



IMAGING COVER SHEET

NAIC #: 51209

NAIC Group Code: 000

Company Name: CONESTOGA TITLE INSURANCE COMPANY

Company Type: P&C Life HIC Frat Title MEWA HW MPA
 DOMESTIC FOREIGN

Form Type: STATEMENTS

Sub-form Type: QUARTERLY

Transaction # (if applicable): _____

Effective Date: 09/30/2002

Additional Info: _____

Date Scanned: _____

Scanned By (initials): _____

QUARTERLY STATEMENT

OF THE

RECEIVED
NOV 5 2002
OFRS.

Conestoga Title Insurance Company

of Lancaster

in the state of Pennsylvania

TO THE

Insurance Department

OF THE

STATE OF Pennsylvania

FOR THE QUARTER ENDED
September 30, 2002

TITLE

2002



51209200220100103

QUARTERLY STATEMENT

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

Conestoga Title Insurance Co.

NAIC Group Code 0000 0000 NAIC Company Code 51209 Employer's ID Number 23-1914683
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated: October 11, 1973 Commenced Business: April 1, 1974

Statutory Home Office: 123 East King Street Lancaster, PA 17602

Main Administrative Office: 123 East King Street Lancaster, PA 17602 717-299-4805

Mail Address: 123 East King Street Lancaster, PA 17602

Primary Location of Books and Records: 123 East King Street Lancaster, PA 17602 717-299-4805

Internet Website Address: www.contitle.com

Statement Contact: Kerry E. Eltman, CMA, CFM 717-431-2774 3132
keltsman@contitle.com 717-299-6994
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 123 East King Street Lancaster, PA 17602 717-299-4805 3775

OFFICERS

President	Sam Ferguson Musser
Secretary	Mary Lou Creasy
Treasurer	Bruce Peale Ryder
Actuary	

Vice-Presidents

John Mark Nikolaus	Taamar Ann Herbert	John Keith Schwertfuehrer	Richard Scott Snyder
<u>John Nicholas Papaventis</u>			

DIRECTORS OR TRUSTEES

Sam Ferguson Musser	Carl Richard Hallgren	Bruce Peale Ryder	Lois Kathryn Herr
John Summers May	John Thomas Kauffman	Herbert Barry Montgomery	Audrey Kain Pedrick
Barbara Musser Hoy			

State of Pennsylvania
County of Lancaster 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)

Subscribed and sworn to before me this
28 day of October 2002

NOTARIAL SEAL
Patricia A. LaPorte, Notary Public
Lancaster, Lancaster Co., PA
My Commission Expires Mar. 27, 2004

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	164,041		164,041	164,041
2. Stocks:				
2.1 Preferred stocks	510,424		510,424	85,946
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	289,815		289,815	300,848
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 133,169 encumbrances)	660,649		660,649	663,527
4.2 Properties held for the production of income (less \$ 0 encumbrances)				516,629
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,128,255) and short-term investments (\$ 891,366)	2,019,621		2,019,621	1,878,360
6. Other invested assets				
7. Receivable for securities				
8. Subtotals, cash and invested assets (Lines 1 to 7)	3,644,549		3,644,549	3,609,351
9. Title plants, less \$ 0, charged off	265,000		265,000	265,000
10. Title insurance premiums and fees receivable	324,535	28,721	295,814	165,640
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 \$ 481,000 net deferred tax asset)	481,000		481,000	183,000
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	60,339		60,339	61,248
16. Interest, dividends and real estate income due and accrued	12,854		12,854	6,951
17. Net adjustments in assets and liabilities due to foreign exchange rates				
18. Receivable from parent, subsidiaries and affiliates				
19. Other assets nonadmitted	12,837	12,837		
20. Aggregate write-ins for other than invested assets	316,210	316,210		2,344
21. TOTALS (Lines 8 to 20)	5,117,324	357,768	4,759,556	4,293,534

DETAILS OF WRITE-INS				
2001. Other assets	80,477	80,477		
2002. Prepaid assets	235,733	235,733		
2003. Other accounts receivable				2,344
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)	316,210	316,210		2,344

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

Bonds \$ 164,041, Short-term investments \$ 891,366,
Mortgages \$ 289,815, Cash \$ 636,959, Total \$ 1,982,181.

