



ANNUAL STATEMENT

Including Supplements

OF THE

GUARDIAN NATIONAL TITLE INSURANCE COMPANY

of **CLEVELAND**

in the state of **OH**

TO THE

Insurance Department

OF THE

STATE OF OH

**FOR THE YEAR ENDED
December 31, 2002**

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

TITLE

2002

JOHN PIERCE
CONSULTING ACTUARY

1420 RENAISSANCE DRIVE
SUITE 104
PARK RIDGE, IL 60068

PHONE (847) 297-1177
FAX (847) 297-1178

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U.F.R.S.

February 18, 2003

Donald R. Noland, President
Guardian Title Insurance Company, Inc.
4920 Commerce Parkway
Suite 2
Warrensville Heights, Ohio 44128

Dear Mr. Noland:

Identification Paragraph I, John Pierce, am a consulting actuary located in Park Ridge, Illinois. I am a Member of the American Academy of Actuaries and I am a Fellow of the Casualty Actuarial Society. I was appointed by the Board of Directors on December 30, 2002 to render this opinion.

Scope Paragraphs I have examined the actuarial assumptions and methods used in determining reserves listed below, as shown in the Annual Statement of Guardian Title Insurance Company Inc. as prepared for filing with state regulatory officials, as of December 31, 2002.

Reserve for Unpaid Losses and Unpaid Loss Adjustment Expenses (Schedule P Part 1 Column 24)	\$823,000
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Anticipated salvage and subrogation included as a reduction to loss reserves as reported in Schedule P	none
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Discount for time value of money included as a reduction to loss reserves and loss expense reserves as reported in Schedule P and Part 2B	none
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Net Reserves for Loss and Expense for the Company's Share of Underwriting Pools and Associations Unpaid Losses and Expenses Which Are Included in Reserves on Page 3, Lines 1, 2, 3 and 4	none
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In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by the officers and employees of the company. I evaluated that data for reasonableness and consistency. I also reconciled that data to Schedule P - Parts 1 and 2 of the company's current annual statement. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations as I considered necessary.

February 18, 2003

Relevant Comments Paragraph Based on discussions with company management, it is my understanding the company does not have any financial reinsurance. During 2001 the company entered into a retroactive "SPR Transfer" reinsurance treaty with ACE Capital Title Reinsurance Company. I understand this treaty has been approved by the Ohio Department of Insurance. The company has taken credit for this protection in its Annual Statement.

In addition to this SPR Transfer, the company has over the years purchased other reinsurance. Based on discussions with the company's management and based on the characteristics of these other assuming reinsurers, we are not aware of any situations which would expose the company to reinsurance collectibility problems.

Opinion Paragraph In my opinion, the amounts carried in the scope paragraph on account of the items identified:

- a) meet the requirements of the insurance laws of Ohio.
- b) are computed in accordance with accepted loss reserving standards and principles.
- c) make a reasonable provision for all unpaid loss and loss expense obligations of Guardian Title Insurance Company Inc. under the terms of its policies and agreements.

An actuarial report and underlying workpapers supporting the findings expressed in this statement of actuarial opinion will be provided to Guardian Title Insurance Company Inc. to be retained for a period of seven years at its administrative offices and available for regulatory examination.

Sincerely yours,



John Pierce
F.C.A.S. M.A.A.A. M.B.A.

1420 Renaissance Drive
Suite 104
Park Ridge, IL 60068
(847) 297-1177
February 18, 2003

JOHN PIERCE, Consulting Actuary



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ANNUAL STATEMENT

For the Year Ended December 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

Guardian National Title Insurance Company

NAIC Group Code 0000 0000 NAIC Company Code 51632 Employer's ID Number 34-1252928

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

Country of Domicile USA

Incorporated: April 7, 1978 Commenced Business: April 7, 1978

Statutory Home Office: 4920 Commerce Parkway Warrensville Heights, OH 44128

Main Administrative Office: 4920 Commerce Parkway Warrensville Heights, OH 44128 216-360-9720

Mail Address: 4920 Commerce Parkway Warrensville Heights, OH 44128

Primary Location of Books and Records: 4920 Commerce Parkway Warrensville Heights, OH 44128 216-360-9720

Internet Website Address: N/A

Statement Contact: Karen Polomsky 216-360-9720 11
klpolomsky@gtinsurance.com 216-360-9743
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 4920 Commerce Parkway Warrensville Heights, OH 44128 216-360-9720

OFFICERS

President JAMES A. ASHER
Secretary KEITH CARSON
Treasurer KEITH CARSON
Actuary

Vice-Presidents

[Empty lines for Vice-Presidents]

DIRECTORS OR TRUSTEES

ANTHONY ASHER ANTHONY JUDD ASHER JAMES A. ASHER NORM FISHER
KEVIN CALLAHAN

State of Ohio
County of Cuyahoga 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.

