



IMAGING COVER SHEET

| | |
|--------------------------------|---|
| NAIC #: | 11019 |
| NAIC Group Code: | 000 |
| Company Name: | N.E.W. HOME WARRANTY SERVICES OF OHIO |
| Company Type: | <input type="checkbox"/> P&C <input type="checkbox"/> Life <input type="checkbox"/> HIC <input type="checkbox"/> Frat <input type="checkbox"/> Title <input type="checkbox"/> MEWA <input checked="" type="checkbox"/> HW <input type="checkbox"/> MPA <input checked="" type="checkbox"/> DOMESTIC <input type="checkbox"/> FOREIGN |
| Form Type: | STATEMENTS |
| Sub-form Type: | QUARTERLY |
| Transaction # (if applicable): | |
| Effective Date: | |
| Additional Info: | FIRST QUARTER, PERIOD ENDING MARCH 31, 2002 |
| Date Scanned: | |
| Scanned By (initials): | |

ANNUAL STATEMENT
For the Year Ended December 31, 2001
of the condition and affairs of

THE N.E.W. Home Warranty Services of Ohio, Inc.

Employer's ID No: 54-1909904

Organized under the Laws of the state of Ohio, made to the
INSURANCE DEPARTMENT OF THE STATE OF Ohio, pursuant to the laws
thereof.

Incorporated June 3, 1998 Commenced Business Not Yet

Home Office 22894 Pacific Blvd, Sterling, Virginia 20166
(Street and Number) (City or Town, State and Zip Code)

Mail Address 22894 Pacific Blvd, Sterling, Virginia 20166
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office (703) 318-7700
(Area Code and Telephone Number)

Primary Location of Books 22894 Pacific Blvd, Sterling, Virginia 20166 (703) 318-7700
(Street) (City, State and Zip Code) (Telephone)

Contact Person and Phone Number Clifford A. White (703) 742-5620

OFFICERS

| | | |
|--|--|-----------------------------|
| <u>Anthony P. Nader</u> (President) | <u>Martin V. Bloom</u> (Vice President) | <u></u> (Vice President) |
| <u>Timothy J. Meenan, Jr.</u> (Secretary) | <u></u> (Vice President) | <u></u> (Vice President) |
| <u>Clifford A. White</u> (Treasurer) | <u></u> (Vice President) | <u></u> (Vice President) |

Directors of trustees * *

| | |
|---------------------------|---------|
| <u>Fredrick Schaufeld</u> | <u></u> |
| <u>Anthony P. Nader</u> | <u></u> |
| <u>Clifford A. White</u> | <u></u> |
| <u>Martin V. Bloom</u> | <u></u> |

State of Virginia
County of Loudoun SS.

| | | |
|--|--|---|
| <u>Anthony P. Nader</u> (President) | <u>Timothy J. Meenan, Jr.</u> (Secretary) | <u>Clifford A. White</u> (Treasurer) |
|--|--|---|

of the N.E.W. Home Warranty Services of Ohio, Inc., being duly sworn, each for
himself deposes and says that they are the above described officers of the said company, and that on the thirty first day of
December last, all of the herein described assets were the absolute property of the said company, free and clear from any liens
of claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and
explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the
condition and affairs of the said company as of the thirty first day of December last, and of it's income and deductions therefrom
for the year ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this 20th day of February, 2002

Anthony P. Nader President
Timothy J. Meenan, Jr. Secretary
Clifford A. White Treasurer

President (seal)

**Or corresponding person having
charge of the accounts of company

Sally B. Little
Notary
My Commission Expires
December 31, 2003

Handwritten: 3/1/02

STATEMENT AS OF December 31, 2001 OF THE N.E.W. Home Warranty Services of Ohio, Inc.

