

QUARTERLY STATEMENT

OF THE

ENTITLE INSURANCE
COMPANY
of INDEPENDENCE
in the state of OHIO

TO THE

Insurance Department

OF THE

STATE OF

STATE OF OHIO

FOR THE QUARTER ENDED

September 30, 2011

TITLE

2011



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

EnTitle Insurance Company

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	51632	Employer's ID Number	34-1252928
Organized under the Laws of	OHIO		State of Domicile or Port of Entry OHIO			
Country of Domicile	US					
Incorporated/Organized:	April 7, 1978			Commenced Business: April 7, 1978		
Statutory Home Office:	4600 Rockside Road, Suite 104 (Street and Number)			Independence, OH 44131 (City or Town, State and Zip Code)		
Main Administrative Office:	4600 Rockside Road, Suite 104 (Street and Number)			Independence, OH 44131 (City or Town, State and Zip Code)		
	Independence, OH 44131 (City or Town, State and Zip Code)			216-524-3400 (Area Code) (Telephone Number)		
Mail Address:	4600 Rockside Road, Suite 104 (Street and Number or P.O. Box)			Independence, OH 44131 (City or Town, State and Zip Code)		
Primary Location of Books and Records:	4600 Rockside Road, Suite 104 (Street and Number)			Independence, OH 44131 (City or Town, State and Zip Code)		
				216-524-3400 (Area Code) (Telephone Number)		
Internet Website Address:	www.entitleins.com					
Statutory Statement Contact:	Sheila Kale (Name)			216-524-3400 (Area Code) (Telephone Number) (Extension)		
	skale@entitleins.com (E-Mail Address)			216-524-3488 (Fax Number)		

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	4,571,401		4,571,401	3,297,272
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
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 (\$ 4,555,195), cash equivalents (\$ 0), and short-term investments (\$ 0)	4,555,195		4,555,195	6,920,794
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	9,126,596		9,126,596	10,218,066
13. Title plants less \$ 0 charged off (for Title insurers only)	42,852		42,852	42,852
14. Investment income due and accrued	17,091		17,091	11,402
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	243,309	138,510	104,799	94,744
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	2,086,437	1,554,438	531,999	588,030
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	231,315	114,568	116,747	222,704
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	164,079	164,079		3,000,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	11,911,679	1,971,595	9,940,084	14,177,798
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	11,911,679	1,971,595	9,940,084	14,177,798

DETAILS OF WRITE-IN LINES				
1101.	NONE			
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. FURNITURE & LEASEHOLD	95,971	95,971		
2502. PREPAID EXPENSE	48,062	48,062		
2503. A/R GUARDIAN FINANCIAL SERVICES	10,964	10,964		
2598. Summary of remaining write-ins for Line 25 from overflow page	9,082	9,082		3,000,000
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	164,079	164,079		3,000,000

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	137,855	3,563,942
2. Statutory premium reserve	4,002,484	3,615,955
3. Aggregate of other reserves required by law		
4. Supplemental reserve		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	148,672	129,007
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
8.2 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 adjustments in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	141,788	836,661
19. Derivatives		
20. Payable for securities		
21. Payable for securities lending		
22. Aggregate write-ins for other liabilities		
23. Total liabilities (Lines 1 through 22)	4,430,799	8,145,565
24. Aggregate write-ins for special surplus funds		
25. Common capital stock	2,000,000	2,000,000
26. Preferred capital stock		
27. Aggregate write-ins for other than special surplus funds		
28. Surplus notes		
29. Gross paid in and contributed surplus	8,632,700	7,432,700
30. Unassigned funds (surplus)	(5,123,415)	(3,400,467)
31. Less treasury stock, at cost:		
31.1 0 shares common (value included in Line 25 \$ 0)		
31.2 0 shares preferred (value included in Line 26 \$ 0)		
32. Surplus as regards policyholders (Lines 24 to 30 less 31)	5,509,285	6,032,233
33. Totals (Page 2, Line 28, Col. 3)	9,940,084	14,177,798

DETAILS OF WRITE-INS			
0301.	NONE		
0302.			
0303.			
0398. Summary of remaining write-ins for Line 03 from overflow page			
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)			
2201. REINSURANCE PAYABLE			
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)			
2401.	NONE		
2402.			
2403.			
2498. Summary of remaining write-ins for Line 24 from overflow page			
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)			
2701.	NONE		
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)			

