

EXHIBIT G

PROJECTED FINANCIAL AND OPERATING RESULTS ASSOCIATED WITH SCENARIO FOUR

Scenario 4

Balance Sheet

(Dollars in Millions)

	6/30/10	Pre-Consummation 12/31/10	Adjustment for Consummation Transactions	Post-Consummation 12/31/10	Post-Consummation 12/31/10	Projections for End of Year:			2012	XOL Adjustment	Post-XOL 2012
						2011	XOL Adjustment	Post-XOL 2011			
Assets											
Invested assets											
Bonds ⁽¹⁾	\$4,268	\$4,508	\$(451)	\$4,056	\$4,056	\$3,943		\$3,943	\$4,016		\$4,016
Stocks	511	175	0	175	175	181		181	186		186
Intercompany Loans	790	732	0	732	732	596		596	499		499
Cash & Cash Equivalents	313	313	0	313	313	313		313	313		313
Total Cash and Investments	5,881	5,728	(451)	5,277	5,277	5,033		5,033	5,014		5,014
Contractual Adjustment to XOL	0	0	0	0	0	0	552	552		717	1,269
Other Assets ⁽¹⁾	(1,682)	67	(60)	8	8	8		8	8		8
Total Assets	\$6,204	\$5,796	\$(511)	\$5,285	\$5,285	\$5,041	\$552	\$5,593	\$5,574	\$717	\$6,291
Liabilities											
Unearned Premiums Reserve	\$2,211	\$1,946	\$0	\$1,946	\$1,946	\$1,753		\$1,753	\$1,573		\$1,573
Loss and LAE Reserves	2,022	4,071	(1,900)	2,170	2,170	3,199		3,199	3,997		3,997
Other Liabilities	2,097	24	0	24	24	24		24	24		24
Contingency Reserve	380	429	0	429	429	517		517	597		597
Total Liabilities	\$6,710	\$6,470	\$(1,900)	\$4,570	\$4,570	\$5,493	\$0	\$5,493	\$6,191	\$0	\$6,191
Surplus as regards Policyholders	\$(506)	\$(675)	\$1,389	\$715	\$715	\$(452)	\$552	\$100	\$(617)	\$717	\$100
Total Liabilities and Surplus	\$6,204	\$5,796	\$(511)	\$5,285	\$5,285	\$5,041	\$552	\$5,593	\$5,574	\$717	\$6,291
Qualified Statutory Capital	\$(125)	\$(245)	\$1,389	\$1,144	\$1,144	\$64	\$552	\$617	\$(20)	\$717	\$697

⁽¹⁾ 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	Post-Consummation 12/31/10	Projections for End of Year:			2012	XOL Adjustment	Post-XOL 2012
						2011	XOL Adjustment	Post-XOL 2011			
Surplus Reconciliation											
Common Stock	\$82	\$82	\$0	\$82	\$82	\$82		\$82	\$82		\$82
Preferred Stock	26	26	0	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
Unassigned Surplus	(4,161)	(6,385)	35	(6,350)	(6,350)	(9,111)	552	(8,559)	(9,978)	717	(9,261)
Bank Settlement Notes	2,000	2,000	0	2,000	2,000	2,000		2,000	2,000		2,000
Segregated Account Surplus Notes	0	50	1,354	1,404	1,404	2,998		2,998	3,701		3,701
Junior Surplus Notes	0	0	0	0	0	0		0	0		0
Total Surplus	\$1,500	\$(675)	\$1,389	\$715	\$715	\$(452)	\$552	\$100	\$(617)	\$717	\$100
Unconsolidated Segregated Account Loss				\$0	\$0	\$0	\$(552)	\$(552)	\$(552)	\$(717)	\$(1,269)
Unassigned Surplus Reconciliation											
Beginning Balance	\$0	\$(4,161)	\$0	\$(4,161)	\$(4,161)	\$(6,350)		\$(6,350)	\$(8,559)		\$(8,559)
Net Income	0	(1,840)	35	(1,805)	(1,805)	(2,678)	552	(2,126)	(1,345)	717	(628)
Change in Equity in Affiliates	0	(335)	0	(335)	(335)	5		5	5		5
Additions to Contingency Reserves	0	(49)	0	(49)	(49)	(87)		(87)	(80)		(80)
Release of Contingency Reserves	0	0	0	0	0	0		0	0		0
Ending Balance	\$(4,161)	\$(6,385)	\$35	\$(6,350)	\$(6,350)	\$(9,111)	\$552	\$(8,559)	\$(9,978)	\$717	\$(9,261)

Balance Sheet

(Dollars in Millions)

	XOL		Post-XOL	XOL		Post-XOL	XOL		Post-XOL	2016	2017	2018	2019
	2013	Adjustment	2013	2014	Adjustment	2014	2015	Adjustment	2015				
Assets													
Invested assets													
Bonds ⁽¹⁾	\$4,176		\$4,176	\$4,176		\$4,176	\$4,474		\$4,474	\$4,662	\$4,742	\$4,990	\$5,641
Stocks	192		192	197		197	203		203	209	216	222	229
Intercompany Loans	330		330	449		449	541		541	513	636	605	190
Cash & Cash Equivalents	313		313	313		313	50		50	50	50	50	50
Total Cash and Investments	5,010		5,010	5,136		5,136	5,268		5,268	5,435	5,643	5,867	6,111
Contractual Adjustment to XOL	1,269	(251)	1,018	1,018	(593)	426	426	(426)	0	0	0	0	0
Other Assets ⁽¹⁾	8		8	8		8	8		8	8	8	8	8
Total Assets	\$6,288	\$(251)	\$6,036	\$6,162	\$(593)	\$5,569	\$5,701	\$(426)	\$5,276	\$5,443	\$5,651	\$5,875	\$6,118
Liabilities													
Unearned Premiums Reserve	\$1,407		\$1,407	\$1,257		\$1,257	\$1,124		\$1,124	\$1,003	\$891	\$787	\$696
Loss and LAE Reserves	3,830		3,830	3,442		3,442	3,144		3,144	2,961	2,833	2,757	2,698
Other Liabilities	24		24	24		24	24		24	24	24	24	24
Contingency Reserve	675		675	745		745	808		808	865	917	966	1,009
Total Liabilities	\$5,936	\$0	\$5,936	\$5,469	\$0	\$5,469	\$5,101	\$0	\$5,101	\$4,853	\$4,666	\$4,535	\$4,427
Surplus as regards Policyholders	\$351	\$(251)	\$100	\$693	\$(593)	\$100	\$601	\$(426)	\$175	\$589	\$985	\$1,340	\$1,692
Total Liabilities and Surplus	\$6,288	\$(251)	\$6,036	\$6,162	\$(593)	\$5,569	\$5,701	\$(426)	\$5,276	\$5,443	\$5,651	\$5,875	\$6,118
Qualified Statutory Capital	\$1,026	\$(251)	\$775	\$1,438	\$(593)	\$845	\$1,409	\$(426)	\$983	\$1,454	\$1,902	\$2,306	\$2,700

