



ANNUAL STATEMENT

Of The

Home Security

Title

Insurance Company

of

Ohio

TO THE

Insurance Department

OF THE

STATE OF OHIO

**For the Year Ended
December 31, 2002**

**RECEIVED
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O.F.R.S.**

ANNUAL STATEMENT

For the Year Ended December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

.....
Affix Bar Code Above

Home Security Title Insurance Company

NAIC Group Code 0000 NAIC Company Code 50039 Employer's ID Number 54-1826470

Organized under the Laws of the State of Ohio, made to the

INSURANCE DEPARTMENT OF THE STATE OF Ohio

PURSUANT TO THE LAWS THEREOF

Incorporated October 24, 1996 Commenced Business April 15, 1997

Statutory Home Office 600 Superior Avenue, East, Suite 1300, Cleveland, Ohio 44114
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 533 S. St. Asaph Street
(Street and Number)
Alexandria, Virginia 22314 (703) 683-5511
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 533 S. St. Asaph Street, Alexandria, Virginia 22314
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 533 S. St. Asaph Street
(Street and Number)
Alexandria, Virginia 22314 (703) 683-5511
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Quarterly Statement Contact Edwin Rector, Treasurer (703) 683-5511
(Name) (Area Code) (Telephone Number) (Extension)

OFFICERS

President Edwin Rector Vice Presidents George Marienthal
Secretary George Marienthal
Treasurer Edwin Rector

DIRECTORS OR TRUSTEES

Edwin Rector Allen Hughes
George Marienthal
Dorsey Edward Rowe
Robert Gants

State of Ohio
County of Franklin

Edwin Rector, President, George Marienthal, Secretary, Edwin Rector, Treasurer of Home Security Title Insurance Company being duly sworn, each deposes and says that they are the above described officers of the said insurer, and that on the 31st day of December, 2002, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon, except as herein stated, and that this statement is a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the 31st day of December, 2002, and of its income and deductions therefrom for the 12 months ended on that date, and have been completed in accordance with the NAIC annual statement instructions and accounting practices and procedures manuals 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.

Edwin Rector George Marienthal Edwin Rector
President Secretary Treasurer

Subscribed and sworn to before me this
27th day of February, 2003
Patricia A. Uebel
Notary Public
Clerk of Courts
Cuyahoga County, OHIO
Comm. expires 6/22/04

A. Is this an original filing? Yes [x] No []
B. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date				5 December 31, Prior Year Net Admitted Assets
	1 Ledger Assets	2 Non-Ledger Including Excess of Market (or Amortized) Over Book Values	3 Assets Not Admitted Including Excess of Book Over Market (or Amortized) Values	4 Net Admitted Assets (Cols. 1+2-3)	
1. Bonds (less \$.....0..... liability for asset transfers with put options)	0			0	0
2. Stocks:					
2.1 Preferred stocks	0			0	0
2.2 Common stocks	0		0	0	0
3. Mortgage loans on real estate:					
a. First liens	292,000		27,600	264,400	264,400
b. Other than first liens	39,000		39,000	0	0
4. Real estate:					
4.1 Properties occupied by the company (less \$..... encumbrances)	0			0	0
4.2 Other properties (less \$..... encumbrances)	0			0	0
5. Cash (\$584,512 and short-term investments \$100,000)	684,512		16,646	667,866	592,932
6. Other invested assets	0		0	0	0
7. Receivable for securities	\$0		0	0	0
8. Subtotals, cash and invested assets (Lines 1 to 7)	\$1,015,512		83,246	\$932,266	\$857,332
9. Title plant less \$..... charged off	0			0	0
10. Title insurance premiums and fees receivable	0			0	0
11. Funds held by or deposited with reinsured companies	0			0	0
12. Reinsurance recoverables on loss and loss adjustment expense payments	0			0	0
13. Federal income tax recoverable	0			0	0
14. Guaranty Funds Receivable or on deposit	0			0	0
15. Electronic data processing equipment	0			0	0
16. Interest, dividends and real estate income due and accrued	0			0	0
17. Net adjustment in assets and liabilities due to foreign exchange rates	0			0	0
18. Receivable from parent, subsidiaries and affiliates	0	0		0	0
19. Other assets nonadmitted	0		0	0	0
20. Aggregate write-ins for other than invested assets	0			0	0
21. Totals (Lines 8 to 20)	\$1,015,512		\$83,246	\$932,266	\$857,332
DETAILS OF WRITE-INS					
1801	0				
1802	0				
1803	0				
1898. Summary of remaining write-ins for Line 18 from overflow page	0				
1899. Totals (Lines 1801 thru 1803 plus 1898) (Line 18 above)	0	0	0	0	0

A. The above assets include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserve. Bonds \$....., Short-term Investments \$51,446, Mortgages \$..0..., Cash \$.0..., Total \$ 51,446

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 \$ 97,500 not included in the foregoing statement were held pursuant to the governing agreements of custody. These funds consist of \$ 97,500 in cash on deposit and \$0..... in other forms of security.

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Period	2 Prior Year Ended December 31, 2001
1. Known claims reserve	0	0
2. Statutory premium reserve	1,363	1,446
3. Aggregate of other reserves required by law	0	0
4. Supplemental reserves	0	0
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers	0	0
6. Other expenses (excluding taxes, licenses and fees)	0	0
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
8. Federal and foreign income taxes (excluding deferred taxes)	0	0
9. Borrowed money	0	0
10. Interest, including \$ on borrowed money	0	0
11. Dividends declared and unpaid	0	0
12. Premiums and other consideration received in advance	0	0
13. Unearned interest and real estate income received in advance	0	0
14. Funds held by company under reinsurance treaties	0	0
15. Amounts withheld or retained by company for account of others	0	0
16. Provision for unauthorized reinsurance	0	0
17. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Payable for securities	0	0
21. Aggregate write-ins for other liabilities		
22. Total liabilities (Lines 1 through 21)	1,363	1,446
23. Aggregate write-ins for special surplus funds	0	0
24A. Common capital stock	\$226,000	\$226,000
24B. Preferred capital stock	0	0
24C. Aggregate write-ins for other than special surplus funds	0	0
25A. Surplus notes	0	0
25B. Gross paid in and contributed surplus	\$459,232	\$459,232
25C. Unassigned funds (surplus)	\$245,671	\$170,664
25D. Less treasury stock, at cost:		
(1) .....shares common (value included in Line 24A \$.....)	0	0
(2) .....shares preferred (value included in Line 24B \$.....)	0	0
26. Surplus as regards policyholders (Lines 23 to 25C less 25D) (Page 4, Line 31)	\$930,903	\$855,886
27. Totals (Page 2, Line 21)	\$932,266	\$857,332
DETAILS OF WRITE-INS		
0301		
0302		
0303		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Lines 0301 thru 0303 plus 0398) (Line 3 above)		
2101		
2102		
2103		
2198. Summary of remaining write-ins for Line 21 from overflow page		
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)		
2301		
2302		
2303		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)		
24CO1		
24CO2		
24CO3		
24C98. Summary of remaining write-ins for Line 24C from overflow page		
24C99. Totals (Lines 24CO1 thru 24CO3 plus 24C98) (Line 24C above)		