OPERATIONS AND INVESTMENT EXHIBIT

STATEMENT OF INCOME	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	7,656,212	6,986,751	10,000,655
1.2 Escrow and settlement services	2,009,075	1,146,261	2,027,665
1.3 Other title fees and service charges	19,061	2,706	5,731
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)	9,684,348	8,135,718	12,034,051
DEDUCT:			
4. Losses and loss adjustment expenses incurred	398,337	549,367	4,112,298
5. Operating expenses incurred	10,748,373	7,633,803	11,724,940
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	11,146,710	8,183,170	15,837,238
8. Net operating gain or (loss) (Lines 3 minus 7)	(1,462,362)	(47,452)	(3,803,187)
INVESTMENT INCOME			
9. Net investment income earned	33,629	62,951	76,106
10. Net realized capital gains (losses) less capital gains tax of \$ 0			105,546
11. Net investment gain (loss) (Lines 9 + 10)	33,629	62,951	181,652
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(1,428,733)	15,499	(3,621,535)
14. Federal and foreign income taxes incurred			
15. Net income (Lines 13 minus 14)	(1,428,733)	15,499	(3,621,535)
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	6,032,233	6,497,111	6,497,111
17. Net income (from Line 15)	(1,428,733)	15,499	(3,621,535)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	14,301	108,330	33,431
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	440,317	(36,793)	1,226,199
21. Change in nonadmitted assets	(748,833)	(204,322)	(1,102,973)
22. Change in provision for unauthorized reinsurance			
23. Change in supplemental reserves			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in	1,200,000		3,000,000
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			
30. Aggregate write-ins for gains and losses in surplus			
31. Change in surplus as regards policyholders (Lines 17 through 30)	(522,948)	(117,286)	(464,878)
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	5,509,285	6,379,825	6,032,233

DETAILS OF WRITE-IN LINES			
0201.	NONE		
0202.			
0203.			
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)			
0601.	NONE		
0602.			
0603.			
0698. Summary of remaining write-ins for Line 06 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)			
1201.	NONE		
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.	NONE		
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	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	7,943,107	8,333,366	12,106,047
2. Net investment income	71,183	62,951	76,106
3. Miscellaneous income	2,028,136		
4. Total (Lines 1 to 3)	10,042,426	8,396,317	12,182,153
5. Benefit and loss related payments	3,824,424	549,367	4,112,298
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	10,600,195	7,633,803	11,724,940
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	14,424,619	8,183,170	15,837,238
11. Net cash from operations (Line 4 minus Line 10)	(4,382,193)	213,147	(3,655,085)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,225,652	2,163,000	2,961,472
12.2 Stocks			1,100,854
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	18,499	48,297	54,297
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,244,151	2,211,297	4,116,623
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,547,222	2,304,955	2,304,955
13.2 Stocks		995,308	995,308
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	135,161	4,867	138,944
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,682,383	3,305,130	3,439,207
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,438,232)	(1,093,833)	677,416
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock	4,200,000		3,000,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(745,174)	452,343	1,808,708
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	3,454,826	452,343	4,808,708
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,365,599)	(428,343)	1,831,039
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	6,920,794	5,089,755	5,089,755
19.2 End of period (Line 18 plus Line 19.1)	4,555,195	4,661,412	6,920,794

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies

Accounting Practices

The financial statements of EnTitle Insurance Company (the "Company") have been prepared in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance and the National Association of Insurance Commissioners ("NAIC").

Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements, in conformity with Statutory Accounting Principles, requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known and impacts the amounts reported and disclosed in the Financial Statements.

Accounting Policy

Ohio insurance law requires the Company to establish an unearned premium reserve equal to 10% of the premium retained by the Company. The Company may release 5% of that which was added to the reserve during the previous 20 years.

Premiums on title insurance policies issued by the Company are recognized as revenue when the Company is legally or contractually entitled to collect the premium. Premiums from title policies issued by the Company through independent agents are recognized when the policies are reported by the agent.

Case loss and loss adjustment expense reserves are recorded for outstanding known claims at the time of determination.

Investments in bonds are generally reported at amortized cost, using the effective interest method, unless the National Association of Insurance Commissioners' (NAIC) rating specifies another value. Held-to-maturity investments are reported at amortized cost, and the remaining investments are at fair value, with unrealized holding gains and losses reported in operations for those designated as trading, and as a separate component of shareholder's equity for those designated as available-for-sale. Non-agency residential mortgage backed securities (RMBS) are valued using the NAIC financial model as approved by the Valuation of Securities Task Force and Financial Condition Committee.

