

**EXHIBIT D**

**PROJECTED FINANCIAL AND OPERATING RESULTS ASSOCIATED WITH SCENARIO ONE**

## Scenario 1

**Balance Sheet**

(Dollars in Millions)

	6/30/10	Pre-Consummation 12/31/10	Adjustment for Consummation Transactions	Post-Consummation 12/31/10	Projections for End of Year:						
					2011	2012	2013	2014	2015	2016	2017
<b>Assets</b>											
Invested assets											
Bonds <sup>(1)</sup>	\$4,268	\$4,512	\$(430)	\$4,082	\$5,033	\$5,328	\$7,139	\$7,453	\$8,068	\$8,591	\$9,010
Stocks	511	175	0	175	181	186	192	197	203	209	216
Intercompany Loans	790	732	0	732	596	499	330	449	541	513	636
Cash & Cash Equivalents	313	313	0	313	313	313	313	313	50	50	50
Total Cash and Investments	5,881	5,732	(430)	5,302	6,122	6,326	7,973	8,413	8,862	9,364	9,911
Other Assets <sup>(1)</sup>	(1,682)	64	(56)	8	8	8	8	8	8	8	8
<b>Total Assets</b>	<b>\$6,204</b>	<b>\$5,796</b>	<b>\$(486)</b>	<b>\$5,310</b>	<b>\$6,130</b>	<b>\$6,334</b>	<b>\$7,981</b>	<b>\$8,420</b>	<b>\$8,870</b>	<b>\$9,372</b>	<b>\$9,919</b>
<b>Liabilities</b>											
Unearned Premiums Reserve	\$2,211	\$1,946	\$0	\$1,946	\$1,753	\$1,573	\$1,407	\$1,257	\$1,124	\$1,003	\$891
Loss and LAE Reserves	2,022	2,824	(1,811)	1,013	693	404	1,457	1,296	1,146	1,045	969
Other Liabilities	2,097	24	0	24	24	24	24	24	24	24	24
Contingency Reserve	380	429	0	429	517	597	675	745	808	865	917
<b>Total Liabilities</b>	<b>\$6,710</b>	<b>\$5,223</b>	<b>\$(1,811)</b>	<b>\$3,412</b>	<b>\$2,987</b>	<b>\$2,599</b>	<b>\$3,563</b>	<b>\$3,323</b>	<b>\$3,102</b>	<b>\$2,937</b>	<b>\$2,802</b>
<b>Surplus as regards Policyholders</b>	<b>\$(506)</b>	<b>\$573</b>	<b>\$1,325</b>	<b>\$1,898</b>	<b>\$3,144</b>	<b>\$3,735</b>	<b>\$4,417</b>	<b>\$5,097</b>	<b>\$5,767</b>	<b>\$6,435</b>	<b>\$7,117</b>
<b>Total Liabilities and Surplus</b>	<b>\$6,204</b>	<b>\$5,796</b>	<b>\$(486)</b>	<b>\$5,310</b>	<b>\$6,130</b>	<b>\$6,334</b>	<b>\$7,981</b>	<b>\$8,420</b>	<b>\$8,870</b>	<b>\$9,372</b>	<b>\$9,919</b>
<b>Qualified Statutory Capital</b>	<b>\$(125)</b>	<b>\$1,002</b>	<b>\$1,325</b>	<b>\$2,327</b>	<b>\$3,660</b>	<b>\$4,332</b>	<b>\$5,092</b>	<b>\$5,842</b>	<b>\$6,575</b>	<b>\$7,299</b>	<b>\$8,034</b>

<sup>(1)</sup> Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	6/30/10	Pre-Consummation 12/31/10	Adjustment for Consummation Transactions	Post-Consummation 12/31/10	Projections for End of Year:						
					2011	2012	2013	2014	2015	2016	2017
<b>Surplus Reconciliation</b>											
Common Stock	\$82	\$82	\$0	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82
Preferred Stock	26	26	0	26	26	26	26	26	26	26	26
Gross Paid-in and Contributed Surplus	3,552	3,552	0	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552
Unassigned Surplus	(4,161)	(5,138)	35	(5,103)	(5,124)	(4,979)	(4,566)	(4,079)	(3,562)	(3,007)	(2,412)
Bank Settlement Notes	2,000	2,000	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	0	50	1,290	1,340	2,607	3,053	3,323	3,515	3,668	3,781	3,869
Junior Surplus Notes	0	0	0	0	0	0	0	0	0	0	0
<b>Total Surplus</b>	<b>\$1,500</b>	<b>\$573</b>	<b>\$1,325</b>	<b>\$1,898</b>	<b>\$3,144</b>	<b>\$3,735</b>	<b>\$4,417</b>	<b>\$5,097</b>	<b>\$5,767</b>	<b>\$6,435</b>	<b>\$7,117</b>
<b>Unassigned Surplus Reconciliation</b>											
Beginning Balance	\$0	\$(4,161)	\$0	\$(4,161)	\$(5,103)	\$(5,124)	\$(4,979)	\$(4,566)	\$(4,079)	\$(3,562)	\$(3,007)
Net Income	0	(593)	35	(558)	62	220	485	552	574	605	641
Change in Equity in Affiliates	0	(335)	0	(335)	5	5	6	6	6	6	6
Additions to Contingency Reserves	0	(49)	0	(49)	(87)	(80)	(78)	(71)	(63)	(57)	(52)
Release of Contingency Reserves	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$(4,161)	\$(5,138)	\$35	\$(5,103)	\$(5,124)	\$(4,979)	\$(4,566)	\$(4,079)	\$(3,562)	\$(3,007)	\$(2,412)

