

**ANNUAL STATEMENT**

**OF THE**

**ENTITLE INSURANCE**

**COMPANY**

of **INDEPENDENCE**

in the state of **OHIO**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF OHIO**

**FOR THE YEAR ENDED**

**December 31, 2011**

**TITLE**

**2011**



51632201120100100

## ANNUAL STATEMENT

**For the Year Ended December 31, 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)		
				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)		
Internet Web Site Address	216-524-3400 (Area Code) (Telephone Number)					
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)		

## OFFICERS

OFFICERS		
	Name	Title
1.	Timothy M. Dwyer	President
2.	Nicholas Ferreri	Chief Financial Officer
3.	James S. Shoenfelt	Secretary

## VICE-PRESIDENTS

## **DIRECTORS OR TRUSTEES**

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)  
\_\_\_\_\_  
Timothy M. Dwyer  
(Printed Name)  
1.  
President  
(Title)

(Signature)  
Nicholas Ferreri  
(Printed Name)  
2.  
Chief Financial Officer  
(Title)

(Signature)  
James S. Shoenfelt  
(Printed Name)  
3.  
Secretary  
(Title)

Subscribed and sworn to (or affirmed) before me on this  
day of February , 2012

a. Is this an original filing?  Yes  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 (Schedule D)	3,433,251		3,433,251	3,297,272
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
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 (\$ 5,595,689, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	5,595,689		5,595,689	6,920,794
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	9,028,940		9,028,940	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	30,504		30,504	11,402
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	125,026	45,225	79,801	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	2,567,638	2,081,134	486,504	588,030
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	225,152	79,336	145,816	222,704
21. Furniture and equipment, including health care delivery assets (\$ 0)	118,268	118,268		
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	1,403,538	203,538	1,200,000	3,000,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	13,541,918	2,527,501	11,014,417	14,177,798
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	13,541,918	2,527,501	11,014,417	14,177,798

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	<b>NONE</b>			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. CAPITAL CONTRIBUTION	1,200,000		1,200,000	3,000,000
2502. PREPAID EXPENSE	132,963	132,963		
2503. RETAINERS	30,369	30,369		
2598. Summary of remaining write-ins for Line 25 from overflow page	40,206	40,206		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,403,538	203,538	1,200,000	3,000,000

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	974,912	3,563,942
2. Statutory premium reserve (Part 1B, Line 2.6, Col. 1)	4,161,267	3,615,955
3. Aggregate of other reserves required by law		
4. Supplemental reserve (Part 2B, Col. 4, Line 10)		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	514,929	129,007
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	87,885	
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	3,042	
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	62,492	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)	5,804,527	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	9,832,700	7,432,700
30. Unassigned funds (surplus)	(6,622,811)	(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) (Page 4, Line 32)	5,209,889	6,032,233
33. Totals (Page 2, Line 28, Col. 3)	11,014,416	14,177,798

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

**OPERATIONS AND INVESTMENT EXHIBIT**

<b>STATEMENT OF INCOME</b>	1	2
	Current Year	Prior Year
<b>OPERATING INCOME</b>		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col.1)	10,254,779	10,000,655
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)	2,604,567	2,027,665
1.3 Other title fees and service charges (Part 1A, Total of Line 3, 4, 5 and 6, Col. 4)	607,432	5,731
2. Other operating income (Part 4, Line 2, Col. 5)		
3. Total Operating Income (Lines 1 through 2)	13,466,778	12,034,051
<b>EXPENSES</b>		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	1,472,823	4,112,298
5. Operating expenses incurred (Part 3, Line 24, Cols. 4)	14,888,348	11,724,940
6. Other operating expenses (Part 4, Line 6, Col. 5)		
7. Total Operating Expenses	16,361,171	15,837,238
8. Net operating gain or (loss) (Lines 3 minus 7)	(2,894,393)	(3,803,187)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	42,580	76,106
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		105,546
11. Net investment gain (loss) (Lines 9 + 10)	42,580	181,652
<b>OTHER INCOME</b>		
12. Aggregate write-ins for miscellaneous income or (loss) or other deductions		
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(2,851,813)	(3,621,535)
14. Federal and foreign income taxes incurred		
15. Net income (Lines 13 minus 14)	(2,851,813)	(3,621,535)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 32, Column 2)	6,032,233	6,497,111
17. Net income (from Line 15)	(2,851,813)	(3,621,535)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	12,691	33,431
19. Change in net unrealized foreign exchange capital gain (loss)		
20. Change in net deferred income taxes	921,518	1,226,199
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(1,304,740)	(1,102,973)
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	2,400,000	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 (Page 3, Lines (31.1) and (31.2), 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)	(822,344)	(464,878)
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 32)	5,209,889	6,032,233