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	XOL		Post-XOL	XOL		Post-XOL	XOL		Post-XOL	2016	2017	2018	2019
	2013	Adjustment	2013	2014	Adjustment	2014	2015	Adjustment	2015				
Surplus Reconciliation													
Common Stock	\$82		\$82	\$82		\$82	\$82		\$82	\$82	\$82	\$82	\$82
Preferred Stock	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
Unassigned Surplus	(9,515)	(251)	(9,766)	(9,508)	(593)	(10,101)	(9,843)	(426)	(10,269)	(10,046)	(9,751)	(9,470)	(9,162)
Bank Settlement Notes	2,000		2,000	2,000		2,000	2,000		2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	4,205		4,205	4,540		4,540	4,783		4,783	4,975	5,075	5,150	5,193
Junior Surplus Notes	0		0	0		0	0		0	0	0	0	0
Total Surplus	\$351	\$(251)	\$100	\$693	\$(593)	\$100	\$601	\$(426)	\$175	\$589	\$985	\$1,340	\$1,692
Unconsolidated Segregated Account Loss	\$(1,269)	\$251	\$(1,018)	\$(1,018)	\$593	\$(426)	\$(426)	\$426	\$0				
Unassigned Surplus Reconciliation													
Beginning Balance	\$(9,261)		\$(9,261)	\$(9,766)		\$(9,766)	\$(10,101)		\$(10,101)	\$(10,269)	\$(10,046)	\$(9,751)	\$(9,470)
Net Income	(181)	(251)	(432)	323	(593)	(270)	314	(426)	(111)	273	341	323	345
Change in Equity in Affiliates	6		6	6		6	6		6	6	6	6	7
Additions to Contingency Reserves	(78)		(78)	(71)		(71)	(63)		(63)	(57)	(52)	(49)	(42)
Release of Contingency Reserves	0		0	0		0	0		0	0	0	0	0
Ending Balance	\$(9,515)	\$(251)	\$(9,766)	\$(9,508)	\$(593)	\$(10,101)	\$(9,843)	\$(426)	\$(10,269)	\$(10,046)	\$(9,751)	\$(9,470)	\$(9,162)

Balance Sheet

(Dollars in Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Assets																
Invested assets																
Bonds ⁽¹⁾	\$5,906	\$6,219	\$6,582	\$6,992	\$7,415	\$8,067	\$8,526	\$9,000	\$9,487	\$10,004	\$10,536	\$11,135	\$11,734	\$12,354	\$12,990	\$12,700
Stocks	236	243	250	258	265	0	0	0	0	0	0	0	0	0	0	0
Intercompany Loans	172	154	141	143	141	198	208	221	235	239	252	106	116	125	135	143
Cash & Cash Equivalents	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total Cash and Investments	6,363	6,666	7,023	7,443	7,871	8,315	8,785	9,272	9,772	10,292	10,838	11,291	11,899	12,529	13,176	12,894
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets ⁽¹⁾	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Total Assets	\$6,371	\$6,674	\$7,031	\$7,450	\$7,879	\$8,323	\$8,793	\$9,279	\$9,780	\$10,300	\$10,846	\$11,299	\$11,907	\$12,537	\$13,183	\$12,902
Liabilities																
Unearned Premiums Reserve	\$613	\$535	\$466	\$408	\$355	\$307	\$262	\$222	\$185	\$153	\$120	\$97	\$80	\$65	\$53	\$43
Loss and LAE Reserves	2,633	2,606	2,641	2,733	2,835	2,942	3,061	3,184	3,311	3,444	3,587	3,771	3,962	4,156	4,345	724
Other Liabilities	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Contingency Reserve	1,048	1,084	1,116	1,143	1,168	1,190	1,211	1,229	1,246	881	897	820	747	676	611	553
Total Liabilities	\$4,318	\$4,250	\$4,248	\$4,308	\$4,382	\$4,463	\$4,558	\$4,660	\$4,767	\$4,502	\$4,628	\$4,712	\$4,813	\$4,921	\$5,033	\$1,344
Surplus as regards Policyholders	\$2,053	\$2,424	\$2,784	\$3,142	\$3,497	\$3,860	\$4,235	\$4,620	\$5,013	\$5,798	\$6,218	\$6,587	\$7,094	\$7,615	\$8,150	\$11,558
Total Liabilities and Surplus	\$6,371	\$6,674	\$7,031	\$7,450	\$7,879	\$8,323	\$8,793	\$9,279	\$9,780	\$10,300	\$10,846	\$11,299	\$11,907	\$12,537	\$13,183	\$12,902
Qualified Statutory Capital	\$3,101	\$3,508	\$3,899	\$4,285	\$4,665	\$5,050	\$5,446	\$5,849	\$6,260	\$6,679	\$7,114	\$7,406	\$7,841	\$8,291	\$8,761	\$12,111