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		95,400	237,410
2. Statutory premium reserve		1,982,181	1,775,773
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)		301,097	305,933
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		66,601	115,597
8. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 0 net deferred tax liability)		52,482	63,731
9. Borrowed money \$ 0 and interest thereon \$ 0		251	251
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		7,442	
19. Payable for securities			
20. Aggregate write-ins for other liabilities			
21. Total liabilities (Lines 1 through 20)		2,505,454	2,498,695
22. Aggregate write-ins for special surplus funds			
23. Common capital stock		1,200,000	1,200,000
24. Preferred capital stock			
25. Aggregate write-ins for other than special surplus funds			
26. Surplus notes			
27. Gross paid in and contributed surplus		309,136	309,136
28. Unassigned funds (surplus)		744,966	285,703
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)		2,254,102	1,794,839
31. Totals		4,759,556	4,293,534

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	9,592,880	7,546,859	10,276,891
1.2 Escrow and settlement services			
1.3 Other title fees and service charges	197,437	423,151	626,279
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)	9,790,317	7,970,010	10,903,170
DEDUCT:			
4. Losses and loss adjustment expenses incurred	596,024	382,131	462,267
5. Operating expenses incurred	8,989,556	7,448,963	10,205,070
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	9,585,580	7,831,094	10,667,337
8. Net operating gain or (loss) (Lines 3 minus 7)	204,737	138,916	235,833
INVESTMENT INCOME			
9. Net investment income earned	11,382	5,036	1,272
10. Net realized capital gains and (losses)	(85,072)		
11. Net investment gain or (loss) (Lines 9 + 10)	(73,690)	5,036	1,272
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			73
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	131,047	143,952	237,178
14. Federal and foreign income taxes incurred	44,556	48,944	159,152
15. Net income (Lines 13 minus 14)	86,491	95,008	78,026
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	1,794,839	1,578,777	1,578,777
GAINS AND (LOSSES) IN SURPLUS			
17. Net income (from Line 15)	86,491	95,008	78,026
18. Net unrealized capital gains or (losses)	14,733	1,803	3,626
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	298,000	(4,000)	83,000
21. Change in nonadmitted assets	165,812	(72,341)	(48,588)
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		104,000	100,000
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	(16,500)		
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus	(89,273)		
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	459,263	124,470	216,064
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	2,254,102	1,703,247	1,794,841

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. Income from purchase discounts.			73
1202.			
1203.			
1298. Summary of remaining write-ins from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			73
3001.			
3002.			
3003. Write-off of non-admitted accounts receivable.	(89,273)		
3098. Summary of remaining write-ins from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	(89,273)		

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FLOW		
1. Premiums and other charges collected	9,866,551	11,139,647
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	738,034	334,857
3. Total operating expenses paid	9,035,946	10,119,275
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	92,571	685,515
5. Investment income (net of investment expense)	5,479	7,053
6. Other income received (expenses paid)		36
7. Federal income taxes (paid) recovered	(353,805)	(44,803)
8. Net cash from operations (Lines 4 to 7)	(255,755)	647,801
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds		
9.2 Stocks		
9.3 Mortgage loans	11,033	18,275
9.4 Real estate	360,644	69,654
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)	371,677	87,929
10. Other cash provided:		
10.1 Net transfers from affiliates		
10.2 Borrowed funds received		
10.3 Capital paid in		
10.4 Surplus paid in		
10.5 Other sources	483,094	64,703
10.6 Total other cash provided (Lines 10.1 to 10.5)	483,094	64,703
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	599,016	800,433
12. Cost of investments acquired (long-term only):		
12.1 Bonds		256
12.2 Stocks	409,745	746
12.3 Mortgage loans		
12.4 Real estate	14,974	20,595
12.5 Other invested assets		
12.6 Miscellaneous applications	16,536	(362)
12.7 Total investments acquired (Lines 12.1 to 12.6)	441,255	21,235
13. Other cash applied:		
13.1 Dividends to stockholders paid	16,500	
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)	16,500	
14. Total (Line 12.7 plus Line 13.5)	457,755	21,235
15. Net change in cash and short-term investments (Line 11 minus Line 14)	141,261	779,198
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	1,878,360	1,099,162
16.2 End of period (Line 15 plus Line 16.1)	2,019,621	1,878,360

NOTES TO FINANCIAL STATEMENTS

1) Summary of Significant Accounting Policies

The financial statements of Conestoga Title Insurance Co. are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department.

The Pennsylvania Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Pennsylvania Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Pennsylvania. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, Pennsylvania Insurance Laws deviate from the prescribed practices of NAIC SAP in the calculation of additions and reductions to the Statutory Premium Reserve established and maintained by the Company. The Insurance Commissioner of Pennsylvania has the right to permit other specific practices which deviate from the prescribed practices.

2-8) Not applicable

9) Income Taxes

The components of the net deferred tax asset/(liability) at December 31, 2001 and September 30, 2002 are as follows:

	<u>09/30/02</u>	<u>12/31/01</u>
Total deferred tax assets	944,000	641,000
Total deferred tax liabilities	<u>(463,000)</u>	<u>(458,000)</u>
Net deferred tax assets	481,000	183,000

The components of income taxes incurred are as follows:

Current year income taxes	44,556
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10-26) Not applicable.

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. 12/31/1998

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. 12/31/1998

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). 12/14/1999

7.4 By what department or departments? PA Insurance Dept.

.....