<b>DETAILS OF WRITE-IN LINES</b>		
1201.		
1202.		
1203.		
1298. Summary of remaining write-ins for Line 12 from overflow page	<b>NONE</b>	
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	<b>NONE</b>	
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	10,821,782	12,106,047
2. Net investment income	81,565	76,106
3. Miscellaneous income	3,211,999	
4. Total (Lines 1 through 3)	14,115,346	12,182,153
5. Benefit and loss related payments	4,061,853	4,112,298
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	14,248,336	11,724,940
7. Commissions, expenses paid and aggregate write-ins for deductions		
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)	18,310,189	15,837,238
11. Net cash from operations (Line 4 minus Line 10)	(4,194,843)	(3,655,085)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,485,652	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	54,297	
12.7 Miscellaneous proceeds	20,149	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,505,801	4,116,623
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,687,176	2,304,955
13.2 Stocks		995,308
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	138,944	
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,876,164	3,439,207
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(370,363)	677,416
<b>Cash from Financing and Miscellaneous Sources</b>		
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)	(959,899)	1,808,708
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	3,240,101	4,808,708
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,325,105)	1,831,039
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,920,794	5,089,755
19.2 End of year (Line 18 plus Line 19.1)	5,595,689	6,920,794

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

20.0001		
20.0002		
20.0003		

**OPERATIONS AND INVESTMENT EXHIBIT****PART 1A – SUMMARY OF TITLE INSURANCE PREMIUMS  
WRITTEN AND RELATED REVENUES**

	1 Direct Operations	Agency Operations		4 Current Year (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written (Sch T, Line 59, Cols. 3, 4 and 5)	4,870,315	6,012,720		10,883,035	10,692,805
2. Escrow and settlement service charges	2,604,567			2,604,567	2,027,665
3. Title examinations					
4. Searches and abstracts	607,067			607,067	
5. Surveys					
6. Aggregate write-ins for service charges	364			364	5,731
7. Totals (Lines 1 to 6)	8,082,313	6,012,720		14,095,033	12,726,201

DETAILS OF WRITE-INS					
0601. Misc Income	364			364	5,731
0602.					
0603.					
0698. Summary of remaining write-ins for Line 06 from overflow page					
0699. Total (Lines 0601 through 0603 plus 0698) (Line 06 above)	364			364	5,731

**PART 1B – PREMIUMS EARNED EXHIBIT**

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	10,883,035	10,692,805
1.2 Assumed	83,335	84,454
1.3 Ceded	10,799,700	10,608,351
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)		
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	3,615,955	3,009,547
2.2 Aggregate write-ins for book adjustments to Line 2.1		
2.3 Additions during the current year	797,082	802,463
2.4 Withdrawals during the current year	252,161	194,767
2.5 Aggregate write-ins for other adjustments not effecting earned premiums	391	(1,288)
2.6 Balance at December 31 current year (Lines 2.1 + 2.2 + 2.3 - 2.4 + 2.5)	4,161,267	3,615,955
3. Net title premiums earned during year (Lines 1.4 + 2.1 + 2.5 - 2.6) (Sch. T, Line 59, Col. 7)	10,254,779	10,000,655

DETAILS OF WRITE-INS	1 Current Year	2 Prior Year
02.201		
02.202		
02.203		
02.298 Summary of remaining write-ins for Line 02.2 from overflow page		
02.299 Total (Lines 02.201 through 02.203 plus 02.298) (Line 02.2 above)		
02.501 Misc adjustment	391	(1,288)
02.502		
02.503		
02.598 Summary of remaining write-ins for Line 02.5 from overflow page		
02.599 Total (Lines 02.501 through 02.503 plus 02.598) (Line 02.5 above)	391	(1,288)

**NONE**

## 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 and subrogation (Total same as Sch. T, Line 59, Col. 8)	216,134	3,862,562		4,078,696	640,744
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage and subrogation					
3. Total (Line 1 plus Line 2)	216,134	3,862,562		4,078,696	640,744
4. Deduct: Recovered during year from reinsurance		16,842		16,842	26,458
5. Net payments (Line 3 minus Line 4)	216,134	3,845,720		4,061,854	614,286
6. Known claims reserve – current year (Page 3, Line 1, Column 1)	570,203	404,709		974,912	3,563,942
7. Known claims reserve – prior year (Page 3, Line 1, Column 2)	40,002	3,523,940		3,563,942	65,930
8. Losses and allocated Loss Adjustment Expenses incurred (Line 5 plus Line 6 minus Line 7)	746,335	726,489		1,472,824	4,112,298
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)	746,335	726,489		1,472,824	4,112,298