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Surplus Reconciliation																
Common Stock	\$82	\$82	\$82	\$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	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	3,552	3,552	3,552
Unassigned Surplus	(8,984)	(8,648)	(8,317)	(7,984)	(7,652)	(7,312)	(6,959)	(6,595)	(6,224)	(5,463)	(5,064)	(4,714)	(4,223)	(3,717)	(3,199)	(2,674)
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	2,000	2,000	2,000
Segregated Account Surplus Notes	5,239	5,274	5,303	5,329	5,352	5,375	5,396	5,417	5,440	5,463	5,484	5,503	5,520	5,534	5,552	8,434
Junior Surplus Notes	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137
Total Surplus	\$2,053	\$2,424	\$2,784	\$3,142	\$3,497	\$3,860	\$4,235	\$4,620	\$5,013	\$5,798	\$6,218	\$6,587	\$7,094	\$7,615	\$8,150	\$11,558

Unconsolidated Segregated Account Loss

Unassigned Surplus Reconciliation

Beginning Balance	\$(9,162)	\$(8,984)	\$(8,648)	\$(8,317)	\$(7,984)	\$(7,652)	\$(7,312)	\$(6,959)	\$(6,595)	\$(6,224)	\$(5,463)	\$(5,064)	\$(4,714)	\$(4,223)	\$(3,717)	\$(3,199)
Net Income	210	365	355	352	349	354	374	383	387	396	415	272	418	436	452	468
Change in Equity in Affiliates	7	7	7	8	8	8	0	0	0	0	0	0	0	0	0	0
Additions to Contingency Reserves	(39)	(37)	(32)	(27)	(25)	(22)	(21)	(18)	(17)	(15)	(16)	(10)	(8)	(7)	(5)	(6)
Release of Contingency Reserves	0	0	0	0	0	0	0	0	0	380	0	87	80	78	71	63
Ending Balance	\$(8,984)	\$(8,648)	\$(8,317)	\$(7,984)	\$(7,652)	\$(7,312)	\$(6,959)	\$(6,595)	\$(6,224)	\$(5,463)	\$(5,064)	\$(4,714)	\$(4,223)	\$(3,717)	\$(3,199)	\$(2,674)

Balance Sheet

(Dollars in Millions)

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Assets															
Invested assets															
Bonds ⁽¹⁾	\$13,411	\$13,913	\$14,607	\$15,339	\$16,103	\$16,920	\$17,776	\$18,675	\$19,616	\$20,605	\$21,644	\$22,735	\$23,881	\$25,085	\$26,350
Stocks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany Loans	146	149	152	151	153	155	157	159	160	161	162	163	163	164	0
Cash & Cash Equivalents	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total Cash and Investments	13,608	14,112	14,809	15,539	16,306	17,125	17,984	18,884	19,827	20,816	21,856	22,948	24,094	25,298	26,400
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets ⁽¹⁾	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Total Assets	\$13,615	\$14,120	\$14,817	\$15,547	\$16,314	\$17,133	\$17,991	\$18,892	\$19,834	\$20,824	\$21,864	\$22,955	\$24,102	\$25,306	\$26,407
Liabilities															
Unearned Premiums Reserve	\$33	\$25	\$21	\$18	\$16	\$14	\$12	\$11	\$10	\$9	\$8	\$7	\$5	\$4	\$3
Loss and LAE Reserves	726	110	75	37	(9)	(7)	(6)	(4)	(3)	(1)	(0)	(0)	(0)	(0)	0
Other Liabilities	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Contingency Reserve	501	451	404	363	325	290	259	232	208	187	166	148	132	117	0
Total Liabilities	\$1,284	\$610	\$525	\$443	\$357	\$321	\$290	\$263	\$239	\$218	\$198	\$179	\$161	\$146	\$28
Surplus as regards Policyholders	\$12,331	\$13,509	\$14,292	\$15,104	\$15,957	\$16,812	\$17,701	\$18,629	\$19,595	\$20,606	\$21,666	\$22,776	\$23,940	\$25,160	\$26,380
Total Liabilities and Surplus	\$13,615	\$14,120	\$14,817	\$15,547	\$16,314	\$17,133	\$17,991	\$18,892	\$19,834	\$20,824	\$21,864	\$22,955	\$24,102	\$25,306	\$26,407
Qualified Statutory Capital	\$12,832	\$13,960	\$14,696	\$15,467	\$16,282	\$17,102	\$17,960	\$18,861	\$19,803	\$20,792	\$21,831	\$22,924	\$24,072	\$25,277	\$26,380

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Surplus Reconciliation															
Common Stock	\$82	\$82	\$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	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	3,552	3,552
Unassigned Surplus	(1,926)	(1,193)	(441)	340	1,157	2,014	2,904	3,833	4,801	5,813	6,873	7,984	9,148	10,368	11,587
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	2,000	2,000
Segregated Account Surplus Notes	8,460	8,905	8,935	8,967	9,002	9,001	8,999	8,998	8,997	8,995	8,995	8,995	8,995	8,995	8,995
Junior Surplus Notes	137	137	137	137	137	137	137	137	137	137	137	137	137	137	137
Total Surplus	\$12,331	\$13,509	\$14,292	\$15,104	\$15,957	\$16,812	\$17,701	\$18,629	\$19,595	\$20,606	\$21,666	\$22,776	\$23,940	\$25,160	\$26,380

Unconsolidated Segregated Account Loss

Unassigned Surplus Reconciliation

Beginning Balance	\$(2,674)	\$(1,926)	\$(1,193)	\$(441)	\$340	\$1,157	\$2,014	\$2,904	\$3,833	\$4,801	\$5,813	\$6,873	\$7,984	\$9,148	\$10,368
Net Income	695	683	706	740	779	821	860	902	943	991	1,040	1,093	1,148	1,205	1,102
Change in Equity in Affiliates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions to Contingency Reserves	(4)	(3)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(1)	(1)	(1)	(1)
Release of Contingency Reserves	57	52	49	42	39	37	32	27	25	22	21	18	17	15	118
Ending Balance	\$(1,926)	\$(1,193)	\$(441)	\$340	\$1,157	\$2,014	\$2,904	\$3,833	\$4,801	\$5,813	\$6,873	\$7,984	\$9,148	\$10,368	\$11,587

Scenario 4

Income Statement

(Dollars in Millions)