Scenario 1

**Balance Sheet**

(Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Assets</b>													
Invested assets													
Bonds <sup>(1)</sup>	\$9,615	\$10,635	\$11,288	\$11,985	\$12,701	\$13,433	\$14,194	\$15,202	\$16,036	\$16,903	\$17,803	\$18,753	\$19,741
Stocks	222	229	236	243	250	258	265	0	0	0	0	0	0
Intercompany Loans	605	190	172	154	141	143	141	198	208	221	235	239	252
Cash & Cash Equivalents	50	50	50	50	50	50	50	50	50	50	50	50	50
Total Cash and Investments	10,492	11,104	11,745	12,432	13,142	13,883	14,650	15,450	16,294	17,175	18,088	19,042	20,043
Other Assets <sup>(1)</sup>	8	8	8	8	8	8	8	8	8	8	8	8	8
<b>Total Assets</b>	<b>\$10,500</b>	<b>\$11,112</b>	<b>\$11,753</b>	<b>\$12,440</b>	<b>\$13,150</b>	<b>\$13,891</b>	<b>\$14,658</b>	<b>\$15,458</b>	<b>\$16,302</b>	<b>\$17,182</b>	<b>\$18,096</b>	<b>\$19,050</b>	<b>\$20,051</b>
<b>Liabilities</b>													
Unearned Premiums Reserve	\$787	\$696	\$613	\$535	\$466	\$408	\$355	\$307	\$262	\$222	\$185	\$153	\$120
Loss and LAE Reserves	940	904	882	877	888	909	940	973	1,016	1,058	1,097	1,136	1,179
Other Liabilities	24	24	24	24	24	24	24	24	24	24	24	24	24
Contingency Reserve	966	1,009	1,048	1,084	1,116	1,143	1,168	1,190	1,211	1,229	1,246	881	897
<b>Total Liabilities</b>	<b>\$2,717</b>	<b>\$2,633</b>	<b>\$2,567</b>	<b>\$2,521</b>	<b>\$2,495</b>	<b>\$2,484</b>	<b>\$2,487</b>	<b>\$2,494</b>	<b>\$2,513</b>	<b>\$2,534</b>	<b>\$2,553</b>	<b>\$2,194</b>	<b>\$2,220</b>
<b>Surplus as regards Policyholders</b>	<b>\$7,783</b>	<b>\$8,479</b>	<b>\$9,186</b>	<b>\$9,918</b>	<b>\$10,655</b>	<b>\$11,406</b>	<b>\$12,171</b>	<b>\$12,964</b>	<b>\$13,789</b>	<b>\$14,649</b>	<b>\$15,543</b>	<b>\$16,855</b>	<b>\$17,831</b>
<b>Total Liabilities and Surplus</b>	<b>\$10,500</b>	<b>\$11,112</b>	<b>\$11,753</b>	<b>\$12,439</b>	<b>\$13,150</b>	<b>\$13,891</b>	<b>\$14,658</b>	<b>\$15,458</b>	<b>\$16,302</b>	<b>\$17,182</b>	<b>\$18,096</b>	<b>\$19,050</b>	<b>\$20,051</b>
<b>Qualified Statutory Capital</b>	<b>\$8,749</b>	<b>\$9,487</b>	<b>\$10,234</b>	<b>\$11,003</b>	<b>\$11,771</b>	<b>\$12,549</b>	<b>\$13,339</b>	<b>\$14,154</b>	<b>\$15,000</b>	<b>\$15,878</b>	<b>\$16,790</b>	<b>\$17,736</b>	<b>\$18,727</b>

<sup>(1)</sup> Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Surplus Reconciliation</b>													
Common Stock	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82
Preferred Stock	26	26	26	26	26	26	26	26	26	26	26	26	26
Gross Paid-in and Contributed Surplus	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552
Unassigned Surplus	(1,815)	(1,174)	(577)	127	845	1,583	2,341	3,128	3,951	4,807	5,694	6,997	7,964
Bank Settlement Notes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	3,938	3,992	4,034	4,062	4,082	4,094	4,100	4,107	4,110	4,113	4,120	4,129	4,137
Junior Surplus Notes	0	0	69	69	69	69	69	69	69	69	69	69	69
<b>Total Surplus</b>	<b>\$7,783</b>	<b>\$8,479</b>	<b>\$9,186</b>	<b>\$9,918</b>	<b>\$10,655</b>	<b>\$11,406</b>	<b>\$12,171</b>	<b>\$12,964</b>	<b>\$13,789</b>	<b>\$14,649</b>	<b>\$15,543</b>	<b>\$16,855</b>	<b>\$17,831</b>
<b>Unassigned Surplus Reconciliation</b>													
Beginning Balance	\$(2,412)	\$(1,815)	\$(1,174)	\$(577)	\$127	\$845	\$1,583	\$2,341	\$3,128	\$3,951	\$4,807	\$5,694	\$6,997
Net Income	639	677	629	733	742	758	775	801	843	875	904	938	983
Change in Equity in Affiliates	6	7	7	7	7	8	8	8	0	0	0	0	0
Additions to Contingency Reserves	(49)	(42)	(39)	(37)	(32)	(27)	(25)	(22)	(21)	(18)	(17)	(15)	(16)
Release of Contingency Reserves	0	0	0	0	0	0	0	0	0	0	0	380	0
Ending Balance	\$(1,815)	\$(1,174)	\$(577)	\$127	\$845	\$1,583	\$2,341	\$3,128	\$3,951	\$4,807	\$5,694	\$6,997	\$7,964