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>																																	
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.)																																		
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:	\$ <u>289,815</u>																																	
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 <input checked="" type="checkbox"/> No <input type="checkbox"/>																																	
13.2 If yes, please complete the following:																																		
<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">1</th> <th style="text-align: center;">2</th> </tr> <tr> <th></th> <th style="text-align: center;">Prior Year-End Statement Value</th> <th style="text-align: center;">Current Quarter Statement Value</th> </tr> </thead> <tbody> <tr> <td>13.21 Bonds</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>13.22 Preferred Stock</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>13.23 Common Stock</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>13.24 Short-Term Investments</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>13.25 Mortgages, Loans or Real Estate</td> <td style="text-align: right;">\$ 300,848</td> <td style="text-align: right;">\$ 289,815</td> </tr> <tr> <td>13.26 All Other</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)</td> <td style="text-align: right;">\$ 300,848</td> <td style="text-align: right;">\$ 289,815</td> </tr> <tr> <td>13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above</td> <td style="text-align: right;">\$ 300,848</td> <td style="text-align: right;">\$ 289,815</td> </tr> <tr> <td>13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">\$</td> </tr> </tbody> </table>			1	2		Prior Year-End Statement Value	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	\$ 300,848	\$ 289,815	13.26 All Other	\$	\$	13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$ 300,848	\$ 289,815	13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$ 300,848	\$ 289,815	13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$	\$
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14.1 Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>																																	
14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>																																	
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>																																	
15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:																																		
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15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year?																																		
15.4 If yes, give full and complete information relating thereto:																																		
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Old Custodian	New Custodian	Date of Change	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:																																		
<table border="1"> <thead> <tr> <th style="text-align: center;">1</th> <th style="text-align: center;">2</th> <th style="text-align: center;">3</th> </tr> <tr> <th style="text-align: center;">Central Registration Depository</th> <th style="text-align: center;">Name(s)</th> <th style="text-align: center;">Address</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		1	2	3	Central Registration Depository	Name(s)	Address																											
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? 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	1,180,155	968,744	662,110	1,270,404
2. Increase (decrease) by adjustment	(599)	(3,138)	(1,461)	(20,595)
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales	(32,537)	(52,535)		
6. Increase (decrease) by foreign exchange adjustment:				
7. Amount received on sales	178,275	250,961		69,654
8. Book/adjusted carrying value at end of current period	968,744	662,110	660,649	1,180,155
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	968,744	662,110	660,649	1,180,155
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	968,744	662,110	660,649	1,180,155

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	300,848	529,658	522,374	319,123
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions	228,810			
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		7,284	232,559	18,275
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	529,658	522,374	289,815	300,848
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	529,658	522,374	289,815	300,848
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	529,658	522,374	289,815	300,848

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				

NONE

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	910,210	183,947	266,960		657,948	910,210	827,197	657,230
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	910,210	183,947	266,960		657,948	910,210	827,197	657,230
PREFERRED STOCK								
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	910,210	183,947	266,960		657,948	910,210	827,197	657,230

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	891,366	XXX	1,055,408	10,326

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	493,189	493,908	746,170	540,485
2. Cost of short-term investments acquired	719	252,262	183,945	10,517
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			38,749	57,814
7. Book/adjusted carrying value, current period	493,908	746,170	891,366	493,188
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	493,908	746,170	891,366	493,188
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	493,908	746,170	891,366	493,188
12. Income collected during period	6,834	4,260	10,326	10,635
13. Income earned during period	6,534	8,392	8,212	11,501

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	28,986				
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	231,611	144,864	3,502	39,909	48,781
9. Dist. Columbia	DC	YES	1,361				
10. Florida	FL	NO					
11. Georgia	GA	NO					
12. Hawaii	HI	NO					
13. Idaho	ID	NO					
14. Illinois	IL	NO					
15. Indiana	IN	YES	1,198,858	546,273	202,022	78,590	8,000
16. Iowa	IA	NO					26,400
17. Kansas	KS	NO					
18. Kentucky	KY	NO					
19. Louisiana	LA	NO					
20. Maine	ME	NO					
21. Maryland	MD	YES	977,352	474,731	40,556	163	2,000
22. Massachusetts	MA	NO					
23. Michigan	MI	NO					
24. Minnesota	MN	NO					
25. Mississippi	MS	NO					
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	YES	358,298	283,929	272,315	4,473	4,000
32. New Mexico	NM	NO					59,950
33. New York	NY	YES	324,143	419,162	13,708		4,400
34. North Carolina	NC	NO					
35. North Dakota	ND	NO					
36. Ohio	OH	YES	2,804,781	1,921,142	82,527	13,315	4,000
37. Oklahoma	OK	NO					
38. Oregon	OR	NO					
39. Pennsylvania	PA	YES	4,038,268	4,072,284	117,404	45,151	73,000
40. Rhode Island	RI	NO					
41. So. Carolina	SC	YES					
42. So. Dakota	SD	NO					
43. Tennessee	TN	NO					
44. Texas	TX	NO					
45. Utah	UT	NO					
46. Vermont	VT	NO					
47. Virginia	VA	NO					
48. Washington	WA	NO					
49. West Virginia	WV	NO					
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	XXX					
58. Totals	(a)	10	9,963,658	7,862,385	732,034	181,601	95,400
							304,531
DETAILS OF WRITE-INS							
5701.		XXX					
5702.		XXX					
5703.		XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX					
5799. TOTALS (Lines 5701 thru 5703 plus 5798) (Line 57 above)		XXX					