	Pre-Consumption 2nd Half 2010	Adjustment for Consumption Transactions	Post-Consumption 2nd Half 2010	Post-Consumption 12/31/10	2011	XOL Adjustment	Post-XOL 2011	2012	XOL Adjustment	Post-XOL 2012
Revenue										
Premiums Earned	\$360	\$0	\$360	\$360	\$369		\$369	\$324		\$324
Investment Income	140	35	174	174	333		333	287		287
Contractual Adjustment to XOL	0	0	0	0	0	552	552	0	717	717
Fee and Other Income	10	0	10	10	12		12	11		11
Total Revenue	\$510	\$35	\$545	\$545	\$714	\$552	\$1,266	\$623	\$717	\$1,340
Loss and Expenses										
Losses and LAE	\$2,249	\$0	\$2,249	\$2,249	\$3,272		\$3,272	\$1,875		\$1,875
Operating Expenses	63	0	63	63	120		120	93		93
Additional Write-downs	38	0	38	38	0		0	0		0
Other	0	0	0	0	0		0	0		0
Total Loss and Expenses	\$2,350	\$0	\$2,350	\$2,350	\$3,392	\$0	\$3,392	\$1,968	\$0	\$1,968
Pre-tax Income	\$(1,840)	\$35	\$(1,805)	\$(1,805)	\$(2,678)	\$552	\$(2,126)	\$(1,345)	\$717	\$(628)
Taxes	0	0	0	0	0	0	0	0	0	0
Net Income	\$(1,840)	\$35	\$(1,805)	\$(1,805)	\$(2,678)	\$552	\$(2,126)	\$(1,345)	\$717	\$(628)

Scenario 4

Income Statement

(Dollars in Millions)

	2013	XOL Adjustment	Post-XOL 2013	2014	XOL Adjustment	Post-XOL 2014	2015	XOL Adjustment	Post-XOL 2015	2016	2017	2018	2019
Revenue													
Premiums Earned	\$289		\$289	\$245		\$245	\$216		\$216	\$196	\$178	\$166	\$148
Investment Income	279		279	345		345	316		316	325	341	346	361
Contractual Adjustment to XOL	0	(251)	(251)	0	(593)	(593)	0	(426)	(426)	0	0	0	0
Fee and Other Income	10		10	9		9	8		8	7	6	5	4
Total Revenue	\$578	\$(251)	\$327	\$599	\$(593)	\$6	\$539	\$(426)	\$114	\$527	\$525	\$517	\$512
Loss and Expenses													
Losses and LAE	\$681		\$681	\$215		\$215	\$176		\$176	\$217	\$151	\$164	\$141
Operating Expenses	78		78	62		62	49		49	37	32	30	27
Additional Write-downs	0		0	0		0	0		0	0	0	0	0
Other	0		0	0		0	0		0	0	0	0	0
Total Loss and Expenses	\$759	\$0	\$759	\$277	\$0	\$277	\$225	\$0	\$225	\$254	\$183	\$194	\$168
Pre-tax Income	\$(181)	\$(251)	\$(432)	\$323	\$(593)	\$(270)	\$314	\$(426)	\$(111)	\$273	\$341	\$323	\$345
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	\$(181)	\$(251)	\$(432)	\$323	\$(593)	\$(270)	\$314	\$(426)	\$(111)	\$273	\$341	\$323	\$345

Income Statement

(Dollars in Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue																
Premiums Earned	\$136	\$125	\$112	\$98	\$90	\$81	\$76	\$67	\$61	\$55	\$53	\$42	\$34	\$30	\$25	\$22
Investment Income	372	399	400	412	421	440	470	493	510	531	558	580	598	629	660	689
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee and Other Income	3	0	0	0	0	0	0	0	0	0	0	(146)	0	0	0	0
Total Revenue	\$511	\$524	\$511	\$510	\$511	\$520	\$546	\$560	\$571	\$586	\$612	\$476	\$632	\$659	\$685	\$711
Loss and Expenses																
Losses and LAE	\$275	\$134	\$133	\$135	\$140	\$145	\$150	\$156	\$163	\$169	\$176	\$183	\$193	\$202	\$212	\$222
Operating Expenses	26	25	23	23	22	22	22	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	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Loss and Expenses	\$301	\$159	\$156	\$158	\$162	\$167	\$172	\$177	\$184	\$190	\$197	\$204	\$214	\$223	\$233	\$243
Pre-tax Income	\$210	\$365	\$355	\$352	\$349	\$354	\$374	\$383	\$387	\$396	\$415	\$272	\$418	\$436	\$452	\$468
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	\$210	\$365	\$355	\$352	\$349	\$354	\$374	\$383	\$387	\$396	\$415	\$272	\$418	\$436	\$452	\$468

Income Statement

(Dollars in Millions)

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue															
Premiums Earned	\$19	\$15	\$10	\$8	\$6	\$6	\$5	\$4	\$4	\$3	\$2	\$3	\$2	\$2	\$2
Investment Income	734	726	723	757	796	836	876	919	961	1,008	1,059	1,111	1,167	1,225	1,286
Contractual Adjustment to XOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fee and Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(164)
Total Revenue	\$753	\$741	\$733	\$765	\$802	\$842	\$881	\$923	\$964	\$1,012	\$1,061	\$1,114	\$1,169	\$1,227	\$1,123
Loss and Expenses															
Losses and LAE	\$37	\$37	\$6	\$4	\$2	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)
Operating Expenses	21	21	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	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Loss and Expenses	\$58	\$58	\$27	\$25	\$23	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21	\$21
Pre-tax Income	\$695	\$683	\$706	\$740	\$779	\$821	\$860	\$902	\$943	\$991	\$1,040	\$1,093	\$1,148	\$1,205	\$1,102
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	\$695	\$683	\$706	\$740	\$779	\$821	\$860	\$902	\$943	\$991	\$1,040	\$1,093	\$1,148	\$1,205	\$1,102

Cash Flow Statement

(Dollars in Millions)

