA CORP		02/18/2011	Added by SunGard		5,679,700	5,000,000	5,707,650	5,551,308		(20,025)		(20,025)		5,531,283		148,417	148,417	101,406		05/15/2014
98153Y-AD-6	WORLD OMNI AUTO RECEIVABLES TR 10-		07/18/2011	Added by SunGard		10,212,500	10,000,000	9,999,759	9,999,825		38		38		9,999,864		212,636	212,636	132,600		09/15/2013
2515A0-T4-5	DEUTSCHE BANK AG LONDON		02/18/2011	Added by SunGard		5,078,000	5,000,000	4,995,100	4,996,649		210		210		4,996,860		81,140	81,140	73,559		01/11/2013
00209A-A6-1	AT&T WIRELESS SVCS INC		12/28/2011	CALLED @ 102.6325400		5,388,208	5,250,000	6,003,113	5,676,634		(288,425)		(288,425)		5,388,208				494,102		05/01/2012
141781-AR-5	CARGILL INC		05/31/2011	DIRECT		7,227,217	7,000,000	7,385,700	7,273,092		(45,875)		(45,875)		7,227,217				141,195		06/01/2013
173067-AC-3	CGCMT 2004-C1 A3		12/16/2011	PRINCIPAL RECEIPT		847,422	847,422	876,585	708,413		(29,163)		(29,163)		847,422				20,773		04/15/2040
22541N-AP-4	CSFB COML MTG PTC 2002-CP3		12/16/2011	PRINCIPAL RECEIPT		710,423	710,423	703,596	710,423		2,010		2,010		710,423				35,927		07/15/2035
38141G-EV-2	GOLDMAN SACHS GROUP INC		04/28/2011	CITIGROUP GLOBAL MARKETS		4,666,455	4,500,000	4,820,805	4,667,770		(48,298)		(48,298)		4,619,472		46,983	46,983	171,588		02/14/2012
000292-AB-8	AAA 2007-2 A2		12/27/2011	PRINCIPAL RECEIPT		46,765	46,765	20,771	25,994		66,043		66,043		100,854				6		05/02/2036
058521-AC-9	BALLANTYNE RE PLC 2006-1A A2B		12/02/2011	PRINCIPAL RECEIPT		100,854	100,854	34,560	34,811		1,129,089		1,129,089		100,854				6,498		05/25/2037
12629E-AF-2	CSAB MTG-BCKD TR 2007-1		12/25/2011	PRINCIPAL RECEIPT		1,745,486	1,745,486	1,140,240	1,129,089		616,396		616,396		1,745,486				633		09/25/2047
021490-AE-0	CWALT INC 2007 OA10		12/25/2011	PRINCIPAL RECEIPT		4,237,117	4,237,117	2,985,502	2,504,359		2,020,145	287,387	1,732,758		4,237,117				451		07/25/2037
872227-AH-6	TBW MTG BKD TR 2007-2		12/25/2011	PRINCIPAL RECEIPT		3,974,887	3,974,887	1,913,736	1,920,300		2,054,587		2,054,587		3,974,887				99		06/25/2038
88158A-AJ-1	TERWIN MORTGAGE TRUST 07-9 SL		12/25/2011	PRINCIPAL RECEIPT		395,023	395,023	282,012	295,259		110,595	12,578	98,017		395,023				182		06/25/2038
88158A-AA-0	TERWIN MTG TR 2007-SL9		12/25/2011	PRINCIPAL RECEIPT		578,121	578,121	364,537	358,412		219,710		219,710		578,121				14,709		05/25/2047
93936R-AC-8	WASHINGTON MUTUAL MTG PASS THROUG		02/16/2011	VARIOUS		5,961,785	4,276,701	4,277,016	4,277,036		(46)		(46)		4,276,990		1,684,795	1,684,795	1,750,300		XXX
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					114,598,130	110,125,800	107,943,768	105,848,543		4,687,261	299,965	4,387,296		111,134,946		3,463,183	3,463,183	1,750,300		XXX
8399997	Subtotals - Bonds - Part 4					391,620,883	378,546,395	386,399,138	375,437,683		3,547,220	2,272,094	1,275,126		386,791,833		4,829,045	4,829,045	10,662,677		XXX
8399998	Summary item from Part 5 for Bonds					323,813,488	302,080,000	324,533,732	317,247		(171,247)		(171,247)		324,362,484		(548,996)	(548,996)	5,139,848		XXX
8399999	Subtotals - Bonds					715,434,371	680,626,394	710,932,870	375,437,683		3,375,973	2,272,094	1,103,879		711,154,317		4,280,049	4,280,049	15,802,525		XXX
8999998	Summary item from Part 5 for Preferred Stocks					XXX															XXX
8999999	Subtotals - Preferred Stocks					XXX															XXX
55376T-42-9	MTB MONEY MARKET FUND		09/22/2011	AGC TRANSFERS		1,068,887.070	1,068,887	1,068,887	1,068,887						1,068,887				196		XXX
55376T-42-9	MTB MONEY MARKET FUND		12/14/2011	VARIOUS		1,684,717	1,684,717	1,684,717	1,260,647						1,684,717				76		XXX
55376T-42-9	MTB MONEY MARKET FUND		12/14/2011	VARIOUS		543,190,249	543,190	543,190	168,174						543,190				34		XXX
55376T-42-9	MTB MONEY MARKET FUND		12/13/2011	AGC TRANSFERS		1,109,421.850	1,109,422	1,109,422	1,066,396						1,109,422				200		XXX
9399999	Common Stocks - Money Market Mutual Funds					4,406,216	XXX	4,406,216	3,564,104						4,406,216				506		XXX
9799997	Subtotals - Common Stocks - Part 4					4,406,216	XXX	4,406,216	3,564,104						4,406,216				506		XXX
9799998	Summary item from Part 5 for Common Stocks					59,407,451	XXX	59,407,451							59,407,451				1,937		XXX
9799999	Subtotals - Common Stocks					63,813,667	XXX	63,813,667	3,564,104						63,813,667				2,443		XXX
9899999	Subtotals - Preferred and Common Stocks					63,813,667	XXX	63,813,667	3,564,104						63,813,667				2,443		XXX
9999999	Totals					779,248,038	XXX	774,746,537	379,001,787		3,375,973	2,272,094	1,103,879		774,967,984		4,280,049	4,280,049	15,804,968		XXX