Common stock is carried at NAIC prescribed market values.

2. Accounting Changes and Correction of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- Mortgage Loans
 - a. None

NOTES TO FINANCIAL STATEMENTS

- Debt Restructuring
 - b. None
- Reverse Mortgages
 - c. None
- Loan-Backed Securities
 - d. None
- Repurchase Agreements
 - e. None
- Real Estate
 - f. None

6. Joint Ventures, Partnerships and Limited Liability Companies

- a. None

7. Investment Income

- a. Investment income is recorded on the accrual basis of accounting with the appropriate adjustments made for amortization of premium and accretion of discounts relating to bonds and notes acquired at other than par value. Dividends on stocks are credited to income on the ex-dividend date. Realized gains or losses on disposition of securities owned are determined on a specific identification basis and are reflected in the statement of income. Unrealized investment gains or losses are credited or charged directly to unassigned surplus net of allowed deferred income taxes. At September 30, 2011, the Company had no bonds or note investments in default as to principal and/or interest. Excluding U.S. Government fixed maturity securities, the company is not exposed to any significant concentration of credit risk.

8. Derivative Instruments

- a. None

9. Income Taxes

- a. As of September 30, 2011 the Company had a net deferred tax asset of \$2,086,437 of which \$1,554,438 was considered non-admitted.
- b. Not applicable
- c. At September 30, 2011, temporary differences which give rise to deferred tax assets and liabilities are as follows:

Deferred Tax Assets

- Statutory premium reserve recorded for financial statements
- Known claim reserve recorded for financial statements
- Unrealized net holding loss on securities
- Net operating losses

Deferred Tax Liabilities

- Tax depreciation deducted in excess of book depreciation.

For the year ended September 30, 2011 the Company has no current tax expense.

- d. The Company's tax expense at September 30, 2011 differs from the federal statutory rate applied to its pretax net income primarily due to permanent

NOTES TO FINANCIAL STATEMENTS

differences between book income and taxable income as a result of tax-exempt interest income, the dividends received deduction, and IRC Section 832 (b)(5)(B).

- e. At September 30, 2011, the Company had an estimated net operating loss of \$5,058,204 available to offset against future taxable income. This net operating loss will begin to expire in 2028.
- f. On September 2, 2008, EnTitle Insurance Company entered into a federal income tax allocation agreement with Entitle Direct Group, Inc. formerly BDT Holdings Inc. EnTitle Insurance Company is included in the Entitle Direct Group, Inc. affiliated group under federal income tax law and such affiliated group plans to file consolidated federal income tax returns. The tax allocation agreement was approved by the Ohio Department of Insurance on August 21, 2008.

10. Information Concerning Parent, Subsidiaries and Affiliates

- a. On July 13, 2007, the Company was acquired by BDT Holdings Inc., now by change of name, Entitle Direct Group, Inc. ("EDG"), pursuant to a Stock Purchase Agreement with Guardian Financial Services, Inc. The Company's Articles of Incorporation were amended as of that date to increase the par value of its shares from \$4,000 per share to \$5,000 per share. The change in par value had the effect of increasing the Company's common capital stock from \$800,000 to \$1.0 million (200 shares of common voting stock being outstanding). As set forth in the Form A Statement filed with the Ohio Department of Insurance on May 16, 2007, EDG contributed \$2.0 million to the Company on July 16, 2007 in exchange for the issuance to EDG of an additional 200 shares of the Company's common voting stock, thus increasing the Company's common capital stock to \$2.0 million and its contributed and paid-in surplus to \$1.8 million. In addition, EDG contributed the following: \$3.0 million as additional paid-in capital and contributed surplus to the Company on July 25, 2007; \$3.0 million as additional paid-in capital and contributed surplus to the Company effective December 31, 2010; and \$1.2 million as additional paid-in capital and contributed surplus to the Company effective June 30, 2011. The Company currently operates as a wholly-owned subsidiary of EDG, a privately held Delaware corporation.
- b. At December 31, 2008, the Company had related party transactions with BDT Holdings Inc., now by change of name, Entitle Direct Group, Inc. ("EDG") as set forth in the Company's Form D approved by the Ohio Department of Insurance on October 3, 2008. Under such arrangement, EDG provides, upon the request of the Company, certain management advisory and administrative services to the Company relating to strategic planning, business advisory, general management, regulatory / legal, data processing and software, investment, and budgetary and accounting guidance. In addition, EDG and the Company desire to share the costs of certain payroll and employee benefit services provided by third-party service providers and to provide for the method that costs shall be allocated between the parties. Each party to the Agreement shall be responsible for the costs of payroll and employee benefits for each of their specific employees.

