



**QUARTERLY STATEMENT**

**OF THE**

**THE SECURITY TITLE**

**GUARANTEE CORPORATION**

**of** **BALTIMORE**

**in the state of** **MARYLAND**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF MARYLAND**

**FOR THE QUARTER ENDED**  
**September 30, 2002**

**RECEIVED**  
**NOV 14 2002**  
**O.F.R.S.**

**TITLE**

**2002**



## QUARTERLY STATEMENT

50784200220100103

**AS OF September 30, 2002**

OF THE CONDITION AND AFFAIRS OF THE

**The Security Title Guarantee Corporation of Baltimore**

<b>NAIC Group Code</b>	<u>0000</u>	<u>0000</u>	<b>NAIC Company Code</b>	<u>50784</u>	<b>Employer's ID Number</b>	<u>52-0625962</u>
	(Current Period)	(Prior Period)				

**Organized under the Laws of** Maryland **, State of Domicile or Port of Entry** Maryland

Country of Domicile United States of America

**Incorporated:** December 15, 1952 **Commenced Business:** January 1, 1953

**Statutory Home Office:** 6 South Calvert Street Baltimore, MD 21202

**Main Administrative Office:** 6 South Calvert Street Baltimore, MD 21202 410-727-4456

**Mail Address:** 6 South Calvert Street Baltimore, MD 21202

**Primary Location of Books and Records:** 6 South Calvert Street Baltimore, MD 21202 410-727-4456

Internet Website Address: www.esecuritytitle.com

**Statement Contact:** Theresa Kathryn Kozel 410-727-4456 121

Tkozel@esecuritytitle.com	410-727-7958
(E-Mail Address)	(Fax Number)

**Policyowner Relations Contact:** 6 South Calvert Street Baltimore, MD 21202 410-727-4456 00000

## OFFICERS

**President** Theodore Clemens Rogers

**Secretary** Marlene Rosaire McGraw

**Treasurer** Theresa Kathryn Kozel

## Actuary

## Vice-Presidents

Robert Howard Schapiro      Brian Neil Rogers      Michelle Elaine Carey-Aki      Robert Fred Musser

## DIRECTORS OR TRUSTEES

Robert Howard Schapiro                      Harold Damon Fletcher                      Victor Frenkil, Jr.                      Herbert Walter Jorgensen

Joseph Shiffler Kaufman	Brian Neil Rogers	Elizabeth Bannon Seufferling	Theodore Clemens Rogers
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William Charles Rogers, Jr.      William Charles Rogers, III      Dorsey Paul Etzler      Edward Joseph Warren

John Gill Wharton                      Benjamin Franklin Mason                      Joseph Haskins, Jr.                      Theresa Kathryn Kozel

Lynn Thomas Krause

State of Maryland .....  
County of Baltimore ss

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

(Signature)

Theodore Clemens Rogers  
(Printed Name)  
President

*Nar Lee M. Graw*  
(Signature)

Marlene Rosaire McGraw  
(Printed Name)  
Secretary

Sharon K. Loxel  
(Signature)

Theresa Kathryn Koziel  
(Printed Name)  
Treasurer

Subscribed and sworn to before me this

13th day of November, 2002

Charles H. Cople

Notary Public (seal)

**CHARLES H. CAPLAN  
NOTARY PUBLIC  
BALTIMORE COUNTY, MD  
COMMISSION EXPIRES FEB. 1, 2004**

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols 1 - 2)	December 31, Prior Year Net Admitted Assets
1. Bonds	5,484,103		5,484,103	5,242,547
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	1,825,016		1,825,016	1,930,681
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)				300,000
5. Cash (\$ 1,488,553 ) and short-term investments (\$ 1,171,066 )	2,659,618		2,659,618	1,989,078
6. Other invested assets	71,318		71,318	41,951
7. Receivable for securities				
8. Subtotals, cash and invested assets (Lines 1 to 7)	10,040,055		10,040,055	9,504,257
9. Title plants, less \$ 0 , charged off	422,634	94,490	328,144	328,144
10. Title insurance premiums and fees receivable	526,997	473,714	53,283	70,615
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)	18,750		18,750	53,920
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	21,851		21,851	22,379
16. Interest, dividends and real estate income due and accrued	59,010		59,010	67,993
17. Net adjustments in assets and liabilities due to foreign exchange rates				
18. Receivable from parent, subsidiaries and affiliates	106,457	9,450	97,007	110,932
19. Other assets nonadmitted	153,970	153,970		
20. Aggregate write-ins for other than invested assets	297,371	231,371	66,000	114,042
21. TOTALS (Lines 8 to 20)	11,647,095	962,995	10,684,100	10,272,282