Signatures and names of James A. Asher (President), Keith Carson (Secretary), and Keith Carson (Treasurer).

Subscribed and sworn to before me this 28th day of February, 2003

Signature of Karen M. Kulju, Notary Public, State of Ohio, Commission Expires 09-19-2005

- 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 Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols 1 - 2)	4 Net Admitted Assets
1. Bonds	98,794		98,794	148,253
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)				
2.2 Common stocks (Schedule D, Part 2, Section 2)	577,674		577,674	1,164,314
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,939,082 Schedule E, Part 1) and short-term investments (\$ 0 Schedule DA, Part 2)	1,939,082		1,939,082	1,398,317
6. Other invested assets				
7. Receivable for securities				
8. Subtotals, cash and invested assets (Lines 1 to 7)	2,615,550		2,615,550	2,710,884
9. Title plants (Schedule H), less \$ 0, charged off				
10. Title insurance premiums and fees receivable				
11. Funds held by or deposited with reinsured companies				
12. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 2, Col. 8)				
13. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)				
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	1,093		1,093	5,141
16. Interest, dividends and real estate income due and accrued				
17. Net adjustments in assets and liabilities due to foreign exchange rates				
18. Receivable from parent, subsidiaries and affiliates				83,678
19. Other assets nonadmitted (Exhibit 1)	8,247	8,247		
20. Aggregate write-ins for other than invested assets	6,618	6,618		
21. TOTALS (Lines 8 to 20)	2,631,508	14,865	2,616,643	2,799,703

DETAILS OF WRITE-INS				
2001. COMPANY CAR	5,875	5,875		
2002. PREPAID RENT	743	743		
2003.				
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)	6,618	6,618		

A. The above assets include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserve: Bonds \$ 0 ,
Short-term investments \$ 0 , Mortgages \$ 0 , Cash \$ 300,000 , Total \$ 300,000

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.

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LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	461,266	539,695
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	1,410,623	355,604
3. Aggregate of other reserves required by law		
4. Supplemental reserve (Part 2B, Col. 4, Line 12)		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)		
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		
8. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) (including \$ 0 net deferred tax liability)		
9. Borrowed money \$ 0 and interest thereon \$ 0		
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance		
12. Unearned interest and real estate income received in advance		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Provision for unauthorized reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates		626
19. Payable for securities		
20. Aggregate write-ins for other liabilities		850,000
21. Total liabilities (Lines 1 through 20)	1,871,889	1,745,925
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	500,000	500,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	400,000	400,000
28. Unassigned funds (surplus)	(155,246)	153,778
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)(Page 4, Line 32)	744,754	1,053,778
31. Totals (Page 2, Line 21, Col. 3)	2,616,643	2,799,703

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. REINSURANCE PAYABLE		850,000
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)		850,000
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		

OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME	1 Current Year	2 Prior Year
OPERATING INCOME		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)	7,858,742	7,604,255
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)		
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)		
2. Aggregate write-ins for other operating income	(221,254)	
3. Total Operating Income (Lines 1 through 2)	7,637,488	7,604,255
DEDUCT:		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	(51,102)	826,203
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)	7,773,163	6,244,162
6. Aggregate write-ins for other operating deductions		
7. Total Operating Deductions	7,722,061	7,070,365
8. Net operating gain or (loss) (Lines 3 minus 7)	(84,573)	533,890
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net investment Income, Line 17)	46,001	53,701
10. Net realized capital gains and (losses) (Exhibit of Capital Gains (Losses))	(353,443)	(426,260)
11. Net investment gain or (loss) (Lines 9 + 10)	(307,442)	(372,559)
OTHER INCOME		
12. Aggregate write-ins for miscellaneous income or (loss)		
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	(392,015)	161,331
14. Federal and foreign income taxes incurred		
15. Net income (Lines 13 minus 14)	(392,015)	161,331
CAPITAL AND SURPLUS ACCOUNT		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)	1,053,778	873,480
GAINS AND (LOSSES) IN SURPLUS		
17. Net income (from Line 15)	(392,015)	161,331
18. Net unrealized capital gains or losses	78,328	(106,010)
19. Change in net unrealized foreign exchange capital gain (loss)		
20. Change in net deferred income tax		
21. Change in nonadmitted assets (Exhibit 1, Line 6, Col. 3)	4,663	24,977
22. Change in provision for unauthorized reinsurance (Page 3, Line 15, Cols. 2 minus 1)		
23. Change in supplemental reserves (Page 3, Line 4, Cols. 2 minus 1)		
24. Change in surplus notes		
25. Cumulative effect of changes in accounting principles		
26. Capital Changes:		
26.1 Paid in		100,000
26.2 Transferred from surplus (Stock Dividend)		
26.3 Transferred to surplus		
27. Surplus Adjustments:		
27.1 Paid in		
27.2 Transferred to capital (Stock Dividend)		
27.3 Transferred from capital		
28. Dividends to stockholders		
29. Change in treasury stock (Page 3, Lines (29.1) and (29.2), Cols. 2 minus 1)		
30. Aggregate write-ins for gains and losses in surplus		
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	(309,024)	180,298
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)	744,754	1,053,778