OPERATIONS AND INVESTMENT EXHIBIT Statement of Income	1	2
	Year to Date	Prior Year
OPERATING INCOME		
1. Title insurance and related income		
a. Title insurance premiums earned	0	50
b. Escrow and settlement services	0	0
c. Other title fees and service charges	0	0
2. Aggregate write-ins for other operating income	0	0
3. Total Operating Income (Lines 1 through 2)	0	50
DEDUCT		
4. Losses and loss adjustment expenses incurred	0	0
5. Operating expenses incurred	0	0
6. Aggregate write-ins for other operating deductions	0	5
7. Total Operating Deductions	0	5
8. Net operating gain or (loss) (Lines 3 minus 7)	0	45
INVESTMENT INCOME		
9. Net investment income earned	87,403	95,050
10. Net realized capital gains and (losses)	0	-2,085
11. Net investment gain or (loss) (Lines 9+10)	87,403	92,965
OTHER INCOME		
12. Aggregate write-ins for miscellaneous income or (loss)	0	0
13. Net income, before federal income taxes (Lines 8+11+12)	87,403	93,010
14. Federal income taxes incurred	0	0
15. Net income (Lines 13 minus 14)	87,403	93,010
CAPITAL AND SURPLUS ACCOUNT		
16. Surplus as regards policyholders, December 31 prior year	855,886	833,653
GAINS AND (LOSSES) IN SURPLUS		
17. Net income (from Line 15)	87,403	93,010
18. Net unrealized capital gains or (losses)	0	0
19. Change in non-admitted assets	-12,469	-70,777
20. Change in provision for unauthorized reinsurance	0	0
21. Change in foreign exchange adjustment	0	0
22. Change in supplemental reserves		
a. Change in surplus notes	83	0
23. Capital changes:		
a. Paid in	0	0
b. Transferred from surplus (Stock dividend)	0	0
c. Transferred to surplus	0	0
24. Surplus Adjustments:		
a. Paid in	0	0
b. Transferred to capital (Stock dividend)	0	0
c. Transferred from capital	0	0
25. Dividends to stockholders (cash)	0	0
26. Change in treasury stock	0	0
27. Extraordinary amounts of taxes for prior years	0	0
28. Aggregate write-ins for gains and losses in surplus	0	0
29. Change in surplus as regards policyholders (Lines 17 through 28)	75,017	22,233
30. Surplus as regards policyholders, as of December 31, 2002 (Lines 16 plus 29)	930,903	855,886
DETAILS OF WRITE-INS		
0201		
0202		
0203		
0298. Summary of remaining write-ins from overflow page		
0299. Totals (Lines 0201 thru 0203 plus 0298) (Line 2 above)		
0601		
0606		
0603		
0698. Summary of remaining write-ins from overflow page		
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)		
1201		
1202		
1203		
1298. Summary of remaining write-ins from overflow page		
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above)		
2801		
2802		
2803		
2898. Summary of remaining write-ins from overflow page		
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)		

CASH FLOW	1 Year to Date	2 Prior Year Ended December 31, 2001
1. Premiums and other charges collected	0	50
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	0	0
3. Total operating expenses paid	0	0
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	0	50
5. Investment income (net of investment expense)	\$87,403	\$92,183
6. Other income received (expenses paid)	0	0
7. Federal income taxes (paid) recovered	0	0
8. Net cash from operations (Lines 4 thru 7)	\$87,403	\$92,233
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds	0	0
9.2 Stocks	0	279,665
9.3 Mortgage loans	0	0
9.4 Real estate	0	0
9.5 Collateral loans	0	0
9.6 Other invested assets	0	0
9.7 Net gains or (losses) on cash and short-term investments	0	0
9.8 Miscellaneous proceed	0	0
9.9 Total investment proceeds (Lines 9.1 thru 9.8)	0	279,665
10. Other cash provided:		
10.1 Net transfers from affiliates	0	0
10.2 Borrowed funds received	0	0
10.3 Capital paid in	0	0
10.4 Surplus paid in	0	0
10.5 Other sources	0	0
10.6 Total other cash provided (Lines 10.1 thru 10.5)	0	0
11. Total (Line 8 plus Line 9.9 plus Line 10.6)	\$87,403	\$371,898
12. Cost of investments acquired (long-term only):		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	39,000
12.4 Real estate	0	0
12.5 Collateral loans	0	0
12.6 Other invested assets	0	0
12.7 Miscellaneous applications	0	0
12.8 Total investments acquired (Lines 12.1 thru 12.7)	0	39,000
13. Other cash applied:		
13.1 Dividends to stockholders paid	0	0
13.2 Net transfers to affiliates	0	0
13.3 Borrowed funds repaid	0	0
13.4 Other applications	0	0
13.5 Total other cash applied (Lines 13.1 thru 13.4)	0	0
14. Total (Line 12.7 plus Line 13.5)	0	0
15. Net change in cash and short-term investments (Line 11 minus Line 14)	\$87,403	\$332,898
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	\$597,109	\$264,211
16.2 End of period (Line 15 plus Line 16.1)	\$684,512	\$597,109

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY
OPERATIONS AND INVESTMENT EXHIBIT
PART 1 - INTEREST, DIVIDENDS AND REAL ESTATE INCOME

1	2 Schedule	3 Collected During Year Less Paid for Accrued on Purchases	Paid in Advance		Due and Accrued (h)		8 Earned During Year Cols. 3+5+6-4-7
			4 Current Year	5 Prior Year	6 Current Year	7 Prior Year	
1. U.S. government bonds	D(a)						
1.1 Bonds exempt from U.S. tax	D(a)						
1.2 Other bonds (unaffiliated)	D(a)						
1.3 Bonds of affiliates	D(a)						
2.1 Preferred stocks (unaffiliated)	D(b)						
2.11 Preferred stocks of affiliates	D(b)						
2.2 Common stock (unaffiliated)	D						
2.21 Common stock of affiliates	D						
3. Mortgage loans	B(c)	43,185	0	0	0	0	43,185
4. Real estate	A(d)						
5. Collateral loans	C						
6.1 Cash on hand and on deposit	E	37,718	0	0	0	0	37,718
6.2 Short-term investments	DA(e)	6,500	0	0	0	0	6,500
7. Other invested assets	BA						
8. Derivative instruments	DB/DC(f)						
9. Aggregate write-ins for investment income							
10. TOTALS		(g) 87,403	0	0	0	0	(g) 87,403
DEDUCTIONS							
11. Total investment expenses incurred (Part 4, Line 22, Col.7)						0	
11A Interest expense						(1) 0	
12. Depreciation on real estate (for companies which depreciate annually on a formula basis)						0	
13. Aggregate write-ins for deductions from investment income							
14. Total deductions (Lines 11 to 13)						0	
15. Net investment income earned (Line 10 minus Line 14 to Page 4, Line 9)							\$87,403