	Pre-	Adjustment for	Post-	Post-	Projections for End of Year:					
	Consumption	Consumption	Consumption	Consumption	2011	XOL	Post-XOL	2012	XOL	Post-XOL
	2nd Half 2010	Transactions	2nd Half 2010	12/31/10		Adjustment	2011		Adjustment	2012
Cash From Operations										
Net Installment Premiums	\$88	\$0	\$88	\$88	\$176		\$176	\$145		\$145
Investment Portfolio Receipts	44	12	57	57	198		198	198		198
Securities Receivable	0	11	11	11	0		0	0		0
Reinsurer Commutation	6	0	6	6	0		0	0		0
Accrued Premiums	16	0	16	16	0		0	0		0
Receivable From Affiliates	6	0	6	6	0		0	0		0
Fee Income	6	0	6	6	12		12	11		11
Dividends from Everspan	0	0	0	0	0		0	0		0
Accrued Interest Receivable	40	0	40	40	0		0	0		0
Loss Payments	(25)	(475)	(501)	(501)	(590)		(590)	(337)		(337)
Operating Expenses	(63)	0	(63)	(63)	(120)		(120)	(93)		(93)
Interest Expense	0	0	0	0	0		0	0		0
Accrued Other Expenses	(58)	0	(58)	(58)	0		0	0		0
Tax Refund (Payment)	(3)	0	(3)	(3)	0		0	0		0
Reinsurance Recovery	205	0	205	205	0		0	0		0
Commutations and Other	(126)	0	(126)	(126)	0		0	0		0
Net Cash from Operations	\$137	\$(451)	\$(314)	\$(314)	\$(324)	\$0	\$(324)	\$(76)	\$0	\$(76)
Cash From Investments										
Investments (Acquired)/Sold	\$(429)	\$451	\$23	\$23	\$(137)		\$(137)	\$(305)		\$(305)
Principal Amortization (Including Intercompany Loans)	292	0	292	292	461		461	381		381
Net Cash from Investments	\$(137)	\$451	\$314	\$314	\$324	\$0	\$324	\$76	\$0	\$76
Cash from Financing										
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0		\$0	\$0		\$0
Dividends to AFG	0	0	0	0	0		0	0		0
Dividends on AMPS	0	0	0	0	0		0	0		0
Amortization of Debt / Preferred	0	0	0	0	0		0	0		0
Amortization of Bank Settlement Notes	0	0	0	0	0		0	0		0
Amortization of Segregated Account Surplus Notes	0	0	0	0	0		0	0		0
Net Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$0	\$0		\$0	\$0		\$0
Cash Equivalents - Beginning of Period	\$313	\$313	\$313	\$313	\$313		\$313	\$313		\$313
Cash Equivalents - End of Period	\$313	\$313	\$313	\$313	\$313		\$313	\$313		\$313

Cash Flow Statement

(Dollars in Millions)

	2013			2014			2015			2016	2017	2018	2019
	2013	XOL Adjustment	Post-XOL 2013	2014	XOL Adjustment	Post-XOL 2014	2015	XOL Adjustment	Post-XOL 2015	2016	2017	2018	2019
Cash From Operations													
Net Installment Premiums	\$123		\$123	\$96		\$96	\$82		\$82	\$75	\$66	\$61	\$57
Investment Portfolio Receipts	216		216	233		233	244		244	265	281	288	292
Securities Receivable	0		0	0		0	0		0	0	0	0	0
Reinsurer Commutation	0		0	0		0	0		0	0	0	0	0
Accrued Premiums	0		0	0		0	0		0	0	0	0	0
Receivable From Affiliates	0		0	0		0	0		0	0	0	0	0
Fee Income	10		10	9		9	8		8	7	6	5	4
Dividends from Everspan	0		0	0		0	0		0	0	0	0	0
Accrued Interest Receivable	0		0	0		0	0		0	0	0	0	0
Loss Payments	(317)		(317)	(249)		(249)	(216)		(216)	(198)	(171)	(160)	(154)
Operating Expenses	(78)		(78)	(62)		(62)	(49)		(49)	(37)	(32)	(30)	(27)
Interest Expense	0		0	0		0	0		0	0	0	0	0
Accrued Other Expenses	0		0	0		0	0		0	0	0	0	0
Tax Refund (Payment)	0		0	0		0	0		0	0	0	0	0
Reinsurance Recovery	0		0	0		0	0		0	0	0	0	0
Commutations and Other	0		0	0		0	0		0	0	0	0	0
Net Cash from Operations	\$(47)	\$0	\$(47)	\$27	\$0	\$27	\$69	\$0	\$69	\$111	\$150	\$165	\$171
Cash From Investments													
Investments (Acquired)/Sold	\$(422)		\$(422)	\$(268)		\$(268)	\$(509)		\$(509)	\$(416)	\$(299)	\$(430)	\$(912)
Principal Amortization (Including Intercompany Loans)	468		468	241		241	178		178	305	149	265	741
Net Cash from Investments	\$47	\$0	\$47	\$(27)	\$0	\$(27)	\$(332)	\$0	\$(332)	\$(111)	\$(150)	\$(165)	\$(171)
Cash from Financing													
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
Net Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Change in Cash and Cash Equivalents	\$0		\$0	\$0		\$0	\$(263)		\$(263)	\$0	\$0	\$0	\$0
Cash Equivalents - Beginning of Period	\$313		\$313	\$313		\$313	\$313		\$313	\$50	\$50	\$50	\$50
Cash Equivalents - End of Period	\$313		\$313	\$313		\$313	\$50		\$50	\$50	\$50	\$50	\$50

