

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols 1 - 2)	
1. Bonds	100,074		100,074	100,219
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 0) and short-term investments (\$ 21,211)	21,211		21,211	14,764
6. Other invested assets				
7. Receivable for securities				
8. Subtotals, cash and invested assets (Lines 1 to 7)	121,285		121,285	114,983
9. Title plants, less \$ 0, charged off				
10. Title insurance premiums and fees receivable				
11. Funds held by or deposited with reinsured companies				
12. Reinsurance recoverables on loss and loss adjustment expense payments				
13. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)				
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	823		823	2,383
16. Interest, dividends and real estate income due and accrued				
17. Net adjustments in assets and liabilities due to foreign exchange rates	387,910		387,910	
18. Receivable from parent, subsidiaries and affiliates				
19. Other assets nonadmitted				
20. Aggregate write-ins for other than invested assets				
21. TOTALS (Lines 8 to 20)	510,018	387,910	122,108	117,366

DETAILS OF WRITE-INS				
2001.				
2002.				
2003.				
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)				

A. The above assets include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserve:

Bonds \$ 0, Short-term investments \$ 0.
Mortgages \$ 0, Cash \$ 0, Total \$ 0.

SEGREGATED FUNDS HELD FOR OTHERS BY THE COMPANY

(Set apart in special accounts and excluded from company assets and liabilities)

B. Custodial funds in the amount of \$ 0 not included in the foregoing statement were held pursuant to the governing agreements of custody. These funds consist of \$ 0 in cash on deposit and \$ 0 in other forms of security.

	1 Current Statement Date	2	
		December 31	Prior Year
1. Known claims reserve			
2. Statutory premium reserve			
3. Aggregate of other reserves required by law			
4. Supplemental reserve			
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers			
6. Other expenses (excluding taxes, licenses and fees)		24	29
7. Taxes, licenses and fees (excluding federal and foreign income taxes)			
8. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 0 net deferred tax liability)			
9. Borrowed money \$ 0 and interest thereon \$ 0			
10. Dividends declared and unpaid			
11. Premiums and other consideration received in advance			
12. Unearned interest and real estate income received in advance			
13. Funds held by company under reinsurance treaties			
14. Amounts withheld or retained by company for account of others			
15. Provision for unauthorized reinsurance			
16. Net adjustment in assets and liabilities due to foreign exchange rates			
17. Drafts outstanding			
18. Payable to parent, subsidiaries and affiliates			
19. Payable for securities			
20. Aggregate write-ins for other liabilities		24	29
21. Total liabilities (Lines 1 through 20)			
22. Aggregate write-ins for special surplus funds			
23. Common capital stock		120,000	120,000
24. Preferred capital stock			
25. Aggregate write-ins for other than special surplus funds			
26. Surplus notes			
27. Gross paid in and contributed surplus			
28. Unassigned funds (surplus)		2,084	(2,663)
29. Less treasury stock, at cost:			
29.1 0 shares common (value included in Line 23 \$ 0)			
29.2 0 shares preferred (value included in Line 24 \$ 0)			
30. Surplus as regards policyholders (Lines 22 to 28 less 29)		122,084	117,337
31. Totals		122,108	117,366

DETAILS OF WRITE-INS		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398)(Line 3 above)		
2001.		
2002.		
2003.		
2098. Summary of remaining write-ins for Line 20 from overflow page		
2099. Totals (Lines 2001 through 2003 plus 2098)(Line 20 above)		
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298)(Line 22 above)		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)		