Scenario 1

**Balance Sheet**

(Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Assets</b>													
Invested assets													
Bonds <sup>(1)</sup>	\$20,816	\$21,914	\$23,067	\$24,264	\$25,281	\$26,642	\$27,834	\$29,247	\$30,732	\$32,288	\$33,936	\$35,665	\$37,482
Stocks	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany Loans	106	116	125	135	143	146	149	152	151	153	155	157	159
Cash & Cash Equivalents	50	50	50	50	50	50	50	50	50	50	50	50	50
Total Cash and Investments	20,972	22,080	23,242	24,449	25,474	26,838	28,034	29,449	30,933	32,490	34,141	35,872	37,690
Other Assets <sup>(1)</sup>	8	8	8	8	8	8	8	8	8	8	8	8	8
<b>Total Assets</b>	<b>\$20,980</b>	<b>\$22,088</b>	<b>\$23,250</b>	<b>\$24,457</b>	<b>\$25,482</b>	<b>\$26,846</b>	<b>\$28,041</b>	<b>\$29,456</b>	<b>\$30,940</b>	<b>\$32,498</b>	<b>\$34,149</b>	<b>\$35,880</b>	<b>\$37,698</b>
<b>Liabilities</b>													
Unearned Premiums Reserve	\$97	\$80	\$65	\$53	\$43	\$33	\$25	\$21	\$18	\$16	\$14	\$12	\$11
Loss and LAE Reserves	1,250	1,316	1,412	1,498	642	653	76	50	19	(23)	(19)	(15)	(11)
Other Liabilities	24	24	24	24	24	24	24	24	24	24	24	24	24
Contingency Reserve	820	747	676	611	553	501	451	404	363	325	290	259	232
<b>Total Liabilities</b>	<b>\$2,190</b>	<b>\$2,167</b>	<b>\$2,177</b>	<b>\$2,186</b>	<b>\$1,262</b>	<b>\$1,211</b>	<b>\$576</b>	<b>\$500</b>	<b>\$425</b>	<b>\$342</b>	<b>\$309</b>	<b>\$281</b>	<b>\$257</b>
<b>Surplus as regards Policyholders</b>	<b>\$18,789</b>	<b>\$19,920</b>	<b>\$21,073</b>	<b>\$22,271</b>	<b>\$24,220</b>	<b>\$25,635</b>	<b>\$27,465</b>	<b>\$28,956</b>	<b>\$30,516</b>	<b>\$32,156</b>	<b>\$33,839</b>	<b>\$35,599</b>	<b>\$37,442</b>
<b>Total Liabilities and Surplus</b>	<b>\$20,980</b>	<b>\$22,088</b>	<b>\$23,250</b>	<b>\$24,457</b>	<b>\$25,482</b>	<b>\$26,846</b>	<b>\$28,041</b>	<b>\$29,456</b>	<b>\$30,940</b>	<b>\$32,498</b>	<b>\$34,149</b>	<b>\$35,880</b>	<b>\$37,698</b>
<b>Qualified Statutory Capital</b>	<b>\$19,609</b>	<b>\$20,667</b>	<b>\$21,749</b>	<b>\$22,882</b>	<b>\$24,773</b>	<b>\$26,135</b>	<b>\$27,916</b>	<b>\$29,361</b>	<b>\$30,879</b>	<b>\$32,481</b>	<b>\$34,129</b>	<b>\$35,858</b>	<b>\$37,674</b>

<sup>(1)</sup> Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Surplus Reconciliation</b>													
Common Stock	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82
Preferred Stock	26	26	26	26	26	26	26	26	26	26	26	26	26
Gross Paid-in and Contributed Surplus	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552
Unassigned Surplus	8,911	10,029	11,194	12,402	13,653	15,051	16,467	17,937	19,470	21,078	22,766	24,529	26,375
Bank Settlement Notes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	4,150	4,162	4,150	4,139	4,838	4,855	5,269	5,291	5,316	5,349	5,345	5,341	5,337
Junior Surplus Notes	69	69	69	69	69	69	69	69	69	69	69	69	69
<b>Total Surplus</b>	<b>\$18,789</b>	<b>\$19,920</b>	<b>\$21,073</b>	<b>\$22,271</b>	<b>\$24,220</b>	<b>\$25,635</b>	<b>\$27,465</b>	<b>\$28,956</b>	<b>\$30,516</b>	<b>\$32,156</b>	<b>\$33,839</b>	<b>\$35,599</b>	<b>\$37,442</b>
<b>Unassigned Surplus Reconciliation</b>													
Beginning Balance	\$7,964	\$8,911	\$10,029	\$11,194	\$12,402	\$13,653	\$15,051	\$16,467	\$17,937	\$19,470	\$21,078	\$22,766	\$24,529
Net Income	869	1,046	1,095	1,143	1,192	1,346	1,367	1,423	1,492	1,570	1,652	1,733	1,819
Change in Equity in Affiliates	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions to Contingency Reserves	(10)	(8)	(7)	(5)	(5)	(4)	(3)	(2)	(1)	(1)	(1)	(1)	(1)
Release of Contingency Reserves	87	80	78	71	63	57	52	49	42	39	37	32	27
Ending Balance	\$8,911	\$10,029	\$11,194	\$12,402	\$13,653	\$15,051	\$16,467	\$17,937	\$19,470	\$21,078	\$22,766	\$24,529	\$26,375

**Balance Sheet**

(Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
<b>Assets</b>							
Invested assets							
Bonds <sup>(1)</sup>	\$39,387	\$41,389	\$43,492	\$45,700	\$48,021	\$50,460	\$53,022
Stocks	0	0	0	0	0	0	0
Intercompany Loans	160	161	162	163	163	164	0
Cash & Cash Equivalents	50	50	50	50	50	50	50
Total Cash and Investments	39,597	41,600	43,704	45,913	48,235	50,673	53,072
Other Assets <sup>(1)</sup>	8	8	8	8	8	8	8
<b>Total Assets</b>	<b>\$39,605</b>	<b>\$41,608</b>	<b>\$43,712</b>	<b>\$45,921</b>	<b>\$48,242</b>	<b>\$50,681</b>	<b>\$53,079</b>
<b>Liabilities</b>							
Unearned Premiums Reserve	\$10	\$9	\$8	\$7	\$5	\$4	\$3
Loss and LAE Reserves	(7)	(3)	(0)	(0)	(0)	(0)	0
Other Liabilities	24	24	24	24	24	24	24
Contingency Reserve	208	187	166	148	132	117	0
<b>Total Liabilities</b>	<b>\$235</b>	<b>\$217</b>	<b>\$198</b>	<b>\$179</b>	<b>\$161</b>	<b>\$146</b>	<b>\$28</b>
<b>Surplus as regards Policyholders</b>	<b>\$39,369</b>	<b>\$41,391</b>	<b>\$43,514</b>	<b>\$45,742</b>	<b>\$48,081</b>	<b>\$50,535</b>	<b>\$53,052</b>
<b>Total Liabilities and Surplus</b>	<b>\$39,605</b>	<b>\$41,608</b>	<b>\$43,711</b>	<b>\$45,921</b>	<b>\$48,242</b>	<b>\$50,681</b>	<b>\$53,079</b>
<b>Qualified Statutory Capital</b>	<b>\$39,577</b>	<b>\$41,577</b>	<b>\$43,679</b>	<b>\$45,890</b>	<b>\$48,213</b>	<b>\$50,652</b>	<b>\$53,052</b>