For the nine months of 2011, EDG provided to the Company marketing, advertising and other advisory and management services associated with this arrangement totaling \$1,144,546. These costs are included in the Statement of Income under operating expenses incurred. During the nine months of 2010, no services were charged to the Company under the arrangement. Also included in operating expenses for the nine months of 2011, were \$270,469 of legal expenses incurred (net of recoveries) in connection with the recovery effort relating to the defalcation that occurred in late 2010.

- c. Not applicable

NOTES TO FINANCIAL STATEMENTS

- d. Not applicable
- e. Not applicable
- f. Not applicable
- g. At September 30, 2011, all outstanding shares of the Company were owned by Entitle Direct Group, Inc.
- h. Not applicable
- i. Not applicable
- j. Not applicable

11. Debt

- a. At September 30, 2011, the Company had no debt outstanding

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

- a. The Company's employees participate in a joint-contributory 401(k) plan, which includes Entitle Direct Group, Inc., the Company's parent.
- b. Not applicable
- c. Not applicable
- d. Not applicable

13. Capital and Surplus, Dividend Restriction and Quasi-Reorganization

- a. At September 30, 2011, the Company had 800 shares of common stock authorized, and 400 shares outstanding with a par value of \$5,000.
- b. The Company has no preferred stock outstanding.
- c. The Company may pay dividends only from statutory earned surplus, not exceeding the greater of the prior year's net investment income or 10% of the prior year's statutory surplus, without the approval of the Superintendent of Insurance.
- d. Not Applicable
- e. Not Applicable

14. Contingencies

- a. Contingent Commitments - None
- b. Assessments – None
- c. Gain Contingencies – None
- d. All Other Contingencies - None

15. Leases

At September 30, 2011, the Company leases office space from Valre Properties LLC. The Company's annual lease obligation for 2011 is \$74,670, which includes utilities. The space is located at 4600 Rockside Road, Suite 200, Independence, Ohio, 44131. The Company renewed the lease on May 2, 2010. The new lease commenced on September 2, 2010 and will expire on May 31, 2013.

At September 30, 2011, the Company sub-leases office space from Mortgage Connect, LP. The Company's obligation is the greater of \$187.50 per employee per month or \$3,000 per month. The space is located at 200 Corporate Drive, Suite 200, Moon Township, PA 15108. As to the occupancy of the facilities and equipment provided by Mortgage Connect, LP, said occupancy may be terminated by either party with sixty (60) days written notice to the other of its intention to terminate.

At September 30, 2011, the company leases office space from Dos Lagos Office, LLC located at 4160 Temescal Canyon Road, Suite 214, Corona, CA 92883. The lease obligation for 2011 is \$33,611. The lease commenced on February 1, 2011 and will expire on January 13, 2013.

NOTES TO FINANCIAL STATEMENTS

At September 30, 2011, the Company has a Title Plant Lease Agreement with Mason County Title Company, a Washington Corporation. The title plant is located in Mason County, Washington. The Company's annual lease obligation for 2011 is \$12,000.

At September 30, 2011, the Company leases copier equipment from ComDoc, Inc. The lease commenced on December 23, 2009 for a sixty month term. The Company's annual lease obligation for 2011 is \$11,892.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk.

The Company does not invest in swaps, futures, derivatives or options.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

At September 30, 2011, the Company has not sold, transferred or serviced any of its other assets and has not extinguished any of its liabilities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable for title insurance companies

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable for title insurance companies

20. Other Items

- a. Extraordinary Items
At September 30, 2011, the Company had no extraordinary items to report.
- b. Troubled Debt Restructuring: Debtors
Not applicable.
- c. Other Disclosures
None

21. Events Subsequent

None

22. Reinsurance

- a. Unsecured Reinsurance Recoverables
At September 30, 2011, the Company had no unsecured reinsurance recoverables.
- b. Reinsurance Recoverable in Dispute
At September 30, 2011, the Company had no reinsurance recoverables in dispute.
- c. Reinsurance Ceded
(1) At September 30, 2011, the Company had no reinsurance liability.
(2) There is no additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements.
- d. Uncollectible Reinsurance
At September 30, 2011, the Company had no uncollectible reinsurance.
- e. Commutation of Ceded Reinsurance
At September 30, 2011, the Company had no commutation of ceded reinsurance.
- f. Retroactive Reinsurance
At September 30, 2011, the Company had no retroactive reinsurance.
- g. Reinsurance Accounted for as a Deposit

NOTES TO FINANCIAL STATEMENTS

At September 30, 2011 the Company did not do deposit accounting for any reinsurance agreements.