OPERATIONS AND INVESTMENT EXHIBIT		1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
STATEMENT OF INCOME				
OPERATING INCOME				
1. Title insurance and related income:				
1.1 Title insurance premiums earned				
1.2 Escrow and settlement services				
1.3 Other title fees and service charges		1,530	3,716	5,065
2. Aggregate write-ins for other operating income				
3. Total Operating Income (Lines 1 through 2)		1,530	3,716	5,065
DEDUCT:				
4. Losses and loss adjustment expenses incurred				
5. Operating expenses incurred				
6. Aggregate write-ins for other operating deductions		3,520	2,056	2,066
7. Total Operating Deductions		3,520	2,056	2,066
8. Net operating gain or (loss) (Lines 3 minus 7)		(1,990)	1,660	2,999
INVESTMENT INCOME				
9. Net investment income earned		4,608	4,774	6,324
10. Net realized capital gains and (losses)		4,608	4,774	6,324
11. Net investment gain or (loss) (Lines 9 + 10)				
OTHER INCOME				
12. Aggregate write-ins for miscellaneous income or (loss)				
13. Net income, before federal income taxes (Lines 8 + 11 + 12)		2,618	6,434	9,323
14. Federal and foreign income taxes incurred		916	2,252	3,263
15. Net income (Lines 13 minus 14)		1,702	4,182	6,060
CAPITAL AND SURPLUS ACCOUNT				
16. Surplus as regards policyholders, December 31 prior year		117,337	110,834	110,834
GAINS AND (LOSSES) IN SURPLUS				
17. Net income (from Line 15)		1,702	4,182	6,060
18. Net unrealized capital gains or (losses)				
19. Change in net unrealized foreign exchange capital gain (loss)				
20. Change in net deferred income taxes				
21. Change in nonadmitted assets		3,045	(891)	443
22. Change in provision for unauthorized reinsurance				
23. Change in supplemental reserves				
24. Change in surplus notes				
25. Cumulative effect of changes in accounting principles				
26. Capital Changes:				
26.1 Paid in				
26.2 Transferred from surplus (Stock Dividend)				
26.3 Transferred to surplus				
27. Surplus Adjustments:				
27.1 Paid in				
27.2 Transferred to capital (Stock Dividend)				
27.3 Transferred from capital				
28. Dividends to stockholders				
29. Change in treasury stock				
30. Aggregate write-ins for gains and losses in surplus				
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)		4,747	3,291	6,503
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)		122,084	114,125	117,337

DETAILS OF WRITE-INS			
0201.			
0202.			
0203.			
0298. Summary of remaining write-ins from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)			
0601.			
0602.			
0603.			
0698. Summary of remaining write-ins from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)			
1201.			
1202.			
1203.			
1298. Summary of remaining write-ins from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			
3001.			
3002.			
3003.			
3098. Summary of remaining write-ins from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FLOW		
1. Premiums and other charges collected	1,530	5,065
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)		
3. Total operating expenses paid	3,525	2,077
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	(1,995)	2,988
5. Investment income (net of investment expense)	6,313	6,526
6. Other income received (expenses paid)		
7. Federal income taxes (paid) recovered	(916)	(3,263)
8. Net cash from operations (Lines 4 to 7)	3,402	6,251
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds		
9.2 Stocks		
9.3 Mortgage loans		
9.4 Real estate		
9.5 Other invested assets		
9.6 Net gains or (losses) on cash and short-term investments		
9.7 Miscellaneous proceeds		
9.8 Total investment proceeds (Lines 9.1 to 9.7)		
10. Other cash provided:		
10.1 Net transfers from affiliates	3,045	417
10.2 Borrowed funds received		
10.3 Capital paid in		
10.4 Surplus paid in		
10.5 Other sources		26
10.6 Total other cash provided (Lines 10.1 to 10.5)	3,045	443
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	6,447	6,694
12. Cost of investments acquired (long-term only):		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investments acquired (Lines 12.1 to 12.6)		
13. Other cash applied:		
13.1 Dividends to stockholders paid		
13.2 Net transfers to affiliates		
13.3 Borrowed funds repaid		
13.4 Other applications		
13.5 Total other cash applied (Lines 13.1 to 13.4)		
14. Total (Line 12.7 plus Line 13.5)	6,447	6,694
15. Net change in cash and short-term investments (Line 11 minus Line 14)		
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	14,764	8,070
16.2 End of period (Line 15 plus Line 16.1)	21,211	14,764

NOTES TO FINANCIAL STATEMENTS

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

C. Wash Sales

None

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES**GENERAL**

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]

1.2 If yes, explain: _____

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

3.2 If yes, date of change: _____
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1996

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1996

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/01/1997

7.4 By what department or departments? Ohio Department of Insurance

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information _____

GENERAL INTERROGATORIES (Continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)
INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock?