DETAILS OF WRITE-INS				
2001. Accounts/Notes Receivable	145,476	145,476		48,042
2002. Life Insurance on Officers	66,000		66,000	66,000
2003. Prepaid Expenses and Deposits	85,895	85,895		
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)	297,371	231,371	66,000	114,042

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 \$ 1,865,125 not included in the foregoing statement were held pursuant to the governing agreements of custody. These funds consist of \$ 1,865,125 in cash on deposit and \$ 0 in other forms of security.

LIABILITIES, SURPLUS AND OTHER FUNDS	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	1,163,662	484,271
2. Statutory premium reserve	5,619,692	5,282,624
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)	139,817	106,017
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	106,193	55,461
8. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 121,400 net deferred tax liability)	121,400	315,800
9. Borrowed money \$ 0 and interest thereon \$ 0		
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance	65,836	105,317
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		435
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		
21. Total liabilities (Lines 1 through 20)	7,216,600	6,349,925
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	1,507,693	1,507,693
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)	1,959,807	2,414,664
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)	3,467,500	3,922,357
31. Totals	10,684,100	10,272,282

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			
STATEMENT OF INCOME			
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	15,400,224	10,209,525	16,002,514
1.2 Escrow and settlement services	64,999	210,363	69,369
1.3 Other title fees and service charges	551,308	368,308	735,774
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)	16,016,531	10,788,196	16,807,657
DEDUCT:			
4. Losses and loss adjustment expenses incurred	953,358	214,381	618,103
5. Operating expenses incurred	15,781,289	10,451,942	16,388,545
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	16,734,647	10,666,323	17,006,648
8. Net operating gain or (loss) (Lines 3 minus 7)	(718,116)	121,873	(198,991)
INVESTMENT INCOME			
9. Net investment income earned	190,172	258,245	347,117
10. Net realized capital gains and (losses)	18,611	3,842	(21,241)
11. Net investment gain or (loss) (Lines 9 + 10)	208,783	262,087	325,876
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			855
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	(509,333)	383,960	127,740
14. Federal and foreign income taxes incurred	1,317	63,056	36,056
15. Net income (Lines 13 minus 14)	(510,650)	320,904	91,684
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	3,922,357	4,122,109	4,122,109
GAINS AND (LOSSES) IN SURPLUS			
17. Net income (from Line 15)	(510,650)	320,904	91,684
18. Net unrealized capital gains or (losses)	(60,631)	(62,790)	(115,114)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	13,000	33,000	(41,800)
21. Change in nonadmitted assets	(40,076)	(221,143)	(33,638)
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		(274,000)	(274,000)
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			(73,546)
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus	143,500		246,662
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	(454,857)	(204,029)	(199,752)
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	3,467,500	3,918,080	3,922,357

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. Earned on Life Insurance on Officers			855
1202. Disposal of Title Plant			
1203.			
1298. Summary of remaining write-ins from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			855
3001. Prior period correction	143,500		246,662
3002.			
3003.			
3098. Summary of remaining write-ins from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	143,500		246,662