23. Retrospectively Rated Contracts & Contracts Subject to Re-determination

Not applicable for title insurance companies.

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years is zero for 2011, the same reserve amount reported in 2010.

25. Inter-company Pooling Arrangements

Not applicable for title insurance companies.

26. Structured Settlements

At September 30, 2011, the Company had no structured settlements.

27. Supplemental Reserve

The Company does not use any discounting in the calculation of its supplemental reserve.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

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 [] No [X]

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y – Part 1 – organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....		
.....		

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008

6.3 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). 01/14/2010

6.4 By what department or departments?
Ohio Department of Insurance
.....
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information
.....
.....
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....						

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....
.....
.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....
.....
.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....
.....
.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

.....
.....
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [☐] No [☒]

14.2 If yes, please complete the following:	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [☐] No [☒]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [☐] No [☒]
If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, 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 Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [☒] No [☐]

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

1 Name of Custodian(s)	2 Custodian Address
Bank of Albuquerque	P.O. Box 1270, Tuksa, OK 74101
Bank of America	PO Box 25118 Tampa, FL 33622-5118
Bank of New York Mellon Trust Company N.A.	10161 Centuriion Parkway, Jacksonville, FL 32256
CitiBank N.A.	111 Wall Street, New York, NY 10043
Citizens Bank	RWR 110 PO Box 9587 Providence, RI 02940
City National Bank	555 S. Flower St., 17th Floor, Los Angeles, CA 90071
First Bank Trust N.A.	P.O. Box 1347 Sioux Falls, SD 57101
First Republic Bank	148 East 79th St., New York, NY 10075
Harris N.A.	P.O. Box 755 Chicago, IL 60690
Huntington National Bank	7 Easton Oval EA4E95, Columbus, OH 43219
JP Morgan Chase	P.O. Box 260180 Baton Rouge, LA 70826
Merrill Lynch	1375 East 9th Street, Cleveland, OH 44114
Regions Bank	400 W. Capitol Little Rock, AR 72201
Regions Bank	1900 5th Avenue N. Suite 2500 Birmingham, AL 35203
Sun Trust	919 E. Main Street 7th Floor Richmond, VA 23219
Third Federal Savings & Loan	7007 Broadway Avenue, Cleveland, OH 44105
US Bank	555 SW Oak St, Portland, OR 97204
US Bank	One Enterprise Street 255 Eater St., Suite 700 Jacksonville, FL
US Bank	One West Fourth Street, Winsaton-Salem, NC 27101
Texas Treasury Trust	208 East 10th Street Austin, TX 78701

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

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

GENERAL INTERROGATORIES

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:
.....
.....
.....

GENERAL INTERROGATORIES

PART 2 - TITLE

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes [] No [] N/A [X]

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes [] No [X]

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?

Yes [] No [X]

3.2 If yes, give full and complete information thereto:

.....

.....

.....

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero?

Yes [] No [X]

4.2 If yes, complete the following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....										
.....										
.....										
Total										

5.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:

5.11 Bonds	\$ 250,000
5.12 Short-term investments	\$
5.13 Mortgages	\$
5.14 Cash	\$
5.15 Other admissable invested assets	\$
5.16 Total	\$ 250,000

5.2 List below segregated funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities. (These funds are also included in Schedule E - Part 1 and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers)

5.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: These funds consist of:	\$ 16,114,958
5.22 In cash on deposit	\$ 16,114,958
5.23 Other forms of security	\$