DETAILS OF WRITE-INS							
0901.							
0902.							
0903.							
0998. Summary of remaining write-ins for							
0999. Totals (Lines 0901 thru 0903 plus							

DEDUCTIONS							
1301.							
1302.							
1303.							
1398. Summary of remaining write-ins for Line 13 from overflow page							
1399. Totals (Lines 1301 thru 1202 plus 1398) (Part 1, Line 13)							

- | | |
|--|---|
| (a) Includes \$ _____ accrual of discount less \$ _____ amortization of premium. | (f) Includes \$ _____ accrual of discount less \$ _____ amortization of premium |
| (b) Includes \$ _____ accrual of discount less \$ _____ amortization of premium. | (g) Includes asset transfers with put options accounted for as financing arrangements: \$ _____ Column 3, \$ _____ Column 8 |
| (c) Includes \$ _____ accrual of discount less \$ _____ amortization of premium. | (h) Admitted items only. State basis of exclusions _____ |
| (d) Includes \$ _____ for company's occupancy of its own buildings. | (i) Includes \$ _____ interest on surplus notes and \$ _____ interest on capital notes |
| (e) Includes \$ _____ accrual of discount less \$ _____ amortization of premium. | |

PART 1A - CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

1	2 Profit on Sales or Maturity	3 Loss on Sales or Maturity	4 Increases by Adjustment in Book Value	5 Decreases by Adjustment in Book Value	6 Net Gain or (loss) from Change in Difference Between Book and Admitted Values	7 Total (Net of Cols. 2 to 6 incl.) (Cols. 2-3+4-5+6)
1. U.S. government bonds						
1.1 Bonds exempt from U.S. tax						
1.2 Other bonds (unaffiliated)						
1.3 Bonds of affiliates						
2.1 Preferred stocks (unaffiliated)						
2.11 Preferred stocks of affiliates						
2.2 Common stock (unaffiliated)						
2.21 Common stock of affiliates						
3. Mortgage loans						
4. Real estate						
5. Collateral loans						
6.1 Cash on hand and on deposit						
6.2 Short-term investments						
7. Other invested assets						
8. Derivative instruments						
9. Aggregate write-ins for capital gains & (losses)						
10. TOTALS	0	0	0	0	0	0

- (Distribution of Line 10, Col. 7)
- | | |
|--|---|
| 11. Net realized capital gains or (losses) (Page 4, Line 10) (Col. 2-3, Line 10) | 0 |
| 12. Net unrealized capital gains or (losses) (Page 4, Line 18) (Col. 4-5+6, Line 10) | 0 |

DETAILS OF WRITE-INS						
0901	.....	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....	.....
0998	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999	Totals (Lines 0901 thru 0903 plus 0998) (Part 1A, Line 9)	.....	.....	.....	.....	.....

(a) Excluding \$ _____ depreciation on real estate included in Part 1, Line 12

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY

**OPERATIONS AND INVESTMENT EXHIBIT
PART 2A - SUMMARY OF TITLE INSURANCE PREMIUMS WRITTEN AND RELATED REVENUES**

	1 Direct Operations	Agency Operations		4 Current Year Total (Col. 1+2+3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written	0	0	0	0	50
2. Escrow and settlement service charges	0	xxx	xxx	0	0
3. Other title fees and service charges (Part 2C, Line 6)	0	xxx	xxx	0	0
4. Totals (Lines 1+2+3)	0	0	0	0	50

PART 2A - PREMIUMS EARNED EXHIBIT

	1 CURRENT YEAR	2 PRIOR YEAR
1. Title premiums written		
a. Direct (Part 2A, Line 1)	0	50
b. Assumed	0	0
c. Ceded	0	0
d. Net title premiums written (Lines 1a+1b+1c)	0	50
2. Statutory premium reserve:		
a. Balance at December 31 prior year	1,446	1,441
b. Additions during the current year	0	5
c. Withdrawals during the current year	83	0
d. Other adjustments to statutory premium reserves	0	0
e. Balance at December 31 current year	1,363	1,446
3. Net title premiums earned during year (Lines 1d-2b+2c)	-83	45

PART 2A - OTHER TITLE FEES AND SERVICE CHARGES

	1 CURRENT YEAR	2 PRIOR YEAR
1. Title examinations	0	0
2. Searches and abstracts	0	0
3. Surveys	0	0
4. Aggregate write-ins for service charges	0	0
5. Totals	0	0

DETAILS OF WRITE-INS			
0401.			
0402.			
0403.			
0496. Summary of remaining write-ins from overflow page			
0499. Total (Lines 0401 through 0403 plus 0498) (Line 4 above)	0	0	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY

OPERATIONS AND INVESTMENT EXHIBIT
PART 3A - SUMMARY OF TITLE INSURANCE PREMIUMS WRITTEN AND RELATED REVENUES

	1 Direct Operations	Agency Operations		4 Current Year Total (Col. 1+2+3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage	0	0	0	0	0
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage	0	0	0	0	0
3. Total (Line 1 + Line 2)	0	0	0	0	0
4. Deduct: Recovered during year from reinsurance	0	0	0	0	0
5. Net payments (Line 3 minus Line 4)	0	0	0	0	0
6. Known claims reserve - current year (Page 3, Line 1, Col. 1)	0	0	0	0	0
7. Known claims reserve - prior year (Page 3, Line 1, Col. 2)	0	0	0	0	0
8. Losses and allocated LAE incurred (Lines 5+6-7)	0	0	0	0	0
9. Unallocated loss adjustment expenses incurred (Part 4, Line 22, Col. 5)	0	0	0	0	0
10. Losses and loss adjustment expenses incurred (Lines 8+9)	0	0	0	0	0