CASH FLOW		
	1	2
	Current Year	Prior Year Ended
	to Date	December 31
1. Premiums and other charges collected	16,370,931	16,166,399
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	273,967	785,103
3. Total operating expenses paid	15,747,489	16,404,286
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	349,475	(1,022,990)
5. Investment income (net of investment expense)	199,155	372,914
6. Other income received (expenses paid)		855
7. Federal income taxes (paid) recovered	(17,047)	195,292
8. Net cash from operations (Lines 4 to 7)	531,583	(453,929)
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds	735,301	1,349,221
9.2 Stocks	17,502	19,503
9.3 Mortgage loans		
9.4 Real estate	425,187	
9.5 Other invested assets		1,710
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)	1,177,990	1,370,434
10. Other cash provided:		
10.1 Net transfers from affiliates	13,925	3,292
10.2 Borrowed funds received		
10.3 Capital paid in		
10.4 Surplus paid in		
10.5 Other sources	112,302	607,274
10.6 Total other cash provided (Lines 10.1 to 10.5)	126,227	610,566
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	1,835,800	1,527,071
12. Cost of investments acquired (long-term only):		
12.1 Bonds	962,790	565,368
12.2 Stocks	3,310	7,001
12.3 Mortgage loans		
12.4 Real estate		76,084
12.5 Other invested assets	150,000	259,000
12.6 Miscellaneous applications		
12.7 Total investments acquired (Lines 12.1 to 12.6)	1,116,100	907,453
13. Other cash applied:		
13.1 Dividends to stockholders paid		73,546
13.2 Net transfers to affiliates		
13.3 Borrowed funds repaid		
13.4 Other applications	49,160	1,656,863
13.5 Total other cash applied (Lines 13.1 to 13.4)	49,160	1,730,409
14. Total (Line 12.7 plus Line 13.5)	1,165,260	2,637,862
15. Net change in cash and short-term investments (Line 11 minus Line 14)	670,540	(1,110,791)
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	1,989,078	3,099,869
16.2 End of period (Line 15 plus Line 16.1)	2,659,618	1,989,078

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Accounting Practices

The financial statements of The Security Title Guarantee Corporation of Baltimore are presented on the basis of accounting practices prescribed or permitted by the Maryland Insurance Department.

The Maryland Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Maryland for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maryland Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Maryland. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, however none of these differences affect the Company.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premiums are earned when the insurance policy is reported as issued. Expenses incurred in the connection with acquiring new insurance business, including such acquisition cost as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. The shares of Title Reinsurance Company owned, which represent less than 20% of the outstanding shares of that company, are also carried on the equity method.
- (4) Not Applicable
- (5) Not Applicable
- (6) Not Applicable
- (7) The Company carries Security Holding, Inc. and Affiliated Title Management, LLC at GAAP equity plus the remaining Goodwill balance of \$ -0-.
- (8) Not Applicable
- (9) Not Applicable
- (10) Not Applicable
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on the assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. During the current year's financial statement preparation, the Company discovered an error in the compiling and reporting of deferred taxes for the prior year. In the prior year, the net deferred tax liability was overstated by \$143,500. In 2002 this amount was recorded as the correction of an error and was recorded as aggregate write-ins for gains and losses in surplus.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Maryland. Effective January 1, 2001, the State of Maryland required that insurance companies domiciled in the State of Maryland prepare their statutory financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual subject to any deviations prescribed or permitted by the State of Maryland insurance commissioner.

## NOTES TO FINANCIAL STATEMENTS

### 9. INCOME TAXES

A. The components of the net deferred liability at September 30, 2002 and December 31, 2001(as corrected) are as follows:

	<u>Sept. 30, 2002</u>	<u>Dec. 31, 2001</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 204,700	\$197,400
(2) Total of all deferred tax liabilities	(326,100)	(369,700)
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	0	0
(4) Increase (decrease) in deferred tax assets nonadmitted	0	0

B. Not Applicable

C. The components of incurred income tax expense and the change in DTAs and DTLs are as follows:

For nine months ending September 30, 2002

(1) Current income tax expense (benefit)	
Change in DTAs	\$ (7,300)
Change in DTLs	<u>(43,600)</u>
(2) Net change in deferred taxes	<u>\$ (50,900)</u>

(3) Deferred income taxes include a benefit of \$-0- from net operating losses.

D. The Company's income tax expense and change in DTA/DTL differs from the amount obtained by applying the federal statutory rate of 34% to Net Income, before federal income taxes for the following reasons:

For nine months ending September 30, 2002

Expected federal income tax expense	\$(166,200)
Losses available for carry forward	166,200
Change DTA/DTL	(50,900)
Difference between December 31, 2001 accrual and actual payments	<u>1,317</u>
Total incurred income tax expense including change in DTA/DTL	<u>\$ (49,583)</u>

- E. (1) As of December 31, 2001 the Company had no operating loss carry forwards.  
 (2) There are no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.

F. (1) The Company's federal Income Tax return is consolidated with the following entity: Affiliated Title Management, LLC

(2) In accordance with Section 701 of the Internal Revenue Code, Affiliated Title Management, LLC is a partnership and is not subject to income tax. The Security Title Guarantee Corporation of Baltimore, as partner, is liable for the income taxes in their return. Therefore no allocation of the income taxes is made.