DETAILS OF WRITE-INS		
0201. PRIOR YEAR SPR ADJUSTMENT	(221,254)	
0202.		
0203.		
0298. Summary of remaining write-ins for Line 2 from overflow page		
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)	(221,254)	
0601.		
0602.		
0603.		
0698. Summary of remaining write-ins for Line 6 from overflow page		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)		
1201.		
1202.		
1203.		
1298. Summary of remaining write-ins for Line 12 from overflow page		
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

CASH FLOW	1 Current Year	2 Prior Year
1. Premiums and other charges collected	8,692,507	6,827,723
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	27,327	289,008
3. Total operating expenses paid	7,773,163	6,244,162
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	892,017	294,553
5. Investment income (net of investment expense)	46,001	53,701
6. Other income received (expenses paid)	(221,254)	
7. Federal income taxes (paid) recovered		
8. Net cash from operations (Lines 4 to 7)	716,764	348,254
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds	50,000	
9.2 Stocks	328,109	601,769
9.3 Mortgage loans		
9.4 Real estate		
9.5 Other invested assets		
9.6 Net gains or (losses) on cash and short-term investments		
9.7 Miscellaneous proceeds		
9.8 Total investment proceeds (Lines 9.1 to 9.7)	378,109	601,769
10. Other cash provided:		
10.1 Net transfers from affiliates	83,052	
10.2 Borrowed funds received		
10.3 Capital paid in		100,000
10.4 Surplus paid in		
10.5 Other sources	226,440	24,977
10.6 Total other cash provided (Lines 10.1 to 10.5)	309,492	124,977
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	1,404,365	1,075,000
12. Cost of investments acquired (long-term only):		
12.1 Bonds		
12.2 Stocks	17,127	103,069
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications	(3,527)	38,676
12.7 Total investments acquired (Lines 12.1 to 12.6)	13,600	141,745
13. Other cash applied:		
13.1 Dividends to stockholders paid		
13.2 Net transfers to affiliates		83,052
13.3 Borrowed funds repaid		
13.4 Other applications	850,000	
13.5 Total other cash applied (Lines 13.1 to 13.4)	850,000	83,052
14. Total (Line 12.7 plus Line 13.5)	863,600	224,797
15. Net change in cash and short-term investments (Line 11 minus Line 14)	540,765	850,203
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	1,398,317	548,114
16.2 End of year (Line 15 plus Line 16.1)	1,939,082	1,398,317

OPERATIONS AND INVESTMENT EXHIBIT

PART 1A - SUMMARY OF TITLE INSURANCE PREMIUMS WRITTEN AND RELATED REVENUES

	1 Direct Operations	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written		4,784,470	3,841,604	8,626,074	6,823,341
2. Escrow and settlement service charges		X X X	X X X		
3. Other title fees and service charges (Part 1C, Line 5)		X X X	X X X		
4. Totals (Lines 1 + 2 + 3)		4,784,470	3,841,604	8,626,074	6,823,341

PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	8,626,074	6,823,341
1.2 Assumed	71,930	7,169
1.3 Ceded	5,497	852,787
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	8,692,507	5,977,723
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	355,604	1,982,136
2.2 Additions during the current year	833,765	532,410
2.3 Withdrawals during the current year		2,158,942
2.4 Other adjustments to statutory premium reserves	221,254	
2.5 Balance at December 31 current year	1,410,623	355,604
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	7,858,742	7,604,255