Cash Flow Statement

(Dollars in Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cash From Operations																
Net Installment Premiums	\$53	\$47	\$43	\$39	\$37	\$33	\$30	\$27	\$25	\$23	\$20	\$18	\$17	\$15	\$13	\$11
Investment Portfolio Receipts	316	325	341	358	380	398	430	453	475	499	524	548	565	594	623	653
Securities Receivable	0	0	0	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	0	0	0
Accrued Premiums	0	0	0	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	0	0	0
Fee Income	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends from Everspan	0	0	0	0	0	273	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	0	0	0
Loss Payments	(154)	(124)	(68)	(16)	(15)	(14)	(9)	(12)	(13)	(13)	(11)	21	14	6	(6)	(961)
Operating Expenses	(26)	(25)	(23)	(23)	(22)	(22)	(22)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)
Interest Expense	0	0	0	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	0	0	0
Tax Refund (Payment)	0	0	0	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	0	0	0
Commutations and Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash from Operations	\$192	\$224	\$292	\$359	\$379	\$668	\$430	\$446	\$466	\$488	\$511	\$566	\$575	\$594	\$610	\$(317)
Cash From Investments																
Investments (Acquired)/Sold	\$(492)	\$(634)	\$(624)	\$(806)	\$(701)	\$(1,006)	\$(714)	\$(778)	\$(771)	\$(743)	\$(782)	\$(859)	\$(850)	\$(890)	\$(941)	\$(30)
Principal Amortization (Including Intercompany Loans)	300	410	331	447	322	338	284	332	306	255	270	293	275	295	332	347
Net Cash from Investments	\$(192)	\$(224)	\$(292)	\$(359)	\$(379)	\$(668)	\$(430)	\$(446)	\$(466)	\$(488)	\$(511)	\$(566)	\$(575)	\$(594)	\$(610)	\$317
Cash from Financing																
Capital and Paid-in Surplus	\$0	\$0	\$0	\$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	0	0	0
Dividends on AMPS	0	0	0	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	0	0	0
Amortization of Bank Settlement Notes	0	0	0	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	0	0	0
Net Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Change in Cash and Cash Equivalents	\$0	\$0	\$0	\$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	\$50	\$50	\$50
Cash Equivalents - End of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50

Cash Flow Statement

(Dollars in Millions)

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Cash From Operations															
Net Installment Premiums	\$9	\$8	\$5	\$5	\$4	\$4	\$3	\$3	\$2	\$2	\$2	\$1	\$1	\$1	\$0
Investment Portfolio Receipts	634	669	693	726	762	799	838	879	923	969	1,016	1,067	1,120	1,175	1,233
Securities Receivable	0	0	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	0	0
Accrued Premiums	0	0	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	0	0
Fee Income	0	0	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	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss Payments	(9)	(163)	(10)	(10)	(12)	0	0	0	0	0	0	0	0	0	0
Operating Expenses	(21)	(21)	(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	0	0
Accrued Other Expenses	0	0	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	0	0
Reinsurance Recovery	0	0	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	0	0
Net Cash from Operations	\$613	\$492	\$667	\$699	\$733	\$782	\$821	\$861	\$905	\$950	\$997	\$1,047	\$1,100	\$1,155	\$1,213
Cash From Investments															
Investments (Acquired)/Sold	\$(1,094)	\$(845)	\$(1,017)	\$(1,122)	\$(1,127)	\$(1,203)	\$(1,262)	\$(1,328)	\$(1,390)	\$(1,463)	\$(1,540)	\$(1,621)	\$(1,706)	\$(1,795)	\$(1,889)
Principal Amortization (Including Intercompany Loans)	481	353	350	423	393	421	441	466	485	513	542	573	606	640	676
Net Cash from Investments	\$(613)	\$(492)	\$(667)	\$(699)	\$(733)	\$(782)	\$(821)	\$(861)	\$(905)	\$(950)	\$(997)	\$(1,047)	\$(1,100)	\$(1,155)	\$(1,213)
Cash from Financing															
Capital and Paid-in Surplus	\$0	\$0	\$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	0	0
Dividends on AMPS	0	0	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	0	0
Amortization of Bank Settlement Notes	0	0	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	0	0
Net Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Change in Cash and Cash Equivalents	\$0	\$0	\$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	\$50	\$50
Cash Equivalents - End of Period	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$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	Post-Consumption 12/31/10	Projections for End of Year:			2012	XOL Adjustment	Post-XOL 2012
					2011	XOL Adjustment	Post-XOL 2011			
Bank Settlement Notes										
Beginning Balance	\$2,000	\$0	\$2,000	\$2,000	\$2,051		\$2,051	\$2,156		\$2,156
PIK Interest	51	0	51	51	105		105	110		110
Amortization	0	0	0	0	0		0	0		0
Ending Balance	\$2,051	\$0	\$2,051	\$2,051	\$2,156		\$2,156	\$2,266		\$2,266
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)										
Beginning Balance	\$0	\$0	\$0	\$0	\$1,404		\$1,404	\$3,070		\$3,070
PIK Interest	0	0	0	0	72		72	157		157
Additions	0	1,475	1,475	1,475	1,653		1,653	740		740
Surplus Notes Received by AAC	0	(71)	(71)	(71)	(60)		(60)	(38)		(38)
Amortization	0	0	0	0	0		0	0		0
Ending Balance	\$0	\$1,404	\$1,404	\$1,404	\$3,070		\$3,070	\$3,929		\$3,929
Junior Surplus Notes										
Beginning Balance	\$0	\$0	\$0	\$0	\$0		\$0	\$0		\$0
PIK Interest	0	0	0	0	0		0	0		0
Additions	0	0	0	0	0		0	0		0
Amortization	0	0	0	0	0		0	0		0
Ending Balance	\$0	\$0	\$0	\$0	\$0		\$0	\$0		\$0
Surplus Notes Received by AAC										
Beg Balance	\$0	\$0	\$0	\$0	\$71		\$71	\$134		\$134
Additions	0	71	71	71	60		60	38		38
PIK Interest	0	0	0	0	4		4	7		7
Amortization	0	0	0	0	0		0	0		0
End Balance	\$0	\$71	\$71	\$71	\$134		\$134	\$179		\$179
Loss Payments - General Account:										
Loss Payments - Gross of Remediation	\$26	\$0	\$26	\$26	\$39		\$39	\$90		\$90
Remediation	(1)	0	(1)	(1)	0		0	0		0
Net Loss Payments	\$25	\$0	\$25	\$25	\$39		\$39	\$90		\$90
Cash Loss Payments	\$26	\$0	\$26	\$26	\$39		\$39	\$90		\$90
Cash Remediation Receipts	(1)	0	(1)	(1)	0		0	0		0
	\$25	\$0	\$25	\$25	\$39		\$39	\$90		\$90
Loss Payments - Segregated Account:										
Loss Payments - Gross of Remediation	\$176	\$1,900	\$2,076	\$2,076	\$2,204		\$2,204	\$987		\$987
Remediation	0	0	0	0	0		0	0		0
Net Loss Payments	\$176	\$1,900	\$2,076	\$2,076	\$2,204		\$2,204	\$987		\$987
Cash Loss Payments	\$126	\$475	\$601	\$601	\$551		\$551	\$247		\$247
Remediation Receipts	0	0	0	0	0		0	0		0
Segregated Account Surplus Notes	50	1,425	1,475	1,475	1,653		1,653	740		740
Junior Surplus Notes	0	0	0	0	0		0	0		0
	\$176	\$1,900	\$2,076	\$2,076	\$2,204		\$2,204	\$987		\$987