LIABILITIES, SURPLUS AND OTHER FUNDS

| | Current Year To Date | Previous Year End |
|---|-------------------------|----------------------|
| 1. Unpaid contract claims in process of settlement | | |
| 2. Statutory reserve (pg. 13, Report 1, line 6, Col (1) + Col (2)) | | |
| 3. Inpaid claims adjustment expense | | |
| 4. Other expenses (excluding taxes, licenses and fees) | | |
| 5. Taxes, licenses and fees (excluding federal and foreign income taxes) | | |
| 6. Federal and foreign income taxes (excluding deferred taxes) | | |
| 7. Borrowed money | | |
| 8. Interest payable | | |
| 9. Unearned contract fees | | |
| 10. Dividends declared and unpaid | | |
| 11. Reinsurance in unauthorized companies | | |
| a. Unearned contract fees | | |
| b. Reinsurance recoverable | | |
| 1. paid claims | | |
| 2. unpaid claims | | |
| c. Reinsurance recoverable on paid & unpaid claims | | |
| 12. Ceded reinsurance balances payable | | |
| 13. All other liabilities: | | |
| a. <u>Intercompany Payable</u> | 0.00 | - |
| b. _____ | | |
| c. _____ | | |
| 14. Total liabilities (Items 1 to 13c) | 0.00 | - |
| 15. a. Common capital stock | 1.00 | 1.00 |
| b. Preferred capital stock | | |
| 16. Gross paid-in and contributed surplus | 101,999.00 | 101,999.00 |
| 17. Unassigned funds (surplus) | 14,543.49 | 8,808.69 |
| 18. Less treasury stock, at cost | | |
| 19. Surplus as regards contractholders (Items 15 to 17 less 18) | 116,543.49 | 110,808.69 |
| 20. Totals (Item 14 plus 19) | 116,543.49 | 110,808.69 |

Line 19 to agree with Page 4, line 27.

STATEMENT OF INCOME

| | Current Year To Date | Previous Year End |
|---|-------------------------|----------------------|
| 1. Contract fees earned | | |
| DEDUCTIONS | | |
| 2. Claims incurred | | |
| 3. Claims adjustment expenses incurred | | |
| 4. Other underwriting expenses incurred | | |
| 5. _____ | | |
| 6. Total deductions (Lines 2 to 5) | 0.00 | 0.00 |
| 7. Net underwriting gain or loss (-) (Item 1 less 6) | 0.00 | 0.00 |
| INVESTMENT INCOME | | |
| 8. Net investment income earned | 5,734.80 | 4,190.92 |
| 9. Net realized capital gains or losses | | |
| 10. Net investment gain or loss | 5,734.80 | 4,190.92 |
| OTHER INCOME | | |
| 11. _____ | | |
| 12. _____ | | |
| 13. Total other income (Lines 11 + 12) | 0.00 | 0.00 |
| 14. Net income before federal income taxes (Lines 7 + 10 + 13) | 5,734.80 | 4,190.92 |
| 15. Federal income taxes incurred | | |
| 16. Net income (Item 14 less 15) | 5,734.80 | 4,190.92 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 17. Surplus as regards contractholders, Dec. 31 Previous year | 110,808.69 | 106,617.77 |
| Gains (+) and Losses (-) in Surplus | | |
| 18. Net income (from item 16) | 5,734.80 | 4,190.92 |
| 19. Net unrealized capital gains and losses | 0.00 | 0.00 |
| 20. Change in non-admitted assets (Exhibit 2) | 0.00 | 0.00 |
| 21. Capital changes: | | |
| a. Paid in | | |
| b. Transferred from surplus | | |
| c. Transferred to surplus | | |
| 22. Surplus adjustments: | | |
| a. Paid in | | |
| b. Transferred to U.S. Treasury Bills* | 0.00 | 0.00 |
| c. Transferred from capital | | |
| 23. Dividends to stockholders (cash) | 0.00 | 0.00 |
| 24. Change in treasury stock | 0.00 | 0.00 |
| 25. Change in Statutory reserve | 0.00 | 0.00 |
| 26. Change in surplus as regards contractholders | 5,734.80 | 4,190.92 |
| 27. Surplus as regards contractholders at statement date | 116,543.49 | 110,808.69 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - INTEREST , DIVIDENDS AND REAL ESTATE INCOME