PART 1C - OTHER TITLE FEES AND SERVICE CHARGES

	1 Current Year	2 Prior Year
1. Title examinations		
2. Searches and abstracts		
3. Surveys		
4. Aggregate write-ins for service charges		
5. Totals		
DETAILS OF WRITE-INS		
0401.		
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Total (Lines 0401 through 0403 plus 0498) (Line 4 above)		

OPERATIONS AND INVESTMENT EXHIBIT
PART 2A - LOSSES PAID AND INCURRED

	1 Direct Operations	Agency Operations		4 Total Current Year (Cols. 1+2+3)	5 Total Prior Year
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage		19,192	8,135	27,327	289,008
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage					
3. Total (Line 1 plus Line 2)		19,192	8,135	27,327	289,008
4. Deduct: Recovered during year from reinsurance					
5. Net payments (Line 3 minus Line 4)		19,192	8,135	27,327	289,008
6. Known claims reserve - current year (Page 3, Line 1, Col. 1)		424,401	36,865	461,266	
7. Known claims reserve - prior year (Page 3, Line 1, Column 2)		414,695	125,000	539,695	539,695
8. Losses and allocated LAE incurred (Lines 5 plus Line 6 minus Line 7)		28,898	(80,000)	(51,102)	(250,687)
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)		28,898	(80,000)	(51,102)	(250,687)

OPERATIONS AND INVESTMENT EXHIBIT
PART 2B - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	1 Direct Operations	Agency Operations		4 Total Current Year (Cols. 1 + 2 + 3)	5 Total Prior Year
		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:					
1.1 Direct (Schedule P, Part 1, Line 12, Col. 17)		443,756	30,000	473,756	540
1.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 18)					
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Col. 19)		12,490		12,490	
3. Known claims reserve (Line 1.1 plus Line 1.2 minus Line 2)		431,266	30,000	461,266	540
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		500,000		500,000	475
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)		222,000		222,000	372
4.4 Net incurred but not reported		278,000		278,000	103
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X	84,032	X X X
6. Less discount for time value of money, if allowed (Sch. P, Part 1, Line 12, Col. 33)	X X X	X X X	X X X		X X X
7. Total Schedule P reserves (Lines 3 + 4.4 + 5 - 6)(Sch. P, Part 1, Line 12, Col. 35)	X X X	X X X	X X X	823,298	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	1,410,623	X X X
9. Aggregate of other reserves required by law	X X X	X X X	X X X		X X X
10. Gross supplemental reserve (a) (Lines 7 - (3 + 8 + 9))	X X X	X X X	X X X		X X X
11. Unrecognized Schedule P transition obligation	X X X	X X X	X X X		X X X
12. Net recognized supplemental reserve (Lines 10 - 11)	X X X	X X X	X X X		X X X

(a) If the sum of Lines 3 + 8 + 9 is greater than Line 7, place a "0" in this Line.