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Current Year To Date - By States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Known Claim Reserve	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	L	18,219	9,350				
2. Alaska	AK	N						
3. Arizona	AZ	L	20,248	11,389	2,042			
4. Arkansas	AR	L	1,885	1,034				
5. California	CA	L	577,489	431,562	95,060	8,998		511,001
6. Colorado	CO	N						
7. Connecticut	CT	L	124,982	90,129				
8. Delaware	DE	L	23,814	21,218				
9. District of Columbia	DC	L	20,321	12,976				
10. Florida	FL	L	219,671	222,830	356,212			
11. Georgia	GA	L	46,762	68,066				
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	L	77,341	51,753	625,883			
15. Indiana	IN	L	106,247	136,666				
16. Iowa	IA	L	12,729					
17. Kansas	KS	L	22,417	8,287				
18. Kentucky	KY	L	38,112	30,045				
19. Louisiana	LA	L	125,233	11,576				
20. Maine	ME	N						
21. Maryland	MD	L	167,988	91,490				
22. Massachusetts	MA	L	105,410	70,329				
23. Michigan	MI	N						
24. Minnesota	MN	L	65,712	73,666				
25. Mississippi	MS	L	5,176	2,858				
26. Missouri	MO	L	154,926	86,110				
27. Montana	MT	L	3,415					
28. Nebraska	NE	L	17,308	409				
29. Nevada	NV	L	7,132	531,211	1,198,371		135,000	
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	L	2,605	5,393				
33. New York	NY	L	2,594,333	1,860,209				
34. North Carolina	NC	L	28,658					
35. North Dakota	ND	L						
36. Ohio	OH	L	1,819,312	2,371,818	355,772	84,322	2,855	(7,049)
37. Oklahoma	OK	L	1,521	4,641	161,512			
38. Oregon	OR	L						
39. Pennsylvania	PA	L	1,096,255	856,831	15,455			18,000
40. Rhode Island	RI	L	2,811					
41. South Carolina	SC	L	32,584	28,117	3,573			
42. South Dakota	SD	L	407					
43. Tennessee	TN	L	44,942	29,419				
44. Texas	TX	L						
45. Utah	UT	L	2,565	93,586	17,237	1,400		10,639
46. Vermont	VT	N						
47. Virginia	VA	L	423,262	216,885	1,009,263			
48. Washington	WA	L	64,627	21,125				
49. West Virginia	WV	L	9,795					
50. Wisconsin	WI	L	8,220					
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals		(a) 41	8,094,434	7,450,978	3,840,380	94,720	137,855	532,591

DETAILS OF WRITE-INS							
5801.		X X X					
5802.		X X X					
5803.		X X X					
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X					

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG;(R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer: (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 - ORGANIZATIONAL CHART

Exhibit A

TIMOTHY M. DWYER
TWO STAMFORD PLAZA
281 TRESSER BLVD.
SIXTH FLOOR
STAMFORD, CT 06901
ULTIMATE CONTROLLING PARTY

ENTITLE DIRECT GROUP, INC.
TWO STAMFORD PLAZA
281 TRESSER BLVD.
SIXTH FLOOR
STAMFORD, CT 06901
FEIN – 26-0331910
100% OWNERSHIP OF
ENTITLE INSURANCE COMPANY

ENTITLE INSURANCE COMPANY
4600 ROCKSIDE ROAD
SUITE 104
INDEPENDENCE, OHIO 44131
FEIN – 34-1252928
STATE OF DOMICLE - OHIO

PART 1 – LOSS EXPERIENCE

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Lines 1.2 + 1.3 + 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Cols. 3 / (1 + 2)	
1. Direct operations	3,042,344	2,028,136	70,787	1.40	15.60
2. Agency operations:					
2.1 Non-affiliated agency operations	5,052,090		327,550	6.50	0.20
2.2 Affiliated agency operations					
3. Totals	8,094,434	2,028,136	398,337	3.90	6.40

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	1,282,722	3,042,344	2,313,226
2. Agency operations:			
2.1 Non-affiliated agency operations	1,522,080	5,052,090	5,137,752
2.2 Affiliated agency operations			
3. Totals	2,804,802	8,094,434	7,450,978

OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. RECEIVERS BOND	5,000	5,000		
2505. SECURITY DEPOSIT	4,082	4,082		
2506. CAPITAL CONTRIBUTION				3,000,000
2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598)	9,082	9,082		3,000,000

SCHEDULE A - VERIFICATION
Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION
Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	3,297,272	3,999,705
2. Cost of bonds and stocks acquired	2,547,222	3,300,263
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	14,301	33,431
5. Total gain (loss) on disposals		105,546
6. Deduct consideration for bonds and stocks disposed of	1,225,652	4,062,326
7. Deduct amortization of premium	61,742	79,347
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	4,571,401	3,297,272
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,571,401	3,297,272