<sup>(1)</sup> Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	2044	2045	2046	2047	2048	2049	2050
<b>Surplus Reconciliation</b>							
Common Stock	\$82	\$82	\$82	\$82	\$82	\$82	\$82
Preferred Stock	26	26	26	26	26	26	26
Gross Paid-in and Contributed Surplus	3,552	3,552	3,552	3,552	3,552	3,552	3,552
Unassigned Surplus	28,306	30,331	32,456	34,684	37,023	39,478	41,994
Bank Settlement Notes	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	5,334	5,331	5,329	5,329	5,329	5,329	5,329
Junior Surplus Notes	69	69	69	69	69	69	69
<b>Total Surplus</b>	<b>\$39,369</b>	<b>\$41,391</b>	<b>\$43,514</b>	<b>\$45,742</b>	<b>\$48,081</b>	<b>\$50,535</b>	<b>\$53,052</b>
<b>Unassigned Surplus Reconciliation</b>							
Beginning Balance	\$26,375	\$28,306	\$30,331	\$32,456	\$34,684	\$37,023	\$39,478
Net Income	1,907	2,003	2,104	2,211	2,322	2,440	2,399
Change in Equity in Affiliates	0	0	0	0	0	0	0
Additions to Contingency Reserves	(1)	(1)	(0)	(1)	(1)	(1)	(1)
Release of Contingency Reserves	25	22	21	18	17	15	118
Ending Balance	<b>\$28,306</b>	<b>\$30,331</b>	<b>\$32,456</b>	<b>\$34,684</b>	<b>\$37,023</b>	<b>\$39,478</b>	<b>\$41,994</b>

**Income Statement**

(Dollars in Millions)

	Pre- Consummation 2nd Half 2010	Adjustment for Consummation Transactions	Post- Consummation 2nd Half 2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenue</b>										
Premiums Earned	\$360	\$0	\$360	\$369	\$324	\$289	\$245	\$216	\$196	\$178
Investment Income	140	35	174	334	329	333	473	466	499	542
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0
Fee and Other Income	10	0	10	12	11	10	9	8	7	6
<b>Total Revenue</b>	<b>\$510</b>	<b>\$35</b>	<b>\$545</b>	<b>\$715</b>	<b>\$664</b>	<b>\$632</b>	<b>\$727</b>	<b>\$690</b>	<b>\$701</b>	<b>\$726</b>
<b>Loss and Expenses</b>										
Losses and LAE	\$1,002	\$0	\$1,002	\$533	\$352	\$69	\$113	\$66	\$59	\$53
Operating Expenses	63	0	63	120	93	78	62	49	37	32
Additional Write-downs	38	0	38	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total Loss and Expenses</b>	<b>\$1,103</b>	<b>\$0</b>	<b>\$1,103</b>	<b>\$653</b>	<b>\$445</b>	<b>\$147</b>	<b>\$175</b>	<b>\$116</b>	<b>\$96</b>	<b>\$86</b>
Pre-tax Income	\$(593)	\$35	\$(558)	\$62	\$220	\$485	\$552	\$574	\$605	\$641
Taxes	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	<b>\$(593)</b>	<b>\$35</b>	<b>\$(558)</b>	<b>\$62</b>	<b>\$220</b>	<b>\$485</b>	<b>\$552</b>	<b>\$574</b>	<b>\$605</b>	<b>\$641</b>

Scenario 1

**Income Statement**

(Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Revenue</b>													
Premiums Earned	\$166	\$148	\$136	\$125	\$112	\$98	\$90	\$81	\$76	\$67	\$61	\$55	\$53
Investment Income	567	601	631	678	698	729	755	790	839	881	918	960	1,009
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee and Other Income	5	4	3	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>\$738</b>	<b>\$752</b>	<b>\$770</b>	<b>\$803</b>	<b>\$810</b>	<b>\$827</b>	<b>\$844</b>	<b>\$871</b>	<b>\$915</b>	<b>\$947</b>	<b>\$979</b>	<b>\$1,015</b>	<b>\$1,062</b>
<b>Loss and Expenses</b>													
Losses and LAE	\$69	\$48	\$115	\$45	\$45	\$45	\$47	\$48	\$50	\$52	\$54	\$56	\$58
Operating Expenses	30	27	26	25	23	23	22	22	22	21	21	21	21
Additional Write-downs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Loss and Expenses</b>	<b>\$99</b>	<b>\$75</b>	<b>\$141</b>	<b>\$70</b>	<b>\$68</b>	<b>\$68</b>	<b>\$69</b>	<b>\$70</b>	<b>\$71</b>	<b>\$73</b>	<b>\$75</b>	<b>\$77</b>	<b>\$79</b>
Pre-tax Income	\$639	\$677	\$629	\$733	\$742	\$758	\$775	\$801	\$843	\$875	\$904	\$938	\$983
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	<b>\$639</b>	<b>\$677</b>	<b>\$629</b>	<b>\$733</b>	<b>\$742</b>	<b>\$758</b>	<b>\$775</b>	<b>\$801</b>	<b>\$843</b>	<b>\$875</b>	<b>\$904</b>	<b>\$938</b>	<b>\$983</b>

Scenario 1

**Income Statement**

(Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Revenue</b>													
Premiums Earned	\$42	\$34	\$30	\$25	\$22	\$19	\$15	\$10	\$8	\$6	\$6	\$5	\$4
Investment Income	1,054	1,097	1,153	1,211	1,268	1,381	1,406	1,438	1,508	1,585	1,666	1,748	1,835
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee and Other Income	(146)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>\$950</b>	<b>\$1,131</b>	<b>\$1,183</b>	<b>\$1,236</b>	<b>\$1,290</b>	<b>\$1,400</b>	<b>\$1,421</b>	<b>\$1,448</b>	<b>\$1,516</b>	<b>\$1,592</b>	<b>\$1,672</b>	<b>\$1,753</b>	<b>\$1,839</b>
<b>Loss and Expenses</b>													
Losses and LAE	\$60	\$64	\$67	\$72	\$76	\$33	\$33	\$4	\$3	\$1	\$(1)	\$(1)	\$(1)
Operating Expenses	21	21	21	21	21	21	21	21	21	21	21	21	21
Additional Write-downs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Loss and Expenses</b>	<b>\$81</b>	<b>\$85</b>	<b>\$88</b>	<b>\$93</b>	<b>\$97</b>	<b>\$54</b>	<b>\$54</b>	<b>\$25</b>	<b>\$24</b>	<b>\$22</b>	<b>\$20</b>	<b>\$20</b>	<b>\$20</b>
Pre-tax Income	\$869	\$1,046	\$1,095	\$1,143	\$1,192	\$1,346	\$1,367	\$1,423	\$1,492	\$1,570	\$1,652	\$1,733	\$1,819
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	<b>\$869</b>	<b>\$1,046</b>	<b>\$1,095</b>	<b>\$1,143</b>	<b>\$1,192</b>	<b>\$1,346</b>	<b>\$1,367</b>	<b>\$1,423</b>	<b>\$1,492</b>	<b>\$1,570</b>	<b>\$1,652</b>	<b>\$1,733</b>	<b>\$1,819</b>