(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

Conestoga Financial Corporation
#23-2053948

Abstracting Co. of Berks County (ABCO) 24-525900	Conestoga Title Agency of Ohio DBA Amerititle Agency Inc. 31-1566118	Lancaster Title Abstracting Co. (LTAC) 23-146967	Conestoga Title Co. of Delaware State DBA Conestoga Escrow Service 23-2200109	Abstracting Co. of Dauphin County (ABCO) (79.5% Interest) 23-2019633	Builders' Settlement Services (BSS) 23-3074198	Conestoga Title Co. of Marion County (CTC-Andy) 52-2346232	Conestoga Title Co. of Grant (CTC-Marion) 52-2339632
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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	435,639	197,437	989	0.156	(0.380)
2. Agency operations:					
2.1 Non-affiliated agency operations	8,519,619		590,548	6.932	5.820
2.2 Affiliated agency operations	1,008,400		4,487	0.445	(1.460)
3. Totals	9,963,658	197,437	596,024	5.866	4.610

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	113,172	435,639	370,227
2. Agency operations:			
2.1 Non-affiliated agency operations	1,726,128	8,519,619	6,793,518
2.2 Affiliated agency operations	245,982	1,008,400	698,639
3. Totals	2,085,282	9,963,658	7,862,384

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.

	<u>RESPONSE</u>
1. Will the SVO Compliance Certification be filed with this statement?	YES

EXPLANATION:

BAR CODE:



Conestoga Title Insurance Co.

Company Name

51209

NAIC Code

51209200247000103

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 _____
- _____

Sam Ferguson Musser

Name of Investment Officer

Signature of Investment Officer

President

Title of Signatory

10/31/2002

Date

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

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

SCHEDULE A - PART 3

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

Description of Property	Location			Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Foreign Exchange Profit (Loss) on Sale	11 Realized Profit (Loss) on Sale	12 Total Profit (Loss) on Sale	13 Gross Income Earned Less Interest Incurred on Encumbrances	14 Taxes, Repairs and Expenses Incurred	15	16
	2 City	3 State	4														
NONE																	

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

1 Number of Units and Description	2 Location City		3 State		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 Location City	3 State	2 Location City	3 State							
NONE											

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	2 Location City		3 State		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 Location City	3 State	2 Location City	3 State										
NONE														

SCHEDULE D - PART 3

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

7299999 Totals
(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

NONE **Schedule D Part 4**

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

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *
				5 First Month	6 Second Month	7 Third Month	
Open Depositories - Section (A)-Segregated Funds Held for Others							
0199998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0199999 Total Segregated Funds Held For Others	XXX						XXX
Open Depositories - Section (B) - General Funds							
Allfirst Bank	Lancaster, PA	1.466	5,950	640,601	851,965	799,880	
Mellon Bank	Pittsburgh, PA			320,000	320,000	320,000	
0299998 Deposits in (4) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX			8,175	8,175	8,175	XXX
0299999 Total General Funds	XXX	5,950		968,776	1,180,141	1,128,055	XXX
Open Depositories - Section (C) - Reinsurance Reserve Funds							
0399998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0399999 Total Reinsurance Reserve Funds	XXX						XXX
0499999 Total Open Depositories	XXX	5,950		968,776	1,180,141	1,128,055	XXX
Suspended Depositories - Section (A) - Seg. Funds Held for Others							
0599998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0599999 Total Segregated Funds held for others	XXX						XXX
Suspended Depositories - Section (B) - General Funds							
0699998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0699999 Total General Funds	XXX						XXX
Suspended Depositories - Section (C) - Reinsurance Reserve Funds							
0799998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0799999 Total Reinsurance Reserve Funds	XXX						XXX
0899999 Total Suspended Depositories	XXX						XXX
0999999 Total cash on Deposit	XXX	5,950		968,776	1,180,141	1,128,055	XXX
1099999 Cash in Company's Office	XXX	XXX	XXX	200	200	200	XXX
1199999 TOTAL CASH	XXX	5,950		968,976	1,180,341	1,128,255	XXX