| 1 | 2 Sch | 3 Collected during yr paid on accrued purchase | Paid in advance | | Due and accrued | | 8 Earned During year 3+5+6 — 4—7 |
|-------------------|----------|---|----------------------|-----------------------|----------------------|-----------------------|--|
| | | | 4 Current Year | 5 Previous Year | 6 Current Year | 7 Previous Year | |
| 1 Bonds | D* | 4,519.60 | | | | | 4,519.60 |
| 2 Preferred Stock | D | 0.00 | | | | | 0.00 |
| 3 Common Stock | D | 0.00 | | | | | 0.00 |
| 4 Mortgage loans | A* | 0.00 | | | | | 0.00 |
| 5 Real estate | A# | 0.00 | | | | | 0.00 |
| 6 Cash | N | 1,635.20 | | | | | 1,635.20 |
| 7 Other assets | A | 0.00 | | | | | 0.00 |
| 8 | | | | | | | 0.00 |
| 9 | | | | | | | 0.00 |
| 10 Totals | | 6,154.80 | 0.00 | 0.00 | 0.00 | 0.00 | 6,154.80 |

| | | Deductions | |
|---|--|------------|----------|
| Total investment expenses incurred | | | |
| 11 Pg. 7, Col 3, line 22 | | | 420.00 |
| 12 Depreciation on real estate | | | |
| 13 | | | |
| 14 Total deductions (Item 11 to 13) | | | |
| 15 Net investment income earned (item 10 less 14) | | | 5,734.80 |

*Includes \$ _____ accrual of discount less \$ _____ amortization of premium
*Includes \$ _____ accrual of discount less \$ _____ amortization of premium
#Includes \$ _____ for company's occupancy of it's own buildings.

PART 1A - CAPITAL GAINS AND LOSSES ON INVESTMENTS

| 1 | 2 Profit on sales or maturity | 3 Loss on sales or maturity | 4 Increase by adj. in book value | 5 Decrease by adj. in book value | 6 Net Change in BV and admitted value | 7 Total (2 - 3 + 4 - 5 + 6) |
|---|-------------------------------------|--------------------------------------|--|--|--|--------------------------------------|
| 1 Bonds | | | | | | |
| 2 Preferred stock | | | | | | |
| 3 Common stock | | | | | | |
| 4 Mortgage loans | | | | | | |
| 5 Real estate | | | | | | |
| 6 Cash | | | | | | |
| 7 Other assets | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 Totals | | | | | | |
| 11 Net realized capital gains or losses | | | | | | |
| 12 (Pg. 4, line 19) | | | | | | |

UNDER WRITING AND INVESTMENT EXHIBIT

NOT APPLICABLE

| Part 2A - Contract Fees Written | | | |
|---------------------------------|--------------|------------|---------------------------------------|
| Direct Fees Written 1 | Reinsurance | | Net Fees Written (Col. 1+2-3) 4 |
| | Assumed 2 | Ceded 3 | |
| | | | |

| Part 2B - Contract Fees Earned | | | |
|--------------------------------|----------------------------------|------------------------------------|--------------------------------------|
| Net Fees Written 1 | Unearned Fees Prior Year 2 | Unearned Fees Current Year 3 | Net Fees Earned (Col. 1+2-3) 4 |
| | | | |

| Part 3 - Contract Claims Paid and Incurred | | | | | | |
|--|--------------|------------|---|--|---|--|
| Claims Paid | | | | Net Claims Unpaid Current Year 5 | Net Claims Unpaid Prior Year 6 | Claims Incurred Current Year 7 |
| Direct Business 1 | Reinsurance | | Claims Payments (Col. 1+2-3) 4 | | | |
| | Assumed 2 | Ceded 3 | | | | |
| | | | | | | |

