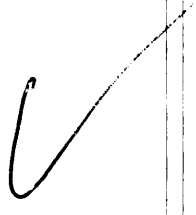


**QUARTERLY STATEMENT**



**OF THE**

**SOUTHERN TITLE**

**INSURANCE CORPORATION**

**of** **RICHMOND**

**in the state of** **VIRGINIA**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF VIRGINIA**

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

**TITLE**

**2002**



50792200220100103

QUARTERLY STATEMENT

AS OF September 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

SOUTHERN TITLE INSURANCE CORPORATION

NAIC Group Code 0228 0228 NAIC Company Code 50792 Employer's ID Number 54-0483197  
(Current Period) (Prior Period)

Organized under the Laws of VIRGINIA , State of Domicile or Port of Entry VIRGINIA

Country of Domicile UNITED STATES

Incorporated: September 25, 1925 Commenced Business: May 12, 1948

Statutory Home Office: 1051 EAST CARY STREET RICHMOND, VA 23219

Main Administrative Office: 1051 EAST CARY STREET RICHMOND, VA 23219 804-648-6000

Mail Address: P.O. BOX 399 RICHMOND, VA 23218

Primary Location of Books and Records: 1051 EAST CARY STREET RICHMOND, VA 23219 804-648-6000

Internet Website Address: WWW.SOUTHERNTITLE.COM

Statement Contact: RONALD C. BRITT 804-648-6000 3018  
RONB@SOUTHERNTITLE.COM 804-643-4139  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 000-000-0000

OFFICERS

President	<u>Donald V. Cruickshanks</u>
Secretary	<u>Gerald William Sklar</u>
Treasurer	<u>Ronald Clifton Britt</u>
Actuary	<u></u>

Vice-Presidents

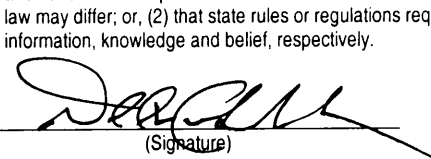
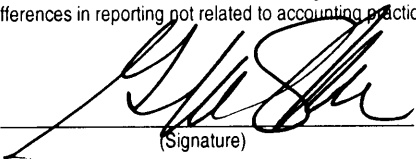
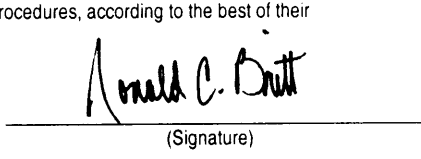
<u>Michael Edward Briel</u>	<u>Ronald DeWitt Wiley Jr.</u>	<u>Gerald William Sklar</u>	<u>Scott Alan Johnson</u>
<u>Clyde Morton Weaver</u>	<u>Ronald Clifton Britt</u>	<u>William Joseph Hardwick</u>	<u>Edward Ray Waugaman</u>
<u>Dennis Michael Reeves</u>	<u>Robert Lewis Bradshaw</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

DIRECTORS OR TRUSTEES

<u>Donald Vaughan Cruickshanks</u>	<u>Gerald William Sklar</u>	<u>John Eric Warfel</u>	<u>Robert Joseph Joyce</u>
<u>Dennis Michael Reeves</u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

State of VIRGINIA  
County of CITY OF RICHMOND 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)	 (Signature)	 (Signature)
<u>Donald V. Cruickshanks</u> (Printed Name) President	<u>Gerald William Sklar</u> (Printed Name) Secretary	<u>Ronald Clifton Britt</u> (Printed Name) Treasurer