OPERATIONS AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	Title and Escrow Operating Expenses						Totals			
	1 Direct Operations	2 Agency Operations		3 Affiliated Agency Operations	4 Total (Cols. 1 + 2 + 3)	5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	8 Current Year (Cols. 4 + 5 + 6 + 7)	9 Prior Year
		Non-affiliated Agency Operations	Agency Operations							
1. Personnel costs:										
1.1 Salaries		152,897		120,134	273,031				273,031	300,886
1.2 Employee relations and welfare		10,702		8,409	19,111				19,111	22,540
1.3 Payroll taxes		9,291		7,300	16,591				16,591	19,975
1.4 Other personnel costs		1,041		818	1,859				1,859	1,256
1.5 Total personnel costs		173,931		136,661	310,592				310,592	344,657
2. Amounts paid to or retained by title agents		4,035,925		3,205,925	7,241,680				7,241,680	5,681,115
3. Production services (purchased outside):										
3.1 Searches, examinations and abstracts		1,738		1,365	3,103				3,103	400
3.2 Surveys										
3.3 Other										
4. Advertising										
5. Boards, bureaus and associations		151		118	269				269	2,531
6. Title plant rent and maintenance										
7. Claim adjustment services		22,082		17,350	39,432				39,432	
8. Amounts charged off, net of recoveries										
9. Marketing and promotional expenses		130		102	232				232	4,103
10. Insurance		21		16	37				37	74
11. Directors' fees		280		220	500				500	
12. Travel and travel items		16,133		12,676	28,809				28,809	48,587
13. Rent and rent items		2,117		1,663	3,780				3,780	657
14. Equipment		2,392		1,879	4,271				4,271	2,944
15. Cost or depreciation of EDP equipment and software		2,267		1,781	4,048				4,048	698
16. Printing, stationery, books and periodicals		15,956		12,537	28,493				28,493	16,687
17. Postage, telephone, messengers and express		10,618		8,343	18,961				18,961	20,276
18. Legal and auditing		33,081		25,993	59,074				59,074	90,811
19. Totals (Lines 1.5 to 18)		4,316,652		3,426,629	7,743,281				7,743,281	6,213,540
20. Taxes, licenses and fees:										
20.1 State and local insurance taxes		112		88	200				200	654
20.2 Insurance department licenses and fees		7,009		5,507	12,516				12,516	10,005
20.3 Gross guaranty association assessments										
20.4 All other (excluding federal income and real estate)										
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)		7,121		5,595	12,716				12,716	10,659
21. Real estate expenses										
22. Real estate taxes										
23. Aggregate write-ins for miscellaneous expenses		9,613		7,553	17,166				17,166	19,963
24. Total expenses incurred (Lines 19+20.5+21+22+23)		4,333,386		3,439,777	7,773,163				(a) 7,773,163	6,244,162
25. Less unpaid expenses - current year										
26. Add unpaid expenses - prior year										
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)		4,333,386		3,439,777	7,773,163				7,773,163	6,244,162
DETAILS OF WRITE-INS										
2301. DONATIONS		34		27	61				61	100
2302. DATA PROCESSING EXPENSE		3,759		2,954	6,713				6,713	5,425
2303. MISC. EXPENSE		5,820		4,572	10,392				10,392	14,438
2398. Summary of remaining write-ins for Line 23 from overflow page										
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		9,613		7,553	17,166				17,166	19,963

(a) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

**OPERATIONS AND INVESTMENT EXHIBIT
PART 4 - 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 1):							
1.1 Title insurance premiums earned (Part 1, Line 3, Col. 1)		4,401,298	3,457,444	7,858,742		7,858,742	7,604,255
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)							
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)							
2. Aggregate write-ins for other operating income		(221,254)		(221,254)		(221,254)	
3. Total Operating Income (Lines 1.1 through 1.3 + 2)		4,180,044	3,457,444	7,637,488		7,637,488	7,604,255
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		28,898	(80,000)	(51,102)		(51,102)	826,203
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3, 6)		4,333,386	3,439,777	7,773,163		7,773,163	6,244,162
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)		4,362,284	3,359,777	7,722,061		7,722,061	7,070,365
8. Net operating gain or (loss) (Lines 3 minus 7)		(182,240)	97,667	(84,573)		(84,573)	533,890
DETAILS OF WRITE-INS							
0201. PRIOR YEAR SPR ADJUSTMENT		(221,254)		(221,254)		(221,254)	
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)		(221,254)		(221,254)		(221,254)	
0601.							
0602.							
0603.							
0698. Summary of remaining write-ins for Line 6 from overflow page							
0699. Totals (Lines 0601 through 0603 plus 0698)							

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	24,562	24,562
10. Total gross investment income	21,439	21,439
	46,001	46,001
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income - (Line 10 minus Line 16)		46,001
DETAILS OF WRITE-INS		
0901. HUNTINGTON BANK	10,596	10,596
0902. OHIO HERITAGE	4,254	4,254
0903. THIRD FEDERAL	6,589	6,589
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	21,439	21,439
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.		
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.		
(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
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 stocks (unaffiliated)	(353,443)		78,328		(275,115)
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(353,443)		78,328		(275,115)
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for year (Increase) or Decrease
1. Summary of Items Page 2, Lines 9 to 15 and 17 and 18, Column 2			
2. Other Assets:			
2.1 Deposits in suspended depositories, less estimated amount recoverable			
2.2 Furniture, equipment and supplies	8,247	9,385	1,138
2.3 Leasehold improvements			
2.4 Bills receivable			
2.5 Loans on personal security, endorsed or not			
2.6 Agents' balances (net)			
2.7 Cash advanced to or in the hands of officers or agents			
3. Total (Lines 2.1 to 2.7)	8,247	9,385	1,138
4. Aggregate write-ins for other assets (Page 2, Line 20, Column 2)	6,618	10,143	3,525
5. Total (Line 1 plus Lines 3 to 4)	14,865	19,528	4,663
DETAILS OF WRITE-INS			
0401. COMPANY CARS	5,875	9,400	3,525
0402. PREPAID RENT	743	743	
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 through 0403 + 0498) (Line 4 above)	6,618	10,143	3,525