| Part 3A - Claims and claim Adjustment Expenses to Net Fees Earned | | | | | | | | | |
|---|--|-----------------|--|-----------------|--|--|--|-------------------------------|------------------------------|
| Ratios | | | | | | | | | |
| Calendar Year | | Net Fees Earned | | Claims Incurred | Claims Expense Incurred Pg 7 in 21 col. 1 | | | Ratio 1 Col. 3/ Col. 2/ | Ratio 2 Col. 4/ Col. 2 |
| 1 | | 2 | | 3 | 4 | | | 5 | 6 |
| 1993 | | | | | | | | | |
| 1994 | | | | | | | | | |
| 1995 | | | | | | | | | |
| 1996 | | | | | | | | | |
| 1997 | | | | | | | | | |
| 1998 | | | | | | | | | |

| Part 3B - Contract Fees Written - OHIO BUSINESS ONLY | | | | | |
|--|-------------------------------|------------------------|--|---------------------------------|---------------------------------|
| Direct Fees Written 1 | Direct Fees Earned 2 | Dividends Paid 3 | Direct Claims Paid (deduct Salvage) 4 | Direct Claim Incurre 5 | Direct Claims Unpaid 6 |
| | | | | | |

| Part 4 - B - Development of Prior Year Unpaid Contract Claims Reserve | | |
|---|--|--|
| Prior Year Unpaid Contract Claims Reserve 1 | Claims Paid Current Year Incurred Prior Year 2 | Col. (2) - Col. (1) Difference 3 |
| | | |

PART 4 - EXPENSE EXHIBIT

| | Claims Adjustment Expense | Under- writing Expense | Invest- ment Expense | Total Expense |
|---|---------------------------------|------------------------------|----------------------------|------------------|
| 1. Claims adjustment expense | | | | 0.00 |
| 2. Commission and brokerage: | | | | |
| a. Direct | | | | 0.00 |
| b. Reinsurance ceded | | | | 0.00 |
| c. Reinsurance assumed | | | | 0.00 |
| d. Net commission | | | | 0.00 |
| 3. Allowance to managers and agents | | | | 0.00 |
| 4. Advertising | | | | 0.00 |
| 5. Salaries | | | | 0.00 |
| 6. Employee relations and welfare | | | | 0.00 |
| 7. Insurance | | | | 0.00 |
| 8. Directors' fees | | | | 0.00 |
| 9. Travel and travel items | | | | 0.00 |
| 10. Rent and rent items | | | | 0.00 |
| 11. Equipment | | | | 0.00 |
| 12. Printing and stationary | | | | 0.00 |
| 13. Postage, telephone and telegraph | | | | 0.00 |
| 14. Legal | | | 190.00 | 190.00 |
| 15 _____ | | | | 0.00 |
| 16. Taxes, licenses and fees: | | | | |
| a. State and local | | | | 0.00 |
| b. Ins. Department licenses & fees | | | 230.00 | 230.00 |
| c. Payroll taxes | | | | 0.00 |
| d. All other (excl federal and foreign income and real estate) | | | 0.00 | 0.00 |
| 17. Real estate expenses | | | | 0.00 |
| 18. Real estate taxes | | | | 0.00 |
| 19. Interest and penalties _____ | | | 0.00 | 0.00 |
| 20 _____ | | | | 0.00 |
| 21. Total expenses <div style="text-align: right;">(Lines 1 to 20)</div> | 0.00 | 0.00 | 420.00 | 420.00 |
| 22. Less unpaid expenses-current year | | | 0.00 | 0.00 |
| 23. Add unpaid expenses-previous year | | | 0.00 | 0.00 |
| 24. Total expenses paid (Line 21-22+23) | 0.00 | 0.00 | 420.00 | 420.00 |