Subscribed and sworn to before me this  
14TH day of NOVEMBER, 2002

  
Notary Public (seal) my commission expires 11/30/02

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	4,829,386		4,829,386	4,372,248
2. Stocks:				
2.1 Preferred stocks	16,350		16,350	15,000
2.2 Common stocks	948		948	962
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)	243,215	(9,276)	252,491	249,206
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 627,124 ) and short-term investments (\$ 2,251,655 )	2,878,779		2,878,779	1,953,209
6. Other invested assets				
7. Receivable for securities				7,725
8. Subtotals, cash and invested assets (Lines 1 to 7)	7,968,678	(9,276)	7,977,954	6,598,350
9. Title plants, less \$ 0 , charged off	2,232,475	210,252	2,022,223	2,022,223
10. Title insurance premiums and fees receivable	386,124	76,800	309,324	208,562
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 \$ 68,399 net deferred tax asset)	68,399		68,399	72,608
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	142,191	61,007	81,184	59,692
16. Interest, dividends and real estate income due and accrued	67,622		67,622	74,498
17. Net adjustments in assets and liabilities due to foreign exchange rates				
18. Receivable from parent, subsidiaries and affiliates	1,594,103	505,860	1,088,243	1,804,507
19. Other assets nonadmitted	239,860	239,860		
20. Aggregate write-ins for other than invested assets	173,055	148,073	24,982	29,742
21. TOTALS (Lines 8 to 20)	12,872,507	1,232,576	11,639,931	10,870,182

DETAILS OF WRITE-INS				
2001. Other Receivables	1,441		1,441	6,763
2002. Deposits	23,541		23,541	22,979
2003. Other Assets	148,073	148,073		
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)	173,055	148,073	24,982	29,742

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 \$ 5,104,054 not included in the foregoing statement were held pursuant to the governing agreements of custody. These funds consist of \$ 5,104,054 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	701,475	687,944
2. Statutory premium reserve	3,677,573	3,379,889
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)	595,868	323,635
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	48,433	54,201
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		
21. Total liabilities (Lines 1 through 20)	5,023,349	4,445,669
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	1,001,123	1,001,123
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	5,277,633	5,277,633
28. Unassigned funds (surplus)	337,826	145,757
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)	6,616,582	6,424,513
31. Totals	11,639,931	10,870,182

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	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	12,868,338	9,563,191	13,433,481
1.2 Escrow and settlement services	204,793	179,988	260,499
1.3 Other title fees and service charges	951,418	818,414	1,135,894
2. Aggregate write-ins for other operating income	943,708	1,004,720	1,447,159
3. Total Operating Income (Lines 1 through 2)	14,968,257	11,566,313	16,277,033
DEDUCT:			
4. Losses and loss adjustment expenses incurred	276,873	683,799	767,523
5. Operating expenses incurred	14,118,563	10,684,140	14,924,152
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	14,395,436	11,367,939	15,691,675
8. Net operating gain or (loss) (Lines 3 minus 7)	572,821	198,374	585,358
INVESTMENT INCOME			
9. Net investment income earned	245,919	255,843	339,427
10. Net realized capital gains and (losses)	(5,606)	(226)	(3,687)
11. Net investment gain or (loss) (Lines 9 + 10)	240,313	255,617	335,740
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	813,134	453,991	921,098
14. Federal and foreign income taxes incurred	238,883	85,984	198,317
15. Net income (Lines 13 minus 14)	574,251	368,007	722,781
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	6,424,513	5,320,427	5,320,427
GAINS AND (LOSSES) IN SURPLUS			
17. Net income (from Line 15)	574,251	368,007	722,781
18. Net unrealized capital gains or (losses)	(131,112)	(54,594)	144,272
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	(4,209)		(5,613)
21. Change in nonadmitted assets	(246,861)	237,048	311,849
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		(147,424)	(69,203)
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)	192,069	403,037	1,104,086
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	6,616,582	5,723,464	6,424,513

DETAILS OF WRITE-INS			
0201. Management Fees	943,708	1,004,720	1,447,159
0202.			
0203.			
0298. Summary of remaining write-ins from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)	943,708	1,004,720	1,447,159
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)			