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)			98,794	3.777
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated			577,674	22.086
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments			1,939,082	74.137
9. Other invested assets				
10. Total invested assets			2,615,550	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity 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]
- 1.2 If yes, did the reporting entity 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 the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State Regulating? _____
- 2.1 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 [X] No []
- 2.2 If yes, date of change: 10/03/2002
 If not previously filed, furnish herewith a certified copy of the instrument as amended. _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 11/05/2001

- 3.2 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. _____
- 3.3 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). _____
- 3.4 By what department or departments? EXAMINATION AUDIT DIVISION
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) 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:
- 4.11 sales of new business? Yes [] No [X]
 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, 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:
- 4.21 sales of new business? Yes [] No [X]
 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the 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
	00000	
	00000	
	00000	
	00000	
	00000	

- 6.1 Has the 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]
- 6.2 If yes, give full information _____
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes, 0 %
- 7.21 State the percentage of foreign control _____
- 7.22 State the nationality(s) of the foreign person(s) or entity(s), or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager, or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 COHEN & COMPANY
 1300 EAST NINTH ST., SUITE 1300, CLEVELAND, OH 44114
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? JOHN PIERCE
 1420 RENAISSANCE DRIVE, SUITE 104, PARK RIDGE, OH 44131
 ACTUARY CONSULTANT
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 NONE
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes No
12. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes No
13. Has the reporting entity 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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|----------|
| | 14.11 To directors or other officers | \$ _____ |
| | 14.12 To stockholders not officers | \$ _____ |
| | 14.13 Trustees, supreme or grand (Fraternal only) | \$ _____ |
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|----------|
| | 14.21 To directors or other officers | \$ _____ |
| | 14.22 To stockholder not officers | \$ _____ |
| | 14.23 Trustees, supreme or grand (Fraternal only) | \$ _____ |
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes No
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------|----------|
| | 15.21 Rented from others | \$ _____ |
| | 15.22 Borrowed from others | \$ _____ |
| | 15.23 Leased from others | \$ _____ |
| | 15.24 Other | \$ _____ |
- Disclose in Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes No
- 16.2 If answer is yes:
- | | | |
|--|--|----------|
| | 16.21 Amount paid as losses or risk adjustment | \$ _____ |
| | 16.22 Amount paid as expenses | \$ _____ |
| | 16.23 Other amounts paid | \$ _____ |

GENERAL INTERROGATORIES

(continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [] No []	Yes [] No []
Common	400	200		X X X	X X X X X X	X X X X X X

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [] No [X]

18.2 If no, give full and complete information, relating thereto

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1). Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	\$ _____
19.22 Subject to repurchase agreements	\$ _____
19.23 Subject to reverse repurchase agreements	\$ _____
19.24 Subject to dollar repurchase agreements	\$ _____
19.25 Subject to reverse dollar repurchase agreements	\$ _____
19.26 Pledged as collateral	\$ _____
19.27 Placed under option agreements	\$ _____
19.28 Letter stock or securities restricted as to sale	\$ _____
19.29 Other	\$ _____

19.3 For each category above, if any of these assets are held by other, identify by whom held:

19.31 _____	19.36 _____
19.32 _____	19.37 _____
19.33 _____	19.38 _____
19.34 _____	19.39 _____
19.35 _____	

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]

If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

22. 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 [] No [X]

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

1 Name of Custodian(s)	2 Custodian's Address

GENERAL INTERROGATORIES

(continued)

INVESTMENT

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

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

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [] No []
 22.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 49,343

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
BATELLE & BATELLE	\$ 13,795
DEMOTTECH	\$ 17,529
	\$
	\$

24.1 Amount of payments for legal expenses, if any? \$ 54,785

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
CHARLES NEMER	\$ 33,433
	\$
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ _____

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

**GENERAL INTERROGATORIES
(continued)**

PART 2-TITLE INTERROGATORIES

- 1.1 Did any persons 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 reporting entity? YES [] NO [X]