NO LOSSES HAVE BEEN PAID AND/OR INCURRED

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY

OPERATIONS AND INVESTMENT EXHIBIT
PART 3B UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	1 Direct Operations	Agency Operations		4 Total Current Year (Col. 1+2+3)	5 Prior Year Total
		2 Non- Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received					
a. Direct (Schedule P, Part 1, Line 12, Col.18)	0	0	0	0	0
b. Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 19)	0	0	0	0	0
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Col. 20)	0	0	0	0	0
3. Known claims reserves (Lines 1a+1b-2)	0	0	0	0	0
4. Incurred But Not Reported:					
a. Direct (Schedule P, Part 1, Line 12, Col. 12)	0	0	0	0	0
b. Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 23)	0	0	0	0	0
c. Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 23)	0	0	0	0	0
d. Net incurred but not reported	0	0	0	0	0
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 24)	xxx	xxx	xxx		xxx
6. Less discount for time value of money, if allowed (Schedule P, Part 1, Line 12, Col. 34)	xxx	xxx	xxx		xxx
7. Total Schedule P reserved (Lines 3+4d+5+6) (Schedule P, Part 1, Line 12, Col. 36)	xxx	xxx	xxx		xxx
8A. Statutory premium reserve at year end	xxx	xxx	xxx		xxx
8B. Aggregate of other reserves required by law	xxx	xxx	xxx		xxx
9. Gross supplemental reserve (a) Lines 7-(3+8a+8B)	xxx	xxx	xxx		xxx
10. Unrecognized Schedule P transition obligation	xxx	xxx	xxx		xxx
11. Net recognized supplemental reserve (Lines 9-10)	xxx	xxx	xxx		xxx

(a) If the sum of Lines (3+8A+8B) is greater than Line 7, place a "0" in this line.

THERE ARE NO UNPAID LOSSES AND/OR LOSS ADJUSTMENT EXPENSES

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY
OPERATIONS AND INVESTMENT EXHIBIT
PART 4 - EXPENSES

	Agency Operations			4 Total (Col. 1+2+3)	5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	Totals	
	1 Direct Operations	2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations					8 Current Year (Cols. 4+5+6+7)	9 Prior Year
1. Personnel costs:									
a. Salaries									
b. Employee relations and welfare									
c. Payroll taxes									
d. Other personnel costs									
e. Total personnel costs									
2. Amounts paid to or retained by title agents									
3. Production services (purchases outside):									
a. Searches, examinations and abstracts									
b. Surveys									
c. Other									
4. Advertising									
5. Boards, bureaus and associations									
6. Title plant rent and maintenance									
7. Claim adjustment services									
8. Amounts charged off, net of recoveries									
9. Marketing and promotional expenses									
10. Insurance									
11. Directors' fees									
12. Travel and travel items									
13. Rent and rent items									
14. Equipment									
15. Printing, stationery, books and periodicals									
16. Postage, telephone, messenger and express									
17. Legal and auditing									
17A. Totals (lines 1e to 17)									
18. Taxes, licenses and fees:									
a. State and local insurance taxes									
b. Insurance department licenses and fees									
c. Gross guaranty association assessments									
d. All other (excluding federal income and real estate)									
e. Total taxes, licenses and fees (Lines a+b+c+d)									
19. Real estate expenses									
20. Real estate taxes									
21. Aggregate write-ins for miscellaneous expenses									
22. Total expenses incurred (Lines 17A+18e+19+20+21)									
23. Less unpaid expenses - current year									
24. Add unpaid expenses - prior year									
25. TOTAL EXPENSES PAID (Lines 22-23+24)	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS																				
2101.																				
2102.																				
2103.																				
2198. Summary of remaining write-ins for Line 21 from overflow page																				
2199. Totals (Lines 2101 through 2103 plus 2198) Part 4, Line 21 above)																				

**OPERATION AND INVESTMENT EXHIBIT
PART 5 - NET OPERATING GAIN/LOSS EXHIBIT**

	1 Direct Operations	Agency Operations		4 Total (Cols. 1+2+3)	5 Other Operations	Totals	
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations			6 Current Year (Cols. 4+5)	7 Prior Year
1. Title insurance and related income (Part 2):							
a. Title insurance premiums earned (Part 2B, Line 3, Col. 1)	0			0		0	50
b. Escrow and settlement services (Part 2A, Line 2, Col. 1)	0			0		0	0
c. Other title fees and service charges (Part 2A, Line 3, Col. 4)	0			0		0	0
2. Aggregate write-ins for other operating income	0			0		0	0
3. Total Operating Income (Lines 1a through 1c+2)	0			0		0	50
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 3A, Line 10, Col. 4)	0			0		0	
5. Operating expenses incurred (Part 4, Line 22, Cols. 1 to 3, 6)	0			0		0	
6. Aggregate write-ins for other operating deductions	0			0		0	
7. Total Operating Deductions (Lines 4+5+6)	0			0		0	
8. Net operating gain or (loss) (Line 3-7)	0	0	0	0	0	0	50
DETAILS OF WRITE-INS							
0201.							
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 thru 0203 plus 0298) (Line 2 above)							
0601.							
0602.							
0603.							
0698. Summary of remaining write-ins for Line 6 from overflow page							
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)							

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for year (Increase) or Decrease
1. Summary of Items Page 2, Lines 9 to 14 and 16, Column 3	0	0	0
2. Other Assets			
2.1 Deposits in suspended depositories, less estimated amount recoverable	0	0	0
2.2 Furniture, equipment and supplies	0	0	0
2.3 Bills receivable	0	0	0
2.4 Loans on personal security, endorsed or not	0	0	0
2.5 Agents balances (net)	0	0	0
2.6 Cash advanced to or in the hands of officers or agents	0	0	0
3. Total (Lines 2.1 to 2.6) (Page 2, Line 17, Column 3)	0	0	0
4. Aggregate write-ins for other than invested assets (Page 2, Line 18, Column 3)	0	0	0
5. Aggregate write-ins for related items	0	0	0
6. Total (Line 1 plus Lines 3 to 5)	0	0	0

DETAILS OF WRITE-INS			
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)			
0501. Loans on company's stock			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)			

GENERAL INTERROGATORIES

1. CAPITAL STOCK OF THIS COMPANY

1 Class	2 Number Shares Authorized	3 Number Shares outstanding	4 Par Value Per Share	5 Redemption Price If Callable	6 Is Dividend Rate Limited?	7 Are Dividends Cumulative?
Preferred	n/a				Yes [] No []	Yes [] No []
Common	521	226	\$1000	xxx	xxx xxx	xxx xxx