## 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)	500,000	478,912		978,912	3,563,942
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)		4,000		4,000	
3. Known claims reserve net of reinsurance (Line 1.1 plus Line 1.2 minus Line 2)	500,000	474,912		974,912	3,563,942
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)	209,000	1,591,000		1,800,000	1,250,000
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)		145,000		145,000	115,000
4.4 Net incurred but not reported (Line 4.1 plus Line 4.2 minus Line 4.3)	209,000	1,446,000		1,655,000	1,135,000
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	54,000	446,000		500,000	685,000
6. Less discount for time value of money, if allowed (Sch. P, Part 1, Line 12, Col. 33)	XXX	XXX	XXX		
7. Total Schedule P reserves (Lines 3 + 4.4 + 5 - 6) (Sch. P, Part 1, Line 12, Col. 34)	XXX	XXX	XXX	3,129,912	5,383,942
8. Statutory premium reserve at year end (Part 1B, Line 2.6)	XXX	XXX	XXX	4,161,267	3,615,955
9. Aggregate of other reserves required by law (Page 3, Line 3)	XXX	XXX	XXX		
10. Supplemental reserve (a) (Lines 7 - (3 + 8 + 9))	XXX	XXX	XXX		

(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				5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	Totals				
	1 Direct Operations	Agency Operations		4 Total (Cols. 1 + 2 + 3)				8	9			
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations					Current Year (Cols. 4 + 5 + 6 + 7)	Prior Year			
1. Personnel costs:												
1.1 Salaries	2,540,537	577,346		3,117,883				3,117,883	2,116,671			
1.2 Employee relations and welfare	344,675	78,329		423,004				423,004	237,482			
1.3 Payroll taxes	211,673	48,103		259,776				259,776	173,367			
1.4 Other personnel costs	72,737	16,530		89,267				89,267	63,930			
1.5 Total personnel costs	3,169,622	720,308		3,889,930				3,889,930	2,591,450			
2. Amounts paid to or retained by title agents				4,273,052				4,273,052	5,113,631			
3. Production services (purchased outside):												
3.1 Searches, examinations and abstracts	3,299,539			3,299,539				3,299,539	2,716,285			
3.2 Surveys												
3.3 Other		371,656		371,656				371,656				
4. Advertising	470,772			470,772				470,772	906			
5. Boards, bureaus and associations	22,656			28,983				28,983	9,428			
6. Title plant rent and maintenance	15,000			15,000				15,000	16,863			
7. Claim adjustment services												
8. Amounts charged off, net of recoveries	77,180	17,539		94,719				94,719				
9. Marketing and promotional expenses	238,550			238,550				238,550	319,314			
10. Insurance	14,587	4,074		18,661				18,661	3,368			
11. Directors' fees	2,345	655		3,000				3,000	10,000			
12. Travel and travel items	134,802	37,644		172,446				172,446	40,448			
13. Rent and rent items	109,153	24,805		133,958				133,958	103,408			
14. Equipment	42,831	9,734		52,565				52,565	41,305			
15. Cost or depreciation of EDP equipment and software	123,662	28,103		151,765				151,765	129,842			
16. Printing, stationery, books and periodicals	61,541	13,985		75,526				75,526	71,227			
17. Postage, telephone, messengers and express	103,864	23,603		127,467				127,467	60,833			
18. Legal and auditing	164,807	600,055		764,862				764,862	124,904			
19. Totals (Lines 1.5 to 18)	8,050,911	6,131,540		14,182,451				14,182,451	11,353,212			
20. Taxes, licenses and fees:												
20.1 State and local insurance taxes	145,860	181,994		327,854				327,854	146,594			
20.2 Insurance department licenses and fees	60,174	75,080		135,254				135,254	114,660			
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)	206,034	257,074		463,108				463,108	261,254			
21. Real estate expenses												
22. Real estate taxes												
23. Aggregate write-ins for other expenses	160,456	82,333		242,789				242,789	110,474			
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	8,417,401	6,470,947		14,888,348				(a) 14,888,348	11,724,940			
25. Less unpaid expenses - current year					500,000			500,000				
26. Add unpaid expenses - prior year												
27. TOTAL EXPENSES PAID (Lines 24 + 25 + 26)	8,417,401	6,470,947		14,888,348	(500,000)			14,388,348	11,724,940			