EXHIBIT 1 - ANALYSIS OF ASSETS

| | Ledger Assets | Nonledger (include excess of MV over BV) | Asset not Admitted (include excess BV over MV) | Net Admitted Assets |
|---|------------------|---|---|---------------------------|
| 1. Bonds | - | | | - |
| 2. Stocks | | | | |
| a. Preferred stocks | | | | |
| b. Common stocks | | | | |
| 3. Real estate, less encumbrances | | | | |
| 4. Mortgage loans on real estate | | | | |
| 5. Cash on hand and on deposit | | | | |
| a. Cash in company's office | | | | |
| b. Cash on deposit | 116,543.49 | | | 116,543.49 |
| 6. Other invested assets | | | | |
| 7. Home protection contract fees receivable | | | | |
| 8. Service fees receivable | | | | |
| 9. Receivable from affiliates | | | | |
| 10. Federal income tax recoverable | | | | |
| 11. Electronic data processing equipment | | | | |
| 12. Interest, dividends & real estate income due and accrued | | | | |
| 13. Reinsurance recoverable on loss payments | | | | |
| 14. Equip., furniture & supplies | | | | XXXXXXXX |
| 15. Deferred acquisition cost | | | | XXXXXXXX |
| 16. Other assets: | | | | |
| a. _____ | | | | |
| b. _____ | | | | |
| c. _____ | | | | |
| 17. Prepaid expenses: | | | | |
| a. _____ | | | | XXXXXXXX |
| b. _____ | | | | XXXXXXXX |
| c. _____ | | | | XXXXXXXX |
| 18. Totals | 116,543.49 | | | 116,543.49 |

Line 18, Col. 4 to agree with Page 2, Col. 1, Line 16.

EXHIBIT 2 - ANALYSIS OF NON-ADMITTED ASSETS

| | End of Previous Year | End of Current Year | Change increase- decrease+ Col. 2-3 |
|--|----------------------------|---------------------------|--|
| 19. Company's stock owned | | | |
| 20. Deposits in suspended depositories, less estimated amount recoverable | | | |
| 21. Equip., furniture and supplies | | | |
| 22. Prepaid expenses: | | | |
| a. _____ | | | |
| b. _____ | | | |
| c. _____ | | | |
| 23. Other assets not admitted: | | | |
| a. _____ | | | |
| b. _____ | | | |
| c. _____ | | | |
| 24. Total change | XXXXXXXXXX | XXXXXXXXXX | |

Line 24 to agree with Page 4, line 20.

EXHIBIT 3 - RECONCILIATION OF LEDGER ASSETS

| | |
|--|------------|
| Increase in ledger assets | |
| 1. Contract fees written | |
| 2. Interest, dividends and real estate income received | 6,154.80 |
| 3. From sale or maturity of ledger assets | |
| 4. Other income items or increases: | |
| a. Funds held under reinsurance treaties (net) | |
| b. Borrowed money (gross) | |
| c. Amounts withheld or retained for account of others | |
| d. Ceded reinsurance balances | |
| e. _____ | |
| f. _____ | |
| g. _____ | |
| 5. Adjustment in book value of ledger assets | |
| 6. Capital paid in | |
| 7. Surplus paid in | 0.00 |
| 8. Total (Items 1 to 7) | 6,154.80 |
| Decrease in ledger assets | |
| 9. Net contract claims paid | |
| 10. Expenses paid | 420.00 |
| 11. From sale or maturity of ledger assets | |
| 12. Other disbursement items or decreases: | |
| a. Funds held under reinsurance treaties (net) | |
| b. Borrowed money (gross) | |
| c. Amounts withheld or retained for account of others | |
| d. Ceded reinsurance balances | |
| e. _____ | |
| f. _____ | |
| g. _____ | |
| 13. Adjustments in book value of ledger assets and depreciation | |
| 14. Federal and foreign income taxes paid | |
| 15. Dividends paid stockholders | |
| 16. _____ | |
| 17. _____ | |
| 18. _____ | |
| 19. Total (Items 9 to 18) | 420.00 |
| Reconciliation between years | |
| 20. Amount of ledger assets as per balance Dec.31 of previous year | 110,808.69 |
| 21. Increase (+) or decrease (-) in ledger assets during the year (Item 8 less 19) | 5,734.80 |
| 22. Balance = ledger assets as of statement date | 116,543.49 |

Line 22 to agree with page 2, line 16, col 1.