- 2. Largest net aggregate amount incurred in any one risk. \$ _____ 500,000

- 3.1 Has the reporting entity reinsured any risk with any other 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]

- 3.2 If yes, give full information

- 4. If the reporting entity has assumed risk from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? YES [] NO [X]

- 5.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? YES [] NO [X]

- 5.2 If yes, give full information

- 6. Uncompleted building construction loans:
 - 6.1 Amount already loaned \$ _____
 - 6.2 Balance to be advanced \$ _____
 - 6.3 Total amount to be loaned \$ _____

- 7.1 Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings? YES [] NO [X]

- 7.2 If yes, give total amount of such bonds or certificates of participation issued and outstanding. \$ _____

- 8. What is the aggregate amount of mortgage loans owned by the reporting entity which consists of co-ordinate interest in first liens? \$ _____

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 1A)					
1. Direct operations (Part 1A, Line 1, Col. 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	4,784,470	3,647,909	3,026,294	3,745,404	3,641,494
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)	3,841,604	3,175,432			
4. Total	8,626,074	6,823,341	3,026,294	3,745,404	3,641,494
Operating Income Summary (Page 4 & Part 1)					
5. Premiums earned (Part 1B, Line 3)	7,858,742	7,604,255	2,834,532	3,460,338	3,377,518
6. Escrow and settlement service charges (Part 1A, Line 2)					
7. Title examinations (Part 1C, Line 1)					
8. Searches and abstracts (Part 1C, Line 2)					6,464
9. Surveys (Part 1C, Line 3)					
10. Aggregate write-ins for service charges (Part 1C, Line 4)					
11. Aggregate write-ins for other operating income (Page 4, Line 2)	(221,254)				
12. Total operating income (Page 4, Line 3)	7,637,488	7,604,255	2,834,532	3,460,338	3,383,982
Statement of Income (Page 4)					
13. Net operating gain or (loss) (Line 8)	(84,573)	533,890	(280,143)	230,310	147,093
14. Net investment gain or (loss) (Line 11)	(307,442)	(372,559)	85,614	231,492	89,560
15. Total other income (Line 12)					
16. Federal income taxes incurred (Line 14)					51,000
17. Net income (Line 15)	(392,015)	161,331	(194,529)	461,802	185,653
Balance Sheet Items (Pages 2 and 3)					
18. Title insurance premiums and fees receivable (Page 2, Line 10, Col. 3)					
19. Total admitted assets (Page 2, Line 21, Col. 3)	2,616,643	2,799,703	2,858,116	3,397,369	3,101,928
20. Known claims reserve (Page 3, Line 1)	461,266	539,695	2,500		
21. Statutory premium reserve (Page 3, Line 2)	1,410,623	355,604	1,982,136	1,790,374	1,507,974
22. Total liabilities (Page 3, Line 21)	1,871,888	1,745,925	1,984,636	1,797,337	1,507,974
23. Capital paid up (Page 3, Lines 23 + 24)	500,000	500,000	500,000	300,000	300,000
24. Surplus as regards policyholders (Page 3, Line 30)	744,754	1,053,778	873,480	1,100,032	1,593,955
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3)					
(Item divided by Page 2, Line 8, Col. 3) x 100.0					
25. Bonds (Line 1)	4.0	5.0			
26. Stocks (Lines 2.1 & 2.2)	22.0	43.0	81.0	84.0	75.6
27. Mortgage loans on real estate (Line 3)					
28. Real estate (Lines 4.1, 4.2 & 4.3)					
29. Cash and short-term investments (Line 5)	74.0	52.0	19.0	16.0	24.4
30. Other invested assets (Line 6)					
31. Receivable for securities (Line 7)					
32. Cash and invested assets (Line 8)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
33. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
34. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
35. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
36. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
37. Affiliated mortgage loans on real estate					
38. All other affiliated					
39. Total of above Lines 33, 34, 35, 36, 37 & 38					
40. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 39 above divided by Page 3, Line 30, Col. 1 x 100.0)					