2. (a) Does the company own an securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [x]
- (b) If yes. (i) Explain
- (ii) Name of real estate holding company
- (iii) Number of parcels involved? _____
- (iv) Total book value _____
3. (a) Is the company a member of an insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [x]
- (b) If yes, did the company register and file with its domiciliary State Insurance Commissioner, Director, or Superintendent, or with such regulatory official of the State of domicile of the principal Insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by ten National Association of Insurance Commissioners in its Model Holding Company System Regulatory Act and model regulations pertaining thereto, or is the company subject to standards and disclosure requirements substantially similar to those required by such act and regulations? Yes [] N/A []
- (c) Give the State Regulating _____
4. (a) Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the company? Yes [] No [x]
- (b) If yes. (i) State the percentage of foreign control _____%
- (ii) State the nationality(s) of the foreign person(s) or entity(s); or if the company is a mutual or reciprocal, the nationality of its manager or attorney in fact; and _____
- (iii) Identify the type of entity(s) (e.g.: individual, corporation or government, manager or attorney in fact) _____
5. (a) Total amount loaned during the year:
- (i) to directors or other officers \$ NONE
- (ii) to stockholders not officers \$ NONE
- (b) Total amount of loans outstanding at end of year:
- (i) to directors or other officers \$ NONE
- (ii) to stockholders not officers \$ NONE
6. (a) Did any person while an officer, director or trustee of the company receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the company? Yes [] No [x]
- (b) Did any person while an officer, director, trustee or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the company? Yes [] No [x]
- (c) Has the company an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [] No [x]
- (d) Except for retirement plans generally applicable to its staff employees and agents and contracts with its agents for the payment of commissions, has the company any agreement with a person whereby it agrees that for any service rendered or to be rendered, he/she shall receive directly or indirectly any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes [] No [x]
7. Largest net aggregate amount insured in any one risk. \$ 25,000
8. (a) Has this company reinsured any risk with any other company and agreed to release such company from liability, in whole or in part, from any loss that may occur on the risk or portion thereof, reinsured? Yes [] No [x]
- (b) If so, give full information
9. If the company has assumed risk from another company, there should be charged on account of such reinsurances a reserve equal to that which the original company would have been required to charge had it retained the risks. Has this been done? Yes [] No []
N/A

GENERAL INTERROGATORIES (Continued)

10. (a) Has this company guaranteed policies issued by any other company and now in force? Yes [] No [x]
 (b) If yes, give full information
11. (a) Were all the stocks, bonds and other securities owned December 31 of current, over which the company has exclusive control in the actual possession of the company on said date, except as shown by the Schedule E - Part 2 - Special Deposits? Yes [x] No []
 (b) If no, give full and complete information relating thereto:
12. (a) Where any of the stocks, bonds or other assets of the company owned December 31 of the current year not exclusively under the control of the company, except as shown on the Schedule E - Part 2 -Special Deposits, or has the company sold or transferred any assets subject to a put options contract that is currently in force? (Exclude securities subject to Interrogatory 13.) Yes [] No [x]
 (b) If yes, state the amount thereof at December 31 of the current year:
 (i) loaned to others \$ _____
 (ii) subject to repurchase agreements \$ _____
 (iii) subject to reverse repurchase agreements \$ _____
 (iv) subject to dollar repurchase agreements \$ _____
 (v) subject to reverse dollar repurchase agreements \$ _____
 (vi) pledged as collateral \$ _____
 (vii) placed under options agreements \$ _____
 (viii) letter stock or other securities restricted as to sale \$ _____
 (ix) other \$ _____
 (c) For each category above, if any of these assets are held by others, identify by whom held:
 (i) (v) (ix)
 (ii) (vi)
 (iii) (vii)
 (iv) (viii)
 (d) For categories (b) (i) and (ii) above, and for any other securities that were made available for use by another person during the year covered by this statement, attach a schedule as shown in the instructions in the annual statement.
 (e) For category (b) (vi) above, do any of the option agreements involve asset transfers with put options? N/A
 If yes, disclose in the Notes to Financial Statements the information specified in the instructions to the annual statement.
13. (a) Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [x]
 (b) If yes, state the amount thereof at December 31 of current year: (i) Rented from others \$ _____
 (ii) Borrowed from others \$ _____
 (iii) Leased from others \$ _____
 (iv) Other \$ _____
14. Uncompleted building construction loans: (a) Amount already loaned \$ _____
 (b) Balance to be advanced \$ _____
 (c) Total amount to be loaned \$ _____
15. (a) Does the company issue bonds secured by certificates of participation in building construction loans prior to the completion of buildings? Yes [] No [x]
 (b) If yes, give the total amount of such bonds or certificates or participation issued and outstanding. \$ _____
16. What is the aggregate amount of mortgage loans owned by company which consist of co-ordinate interest in first liens? \$ _____ NONE _____
17. (a) State as of what date the latest financial examination of the company was made or is being made: June 30, 2001
 (b) State the as of date of the latest financial examination report that is available from either the state of domicile or the company. This date should be the date of the examined balance sheet and not the date the report was completed or released. June 30, 2001
 (c) State as of what date the latest financial examination report became available to other states or the public either form the state of domicile or the company. This the release date or completion date of the examination report and not the date of the examination (balance sheet date). June 30, 2001
 (d) By what department or departments? Ohio Department of Insurance
18. (a) 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 company? Yes [] No [x]
 (b) If yes, date of change: _____
 If not previously filed, furnish herewith a certified copy of the instrument as amended.

GENERAL INTERROGATORIES (Continued)

19. (a) Has any direct new business been solicited or written in any state where the company was not licensed? Yes [] No [x]
 (b) If yes, explain
20. Is the purchase or sale of all investments of the company passed upon either by the board of directors or a subordinate committee thereof? Yes [x] No []
21. Does the company keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [x] No []
22. Have the instructions for completing the blank required by this department been followed in every detail? Yes [x] No []
23. (a) During the period covered by this statement, did any agent, general agent, broker, sales representative, non-affiliated sales/service organization, or any combination thereof under common control (other than salaried employees of the company) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 (i) sales of new business?
 (ii) renewals?

24. What interest, direct or indirect, has this company in the capital stock of any other insurance company? NONE

25. (a) Was the company's prior year's annual statement amended? Yes [] No [x]
 (b) If yes, furnish the following information regarding the last amendment of the prior year's annual statement filed with the company's state of domicile:
 (i) Amendment number: _____
 (ii) Date of amendment: _____

26. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 David Mosberg; 10715 Charter Drive, #970, Columbia, MD 21044

27. (a) Has the Company been a party to a merger or consolidation during the period covered by this statement? Yes [] No [x]
 (b) If yes, provide name of company, NAIC Company Code, and the state of domicile (use two letter state abbreviation) for any company that has ceased to exist as a result of the merger or consolidation.