**Income Statement**

(Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
<b>Revenue</b>							
Premiums Earned	\$4	\$3	\$2	\$3	\$2	\$2	\$2
Investment Income	1,924	2,021	2,122	2,229	2,341	2,459	2,583
Contractual Adjustment to XOL	0	0	0	0	0	0	0
Fee and Other Income	0	0	0	0	0	0	(164)
<b>Total Revenue</b>	<b>\$1,928</b>	<b>\$2,024</b>	<b>\$2,125</b>	<b>\$2,232</b>	<b>\$2,344</b>	<b>\$2,461</b>	<b>\$2,420</b>
<b>Loss and Expenses</b>							
Losses and LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	21	21	21	21	21	21	21
Additional Write-downs	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Total Loss and Expenses</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>	<b>\$21</b>
Pre-tax Income	\$1,907	\$2,003	\$2,104	\$2,211	\$2,322	\$2,440	\$2,399
Taxes	0	0	0	0	0	0	0
<b>Net Income</b>	<b>\$1,907</b>	<b>\$2,003</b>	<b>\$2,104</b>	<b>\$2,211</b>	<b>\$2,322</b>	<b>\$2,440</b>	<b>\$2,399</b>

**Cash Flow Statement**

(Dollars in Millions)

	Pre-Consummation 2nd Half 2010	Adjustment for Consummation Transactions	Post-Consummation 2nd Half 2010	Projections for End of Year:						
				2011	2012	2013	2014	2015	2016	2017
<b>Cash From Operations</b>										
Net Installment Premiums	\$88	\$0	\$88	\$176	\$145	\$123	\$96	\$82	\$75	\$66
Investment Portfolio Receipts	45	11	57	199	237	267	356	389	433	476
Securities Receivable	0	11	11	0	0	0	0	0	0	0
Reinsurer Commutation	6	0	6	0	0	0	0	0	0	0
Accrued Premiums	16	0	16	0	0	0	0	0	0	0
Receivable From Affiliates	6	0	6	0	0	0	0	0	0	0
Fee Income	6	0	6	12	11	10	9	8	7	6
Dividends from Everspan	0	0	0	0	0	0	0	0	0	0
Accrued Interest Receivable	40	0	40	0	0	0	0	0	0	0
Loss Payments	(25)	(453)	(478)	460	(167)	1,271	(68)	(54)	(41)	(37)
Operating Expenses	(63)	0	(63)	(120)	(93)	(78)	(62)	(49)	(37)	(32)
Interest Expense	0	0	0	0	0	0	0	0	0	0
Accrued Other Expenses	(58)	0	(58)	0	0	0	0	0	0	0
Tax Refund (Payment)	(3)	0	(3)	0	0	0	0	0	0	0
Reinsurance Recovery	205	0	205	0	0	0	0	0	0	0
Commutations and Other	(126)	0	(126)	0	0	0	0	0	0	0
<b>Net Cash from Operations</b>	<b>\$138</b>	<b>\$(430)</b>	<b>\$(292)</b>	<b>\$728</b>	<b>\$133</b>	<b>\$1,593</b>	<b>\$331</b>	<b>\$376</b>	<b>\$437</b>	<b>\$479</b>
<b>Cash From Investments</b>										
Investments (Acquired)/Sold	\$(433)	\$430	\$(2)	\$(1,203)	\$(549)	\$(2,099)	\$(638)	\$(889)	\$(820)	\$(714)
Principal Amortization (Including Intercompany Loans)	295	0	295	475	416	505	307	250	383	235
<b>Net Cash from Investments</b>	<b>\$(138)</b>	<b>\$430</b>	<b>\$292</b>	<b>\$(728)</b>	<b>\$(133)</b>	<b>\$(1,593)</b>	<b>\$(331)</b>	<b>\$(639)</b>	<b>\$(437)</b>	<b>\$(479)</b>
<b>Cash from Financing</b>										
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends to AFG	0	0	0	0	0	0	0	0	0	0
Dividends on AMPS	0	0	0	0	0	0	0	0	0	0
Amortization of Debt / Preferred	0	0	0	0	0	0	0	0	0	0
Amortization of Bank Settlement Notes	0	0	0	0	0	0	0	0	0	0
Amortization of Segregated Account Surplus Notes	0	0	0	0	0	0	0	0	0	0
<b>Net Cash from Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$(263)	\$0	\$0
Cash Equivalents - Beginning of Period	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$50	\$50
Cash Equivalents - End of Period	\$313	\$313	\$313	\$313	\$313	\$313	\$313	\$50	\$50	\$50