17. Wash Sales

C. 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 [ ☒ ]
- 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 [ ☒ ]
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes [ ☐ ] No [ ☒ ]
- 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 [ ☒ ]
- 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?  
  
If yes, attach an organizational chart.

Yes [ ☐ ] No [ ☒ ]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ☐ ] No [ ☒ ]
- 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?  
  
If yes, attach an explanation.

Yes [ ☐ ] No [ ☐ ] N/A [ ☒ ]
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1997
- 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.

11/30/1999
- 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).

11/30/1999
- 7.4

By what department or departments? MARYLAND INSURANCE ADMINISTRATION  
.....  
.....
- 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 [ ☒ ]
- 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 [X] No [ ]

13.2 If yes, please complete the following:

	1	2
	Prior Year-End Statement Value	Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$ 27,058	\$ 35,029
13.24 Short-Term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$ 108,909	\$ 97,007
13.26 All Other	\$ 26,388	\$ 61,358
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$ 162,355	\$ 193,394
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	2
Name of Custodian(s)	Custodian Address
Allfirst Trust Company, N.A.	25 S. Charles Street, Baltimore, MD 21201
Wachovia Securities, Inc.	2350 W. Joppa Road, Lutherville, MD 21093

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	2	3
Name(s)	Location(s)	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 [X] No [ ]

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
First Union Securities	Wachovia Securities, Inc.	06/17/2002	Merger

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	2	3
Central Registration Depository	Name(s)	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?  
If yes, attach an explanation.

Yes [ ] No [ ] N/A [X]
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?  
If yes, attach an explanation.

Yes [ ] No [X]
- 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	2	3	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
TOTAL										

SCHEDULE A - VERIFICATION

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	300,000	300,000	300,000	250,000
2. Increase (decrease) by adjustment				(26,084)
3. Cost of acquired				76,084
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales			125,187	
6. Increase (decrease) by foreign exchange adjustment:				
7. Amount received on sales			425,187	
8. Book/adjusted carrying value at end of current period	300,000	300,000		300,000
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	300,000	300,000		300,000
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	300,000	300,000		300,000

SCHEDULE B - VERIFICATION

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	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				

NONE

SCHEDULE BA - VERIFICATION  
Other Invested Assets Included in Schedule BA

	1	2	3	4
Description	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	41,951	47,387	51,012	29,960
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				20,000
2.2 Additional investment made after acquisitions	50,000	50,000	50,000	239,000
3. Accrual of discount				
4. Increase (decrease) by adjustment	(44,564)	(46,375)	(29,694)	(227,009)
5. Total profit (loss) on sale				(18,290)
6. Amounts paid on account or in full during the period				1,710
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	47,387	51,012	71,318	41,951
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	47,387	51,012	71,318	41,951
12. Total nonadmitted amounts				
13. Statement value of long term invested assets at end of current period	47,387	51,012	71,318	41,951

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
<b>BONDS</b>								
1. Class 1	5,354,859	1,872,959	575,731	3,083	5,382,636	5,354,859	6,655,170	5,445,205
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	5,354,859	1,872,959	575,731	3,083	5,382,636	5,354,859	6,655,170	5,445,205
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	5,354,859	1,872,959	575,731	3,083	5,382,636	5,354,859	6,655,170	5,445,205

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

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999Totals	1,171,066	X X X	1,170,094	319	

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

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	202,660	76,243	51,227	1,149,864
2. Cost of short-term investments acquired	119,953	91,726	1,324,996	1,378,670
3. Increase (decrease) by adjustment			973	
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	246,370	116,742	206,130	2,325,874
7. Book/adjusted carrying value, current period	76,243	51,227	1,171,066	202,660
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	76,243	51,227	1,171,066	202,660
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	76,243	51,227	1,171,066	202,660
12. Income collected during period	798	367	1,292	50,686
13. Income earned during period	798	367	1,292	32,871