CASH FLOW		
	1	2
	Current Year	Prior Year Ended
	to Date	December 31
1. Premiums and other charges collected	14,221,472	15,242,995
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	263,343	727,758
3. Total operating expenses paid	13,852,098	14,760,160
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	106,031	(244,923)
5. Investment income (net of investment expense)	252,795	320,484
6. Other income received (expenses paid)	1,119,660	1,083,703
7. Federal income taxes (paid) recovered	(223,925)	111,042
8. Net cash from operations (Lines 4 to 7)	1,254,561	1,270,306
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds	1,027,063	1,169,405
9.2 Stocks	8,224	63,625
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)	1,035,287	1,233,030
10. Other cash provided:		
10.1 Net transfers from affiliates	193,073	
10.2 Borrowed funds received		
10.3 Capital paid in		
10.4 Surplus paid in		
10.5 Other sources		
10.6 Total other cash provided (Lines 10.1 to 10.5)	193,073	
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	2,482,921	2,503,336
12. Cost of investments acquired (long-term only):		
12.1 Bonds	1,475,097	2,813,682
12.2 Stocks	9,871	
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)	1,484,968	2,813,682
13. Other cash applied:		
13.1 Dividends to stockholders paid		
13.2 Net transfers to affiliates		126,233
13.3 Borrowed funds repaid		
13.4 Other applications	72,383	333,015
13.5 Total other cash applied (Lines 13.1 to 13.4)	72,383	459,248
14. Total (Line 12.7 plus Line 13.5)	1,557,351	3,272,930
15. Net change in cash and short-term investments (Line 11 minus Line 14)	925,570	(769,594)
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	1,953,209	2,722,803
16.2 End of period (Line 15 plus Line 16.1)	2,878,779	1,953,209

---

NOTES TO FINANCIAL STATEMENTS

---

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Virginia. Effective January 1, 2001, the State of Virginia required that insurance companies domiciled in the State of Virginia prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the State of Virginia insurance commissioner.

These quarterly financial statements have been prepared on the same basis as the Company's annual statement for the year ended December 31, 2001 and should be read in conjunction with such annual statement and the notes to financial statements included therein.

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?  
  
If yes, attach an organizational chart.

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

Yes [ ☐ ] No [ ☐ ] N/A [ X ]
- 7.1

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

12/31/2000
- 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.

12/31/2000
- 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).

12/20/2001
- 7.4

By what department or departments? VIRGINIA BUREAU 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
J P MORGAN CHASE BANK	1 CHASE MANHATTAN PLAZA, NEW YORK, NY 10081
SUNTRUST BANK	919 E. MAIN STREET, 2ND FLOOR, RICHMOND, VA 23219
SOUTHTRUST BANK	110 OFFICE PARK DR, 2ND FLOOR, BIRMINGHAM, AL 35223

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 [X] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NOT APPLICABLE	SOUTHTRUST BANK	08/05/2002	REQUIRED FOR ALABAMA STATUTORY DEPOSIT

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?  
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 Loses	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	239,930	236,748	246,529	252,658
2. Increase (decrease) by adjustment	(3,182)	(3,287)	(3,314)	(12,728)
3. Cost of acquired				
4. Cost of additions to and permanent improvements		13,068		
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	236,748	246,529	243,215	239,930
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	236,748	246,529	243,215	239,930
11. Total nonadmitted amounts	(9,276)	(9,276)	(9,276)	(9,276)
12. Statement value, current period (Page 2, real estate lines, current period)	246,024	255,805	252,491	249,206

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				

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				
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	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
BONDS								
1. Class 1	5,528,501	3,620,252	2,898,554	(11,872)	5,422,254	5,528,501	6,238,327	3,766,722
2. Class 2	829,709			3,058	890,160	829,709	832,767	680,771
3. Class 3	38,829		38,829	9,947		38,829	9,947	
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	6,397,039	3,620,252	2,937,383	1,133	6,312,414	6,397,039	7,081,041	4,447,493
PREFERRED STOCK								
8. Class 1	17,475			(1,125)	16,350	17,475	16,350	15,000
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	17,475			(1,125)	16,350	17,475	16,350	15,000
15. Total Bonds & Preferred Stock	6,414,514	3,620,252	2,937,383	8	6,328,764	6,414,514	7,097,391	4,462,493