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)	78,328	(106,010)	(530,526)	(301,103)	85,261
42. Change in nonadmitted assets (Line 21)	4,663	24,977	(1,497)	43,007	
43. Dividends to stockholders (Line 28)					
44. Change in surplus as regards policyholders for the year (Line 31)	(309,024)	180,298	(726,552)	128,706	255,472
Losses Paid and Incurred (Part 2A)					
45. Net payments (Line 5, Col. 4)	27,327	289,008	54,734		
46. Losses and allocated LAE incurred (Line 8, Col. 4)	(51,102)	826,203	57,234		
47. Unallocated LAE incurred (Line 9, Col. 4)					
48. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	(51,102)	826,203	57,234		
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 1.5, Col. 4)	4.1	4.5	12.0		
50. Amount paid to or retained by title agents (Part 4, Line 2, Col. 4)	94.9	74.7	87.3		
51. All other operating expenses (Part 4, Lines 24 minus 1.5 minus 2, Col. 4)	2.9	2.9	8.6		
52. Total (Lines 49 to 51)	101.8	82.1	107.9		
Operating Percentages (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
53. Losses and loss adjustment expenses incurred (Line 4)	(0.7)	10.9			
54. Operating expenses incurred (Line 5)	101.8	82.1			
55. Aggregate write-ins for other operating deductions (Line 6)					
56. Total operating deductions (Line 7)	101.2	92.8			
57. Net operating gain or (loss) (Line 8)	(1.2)	7.0			
Other Percentages (Line item divided by Part 1B, Line 1.4)					
58. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)					
59. Operating expenses incurred to net premiums written (Page 4, Line 5)	89.4	104.4	101.0		

SCHEDULE A - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value, December 31, prior year (prior year statement)	_____
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 10	_____
2.2 Totals, Part 3, Column 7	_____
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	_____
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 13	_____
4.2 Totals, Part 3, Column 9	_____
5. Total profit (loss) on sales, Part 3, Column 14	_____
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 11	_____
6.2 Totals, Part 3, Column 8	_____
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	_____
8. Book/adjusted carrying value at the end of current period	_____
9. Total valuation allowance	_____
10. Subtotal (Lines 8 plus 9)	_____
11. Total nonadmitted amounts	_____
12. Statement value, current period (Page 2, real estate lines, current period)	_____

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

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

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	_____
2. Cost of acquisitions during year:	
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 year	_____
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 - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
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	98,794	106,350	98,794	
	22. Canada				
	23. Other Countries				
	24. Totals	98,794	106,350	98,794	
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	98,794	106,350	98,794	
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 Stocks				
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	69,461	69,461	55,529	
	46. Canada				
	47. Other Countries				
	48. Totals	69,461	69,461	55,529	
Industrial and Miscellaneous (unaffiliated)	49. United States	508,213	508,213	554,432	
	50. Canada				
	51. Other Countries				
	52. Totals	508,213	508,213	554,432	
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks	577,674	577,674	609,961	
	55. Total Stocks	577,674	577,674	609,961	
	56. Total Bonds and Stocks	676,468	684,024	708,755	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 0.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	1,312,565	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	17,127	6.1 Column 17, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1		6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1		6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2	78,328	7. Book/adjusted carrying value at end of current period	676,468
3.4 Column 10, Part 4	78,328	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	(353,443)	9. Subtotal (Lines 7 plus 8)	676,468
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	378,109	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	676,468

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
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)											
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 Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
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)	48,924	49,870				98,794	100.000	148,253	100.000	98,794	
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	48,924	49,870				98,794	100.000	148,253	100.000	98,794	
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 Affiliates, 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 Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year						98,794	100.000			98,794	
10.1 Class 1	48,924	49,870							XXX		
10.2 Class 2									XXX		
10.3 Class 3									XXX		
10.4 Class 4									XXX		
10.5 Class 5									XXX		
10.6 Class 6									XXX		
10.7 Totals	48,924	49,870				98,794	100.000		XXX		
10.8 Line 10.7 as a % of Col. 6	49,521	50,479				100,000	XXX		XXX	98,794	
11. Total Bonds Prior Year								148,253	100.000	148,253	
11.1 Class 1	148,253										
11.2 Class 2											
11.3 Class 3											
11.4 Class 4											
11.5 Class 5											
11.6 Class 6											
11.7 Totals	148,253										
11.8 Line 11.7 as a % of Col. 8	100,000								XXX	148,253	
12. Total Publicly Traded Bonds						98,794	100.000	148,253	100.000	98,794	
12.1 Class 1	48,924	49,870									XXX
12.2 Class 2											XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	48,924	49,870				98,794	100.000	148,253	100.000	98,794	XXX
12.8 Line 12.7 as a % of Col. 6	49,521	50,479				100,000	XXX		XXX	100,000	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	49,521	50,479				100,000	XXX		XXX	100,000	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. 6											XXX
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10											XXX

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.