Name of Company	NAIC Company Code	State of Domicile

28. (a) Has this company had an Certificates of Authority, licenses of 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]
 (b) If yes, give full information

NOTES TO FINANCIAL STATEMENTS

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6

	1 2002	2 2001	3 2000	4 1999	5 1998
Source of Direct Title Premiums Written (Part 2A)					
1. Direct Operations (Part 2A, Line 1, Col. 1)	0	50	1,579	522	14,618
2. Non-affiliated Agency Operations (Part 2A, Line 1, Col. 2)	0	0	0	0	0
3. Affiliated Agency Operations (Part 2A, Line 1, Col. 3)	0	0	0	0	0
4. Total	0	50	1,579	522	14,618
Operating Income Summary (Page 4 & Part 2)					
5. Premiums Earned (Part 2B, Line 3)	0	50	1,579	522	14,618
6. Escrow and Settlement Service Charges (Part 2A, Line 2)	0				
7. Title Examinations (Part 2C, Line 1)	0	0	156	466	8,823
8. Searches and Abstracts (Part 2C, Line 2)	0				
9. Surveys (Part 2C, Line 3)	0				
10. Aggregate Write-ins for Service Charges (Part 2C, Line 4)	0				
11. Aggregate Write-ins for Other Income (Page 4, Line 2)	0				
12. Total Operating Income (Page 4, Line 3)	0	0	1,735	968	23,341
Statement of Income (Page 4)					
13. Net Operating Gain or (Loss) (Line 8)	0	45	1,735	988	23,341
14. Net Investment Gain or (Loss) (Line 11)	87,403	93,010	65,176	35,219	29,869
15. Total Other Income (Line 12)	0				
16. Federal and Foreign Income Taxes Incurred (Line 14)					
17. Net Income (Line 15)	87,403	93,010	66,911	36,207	53,210
Balance Sheet Items (Pages 2 and 3)					
18. Title Insurance Premiums and Fees Receivable (Page 2, Line 10, Col. 4 [Line 9, Col. 1, 1995 & prior])					
19. Total Admitted Assets (Page 2, Line 19, Col. 4 [Line 18, Col. 1, 1995 & prior])	932,266	857,332	835,094	391,109	370,990
20. Loss Reserve (Page 3, Line 1 [Lines 1A&1B, 1995 & prior])					
21. Statutory Premium Reserve (Page 3, Line 2 [Line 3, 1995 & prior])					
22. Total Liabilities (Page 3, Line 22 [Line 23, 1995 & prior])	1,363	1,446	1,441	1,587	0
23. Capital Paid Up (Page 3, Lines 24A+24B [Lines 25A+25B, 1995 & prior])			0		0
24. Surplus as Regards Policyholders (Page 3, Line 26 [Line 27, 1995 & prior])	930,903	855,886	833,653	389,542	370,990
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 4 [Col. 1, 1995 & prior]) (Item divided by Page 2, Line 8, Col. 4 [Line 7a, Col. 1, 1995 & prior]) x 100.0					
25. Bonds (Line 1)	0	0	0	0	0
26. Stocks (Lines 2.1 & 2.2)	0	0	33.4	68.7	76.7
27. Mortgage Loans on Real Estate (Line 3)	0	30.7	34.9	0	0
28. Real Estate (Lines 4.1 & 4.2)	32.6	0	0	0	0
29. Collateral Loans (Line 5)	0	0	0	0	0
30. Cash and Short-Term Investments (Lines 6.1 & 6.2, Col. 4 [Col. 1, 1995 & prior])	0	69.3	31.6	31.3	23.3
31. Other Invested Assets (Line 7)	67.4	0	0	0	0
32. Cash and Invested Assets (Line 7a)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
33. Affiliated Bonds (Sch. D, Summary, Line 25)	0	0	0	0	0
34. Affiliated Preferred Stocks (Sch. D, Summary, Line 39)	0	0	0	0	0
35. Affiliated Common Stocks (Sch. D, Summary, Line 53)	0	0	0	0	0
36. Affiliated Short-term Investments (subtotals included in Schedule DA, Part 1, Col. 10)	0	0	0	0	0
37. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
38. All Other Affiliated	0	0	0	0	0
39. Total of above Lines 33, 34, 35, 36, 37 & 38	0	0	0	0	0
40. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 39 above divided by Page 3, Line 26 [Line 27, 1995 & prior], Col. 1 x 100.0)	0	0	0	0	0

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
41. Net Unrealized Capital Gains or (Losses) (Line 18)	0	0	10,495	-16,193	-3,261
42. Change in Nonadmitted Assets (Line 19)	12,469	70,777	75,653	0	-90,869
43. Dividends to Stockholders (Cash) (Line 25)	0	0	0	0	0
44. Change in Surplus as Regards Policyholders for the Year (Line 29)	75,017	22,233	444,111	20,014	-42,382
Losses Paid and Incurred (Part 3A)					
45. Net Payments (Line 5, Col. 4)	0	0	0	0	0
46. Losses and allocated LAE incurred (line 8, Col. 4)	0	0	0	0	0
47. Unallocated LAE incurred (Line 9, Col. 4)	0	0	0	0	0
48. Losses and Loss Adjustment Expenses Incurred (Line 10, Col. 4)	0	0	0	0	0
Operating Expenses to Total Operating Income (Part 4) (%) (Line item divided by Page 4, Line 3 x 100.0)					
49. Personnel Costs (Part 4, Line 1e, Col. 4 [Co. 12, 1995 & prior])	0	0	0	0	0
50. Amount Paid to or Retained by Title Agents (Part 4, Line 2, Col. 4 [Col. 1, 1995 & prior])	0	0	0	0	0
51. All Other Operating Expenses (Part 4, Lines 22-1e-2, Col. 4 [Col. 1, 1995 & prior])	0	0	0	0	0
52. Total (Lines 49 thru 51)	0	0	0	0	0
Operating Percentages (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
53. Losses and Loss Adjustment Expenses Incurred (Line 4)	0	0	0	0	0
54. Operating Expenses Incurred (Line 5)	0	0	0	0	0
55. Aggregate Write-ins for Other Operating Deductions (Line 6)	0	0	0	0	0
56. Total Operating Deductions (Line 7)	0	0	0	0	0
57. Net Operating Gain or (Loss) (Line 8)	0	0	0	0	0
Other Percentages (Line item divided by Part 2B, Line 1d)					
58. Losses and Loss Expenses Incurred to Net Premiums Written (Page 4, Line 4)	0	0	0	0	0
59. Operating Expenses Incurred to Net Premiums Written (Page 4, Line 5)	0	0	0	0	0

SCHEDULE A - PART 3
Showing all Real Estate SOLD during the Year, Including Payments during the Final Year on "Sales Under Contract"

1 Description of Property	2		3 Disposal Date	4 Name of Purchaser	5 Actual Cost	6 Increase by Adjustment in Book Value	7 Decrease by Adjustment in Book Value	8 Expended for Additions, Permanent Improvements and Changes in Encumbrances	9 Book Value Less Encumbrances	10 Amounts Received	11 Profit on Sale	12 Loss on Sale	13 Gross Income Earned Less Interest Incurred on Encumbrances	14 Taxes, Repairs, and Expenses Incurred
	a City	b State												
NONE														
999999 Totals														