E14.1

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**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.								
912828-PR-5	UNITED STATES TREASURY NOTE		05/16/2011	AGC TRANSFERS	05/25/2011	AGC TRANSFERS	1,450,000	1,448,448	1,448,471	1,448,471			22		22					2,854	2,629		
313560-BA-0	FANNIE MAE		03/09/2011	Added by SunGard	03/09/2011	AGC TRANSFERS	5,500,000	5,491,541	5,491,541	5,491,541										1,814	2,177		
3137EA-CT-4	FREDDIE MAC		06/30/2011	Morgan Stanley Co	08/10/2011	AGC TRANSFERS	10,000,000	10,262,410	10,256,752	10,256,752			(5,658)		(5,658)					84,722	57,639		
912810-QL-5	UNITED STATES TREASURY BOND		05/16/2011	AGC TRANSFERS	05/18/2011	HSBC SECURITIES, INC.	20,000,000	19,129,895	19,129,972	19,129,972			76		76				727,761	9,239	2,310		
912828-PR-5	UNITED STATES TREASURY NOTE		05/25/2011	VARIOUS	06/20/2011	VARIOUS	3,950,000	3,945,452	3,954,276	3,945,736			285		285				8,540	8,540	6,821	4,063	
912828-QF-0	UNITED STATES TREASURY NOTE		05/19/2011	Added by SunGard	05/25/2011	AGC TRANSFERS	20,000,000	20,103,973	20,103,647	20,103,647			(326)		(326)					25,000	21,739		
912828-RJ-1	UNITED STATES TREASURY NOTE		10/25/2011	HSBC SECURITIES, INC.	10/26/2011	AGC TRANSFERS	9,300,000	9,285,863	9,285,871	9,285,871			8		8					6,607	6,607		
912828-QJ-2	US Treas Note/Bond		03/21/2011	BARCLAYS CAPITAL	03/23/2011	AGC TRANSFERS	17,000,000	17,154,842	17,154,449	17,154,449			(394)		(394)					22,578	20,615		
0599999	Bonds - U.S. Governments						87,200,000	86,822,424	87,552,739	86,816,439			(5,987)		(5,987)				736,301	736,301	159,635	117,779	
574192-4U-1	MD GO NC S09C		04/27/2011	CITIGROUP GLOBAL MKTS	10/27/2011	AGC TRANSFERS	6,420,000	7,538,428	7,451,938	7,451,938			(86,490)		(86,490)					139,281	892		
646135-5R-0	NEW JERSEY ST TRANSN TR FD AUTH		05/18/2011	CITIGROUP GLOBAL MKTS	05/18/2011	CITIGROUP GLOBAL MKTS	75,000,000	83,766,000	83,766,000	83,766,000										1,821,875	1,821,875		
646136-UQ-2	NEW JERSEY ST TRANSN TR FD AUTH		05/18/2011	Goldman Sachs	05/18/2011	Goldman Sachs	75,000,000	85,173,750	83,766,000	85,173,750									(1,407,750)	(1,407,750)	1,821,875	1,821,875	
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						156,420,000	176,478,178	174,983,938	176,391,688			(86,490)		(86,490)				(1,407,750)	(1,407,750)	3,783,031	3,644,642	
213185-AA-9	COOK CNTY ILL GO		04/11/2011	AGC TRANSFERS	05/16/2011	Sink PMT @ 100.0000000	5,120,000	5,114,432	5,120,000	5,120,000			5,568		5,568					131,200	106,418		
413450-FT-9	HARPER CREEK WICH CMNTY SCH DI GO		03/25/2011	AGC TRANSFERS	05/02/2011	Sink PMT @ 100.0000000	3,900,000	3,877,665	3,900,000	3,900,000			22,335		22,335					99,938	79,950		
930863-Z5-7	NC Wake Co GO NC S11		03/15/2011	Goldman Sachs	09/29/2011	AGC TRANSFERS	6,150,000	7,248,821	7,170,767	7,170,767			(78,053)		(78,053)					152,896			
89438V-5J-1	Tx Co GO C20 S10		02/25/2011	AGC TRANSFERS	02/28/2011	AGC TRANSFERS	5,805,000	6,494,556	6,468,103	6,468,103			(26,453)		(26,453)					404,116	237,038		
2499999	Bonds - U.S. Political Subdivisions of State, Territories and Possessions (Direct and Guaranteed)						20,975,000	22,735,474	22,658,870	22,658,870			(76,603)		(76,603)					788,150	423,406		