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	2,251,655	X X X	2,251,655	7,047	

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	1,430,940	1,809,599	1,659,647	2,128,860
2. Cost of short-term investments acquired	2,672,961	2,152,218	3,420,260	8,717,500
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	2,294,302	2,302,170	2,828,252	9,415,420
7. Book/adjusted carrying value, current period	1,809,599	1,659,647	2,251,655	1,430,940
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	1,809,599	1,659,647	2,251,655	1,430,940
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	1,809,599	1,659,647	2,251,655	1,430,940
12. Income collected during period	6,501	6,912	7,047	66,251
13. Income earned during period	6,540	6,861	6,997	53,890

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

States, etc.	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
1. Alabama	AL	YES					
2. Alaska	AK	NO					
3. Arizona	AZ	NO					
4. Arkansas	AR	NO					
5. California	CA	NO					
6. Colorado	CO	NO					
7. Connecticut	CT	NO					
8. Delaware	DE	YES					
9. Dist. Columbia	DC	YES		1,489	1,692	1,089	2,770
10. Florida	FL	YES					
11. Georgia	GA	YES					
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	NO					
19. Louisiana	LA	NO					
20. Maine	ME	NO					
21. Maryland	MD	YES	737,701	663,540	2,134	11,701	75,489
22. Massachusetts	MA	NO					
23. Michigan	MI	NO					
24. Minnesota	MN	NO					
25. Mississippi	MS	YES					
26. Missouri	MO	NO					
27. Montana	MT	NO					
28. Nebraska	NE	NO					
29. Nevada	NV	NO					
30. New Hampshire	NH	NO					
31. New Jersey	NJ	NO					
32. New Mexico	NM	NO					
33. New York	NY	NO					
34. North Carolina	NC	YES	311,343	98,789	6,431	2,750	11,716
35. North Dakota	ND	NO					
36. Ohio	OH	YES	674,806	655,726	21,398	942	4,075
37. Oklahoma	OK	NO					
38. Oregon	OR	NO					
39. Pennsylvania	PA	YES	754,255	115,068			
40. Rhode Island	RI	NO					
41. So. Carolina	SC	YES	594	1,237			
42. So. Dakota	SD	NO					
43. Tennessee	TN	YES					
44. Texas	TX	YES					
45. Utah	UT	NO					
46. Vermont	VT	NO					
47. Virginia	VA	YES	10,777,618	8,237,508	231,891	400,591	565,106
48. Washington	WA	NO					
49. West Virginia	WV	YES					
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) 15	13,256,317	9,771,868	263,343	417,676	657,475	870,302
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.

Statement as of September 30, 2002 of the SOUTHERN TITLE INSURANCE CORPORATION

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

**NONE**



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	1,609,504	2,099,919	22,615	0.610	4.470
2. Agency operations:					
2.1 Non-affiliated agency operations	8,386,853		142,134	1.695	6.470
2.2 Affiliated agency operations	3,259,960		112,124	3.439	5.970
3. Totals	13,256,317	2,099,919	276,873	1.803	5.810

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	578,023	1,609,504	1,212,742
2. Agency operations:			
2.1 Non-affiliated agency operations	2,902,857	8,386,853	5,773,071
2.2 Affiliated agency operations	1,086,784	3,259,960	2,786,055
3. Totals	4,567,664	13,256,317	9,771,868

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 DB Part A and B Section 1

NONE Schedule DB Part C and D Section 1





SOUTHERN TITLE INSURANCE CORPORATION

Company Name

50792

NAIC Code

50792200247000103

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

RECEIVED  
NOV 15 2002  
OFFICE

RONALD C. BRITT  
Name of Investment Officer  
*Ronald C. Britt*  
Signature of Investment Officer  
CHIEF FINANCIAL OFFICER  
Title of Signatory  
11/14/2002  
Date