SCHEDULE A - Verification Between Years

1. Book value, December 31, prior year (Page 2, Lines 4.1, 4.2, and 4.3, Col. 1, prior year statement)	_____
2. Increase by adjustment:	
a. Totals, Part 1, Col. 9	_____
b. Totals, Part 3, Col. 6	_____
3. Cost of acquired (Totals, Part 2, Col. 5, net of encumbrances (Col. 6))	_____
4. Cost of additions and permanent improvements:	
a. Totals, Part 1, Col. 12	_____
b. Totals, Part 3, Col. 8	_____
5. Profit on sales, Part 3, Col. 11	_____
6. Total	_____
7. Decrease by adjustment:	
a. Totals, Part 1, Col. 10	_____
b. Totals, Part 3, Col. 7	_____
8. Received on sales:	
a. Totals, Part 1, Col. 11	_____
b. Totals, Part 3, Col. 10	_____
9. Loss on sales, Part 3, Col. 12	_____
10. Book value, December 31, current year (Page 2, Lines, 4.1, 4.2, and 4.3, Col. 1)	_____

SCHEDULE B

Showing all Long-Term Mortgages Owned December 31 of Current Year, and all Mortgage Loans Made, Increased, Discharged, Reduced or Disposed of During the Year

1 Number	Date		Record of Mortgage			Principal							Interest				17 Value of Lands Mortgaged	18 Value of Buildings	19 Amount of Fire Insurance Held by Company on the Buildings	20 Location and Description
	2 Year Given	3 Year Due	4 State	5 County	6 Book Value Dec. 31 of Prior Year	7 Amount Loaned	8 Amount Paid on Account or in Full During Year	9 Increase or (Decrease) in Book Value	10 Book Value Dec. 31 of Current Year (Cols. 6+7- 8+9)	11 Date Due	12 Rate of	13 Amount Past Due Dec. 31 of Current Year	14 Amount Accrued Dec. 31 of Current Year	15 Gross Amount Received During Year	16 Paid for Accrued Interest on Mortgages Acquired During Year					
001	2000	2020	VA	Alexandria	\$250,000	250,000	0	n/a	\$250,000	mo	12%	0	0	\$30,000	0	\$240,000	\$240,000	\$240,000	SFD	
002	2000	2015	FL	Collier	\$42,000	42,000	0	n/a	\$42,000	mo	15%	0	0	\$6,300	0	\$44,000	\$45,000	\$45,000	SFD	
003	2001	2021	VA	Alexandria	n/a	39,000	0	n/a	\$39,000	mo	19%	0	0	\$6,384	0	\$240,000	\$240,000	\$240,000	SFD	
999999 Totals																				
(a) Includes \$ book value of loans restructured during the current year.																				

CLASSIFICATION

Showing the Total Amount of Long-Term Mortgage Loans on Real Estate in Each State and Foreign Country

1 State	2 Amount		1 State		2 Amount		1 State		2 Amount		1 State		2 Amount		3 Foreign Country		4 Amount	
	1 State	2 Amount	1 State	2 Amount	1 State	2 Amount	1 State	2 Amount	1 State	2 Amount	1 State	2 Amount	1 State	2 Amount	3 Foreign Country	4 Amount		
999999	TOTALS															xxx		

SCHEDULE C - PART 3
Showing all Long-Term Collateral Loans DISCHARGED in Whole or in Part During the Year

1 Number	2 Description of Collateral Released When Loan Was Discharged	3 Par Value	4 Rate Used to Obtain Market Value	5 Market Value at Date of Discharge	6 Amount of Loan Repaid	7 Date of Loan	8 Date of Repayment	Interest		11 Name of Actual Borrower
								9 Rate on Loan	10 Amount Received During Year	
	NONE									
9999999	Totals					XXX	XXX	XXX	XXX	XXX

SCHEDULE C - PART 4
Showing a Substitutions of Collateral During the Year

1 Number	2 Amount of Loan Col. 6 of Parts 1, 2 or 3	Collateral Substituted				Collateral Released			
		3 Description	4 Date	5 Par Value	6 Market Value	7 Description	8 Date	9 Par Value	10 Market Value
		NONE							
9999999	TOTALS	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

1 Description	2 Book Value	3 Market Value (a)	4 Actual Cost	5 Par Value of Books	6 Statement Value
BONDS Governments (Including all obligations guaranteed by governments)	1. United States				
	2. Canada				
	3. Other Countries				
	4. Totals				
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds				
Preferred Stocks Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0	
	50. Canada				
	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries, and Affiliates	53. Totals				
	54. Total Common	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	0	0	0	

(a) The aggregate value of bonds which are valued at other than actual market is \$ _____

SCHEDULE D - SUMMARY BY COUNTRY

<p>1. Book value of bonds and stocks, per Lines 1 and 2, Col. 1, Page 2, prior year</p> <p>2. Cost of bonds and stocks acquired, Col. 5, Part 3</p> <p>3. Increase by adjustment in book value:</p> <p style="margin-left: 20px;">a. Col. 10, Part 1</p> <p style="margin-left: 20px;">b. Col. 9, Part 2, Sec. 1</p> <p style="margin-left: 20px;">c. Col. 8, Part 2, Sec. 2</p> <p style="margin-left: 20px;">d. Col. 9, Part 4</p> <p>4. Profit on disposal of bonds and stocks, Col. 11, Part 4</p> <p>5. Total</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>6. Deduct consideration for bonds and stocks disposed of Col. 5, Part 4</p> <p>7. Decrease by adjustment in book value:</p> <p style="margin-left: 20px;">a. Col. 11, Part 1</p> <p style="margin-left: 20px;">b. Col. 10, Part 2, Sec. 1</p> <p style="margin-left: 20px;">c. Col. 9, Part 2, Sec. 2</p> <p style="margin-left: 20px;">d. Col. 10, Part 4</p> <p>8. Loss on disposal of bonds and stocks, Col. 12, Part 4</p> <p>9. Book value of bonds and stocks, per Page 2, Lines 1 and 2, Col. 1</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME SECURITY TITLE INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations NONE

1 Quality Rating per the NAIC Designation	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded (a)	12 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1											
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals											
2. All Other Governments, Schedules D & DA (Group)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)
Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations NONE

1 Quality Rating per the NAIC Designation	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded (a)	12 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliated, Schedules D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Types of Issues and NAIC Designations NONE

1 Quality Rating per the NAIC Designation	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded (a)	12 Total Privately Placed
10. Total Bonds Current Years											
10.1 Class 1								xxx	xxx		
10.2 Class 2								xxx	xxx		
10.3 Class 3								xxx	xxx		
10.4 Class 4								xxx	xxx		
10.5 Class 5								xxx	xxx		
10.6 Class 6								xxx	xxx		
10.7 Totals						(b)	xxx	xxx	xxx		
10.8 Line 10.7 as a % of Col. 7							xxx	xxx	xxx		
11. Total Bonds Prior Year											
11.1 Class 1						xxx	xxx				
11.2 Class 2						xxx	xxx				
11.3 Class 3						xxx	xxx				
11.4 Class 4						xxx	xxx				
11.5 Class 5						xxx	xxx				
11.6 Class 6						xxx	xxx				
11.7 Totals						xxx	xxx	(b)	xxx		
11.8 Line 11.7 as a % of Col. 9							xxx		xxx		
12. Total Publicly Traded Bonds											
12.1 Class 1											
12.2 Class 2											
12.3 Class 3											
12.4 Class 4											
12.5 Class 5											
12.6 Class 6											
12.7 Totals											
12.8 Line 12.7 as a % of Col. 7											xxx
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10											xxx
13. Total Privately Placed Bonds											
13.1 Class 1										xxx	
13.2 Class 2										xxx	
13.3 Class 3										xxx	
13.4 Class 4										xxx	
13.5 Class 5										xxx	
13.6 Class 6										xxx	
13.7 Totals										xxx	
13.8 Line 13.7 as a % of Col. 7										xxx	
13.9 Line 13.7 as a % of Line 10.7, Col. 7 Section 10										xxx	

(a) Includes \$ _____ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ _____ current year, \$ _____ prior year of bonds with Z designations. The letter "Z" indicates an obligation whose NAIC designation was not approved by the Securities Valuation Office at the date of the statement.