NAME N.E.W. Home Warranty Services of Ohio, Inc.

Note: In case the following schedules do not afford sufficient space, companies may furnish them on separate forms, provided the same are upon paper of like size arrangement and contain the information asked for herein and have the name of the company printed or stamped at the top thereof.

NOT APPLICABLE

SPECIAL DEPOSIT SCHEDULE

Showing all deposits or investments NOT held for the protection of ALL the policyholders of thr Company

| 1 | 2 | 3 | 4 | 5 |
|-----------------|---|-----------|-----------------|--------------|
| Where Deposited | Description and Purpose of Deposit (Indicating literal form of registration of Securities) | Par Value | Statement Value | Market Value |
| | | | | |
| | <p align="center">SCHEDULE OF ALL OTHER DEPOSITS</p> <p align="center">Showing all deposits made with any Government, Province, State, District, County, Municipality, Corporation firm or individual, except those shown in Schedule N, and those shown in "Special Deposit Schedule"</p> | | | |
| 1 | 2 | 3 | 4 | 5 |
| Where Deposited | Description and Purpose of Deposit (Indicating literal form of registration of Securities) | Par Value | Statement Value | Market Value |
| | | | | |

GENERAL INTERROGATORIES

(attach additional sheets where necessary)

1. Provide the number and type of stock authorized, outstanding and the par value.
1000 shares common stock authorized and outstanding, par value .001
2. Report any changes in the Bi-laws or Articles of Incorporation and attach to statement if not already filed with department.
NONE
3. Does the company have any material contingent liabilities that affect it's financial condition.
NO
4. When was the last report of examination done and by whom. Date N/A State N/A
5. Have there been any changes in contract fee rates on contracts issued during the year in Ohio?
NO
6. Explain the methods used for asset valuation.
N/A
7. Give information about relationships with parents, subsidiaries and affiliates (see schedule Y)
8. Have any of the company assets been pledged or hypothecated at any time during the year.
NO
9. Have any loans been made to officers or directors at any time during the year
NO
10. Are all securities in actual possession of company (except for special and other deposits).
N/A
11. What is the company's maxium liability on any one contract \$ N/A
12. Has the Company been under any disciplinary action or regulatory restrictions by a regulatory agency at any time during the year. If yes, provide a complete explanation.
NO

FOUR - YEAR HISTORICAL DATA

Show amounts in whole dollars; shoe ratios to one decimal place

| | 2001 | 2000 | 1999 | 1998 |
|---|---------|---------|---------|---------|
| Balance sheet Items (pg 2,3) | | | | |
| Total Assets (pg 2, ln 16) | 116,543 | 110,809 | 106,618 | 103,538 |
| Total Liabilities (pg 3, ln 14) | 0 | 0 | 0 | 580 |
| Capital (pg 3, ln 15) | 1 | 1 | 1 | 1 |
| Total Surplus (pg 3, ln 19) | 116,543 | 110,809 | 106,618 | 102,957 |
| Income Statement Items (pg 4) | | | | |
| Net underwriting Gain (ln &) | 0 | 0 | 0 | 0 |
| Net Investment Gain (ln 10) | 5,735 | 4,191 | 3,865 | 753 |
| Total Other Income (ln 13) | 0 | 0 | 0 | 0 |
| Federal Income Tax Incurred (ln 15) | 0 | 0 | 0 | 0 |
| Net Income (ln 6) | 5,735 | 4,191 | 3,865 | 753 |
| Ratios (pg 4) | | | | |
| Claims Incurred (ln 2) divided by (pg 4, ln 1) x 100 | 0.0 | 0.0 | 0.0 | 0.0 |
| Claims Adjustment Expense divided by (pg 4, ln 1) x 100 | 0.0 | 0.0 | 0.0 | 0.0 |
| Combined Ratio: (pg 4 lns 2+3) divided by (pg 4 ln 1) x 100 | 0.0 | 0.0 | 0.0 | 0.0 |
| (pg 4 lns 4 + 5 - 13) divided by (pg 9 ln 1) x 100 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Total contracts issued (number of) | 0 | 0 | 0 | 0 |
| Total claims paid (dollar amount) | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |