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	4,400,491	1,104,745	1,023,000	(19,861)	4,422,942	4,400,491	4,462,375	3,191,939
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)					3,567			10,608
5. Class 5 (a)	111,281			(2,255)	113,935	111,281	109,026	94,725
6. Class 6 (a)								
7. Total Bonds	4,511,772	1,104,745	1,023,000	(22,116)	4,540,444	4,511,772	4,571,401	3,297,272
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	4,511,772	1,104,745	1,023,000	(22,116)	4,540,444	4,511,772	4,571,401	3,297,272

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999					

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	
2.	Cost (Paid)/Consideration Received on additions	
3.	Unrealized Valuation increase/(decrease)	
4.	Total gain (loss) on termination recognized	
5.	Considerations received/(paid) on terminations	
6.	Amortization	
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
8.	Total foreign exchange change in Book/Adjusted Carrying Value	
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)	
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	

NONE

SCHEDULE DB - PART B - VERIFICATION

Future Contracts

1.	Book/Adjusted carrying value, December 31 of prior year	
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote)	
3.1	Change in variation margin on open contracts	
3.2	Add:	
	Change in adjustment to basis of hedged item	
3.21	Section 1, Column 17, current year to date minus	
3.22	Section 1, Column 17, prior year	
	Change in amount recognized	
3.23	Section 1, Column 16, current year to date minus	
3.24	Section 1, Column 16, prior year	
3.3	Subtotal (Line 3.1 minus Line 3.2)	
4.1	Variation margin on terminated contracts during the year	
4.2	Less:	
	4.21 Amount used to adjust basis of hedged item	
	4.22 Amount recognized	
4.3	Subtotal (Line 4.1 minus Line 4.2)	
5.	Dispositions gains (losses) on contracts terminated in prior year:	
	5.1 Recognized	
	5.2 Used to adjust basis of hedged items	
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)	
7.	Deduct total nonadmitted amounts	
8.	Statement value at end of current period (Line 6 minus Line 7)	

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replicated (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1	2	3	4	5	6	7	8	Derivative Instrument(s) Open			Cash Instrument(s) Held				
		NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	11	12	13	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value
Number	Description							Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description			
505															
9999999	Totals					X X X	X X X	X X X			X X X	X X X	X X X		

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

9006

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	X X X		X X X		X X X		X X X		X X X	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	X X X		X X X		X X X		X X X		X X X	
7. Ending Inventory										

NONE

SCHEDULE DB VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14

2. Part B, Section 1, Column 14

3. Total (Line 1 plus Line 2)

4. Part D, Column 5

5. Part D, Column 6

6. Total (Line 3 minus Line 4 minus Line 5)
-

NONE

Fair Value Check

7. Part A, Section 1, Column 16

8. Part B, Section 1, Column 13

9. Total (Line 7 plus Line 8)

10. Part D, Column 8

11. Part D, Column 9

12. Total (Line 9 minus Line 10 minus Line 11)
-

Potential Exposure Check

13. Part A, Section 1, Column 21

14. Part B, Section 1, Column 19

15. Part D, Column 11

16. Total (Line 13 plus Line 14 minus Line 15)
-

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

E01

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

[illegible]

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

E02

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

[illegible]

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

E03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

[illegible]

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarte

[illegible]

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

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

E05

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

[illegible]

E06

(a)

	Financial or Economic Impact of the Hedge at the End of the Reporting Period
Code	
	NONE

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Change in Variation Margin				19	20
														15	16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Item(s)	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (a)
						X X X	X X X	X X X	X X X	X X X	X X X								X X X

Broker Name	Net Cash Deposits
NONE	
Total Net Cash Deposits	

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
	NONE

SCHEDULE DB - PART D

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

[illegible]

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6
CUSIP Identification	Description	NAIC Desig- nation/ Market Indicator	Fair Value	Book / Adjusted Carrying Value	Maturity Dates
NONE					
9999999 Totals					XXX

General Interrogatory:

1. Total activity for the year to date	Fair Value	\$	0	Book/Adjusted Carrying Value	\$	0
2. Average balance for the year to date	Fair Value	\$	0	Book/Adjusted Carrying Value	\$	0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:						
NAIC 1	\$	0;	NAIC 2	\$	0;	NAIC 3
						0;
						NAIC 4
						\$
						0;
						NAIC 5
						\$
						0;
						NAIC 6
						\$
						0.

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

E12