Memo Items:

(Dollars in Millions)

	2013	XOL Adjustment	Post-XOL 2013	2014	XOL Adjustment	Post-XOL 2014	2015	XOL Adjustment	Post-XOL 2015	2016	2017	2018	2019
Bank Settlement Notes													
Beginning Balance	\$2,266		\$2,266	\$2,381		\$2,381	\$2,503		\$2,503	\$2,630	\$2,764	\$2,905	\$3,053
PIK Interest	116		116	121		121	128		128	134	141	148	156
Amortization	0		0	0		0	0		0	0	0	0	0
Ending Balance	\$2,381		\$2,381	\$2,503		\$2,503	\$2,630		\$2,630	\$2,764	\$2,905	\$3,053	\$3,209
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)													
Beginning Balance	\$3,929		\$3,929	\$4,634		\$4,634	\$5,205		\$5,205	\$5,713	\$6,197	\$6,613	\$7,025
PIK Interest	200		200	236		236	265		265	291	316	337	358
Additions	530		530	354		354	257		257	202	107	80	46
Surplus Notes Received by AAC	(26)		(26)	(19)		(19)	(14)		(14)	(10)	(7)	(5)	(4)
Amortization	0		0	0		0	0		0	0	0	0	0
Ending Balance	\$4,634		\$4,634	\$5,205		\$5,205	\$5,713		\$5,713	\$6,197	\$6,613	\$7,025	\$7,426
Junior Surplus Notes													
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
Surplus Notes Received by AAC													
Beg Balance	\$179		\$179	\$214		\$214	\$244		\$244	\$271	\$294	\$317	\$338
Additions	26		26	19		19	14		14	10	7	5	4
PIK Interest	9		9	11		11	12		12	14	15	16	17
Amortization	0		0	0		0	0		0	0	0	0	0
End Balance	\$214		\$214	\$244		\$244	\$271		\$271	\$294	\$317	\$338	\$359
Loss Payments - General Account:													
Loss Payments - Gross of Remediation	\$141		\$141	\$131		\$131	\$130		\$130	\$131	\$135	\$133	\$138
Remediation	0		0	0		0	0		0	0	0	0	0
Net Loss Payments	\$141		\$141	\$131		\$131	\$130		\$130	\$131	\$135	\$133	\$138
Cash Loss Payments													
Cash Loss Payments	\$141		\$141	\$131		\$131	\$130		\$130	\$131	\$135	\$133	\$138
Cash Remediation Receipts	0		0	0		0	0		0	0	0	0	0
	\$141		\$141	\$131		\$131	\$130		\$130	\$131	\$135	\$133	\$138
Loss Payments - Segregated Account:													
Loss Payments - Gross of Remediation	\$707		\$707	\$472		\$472	\$343		\$343	\$269	\$143	\$107	\$62
Remediation	0		0	0		0	0		0	0	0	0	0
Net Loss Payments	\$707		\$707	\$472		\$472	\$343		\$343	\$269	\$143	\$107	\$62
Cash Loss Payments													
Cash Loss Payments	\$177		\$177	\$118		\$118	\$86		\$86	\$67	\$36	\$27	\$15
Remediation Receipts	0		0	0		0	0		0	0	0	0	0
Segregated Account Surplus Notes	530		530	354		354	257		257	202	107	80	46
Junior Surplus Notes	0		0	0		0	0		0	0	0	0	0
	\$707		\$707	\$472		\$472	\$343		\$343	\$269	\$143	\$107	\$62

Memo Items:

(Dollars in Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Bank Settlement Notes																
Beginning Balance	\$3,209	\$3,373	\$3,545	\$3,726	\$3,916	\$4,115	\$4,325	\$4,546	\$4,778	\$5,021	\$5,277	\$5,547	\$5,829	\$6,127	\$6,439	\$6,768
PIK Interest	164	172	181	190	200	210	221	232	244	256	269	283	297	312	328	345
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$3,373	\$3,545	\$3,726	\$3,916	\$4,115	\$4,325	\$4,546	\$4,778	\$5,021	\$5,277	\$5,547	\$5,829	\$6,127	\$6,439	\$6,768	\$7,113
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)																
Beginning Balance	\$7,426	\$7,851	\$8,286	\$8,738	\$9,209	\$9,702	\$10,220	\$10,762	\$11,332	\$11,933	\$12,565	\$13,226	\$13,921	\$14,647	\$15,408	\$16,211
PIK Interest	379	400	423	446	470	495	521	549	578	609	641	675	710	747	786	827
Additions	49	37	30	27	23	24	21	21	23	23	21	20	16	14	17	2,882
Surplus Notes Received by AAC	(3)	(2)	(1)	(1)	(1)	(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	0	0	0
Ending Balance	\$7,851	\$8,286	\$8,738	\$9,209	\$9,702	\$10,220	\$10,762	\$11,332	\$11,933	\$12,565	\$13,226	\$13,921	\$14,647	\$15,408	\$16,211	\$19,920
Junior Surplus Notes																
Beginning Balance	\$0	\$137	\$140	\$144	\$148	\$152	\$155	\$159	\$163	\$168	\$172	\$176	\$181	\$185	\$190	\$195
PIK Interest	0	3	4	4	4	4	4	4	4	4	4	4	5	5	5	5
Additions	137	0	0	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	0	0	0
Ending Balance	\$137	\$140	\$144	\$148	\$152	\$155	\$159	\$163	\$168	\$172	\$176	\$181	\$185	\$190	\$195	\$200
Surplus Notes Received by AAC																
Beg Balance	\$359	\$380	\$401	\$423	\$445	\$468	\$493	\$518	\$545	\$573	\$602	\$633	\$665	\$699	\$734	\$772
Additions	3	2	1	1	1	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)
PIK Interest	18	19	20	22	23	24	25	26	28	29	31	32	34	36	37	39
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End Balance	\$380	\$401	\$423	\$445	\$468	\$493	\$518	\$545	\$573	\$602	\$633	\$665	\$699	\$734	\$772	\$811
Loss Payments - General Account:																
Loss Payments - Gross of Remediation	\$137	\$112	\$58	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5	\$(27)	\$(20)	\$(11)	\$0	\$0
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$137	\$112	\$58	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5	\$(27)	\$(20)	\$(11)	\$0	\$0
Cash Loss Payments	\$137	\$112	\$58	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5	\$(27)	\$(20)	\$(11)	\$0	\$0
Cash Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss Payments - Segregated Account:																
Loss Payments - Gross of Remediation	\$202	\$49	\$40	\$36	\$31	\$32	\$29	\$28	\$31	\$31	\$28	\$26	\$22	\$19	\$23	\$3,843
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$202	\$49	\$40	\$36	\$31	\$32	\$29	\$28	\$31	\$31	\$28	\$26	\$22	\$19	\$23	\$3,843
Cash Loss Payments	\$16	\$12	\$10	\$9	\$8	\$8	\$7	\$7	\$8	\$8	\$7	\$7	\$5	\$5	\$6	\$961
Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Segregated Account Surplus Notes	49	37	30	27	23	24	21	21	23	23	21	20	16	14	17	2,882
Junior Surplus Notes	137	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$202	\$49	\$40	\$36	\$31	\$32	\$29	\$28	\$31	\$31	\$28	\$26	\$22	\$19	\$23	\$3,843

Memo Items:

(Dollars in Millions)

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Bank Settlement Notes															
Beginning Balance	\$7,113	\$7,475	\$7,857	\$8,257	\$8,678	\$9,121	\$9,586	\$10,075	\$10,589	\$11,129	\$11,697	\$12,293	\$12,920	\$13,579	\$14,272
PIK Interest	363	381	401	421	443	465	489	514	540	568	597	627	659	693	728
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$7,475	\$7,857	\$8,257	\$8,678	\$9,121	\$9,586	\$10,075	\$10,589	\$11,129	\$11,697	\$12,293	\$12,920	\$13,579	\$14,272	\$14,999
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)															
Beginning Balance	\$19,920	\$20,962	\$22,477	\$23,653	\$24,891	\$26,196	\$27,530	\$28,933	\$30,407	\$31,957	\$33,585	\$35,297	\$37,097	\$38,989	\$40,978
PIK Interest	1,016	1,069	1,146	1,206	1,269	1,336	1,404	1,476	1,551	1,630	1,713	1,800	1,892	1,988	2,090
Additions	26	490	30	31	36	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)
Surplus Notes Received by AAC	(0)	(45)	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	0	0
Ending Balance	\$20,962	\$22,477	\$23,653	\$24,891	\$26,196	\$27,530	\$28,933	\$30,407	\$31,957	\$33,585	\$35,297	\$37,097	\$38,989	\$40,978	\$43,068
Junior Surplus Notes															
Beginning Balance	\$200	\$205	\$210	\$216	\$221	\$227	\$232	\$238	\$244	\$251	\$257	\$264	\$270	\$277	\$284
PIK Interest	5	5	5	5	6	6	6	6	6	6	7	7	7	7	7
Additions	0	0	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	0	0
Ending Balance	\$205	\$210	\$216	\$221	\$227	\$232	\$238	\$244	\$251	\$257	\$264	\$270	\$277	\$284	\$292
Surplus Notes Received by AAC															
Beg Balance	\$811	\$853	\$941	\$989	\$1,039	\$1,092	\$1,148	\$1,207	\$1,268	\$1,333	\$1,401	\$1,472	\$1,547	\$1,626	\$1,709
Additions	0	45	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
PIK Interest	41	43	48	50	53	56	59	62	65	68	71	75	79	83	87
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End Balance	\$853	\$941	\$989	\$1,039	\$1,092	\$1,148	\$1,207	\$1,268	\$1,333	\$1,401	\$1,472	\$1,547	\$1,626	\$1,709	\$1,796
Loss Payments - General Account:															
Loss Payments - Gross of Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Loss Payments	\$0	\$0	\$0	\$0	\$0	\$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	0	0
Loss Payments - Segregated Account:															
Loss Payments - Gross of Remediation	\$35	\$654	\$40	\$42	\$47	\$(2)	\$(2)	\$(2)	\$(2)	\$(2)	\$(1)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss Payments	\$35	\$654	\$40	\$42	\$47	\$(2)	\$(2)	\$(2)	\$(2)	\$(2)	\$(1)	\$(0)	\$(0)	\$(0)	\$(0)
Cash Loss Payments	\$9	\$163	\$10	\$10	\$12	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Segregated Account Surplus Notes	26	490	30	31	36	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)
Junior Surplus Notes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$35	\$654	\$40	\$42	\$47	\$(2)	\$(2)	\$(2)	\$(2)	\$(2)	\$(1)	\$(0)	\$(0)	\$(0)	\$(0)

Scenario 4

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

Year	2050
Bonds	\$26,350
Investments in Subsidiaries (Stocks)	0
Cash & Cash Equivalents	50
Intercompany Loans	0
Total Claims Paying Resources	\$26,400
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC)	\$43,068
Bank Settlement Notes	\$14,999
Total Surplus Notes	\$58,067
Recovery of Surplus Note Principal and Interest	45%
Excess Claims Paying Resources	\$0
Junior Surplus Notes	\$292
Recovery of Junior Surplus Note Principal and Interest	0%