SCHEDULE A

NOT APPLICABLE

| DESCRIPTION (1) | DATE ACQUIRED (2) | ACTUAL COST OF INVESTMENT OR AMOUNT OF LOAN (3) | AMOUNT OF ENCUMBRANCES (4) | DEPRECIATION (5) | BOOK VALUE NET OF ENCUMBRANCES AND DEPRECIATION (6) | MARKET VALUE LESS DEPRECIATION (7) | AMOUNT OF PRINCIPAL UNPAID (8) | INCOME INTEREST EARNED (9) |
|--|-------------------------|--|----------------------------------|---------------------|--|---|---|-------------------------------------|
| SECTION A - INVESTMENT IN REAL ESTATE | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL STATEMENT VALUE (TO PAGE 2, LINE 3) | | | | | | | | |
| TOTAL FOR RENTAL & INTEREST EARNED (TO PART 1, PG. 5, COL. 8) | | | | | | | | |
| SECTION B - INVESTMENT IN MORTGAGE LOANS | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL BALANCE ON LOANS (TO PAGE 2, LINE 3) | | | | | | | | |
| TOTAL INTEREST EARNED (TO PART 1, PG. 5, LINE 4, COL. 8) | | | | | | | | |
| SECTION C - OTHER INVESTED ASSETS | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL STATEMENT VALUE (TO PAGE 2, LINE 6) | | | | | | | | |
| TOTAL INTEREST OR INCOME EARNED (TO PART 1, PG. 5, LINE 7, COL. 8) | | | | | | | | |

SCHEDULE - D - PART 3
Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------------|-------------|---------------|----------------|---------------------------------|-------------|-----------|---|
| CUSIP Identification | Description | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |
| 7299999 | Totals | | | | 0 | XXX | 0 |

REPORT 1 - RESERVE CALCULATION

| | Ohio Business (1) | Non-Ohio Business (2) | |
|--|-------------------------|-----------------------------|----|
| 1. Contract fees collected - on contracts issued and renewed during the year and all other contracts in force (unexpired) at the end of current period. | \$ 0.00 | 0.00 | 1. |
| 2. Less: Reinsurance ceded | - 0.00 | 0.00 | 2. |
| 3. Net contract fees | 0.00 | 0.00 | 3. |
| | x 0.40 | 0.40 | |
| 4. Sub-total reserve amount | 0.00 | 0.00 | 4. |
| 5. Less: Claims paid during current year and prior years on contract policies issued or renewed during the year and all other contracts still in force (unexpired) at the end of current period. | 0.00 | 0.00 | 5. |
| 6. Current statutory reserve** | \$ 0.00 | 0.00 | 6. |

* * Show line 6 (sum of Col. (1) + Col. (2)) on Page 3, line 2, current period, if line six is negative enter 0 (zero) on page 3 line 2, current year.

REPORT 2 - SURPLUS REQUIREMENT CALCULATION

Calculated company required surplus is based on contracts issued or renewed representing Ohio and Non-Ohio business in the preceding calendar year.