**Cash Flow Statement**

(Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Cash From Operations</b>													
Net Installment Premiums	\$61	\$57	\$53	\$47	\$43	\$39	\$37	\$33	\$30	\$27	\$25	\$23	\$20
Investment Portfolio Receipts	503	524	566	595	629	664	701	736	786	826	868	912	958
Securities Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurer Commutation	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Premiums	0	0	0	0	0	0	0	0	0	0	0	0	0
Receivable From Affiliates	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee Income	5	4	3	0	0	0	0	0	0	0	0	0	0
Dividends from Everspan	0	0	0	0	0	0	0	273	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss Payments	(25)	(26)	(25)	(20)	(14)	(11)	(9)	(8)	(3)	(6)	(8)	(8)	(7)
Operating Expenses	(30)	(27)	(26)	(25)	(23)	(23)	(22)	(22)	(22)	(21)	(21)	(21)	(21)
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Refund (Payment)	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0
Commutations and Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash from Operations</b>	<b>\$514</b>	<b>\$531</b>	<b>\$571</b>	<b>\$598</b>	<b>\$635</b>	<b>\$669</b>	<b>\$706</b>	<b>\$1,012</b>	<b>\$791</b>	<b>\$826</b>	<b>\$864</b>	<b>\$906</b>	<b>\$950</b>
<b>Cash From Investments</b>													
Investments (Acquired)/Sold	\$(872)	\$(1,373)	\$(982)	\$(1,129)	\$(1,096)	\$(1,257)	\$(1,177)	\$(1,510)	\$(1,243)	\$(1,336)	\$(1,360)	\$(1,362)	\$(1,433)
Principal Amortization (Including Intercompany Loans)	358	842	411	532	461	588	471	498	452	510	496	456	483
<b>Net Cash from Investments</b>	<b>\$(514)</b>	<b>\$(531)</b>	<b>\$(571)</b>	<b>\$(598)</b>	<b>\$(635)</b>	<b>\$(669)</b>	<b>\$(706)</b>	<b>\$(1,012)</b>	<b>\$(791)</b>	<b>\$(826)</b>	<b>\$(864)</b>	<b>\$(906)</b>	<b>\$(950)</b>
<b>Cash from Financing</b>													
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends to AFG	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends on AMPS	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Debt / Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Bank Settlement Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Segregated Account Surplus Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash from Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Equivalents - Beginning of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Cash Equivalents - End of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50

**Cash Flow Statement**

(Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Cash From Operations</b>													
Net Installment Premiums	\$18	\$17	\$15	\$13	\$11	\$9	\$8	\$5	\$5	\$4	\$4	\$3	\$3
Investment Portfolio Receipts	1,005	1,045	1,098	1,153	1,210	1,256	1,323	1,380	1,448	1,521	1,596	1,676	1,760
Securities Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurer Commutation	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Premiums	0	0	0	0	0	0	0	0	0	0	0	0	0
Receivable From Affiliates	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends from Everspan	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss Payments	23	16	15	3	(233)	(5)	(153)	(7)	(9)	(11)	1	1	1
Operating Expenses	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Refund (Payment)	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0
Commutations and Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash from Operations</b>	<b>\$1,025</b>	<b>\$1,056</b>	<b>\$1,107</b>	<b>\$1,149</b>	<b>\$968</b>	<b>\$1,239</b>	<b>\$1,157</b>	<b>\$1,357</b>	<b>\$1,423</b>	<b>\$1,494</b>	<b>\$1,580</b>	<b>\$1,660</b>	<b>\$1,742</b>
<b>Cash From Investments</b>													
Investments (Acquired)/Sold	\$(1,545)	\$(1,571)	\$(1,657)	\$(1,750)	\$(1,600)	\$(2,036)	\$(1,846)	\$(2,063)	\$(2,224)	\$(2,286)	\$(2,423)	\$(2,547)	\$(2,681)
Principal Amortization (Including Intercompany Loans)	520	514	549	601	633	797	689	706	801	792	843	887	938
<b>Net Cash from Investments</b>	<b>\$(1,025)</b>	<b>\$(1,056)</b>	<b>\$(1,107)</b>	<b>\$(1,149)</b>	<b>\$(968)</b>	<b>\$(1,239)</b>	<b>\$(1,157)</b>	<b>\$(1,357)</b>	<b>\$(1,423)</b>	<b>\$(1,494)</b>	<b>\$(1,580)</b>	<b>\$(1,660)</b>	<b>\$(1,742)</b>
<b>Cash from Financing</b>													
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends to AFG	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends on AMPS	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Debt / Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Bank Settlement Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Segregated Account Surplus Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash from Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Equivalents - Beginning of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Cash Equivalents - End of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50

**Cash Flow Statement**

(Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
<b>Cash From Operations</b>							
Net Installment Premiums	\$2	\$2	\$2	\$1	\$1	\$1	\$0
Investment Portfolio Receipts	1,848	1,940	2,037	2,139	2,246	2,358	2,476
Securities Receivable	0	0	0	0	0	0	0
Reinsurer Commutation	0	0	0	0	0	0	0
Accrued Premiums	0	0	0	0	0	0	0
Receivable From Affiliates	0	0	0	0	0	0	0
Fee Income	0	0	0	0	0	0	0
Dividends from Everspan	0	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0
Loss Payments	1	1	1	0	0	0	0
Operating Expenses	(21)	(21)	(21)	(21)	(21)	(21)	(21)
Interest Expense	0	0	0	0	0	0	0
Accrued Other Expenses	0	0	0	0	0	0	0
Tax Refund (Payment)	0	0	0	0	0	0	0
Reinsurance Recovery	0	0	0	0	0	0	0
Commutations and Other	0	0	0	0	0	0	0
<b>Net Cash from Operations</b>	<b>\$1,830</b>	<b>\$1,922</b>	<b>\$2,018</b>	<b>\$2,119</b>	<b>\$2,226</b>	<b>\$2,338</b>	<b>\$2,456</b>
<b>Cash From Investments</b>							
Investments (Acquired)/Sold	\$(2,814)	\$(2,963)	\$(3,119)	\$(3,282)	\$(3,455)	\$(3,636)	\$(3,827)
Principal Amortization (Including Intercompany Loans)	984	1,041	1,100	1,163	1,229	1,298	1,371
<b>Net Cash from Investments</b>	<b>\$(1,830)</b>	<b>\$(1,922)</b>	<b>\$(2,018)</b>	<b>\$(2,119)</b>	<b>\$(2,226)</b>	<b>\$(2,338)</b>	<b>\$(2,456)</b>
<b>Cash from Financing</b>							
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends to AFG	0	0	0	0	0	0	0
Dividends on AMPS	0	0	0	0	0	0	0
Amortization of Debt / Preferred	0	0	0	0	0	0	0
Amortization of Bank Settlement Notes	0	0	0	0	0	0	0
Amortization of Segregated Account Surplus Notes	0	0	0	0	0	0	0
<b>Net Cash from Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Equivalents - Beginning of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Cash Equivalents - End of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50

**Memo Items:**

(Dollars in Millions)