**NONE            Schedule DB Part F Section 1**

**NONE            Schedule DB Part F Section 2**

**NONE            Schedule F**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		1  Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2  Current Year To Date	3  Prior Year To Date	4  Current Year To Date	5  Prior Year To Date	6  Current Year To Date	7  Prior Year To Date
States, etc.								
1. Alabama	AL	YES	115,940	90,449	19,805	23	90,777	14,977
2. Alaska	AK	NO						
3. Arizona	AZ	NO						
4. Arkansas	AR	NO						
5. California	CA	NO						
6. Colorado	CO	YES			64	164	16,551	18,544
7. Connecticut	CT	NO						
8. Delaware	DE	YES	393,239	174,519	3,948		15,491	7,500
9. Dist. Columbia	DC	YES	75,395	33,721	250	85		
10. Florida	FL	NO			1,397		500	500
11. Georgia	GA	YES	5,631					
12. Hawaii	HI	NO						
13. Idaho	ID	NO						
14. Illinois	IL	NO						
15. Indiana	IN	NO						
16. Iowa	IA	NO						
17. Kansas	KS	NO						
18. Kentucky	KY	YES	41,589	54,189		70		
19. Louisiana	LA	YES	1,716,083	1,388,348	35,189	(1,583)	85,448	40,573
20. Maine	ME	YES	6,435	6,419				
21. Maryland	MD	YES	6,904,085	4,478,564	165,816	250,211	669,293	181,930
22. Massachusetts	MA	NO						
23. Michigan	MI	NO						
24. Minnesota	MN	NO						
25. Mississippi	MS	YES	617,572	393,807	(250)	119,153	15,000	5,000
26. Missouri	MO	NO						
27. Montana	MT	NO						
28. Nebraska	NE	NO						
29. Nevada	NV	NO						
30. New Hampshire	NH	YES						
31. New Jersey	NJ	YES	371,045	223,268	(1,675)	3,629	24,665	24,677
32. New Mexico	NM	NO						
33. New York	NY	NO						
34. North Carolina	NC	NO						
35. North Dakota	ND	NO						
36. Ohio	OH	YES	106,881	170,490	37,443	23,130	17,103	47,386
37. Oklahoma	OK	NO						
38. Oregon	OR	NO						
39. Pennsylvania	PA	YES	4,386,621	1,540,735	16,226	12,241	28,673	17,139
40. Rhode Island	RI	NO						
41. So. Carolina	SC	YES	729,780	699,087	22,731	2,487	123,748	24,698
42. So. Dakota	SD	NO						
43. Tennessee	TN	YES	20,554	33,431	157			
44. Texas	TX	NO						
45. Utah	UT	NO						
46. Vermont	VT	NO						
47. Virginia	VA	NO			969	(200)		
48. Washington	WA	NO						
49. West Virginia	WV	YES	280,426	334,835	(28,102)	27,961	76,413	45,356
50. Wisconsin	WI	NO						
51. Wyoming	WY	NO						
52. American Samoa	AS	NO						
53. Guam	GU	NO						
54. Puerto Rico	PR	NO						
55. U.S. Virgin Is.	VI	NO						
56. Canada	CN	NO						
57. Aggregate Other Alien	OT	X X X						
58. Totals	(a) 17		15,771,276	9,621,862	273,968	437,371	1,163,662	428,280
DETAILS OF WRITE-INS								
5701.		X X X						
5702.		X X X						
5703.		X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X						
5799. TOTALS (Lines 5701 thru 5703 plus 5798) (Line 57 above)		X X X						

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

The Security Title Guarantee Corporation	50784	MD	52-0625962	The Security Title Guarantee Corporation
The Security Title Guarantee Corporation		MD	52-0809851	.....Security Holding Inc.
The Security Title Guarantee Corporation		MD	52-2289472	.....Affiliated Title Management LLC
The Security Title Guarantee Corporation		MD	52-2337538	.....Partners Settlement Services LLC

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	269,345	247,094	9,709	1.880	0.390
2. Agency operations:					
2.1 Non-affiliated agency operations	15,383,582	360,689	943,649	5.994	2.190
2.2 Affiliated agency operations	118,349	8,524			
3. Totals	15,771,276	616,307	953,358	5.818	2.100

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	73,185	269,345	296,535
2. Agency operations:			
2.1 Non-affiliated agency operations	4,807,241	15,383,582	9,325,327
2.2 Affiliated agency operations	61,741	118,349	
3. Totals	4,942,167	15,771,276	9,621,862

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.