SCHEDULE D - PART 1A - SECTION 2
Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Type and Subtype of Issues **NONE**

1 Distribution by Type	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.5	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Bonds not Backed by Other Loans											
1.2 Loan-Backed Bonds											
STRUCTURED SECURITIES:											
1.3 Collateralized Mortgage Obligations	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1.4 Other Structured Securities	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1.5 Totals											
2. All Other Governments, Schedules D & DA (Group											
2.1 Bonds not Backed by Other Loans											
2.2 Loan-Backed Bonds											
STRUCTURED SECURITIES:											
2.3 Collateralized Mortgage Obligations											
2.4 Other Structured Securities											
2.5 Totals											
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Bonds not Backed by Other Loans											
3.2 Loan-Backed Bonds											
STRUCTURED SECURITIES:											
3.3 Collateralized Mortgage Obligations											
3.4 Other Structured Securities											
3.5 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Bonds not Backed by Other Loans											
4.2 Loan-Backed Bonds											
STRUCTURED SECURITIES:											
4.3 Collateralized Mortgage Obligations											
4.4 Other Structured Securities											
4.5 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Bonds not Backed by Other Loans											
5.2 Loan-Backed Bonds											
STRUCTURED SECURITIES:											
5.3 Collateralized Mortgage Obligations											
5.4 Other Structure Securities											
5.5 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)
Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Type and Subtype of Issues **NONE**

1 Quality Rating per the NAIC Designation	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded (a)	12 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Bonds not Backed by Other Loans
6.2 Loan-Backed Bonds
STRUCTURED SECURITIES:											
6.3 Collateralized Mortgage Obligations
6.4 Other Structured Securities
6.5 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Bonds not Backed by Other Loans
7.2 Loan-Backed Bonds
STRUCTURED SECURITIES:											
7.3 Collateralized Mortgage Obligations
7.4 Other Structured Securities
7.5 Totals											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Bonds not Backed by Other Loans
8.2 Loan-Backed Bonds
STRUCTURED SECURITIES:											
8.3 Collateralized Mortgage Obligations
8.4 Other Structured Securities
8.5 Totals											
9. Parent, Subsidiaries and Affiliated, Schedules D & DA (Group 9)											
9.1 Bonds not Backed by Other Loans
9.2 Loan-Backed Bonds
STRUCTURED SECURITIES:											
9.3 Collateralized Mortgage Obligations
9.4 Other Structured Securities
9.5 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)
Maturity Distribution of All Bonds Owned December 31, At Statement Values By Major Type and Subtype of Issues **NONE**

1 Quality Rating per the NAIC Designation	2 1 Year or Less	3 Over 1 Year Through 5 Years	4 Over 5 Years Through 10 Years	5 Over 10 Years Through 20 Years	6 Over 20 Years	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 7 Prior Year	10 % From Col. 8 Prior Year	11 Total Publicly Traded (a)	12 Total Privately Placed
10. Total Bonds Current Years											
10.1 Bonds not Backed by Other Loans								xxx	xxx		
10.2 Loan-Backed Bonds								xxx	xxx		
STRUCTURED SECURITIES:											
10.3 Collateralized Mortgage Obligations								xxx	xxx		
10.4 Other Structured Securities								xxx	xxx		
10.5 Totals								xxx	xxx		
10.6 Line 10.5 as a % of Col. 7							xxx	xxx	xxx		
11. Total Bonds Prior Year											
11.1 Bonds not Backed by Other Loans						xxx	xxx				
11.2 Loan-Backed Bonds						xxx	xxx				
STRUCTURED SECURITIES:											
11.3 Collateralized Mortgage Obligations						xxx	xxx				
11.4 Other Structured Securities						xxx	xxx				
11.5 Totals						xxx	xxx				
11.6 Line 11.5 as a % of Col. 9						xxx	xxx		xxx		
12. Total Publicly Traded Bonds											
12.1 Bonds not Backed by Other Loans											xxx
12.2 Loan-Backed Bonds											xxx
STRUCTURED SECURITIES:											
12.3 Collateralized Mortgage Obligations											xxx
12.4 Other Structured Securities											xxx
12.5 Totals											xxx
12.6 Line 12.5 as a % of Col. 7							xxx	xxx	xxx		xxx
12.7 Line 12.5 as a % of Line 10.5, Col. 7, Section 10							xxx	xxx	xxx		xxx
13. Total Privately Placed Bonds											
13.1 Bonds not Backed by Other Loans										xxx	
13.2 Loan-Backed Bonds										xxx	
STRUCTURED SECURITIES:											
13.3 Collateralized Mortgage Obligations										xxx	
13.4 Other Structured Securities										xxx	
13.5 Totals										xxx	
13.8 Line 13.5 as a % of Col. 7										xxx	
13.9 Line 13.5 as a % of Line 10.5, Col. 7 Section 10										xxx	

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

1		2	3	4	5	6	7	8	9	10	11	12	13	14
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book Value at Disposal Date	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
	NONE													
2599999	Total					xxx								

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

CUSIP Identification	1 Description Name of Subsidiary, Controlled or Affiliated Company	2 NAIC Company Code or Alien Insurer Identification Number	3 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	4 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	5 If Yes, Amount of Such Intangible Assets	6 Statement Value	Stock of Such Company Owned by Insurer on Statement Date	
							7 Number of Shares	8 % of Outstanding
	NONE							
1799999 Totals							XXX	XXX

Amount of insurer's capital and surplus from the prior year's annual statement: \$ _____

SCHEDULE D - PART 6 - SECTION 2

CUSIP Identification	1 Name of Lower-tier Company	2 Name of Company Listed in Section 1 which controls Lower- tier Company	3 Amounts of Intangible Assets included in Amount Shown in Column 3, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				4 Number of Shares	5 % of Outstanding
	NONE				
0399999 Totals				XXX	XXX