If company is commencing business for the first time, surplus is based on the projected number of contracts to be issued representing Ohio and Non-Ohio business.

| Surplus | Number of Contracts | |
|------------------|------------------------|--|
| \$50,000 minimum | 1,000 | |
| 70,000 | 1,500 | |
| 90,000 | 2,000 | |
| 110,000 | 2,500 | |
| 130,000 | 3,000 | |
| 150,000 | 3,500 | |
| 170,000 | 4,000 | |
| 210,000 | 5,000 | |
| 410,000 | 10,000 | |
| 610,000 | 15,000 | |

| | | |
|---|---------------|--------------------|
| 1. Total contracts issued or renewed (1999) | 1. | |
| 2. Less 1,000 contracts | 2. - 1,000 | Xxxxxxxxxxxxxxxxxx |
| 3. Additional contracts | 3. | |
| 4. Divided by 500 | 4. / 500 | / 500 |
| 5. Surplus factor (round up; no decimal) | 5. | |
| 6. Multiply by \$20,000 | 6. x \$20,000 | x \$20,000 |
| 7. Additional surplus required | 7. | |

STATEMENT AS OF December 31, 2001 OF THE N.E.W. Home Warranty Services of Ohio, Inc.

SURPLUS REQUIREMENT CALCULATION (cont'd)

| | | |
|---|-------|-------------------|
| 8. Plus \$50,000 minimum | 8 + | \$50,000 |
| 9. Total minimum surplus required - Ohio business (lines 7 + 8, Col. (1)) | 9 \$ | <u>50,000</u> |
| 10. Total surplus required - Non-Ohio business (line 7, Col. 2) | 10 \$ | <u>0</u> |
| 11. Total (lines 9 + 10) | 11 \$ | <u>50,000</u> |
| 12. Enter amount from page 3, line 19 | 12 \$ | <u>116,543.49</u> |
| 13. Difference (line 12 - line 11) | 13 \$ | <u>66,543.49</u> |

SCHEDULE N - CASH

| 1 Depository - Give full name and location. Give interest rate and maturity date for certificate of deposits. | 2 Amount of interest received during year | 3 Amount of interest accrued Dec. 31 (current) | 4 Balances |
|--|---|--|---------------|
| OPEN DEPOSITORIES | | | |
| 1. CD with Dept. of Insurance-1.64%, matures 12/1/02 | 1,116.38 | | 25,000.00 |
| 2. Cash - Crestar Bank | 0.00 | | 50.00 |
| 3. Cash - Schwab Money Market | 518.82 | | 89,507.89 |
| 4. Cash - Wachovia | 0.00 | | 1,985.60 |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| SUB-TOTAL | 1,635.20 | 0.00 | 116,543.49 |
| SUSPENDED DEPOSITORIES | | | |
| 9 | | | |
| 10 | | | |
| SUB-TOTAL | 0.00 | 0.00 | 0.00 |
| GRAND TOTAL - ALL DEPOSITORIES | 1,635.20 | 0.00 | 116,543.49 |

TOTALS OF DEPOSITORY BALANCES ON THE LAST
DAY OF EACH MONTH DURING THE CURRENT YEAR

| | | | | | | | |
|-----|-----------|-----|-----------|-----|------------|-----|------------|
| Jan | 27,258.11 | Apr | 27,526.04 | Jul | 27,414.44 | Oct | 115,956.18 |
| Feb | 27,377.77 | May | 27,299.04 | Aug | 115,530.46 | Nov | 116,363.02 |
| Mar | 27,408.79 | Jun | 27,301.79 | Sep | 115,739.31 | Dec | 116,543.49 |

2001 SCHEDULE T - 110

11019 - New Home Warranty Services OH

| LINE | Is Insurer Licensed? | Direct Premiums Written | Direct Premiums Earned | Dividends Paid or Credited to Policyholders on Direct Business | Direct Losses Paid | Direct Losses Incurred | Direct Losses Unpaid | Finance & Service Charges not Included in Premiums | Direct Premium Written for Federal Purchasing Groups |
|----------------------|-------------------------|-------------------------------|------------------------------|---|--------------------------|------------------------------|----------------------------|--|---|
| Details of Write-Ins | | | | | | | | | |

Footnotes