	Pre-Consumption 12/31/10	Adjustment for Consumption Transactions	Post-Consumption 12/31/10	Projections for End of Year:						
				2011	2012	2013	2014	2015	2016	2017
<b>Bank Settlement Notes</b>										
Beginning Balance	\$2,000	\$0	\$2,000	\$2,051	\$2,156	\$2,266	\$2,381	\$2,503	\$2,630	\$2,764
PIK Interest	51	0	51	105	110	116	121	128	134	141
Amortization	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$2,051	\$0	\$2,051	\$2,156	\$2,266	\$2,381	\$2,503	\$2,630	\$2,764	\$2,905
<b>Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)</b>										
Beginning Balance	\$0	\$0	\$0	\$1,340	\$2,675	\$3,258	\$3,694	\$4,075	\$4,435	\$4,774
PIK Interest	0	0	0	68	136	166	188	208	226	243
Additions	0	1,408	1,408	1,314	473	287	206	162	120	93
Surplus Notes Received by AAC	0	(68)	(68)	(47)	(26)	(17)	(13)	(10)	(7)	(5)
Amortization	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$0	\$1,340	\$1,340	\$2,675	\$3,258	\$3,694	\$4,075	\$4,435	\$4,774	\$5,106
<b>Junior Surplus Notes</b>										
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PIK Interest	0	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Surplus Notes Received by AAC</b>										
Beg Balance	\$0	\$0	\$0	\$68	\$119	\$151	\$176	\$198	\$218	\$236
Additions	0	68	68	47	26	17	13	10	7	5
PIK Interest	0	0	0	3	6	8	9	10	11	12
Amortization	0	0	0	0	0	0	0	0	0	0
End Balance	\$0	\$68	\$68	\$119	\$151	\$176	\$198	\$218	\$236	\$253
<b>Loss Payments - General Account:</b>										
Loss Payments - Gross of Remediation	\$26	\$0	\$26	\$14	\$13	\$13	\$4	\$3	\$3	\$8
Remediation	(1)	0	(1)	(3)	(4)	(3)	(4)	(3)	(3)	(2)
Net Loss Payments	\$25	\$0	\$25	\$11	\$10	\$10	\$0	\$0	\$1	\$6
Cash Loss Payments	\$26	\$0	\$26	\$14	\$13	\$13	\$4	\$3	\$3	\$8
Cash Remediation Receipts	(1)	0	(1)	(3)	(4)	(3)	(4)	(3)	(3)	(2)
	\$25	\$0	\$25	\$11	\$10	\$10	\$0	\$0	\$1	\$6
<b>Loss Payments - Segregated Account:</b>										
Loss Payments - Gross of Remediation	\$176	\$1,811	\$1,987	\$1,752	\$630	\$383	\$274	\$217	\$159	\$124
Remediation	0	0	0	(909)	0	(1,377)	0	0	0	0
Net Loss Payments	\$176	\$1,811	\$1,987	\$842	\$630	\$(994)	\$274	\$217	\$159	\$124
Cash Loss Payments	\$126	\$453	\$578	\$438	\$158	\$96	\$69	\$54	\$40	\$31
Remediation Receipts	0	0	0	(909)	0	(1,377)	0	0	0	0
Segregated Account Surplus Notes	50	1,358	1,408	1,314	473	287	206	162	120	93
Junior Surplus Notes	0	0	0	0	0	0	0	0	0	0
	\$176	\$1,811	\$1,987	\$842	\$630	\$(994)	\$274	\$217	\$159	\$124

**Memo Items:**

(Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Bank Settlement Notes</b>													
Beginning Balance	\$2,905	\$3,053	\$3,209	\$3,373	\$3,545	\$3,726	\$3,916	\$4,115	\$4,325	\$4,546	\$4,778	\$5,021	\$5,277
PIK Interest	148	156	164	172	181	190	200	210	221	232	244	256	269
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$3,053	\$3,209	\$3,373	\$3,545	\$3,726	\$3,916	\$4,115	\$4,325	\$4,546	\$4,778	\$5,021	\$5,277	\$5,547
<b>Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)</b>													
Beginning Balance	\$5,106	\$5,435	\$5,767	\$6,102	\$6,442	\$6,790	\$7,148	\$7,519	\$7,909	\$8,316	\$8,743	\$9,196	\$9,674
PIK Interest	260	277	294	311	329	346	365	383	403	424	446	469	493
Additions	73	58	44	30	20	13	7	7	3	3	8	9	8
Surplus Notes Received by AAC	(4)	(3)	(2)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	0	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$5,435	\$5,767	\$6,102	\$6,442	\$6,790	\$7,148	\$7,519	\$7,909	\$8,316	\$8,743	\$9,196	\$9,674	\$10,176
<b>Junior Surplus Notes</b>													
Beginning Balance	\$0	\$0	\$0	\$69	\$70	\$72	\$74	\$76	\$78	\$80	\$82	\$84	\$86
PIK Interest	0	0	0	2	2	2	2	2	2	2	2	2	2
Additions	0	0	69	0	0	0	0	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$0	\$0	\$69	\$70	\$72	\$74	\$76	\$78	\$80	\$82	\$84	\$86	\$88
<b>Surplus Notes Received by AAC</b>													
Beg Balance	\$253	\$270	\$287	\$303	\$320	\$337	\$355	\$374	\$393	\$413	\$435	\$457	\$480
Additions	4	3	2	1	1	1	0	0	0	0	0	(0)	(0)
PIK Interest	13	14	15	15	16	17	18	19	20	21	22	23	24
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
End Balance	\$270	\$287	\$303	\$320	\$337	\$355	\$374	\$393	\$413	\$435	\$457	\$480	\$505
<b>Loss Payments - General Account:</b>													
Loss Payments - Gross of Remediation	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Remediation	(5)	(4)	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$1	\$7	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Cash Loss Payments	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Cash Remediation Receipts	(5)	(4)	0	0	0	0	0	0	0	0	0	0	0
	\$1	\$7	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
<b>Loss Payments - Segregated Account:</b>													
Loss Payments - Gross of Remediation	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	\$4	\$10	\$12	\$10
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	\$4	\$10	\$12	\$10
Cash Loss Payments	\$24	\$19	\$15	\$10	\$7	\$4	\$2	\$2	\$1	\$1	\$3	\$3	\$3
Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Segregated Account Surplus Notes	73	58	44	30	20	13	7	7	3	3	8	9	8
Junior Surplus Notes	0	0	69	0	0	0	0	0	0	0	0	0	0
	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	\$4	\$10	\$12	\$10