Yes [] No [X]

9.2 If yes, explain

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

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

11. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ _____

12. Amount of real estate and mortgages held in short-term investments:

\$ _____

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$ _____	\$ _____
13.22 Preferred Stock	\$ _____	\$ _____
13.23 Common Stock	\$ _____	\$ _____
13.24 Short-Term Investments	\$ _____	\$ _____
13.25 Mortgages, Loans or Real Estate	\$ _____	\$ _____
13.26 All Other	\$ _____	\$ _____
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$ _____	\$ _____
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$ _____	\$ _____
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$ _____	\$ _____

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [X]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank	919 East Main Street, Richmond, VA 23219

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

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

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year?

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES

(continued)

PART 2 - TITLE

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
3.2 If yes, give full and complete information thereto.....

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero. Yes [] No [X]
4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Loses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
TOTAL										

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period				
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period				
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)				
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)				

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

Description	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period				
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long term invested assets at end of current period				

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	118,141		3,193		(49)	118,122	118,141	121,285
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	118,141	3,193			(49)	118,122	118,141	121,285
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock		118,141	3,193					
15. Total Bonds & Preferred Stock					(49)	118,122	118,141	121,285
								114,983

SCHEDULE DA - PART 1**Short-Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999	Totals	21,211	XXX	21,211	68

SCHEDULE DA - PART 2 - Verification**Short-Term Investments Owned**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	14,764	17,950	18,018	8,070
2. Cost of short-term investments acquired	3,186	67	3,193	6,694
3. Increase (decrease) by adjustment				
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments				
7. Book/adjusted carrying value, current period	17,950	18,017	21,211	14,764
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	17,950	18,017	21,211	14,764
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	17,950	18,017	21,211	14,764
12. Income collected during period	61	67	68	444
13. Income earned during period	61	67	71	424

NONE Schedule DB Part F Section 1

NONE Schedule DB Part F Section 2

NONE Schedule F

NONE Schedule T

NONE Schedule Y Part 1

PART 1 - LOSS EXPERIENCE

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Lines 1.2 + 1.3 + 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Cols. 3 / (1 + 2)	
1. Direct operations		1,530			
2. Agency operations:					
2.1 Non-affiliated agency operations					
2.2 Affiliated agency operations					
3. Totals		1,530			

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations			
2. Agency operations:			
2.1 Non-affiliated agency operations			
2.2 Affiliated agency operations			
3. Totals			

NONE

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

YES

EXPLANATION:**BAR CODE:**

NONE Schedule A Part 2 and 3

NONE Schedule B Part 1 and 2

NONE Schedule BA Part 1 and 2

NONE Schedule D Part 3

NONE Schedule D Part 4

NONE Schedule DB Part A and B Section 1

NONE Schedule DB Part C and D Section 1

NONE Schedule E - Part 1



50210200247000103

The Title Guarantee & Trust Company
Company Name

50210
NAIC Code

SVO COMPLIANCE CERTIFICATION

``The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
2. Any newly purchased securities now identified with a Z suffix will be submitted to the SVO within 120 days of purchase.
3. All necessary information on securities that have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the U.S. Bankruptcy Code;
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
- c. Any change in the maturity of a security;
- d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions _____

Donna P. Yenney
Name of Investment Officer

Donna P. Yenney
Signature of Investment Officer

AVP & Director - Financial Reporting
Title of Signatory

11/06/2002
Date