3128PU-EW-8	FG J14649		02/22/2011	JEFFRIES	03/18/2011	AGC TRANSFERS	7,500,000	7,463,672	7,464,179	7,464,179			507		507					12,396	10,938		
3128PU-HG-0	FG J14731		02/22/2011	JEFFRIES	03/18/2011	AGC TRANSFERS	7,500,000	7,463,672	7,464,183	7,464,183			511		511					12,396	10,938		
64985W-D6-8	REV. NEW YORK ST ENVIRONMENTAL FACS		03/11/2011	AGC TRANSFERS	03/18/2011	CALLED @ 100.0000000	5,060,000	5,060,000	5,060,000	5,060,000										52,023	46,243		
646136-ST-9	NEW JERSEY ST		06/07/2011	BANK OF NEW YORK	06/10/2011	BANK OF NEW YORK	3,495,000	3,938,865	3,887,419	3,938,541			(324)		(324)				(51,122)	93,443	93,443		
646135-50-2	NEW JERSEY ST TR		06/07/2011	BANK OF NEW YORK	06/10/2011	BANK OF NEW YORK	3,495,000	3,887,419	3,887,134	3,887,134			(284)		(284)				284	93,443	93,443		
646136-SD-4	NEW JERSEY ST TR		06/07/2011	BANK OF NEW YORK	06/10/2011	BANK OF NEW YORK	920,000	1,023,702	1,023,702	1,023,636			(66)		(66)				66	24,597	24,597		
646136-UW-9	NEW JERSEY ST TRANS		06/07/2011	BANK OF NEW YORK	06/10/2011	BANK OF NEW YORK	920,000	1,038,330	1,023,702	1,038,254			(76)		(76)				(14,551)	24,597	24,597		
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						28,890,000	29,875,660	29,810,604	29,875,927			268		268				(65,323)	(65,323)	312,895	304,199	
674599-BZ-7	OCCIDENTAL PETROLEUM SR UNSEC		04/25/2011	UBS Securities	10/13/2011	Added by SunGard	2,500,000	2,493,100	2,596,300	2,493,739			639		639				102,561	52,431	22,917		
904764-AL-1	UNILEVER CAPITAL CORP		04/28/2011	Added by SunGard	10/12/2011	Added by SunGard	2,000,000	2,034,140	2,101,800	2,031,052			(3,088)		(3,088)				70,748	70,748	37,736	12,681	
80282P-AC-9	SDART 2011-1 A3		04/28/2011	DEUTSCH BANK	06/09/2011	NOMURA SECURITIES INT'L	4,095,000	4,094,756	4,109,237	4,094,769			14		14				14,467	5,970			
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)						8,595,000	8,621,996	8,807,337	8,619,560			(2,435)		(2,435)				187,776	187,776	96,137	35,598	
8399998	Subtotal Bonds						302,080,000	324,533,732	323,813,488	324,362,484			(171,247)		(171,247)				(548,996)	(548,996)	5,139,848	4,525,624	
55376T-42-9	MTB MONEY MARKET FUND		12/01/2011	AGC TRANSFERS	12/12/2011	AGC TRANSFERS	2,374,071.290	2,374,071	2,374,071	2,374,071											126		
55376T-42-9	MTB MONEY MARKET FUND		10/31/2011	AGC TRANSFERS	12/14/2011	VARIOUS	9,878,562.730	9,878,563	9,878,563	9,878,563											533		
55376T-42-9	MTB MONEY MARKET FUND		12/12/2011	AGC TRANSFERS	12/14/2011	VARIOUS	42,690,597.84	42,690,598	42,690,598	42,690,598												934	
55376T-42-9	MTB MONEY MARKET FUND		11/15/2011	AGC TRANSFERS	12/13/2011	AGC TRANSFERS	4,464,219.000	4,464,219	4,464,219	4,464,219											344		
9399999	Common Stocks - Money Market Mutual Funds							59,407,451	59,407,451	59,407,451											1,937		
9799998	Subtotals - Common Stocks							59,407,451	59,407,451	59,407,451											1,937		
9899999	Subtotals - Preferred and Common Stocks							59,407,451	59,407,451	59,407,451											1,937		
9999999	Totals							383,941,183	383,220,939	383,769,935			(171,247)		(171,247)				(548,996)	(548,996)	5,141,785	4,525,624	