**Memo Items:**

(Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Bank Settlement Notes</b>													
Beginning Balance	\$5,547	\$5,829	\$6,127	\$6,439	\$6,768	\$7,113	\$7,475	\$7,857	\$8,257	\$8,678	\$9,121	\$9,586	\$10,075
PIK Interest	283	297	312	328	345	363	381	401	421	443	465	489	514
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$5,829	\$6,127	\$6,439	\$6,768	\$7,113	\$7,475	\$7,857	\$8,257	\$8,678	\$9,121	\$9,586	\$10,075	\$10,589
<b>Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)</b>													
Beginning Balance	\$10,176	\$10,707	\$11,266	\$11,828	\$12,420	\$13,753	\$14,470	\$15,623	\$16,441	\$17,306	\$18,221	\$19,146	\$20,118
PIK Interest	519	546	575	603	633	701	738	797	839	883	929	976	1,026
Additions	12	13	(13)	(10)	699	16	458	22	26	32	(4)	(4)	(4)
Surplus Notes Received by AAC	0	(0)	0	0	(0)	(0)	(44)	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$10,707	\$11,266	\$11,828	\$12,420	\$13,753	\$14,470	\$15,623	\$16,441	\$17,306	\$18,221	\$19,146	\$20,118	\$21,141
<b>Junior Surplus Notes</b>													
Beginning Balance	\$88	\$90	\$93	\$95	\$97	\$100	\$102	\$105	\$108	\$111	\$113	\$116	\$119
PIK Interest	2	2	2	2	2	3	3	3	3	3	3	3	3
Additions	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$90	\$93	\$95	\$97	\$100	\$102	\$105	\$108	\$111	\$113	\$116	\$119	\$122
<b>Surplus Notes Received by AAC</b>													
Beg Balance	\$505	\$530	\$557	\$586	\$616	\$647	\$680	\$759	\$797	\$838	\$880	\$925	\$972
Additions	(0)	0	(0)	(0)	0	0	44	(0)	(0)	(0)	(0)	(0)	(0)
PIK Interest	26	27	28	30	31	33	35	39	41	43	45	47	50
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
End Balance	\$530	\$557	\$586	\$616	\$647	\$680	\$759	\$797	\$838	\$880	\$925	\$972	\$1,022
<b>Loss Payments - General Account:</b>													
Loss Payments - Gross of Remediation	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Loss Payments	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Loss Payments - Segregated Account:</b>													
Loss Payments - Gross of Remediation	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)
Cash Loss Payments	\$4	\$4	\$(4)	\$(3)	\$233	\$5	\$153	\$7	\$9	\$11	\$(1)	\$(1)	\$(1)
Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Segregated Account Surplus Notes	12	13	(13)	(10)	699	16	458	22	26	32	(4)	(4)	(4)
Junior Surplus Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)



**Memo Items:**

(Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
<b>Bank Settlement Notes</b>							
Beginning Balance	\$10,589	\$11,129	\$11,697	\$12,293	\$12,920	\$13,579	\$14,272
PIK Interest	540	568	597	627	659	693	728
Amortization	0	0	0	0	0	0	0
Ending Balance	\$11,129	\$11,697	\$12,293	\$12,920	\$13,579	\$14,272	\$14,999
<b>Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)</b>							
Beginning Balance	\$21,141	\$22,215	\$23,345	\$24,534	\$25,785	\$27,100	\$28,482
PIK Interest	1,078	1,133	1,191	1,251	1,315	1,382	1,453
Additions	(4)	(3)	(2)	(0)	(0)	(0)	(0)
Surplus Notes Received by AAC	0	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0
Ending Balance	\$22,215	\$23,345	\$24,534	\$25,785	\$27,100	\$28,482	\$29,935
<b>Junior Surplus Notes</b>							
Beginning Balance	\$122	\$125	\$129	\$132	\$135	\$139	\$142
PIK Interest	3	3	3	3	3	4	4
Additions	0	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0
Ending Balance	\$125	\$129	\$132	\$135	\$139	\$142	\$146
<b>Surplus Notes Received by AAC</b>							
Begin Balance	\$1,022	\$1,074	\$1,129	\$1,186	\$1,247	\$1,311	\$1,377
Additions	(0)	(0)	(0)	(0)	(0)	(0)	(0)
PIK Interest	52	55	58	61	64	67	70
Amortization	0	0	0	0	0	0	0
End Balance	\$1,074	\$1,129	\$1,186	\$1,247	\$1,311	\$1,377	\$1,448
<b>Loss Payments - General Account:</b>							
Loss Payments - Gross of Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remediation	0	0	0	0	0	0	0
Net Loss Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Loss Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Remediation Receipts	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Loss Payments - Segregated Account:</b>							
Loss Payments - Gross of Remediation	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation	0	0	0	0	0	0	0
Net Loss Payments	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)
Cash Loss Payments	\$(1)	\$(1)	\$(1)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation Receipts	0	0	0	0	0	0	0
Segregated Account Surplus Notes	(4)	(3)	(2)	(0)	(0)	(0)	(0)
Junior Surplus Notes	0	0	0	0	0	0	0
	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)

**Ambac Assurance Corporation**  
**Recovery of Surplus Note Principal and Interest Supporting Calculations**  
(Dollars in Millions)

<b>Year</b>	<b>2050</b>
Bonds	\$53,022
Investments in Subsidiaries (Stocks)	0
Cash & Cash Equivalents	50
Intercompany Loans	0
<b>Total Claims Paying Resources</b>	<b>\$53,072</b>
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)	\$29,935
Bank Settlement Notes	\$14,999
<b>Total Surplus Notes</b>	<b>\$44,934</b>
<b>Recovery of Surplus Note Principal and Interest</b>	<b>100%</b>
Excess Claims Paying Resources	\$8,137
Junior Surplus Notes	\$146
<b>Recovery of Junior Surplus Note Principal and Interest</b>	<b>100%</b>