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

RESPONSE

Yes

EXPLANATION:

BAR CODE:

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						
			NONE					

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State													
458-460 SEVERNSIDE DRIVE	ANNE ARUNDEL COUNTY	MD	07/17/2002	MICHAEL TALIAN	450,782				300,000	425,187		125,187	125,187		1,564
0199999 Property Sold					450,782				300,000	425,187		125,187	125,187		1,564
9999999 Total					450,782				300,000	425,187		125,187	125,187		1,564





SCHEDULE D - PART 3

Showing all Long-term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
3133F0-JA-5	FEDERAL HOME LOAN MTG CORP. STEP	07/29/2002	WACHOVIA SECURITIES		50,000	50,000.00		1
3136F2-GZ-5	FEDERAL NATIONAL MORTGAGE ASSOC.	08/28/2002	WACHOVIA SECURITIES		50,000	50,000.00		1
3136F2-JA-7	FEDERAL NATIONAL MORTGAGE ASSOC	09/05/2002	WACHOVIA SECURITIES		50,000	50,000.00		1
0399999	Total Bonds U. S. Government			X X X	150,000	150,000.00		X X X
898116-TV-0	TRUMBULL CONNECTICUT RFDG-SER B	09/05/2002	FERRIS BAKER WATTS & CO.		50,250	50,000.00	5	1PE
1707996	Bonds - States, Territories and Possessions - CT			X X X	50,250	50,000.00	5	X X X
1799999	Total Bonds States, Territories and Possessions			X X X	50,250	50,000.00	5	X X X
716090-NW-1	PETERS TWP PA SCH DIST WASH CNTY	09/05/2002	FERRIS BAKER WATTS & CO.		50,681	50,000.00	19	1PE
2439996	Bonds - Political Subdivisions of States - PA			X X X	50,681	50,000.00	19	X X X
2499999	Total Bonds Political Subdivisions of States, Territories and Possessions			X X X	50,681	50,000.00	19	X X X
61334M-JS-0	MONTGOMERY COUNTY MD HSG OPPTY'S	09/19/2002	FERRIS BAKER WATTS & CO.		50,750	50,000.00		1PE
3121996	Bonds - Special Revenue and Special Assessment Obligations - MD			X X X	50,750	50,000.00		X X X
3199999	Total Bonds Special Revenue and Special Assessment Obligations			X X X	50,750	50,000.00		X X X
000000-00-0	AMSOUTH BANK CERTIFICATE OF DEPOSIT	08/07/2002	AMSOUTH BANK		50,000	50,000.00		1Z
000000-00-0	CHESAPEAKE BANK CERTIFICATE OF DEPOSIT	07/10/2002	CHESAPEAKE BANK		50,000	50,000.00		1Z
000000-00-0	CHEVY CHASE CERTIFICATE OF DEPOSIT	07/23/2002	CHEVY CHASE		42,281	42,281.00		1Z
000000-00-0	E-TRADE BANK CERTIFICATE OF DEPOSIT	07/18/2002	E-TRADE BANK		50,000	50,000.00		1Z
000000-00-0	GOLDEN PRAGUE FEDERAL S&L CERTIFICATE OF DEPOSIT	08/24/2002	GOLDEN PRAGUE FEDERAL S&L		30,000	30,000.00		1Z
000000-00-0	MBNA CERTIFICATE OF DEPOSIT	09/16/2002	MBNA		24,000	24,000.00		1Z
4599999	Total Bonds Industrial and Miscellaneous			X X X	246,281	246,281.00		X X X
6099997	Total Bonds Part 3			X X X	547,962	546,281.00	24	X X X
6099999	Total Bonds			X X X	547,962	546,281.00	24	X X X
713291-10-2	PEPCO HOLDINGS INC.	08/01/2002	MERGER	170,000	3,310			L
6699999	Total Common Stock Public Utilities			X X X	3,310	X X X		X X X
7099997	Total Common Stock Part 3			X X X	3,310	X X X		X X X

(a) For all common stock bearing the NAIC designation "U" provide the number of such issues 0 .



SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
3133M7-2N-5	FEDERAL HOME LOAN BANK	07/01/2002	CALLED @ 100.00000000 CALLED @ 100.00000000 CALLED @ 100.00000000 MATURITY			35,000.00	31,974	32,331	73			2,669	2,669	1,138		1PE
3133M7-SF-4	FEDERAL HOME LOAN BANK	09/10/2002				50,000.00	50,000	50,000						3,250		1
3134A2-SK-5	FEDERAL HOME LOAN MORTGAGE	09/24/2002				25,000	21,860	22,284	114			2,716	2,716	1,139		1
912827-3C-4	U. S. TREASURY NOTE	07/31/2002				70,000	69,739	70,000	35					4,200		1
0399999	Subtotal - Bonds - U.S. Governments			X X X	180,000	180,000.00	173,573	174,615	222			5,385	5,385	9,727	X X X	X X X
207726-AG-5	CONNECTICUT RENTAL HOUSING SE	07/01/2002	MATURITY			5,000.00	4,688	5,000	12					263		1PE
1707996	Bonds - States, Territories and Possessions - CT			X X X	5,000	5,000.00	4,688	5,000	12					263	X X X	X X X
059132-TK-6	BALTIMORE COUNTY MD G.O.	08/01/2002	MATURITY			25,000	24,781	25,000	18					1,063		1PE
442582-E7-3	HOWARD COUNTY MD METRO DIST	08/15/2002	MATURITY			25,000	24,767	25,000	19					1,219		1PE
574216-JL-2	MARYLAND STATE HEALTH & HIGHER	07/01/2002	CALLED @ 100.00000000			5,000.00	5,000	5,000						256		1
1721996	Bonds - States, Territories and Possessions - MD			X X X	55,000	55,000.00	54,548	55,000	37					2,538	X X X	X X X
876315-KF-8	TARRANT COUNTY TEX REFUNDING	07/15/2002	CALLED @ 100.00000000			25,000	24,900	24,988	6			12	12	1,250		1PE
1744996	Bonds - States, Territories and Possessions - TX			X X X	25,000	25,000.00	24,900	24,988	6			12	12	1,250	X X X	X X X
1799999	Total - Bonds - States, Territories and Possessions			X X X	85,000	85,000.00	84,136	84,988	55			12	12	4,051	X X X	X X X
643272-C2-1	NEW CASTLE COUNTY DE G.O. 1978	08/15/2002	MATURITY			10,000	6,713	10,000	231					600		1
2408996	Bonds - Political Subdivisions of States, Territories and Possessions - DE			X X X	10,000	10,000.00	6,713	10,000	231					600	X X X	X X X
2499999	Total - Bonds - Political Subdivisions of States, Territories and Possessions			X X X	10,000	10,000.00	6,713	10,000	231					600	X X X	X X X
000000-00-0	GOLDEN PRAGUE FEDERAL CERT. OF	09/24/2002	MATURITY			30,000.00	30,000	30,000						1,238		1Z
69416N-AR-8	PACIFIC CREST BANK CERTIFICATE O	06/21/2002	MATURITY			25,000.00	25,000	25,000						895		1Z
000000-00-0	PROVIDENT BANK CERTIFICATE OF D	07/30/2002	MATURITY			44,999.00	44,999	44,999						1,341		1Z
4599999	Subtotal - Bonds - Industrial and Miscellaneous			X X X	99,999	99,999.00	99,999	99,999						3,474	X X X	X X X
6099997	Subtotal - Bonds - Part 4			X X X	374,999	374,999.00	364,421	369,602	508			5,397	5,397	17,852	X X X	X X X
6099999	Total Bonds			X X X	374,999	374,999.00	364,421	369,602	508			5,397	5,397	17,852	X X X	X X X
206829-10-3	CONNECTIV	08/01/2002	REDEEMED AT MERGER	200,000					(789)			891	891			146 L
713291-10-2	PEPCO HOLDINGS INC.	08/01/2002	FRACTIONAL SHARES	0.760	5,000		4,109	4,109	15			1	1			L
6699999	Subtotal - Common Stock - Public Utilities			X X X	5,015	X X X	4,124	4,124	(789)			892	892	X X X		X X X
(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues				0.											146	X X X



NONE Schedule DB Part A and B Section 1

NONE Schedule DB Part C and D Section 1

**SCHEDULE E - PART 1 - CASH**  
**Month End Depository Balances**

[illegible]



The Security Title Guarantee Corporation of Baltimore  
Company Name

50784  
NAIC Code

50784200247000103

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 Title Reinsurance Company is valued using the Equity Method

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Theresa K. Kozel  
Name of Investment Officer

*Theresa K. Kozel*  
Signature of Investment Officer

Treasurer  
Title of Signatory

11/13/2002  
Date

RECEIVED

NOV 14 2002

QERS