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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 or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
G2386#-10-9... 000000-00-0...	ASSURED GUARANTY (UK) LTD. PRESCOTT, LLC.	F	AA-1120078	2ciB4 2ciB1Z	No No		122,346,875 1,000	8,300,000.000 1,000.000	100.0 100.0
	1099999 - Common Stock - Parent						122,347,875	XXX	XXX
	1899999 - Subtotals - Common Stocks						122,347,875	XXX	XXX
1999999 Totals							122,347,875	XXX	XXX

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

**SCHEDULE D - PART 6 - SECTION 2**

1 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 Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					
0399999 Total				XXX	XXX



Schedule DB - Part A - Section 1

**NONE**

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Sch. DB - Pt. A - Sn. 2 - Footnote (a)

**NONE**

Schedule DB - Part B - Section 1- Future

**NONE**

Sch. DB - Pt. B - Sn. 1 - Footnotes

**NONE**

Schedule DB - Part B - Section 2- Future

**NONE**

Sch. DB - Pt. B - Sn. 2 - Footnotes

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**





**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Assured Guaranty Corp.**

**SCHEDULE E PART 3 - SPECIAL DEPOSITS**

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For		All Other Special Deposits	
			The Benefit of All Policyholders		5 Book/Adjusted Carrying Value	6 Fair Value
			3 Book/Adjusted Carrying Value	4 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	B	Financial Guaranty		42,492	53,411
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	Financial Guaranty	3,642,156		4,578,048
22. Massachusetts	MA	B	Financial Guaranty		121,405	152,602
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV	B	Financial Guaranty		242,810	305,203
30. New Hampshire	NH	B	Financial Guaranty		607,026	763,008
31. New Jersey	NJ					
32. New Mexico	NM	B	Financial Guaranty		121,405	152,602
33. New York	NY					
34. North Carolina	NC	B	Financial Guaranty		242,810	305,203
35. North Dakota	ND					
36. Ohio	OH	B	Financial Guaranty		272,252	311,631
37. Oklahoma	OK					
38. Oregon	OR	B	Financial Guaranty		364,216	457,805
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN	B	Financial Guaranty		242,810	305,203
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA	B	Financial Guaranty		445,503	509,941
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY	B	Financial Guaranty		212,459	267,053
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR	B	Financial Guaranty		757,895	802,643
55. US Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT	XXX	XXX		736,455,376	781,189,195
59. Total	XXX	XXX		3,642,156	4,578,048	740,128,459
<b>DETAILS OF WRITE-INS</b>						
5801. Societe Generale			CSA/Collateral for Societe Generale		78,116,748	84,219,514
5802. Deutsche Bank			CSA/Collateral for Deutsche Bank		76,628,961	81,181,322
5803. Wachovia Bank			CSA/Collateral for Wachovia Bank		92,530,766	100,573,728
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX			489,178,902	515,214,631
5899. Totals (Lines 5801 - 5803 + 5898)(Line 58 above)	XXX	XXX			736,455,376	781,189,195

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