DETAILS OF WRITE-IN LINES									
2301. Data Processing/Data Center Expense	132,749		21,111		153,860				153,860
2302. Bank Charges/Misc Exp/Donations/Tax Penalty	27,707		61,222		88,929				88,929
2303.									4,217
2398. Summary of remaining write-ins for Line 23 from overflow page					242,789			242,789	110,474
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	160,456		82,333					242,789	110,474

(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	7
						Current Year (Cols. 4 + 5)	Prior Year
1. Title insurance and related income (Part 1):							
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1) .....	4,568,564	5,686,215		10,254,779	XXX	10,254,779	10,000,655
1.2 Escrow and settlement services (Part 1A, Line 2) .....	2,604,567			2,604,567	XXX	2,604,567	2,027,665
1.3 Other title fees and service charges (Part 1A, Lines 3 through 6) .....	607,432			607,432	XXX	607,432	5,731
2. Aggregate write-ins for other operating income .....	XXX	XXX	XXX	XXX			
3. Total Operating Income (Lines 1.1 through 1.3 + 2) .....	7,780,563	5,686,215		13,466,778		13,466,778	12,034,051
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4) .....	746,335	726,489		1,472,824	XXX	1,472,824	4,112,298
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 and 6) .....	8,417,401	6,470,947		14,888,348		14,888,348	11,724,940
6. Total Operating Deductions (Lines 4 + 5) .....	9,163,736	7,197,436		16,361,172		16,361,172	15,837,238
7. Net operating gain or (loss) (Lines 3 minus 6) .....	(1,383,173)	(1,511,221)		(2,894,394)		(2,894,394)	(3,803,187)

DETAILS OF WRITE-IN LINES							
0201. ....	XXX	XXX	XXX	XXX			
0202. ....	XXX	XXX	XXX	XXX			
0203. ....	XXX	XXX	XXX	XXX			
0298. Summary of remaining write-ins for Line 02 from overflow page .....	XXX	XXX	XXX	XXX			
0299. Total (Lines 0201 through 0203 plus 0298) (Line 02 above) .....	XXX	XXX	XXX	XXX			

NONE

**EXHIBIT OF NET INVESTMENT INCOME**

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	76,453	76,453
1.1 Bonds exempt from U.S. tax	(a)	13,375	13,375
1.2 Other bonds (unaffiliated)	(a)	12,610	12,610
1.3 Bonds of affiliates			
2.1 Preferred stocks (unaffiliated)	(a)		
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)	(b)		
2.21 Common stocks of affiliates			
3. Mortgage loans	(c)		
4. Real estate	(d)		
5. Contract loans			
6. Cash, cash equivalents and short-term investments	(e)	4,991	4,991
7. Derivative instruments	(f)		
8. Other invested assets			
9. Aggregate write-ins for investment income			
10. Total gross investment income		107,429	107,429
11. Investment expenses	(g)		64,849
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)			64,849
17. Net investment income (Line 10 minus Line 16)			42,580

DETAILS OF WRITE-IN LINES		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page	<b>NONE</b>	
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page	<b>NONE</b>	
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		

(a) Includes \$ 0 accrual of discount less \$ 78,236 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 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
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)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)				12,691	

DETAILS OF WRITE-IN LINES					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page	<b>NONE</b>				
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
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			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	45,226	48,931	3,705
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
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	2,081,134	1,058,090	(1,023,044)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	79,336	97,933	(79,336)
21. Furniture and equipment, including health care delivery assets	118,268	97,933	(20,335)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	203,538	17,807	(185,731)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,527,502	1,222,761	(1,304,741)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	2,527,502	1,222,761	(1,304,741)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	<b>NONE</b>		
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. PREPAID EXPENSE	132,963	2,663	(130,300)
2502. RETAINERS	30,369		(30,369)
2503. SECURITY DEPOSIT	12,325	4,082	(8,243)
2598. Summary of remaining write-ins for Line 25 from overflow page	27,881	11,062	(16,819)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	203,538	17,807	(185,731)

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 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

For premiums written in Ohio, 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. For all other states where the Company writes insurance, the Company follows the various state insurance department regulations when determining what statutory premium reserves are established. 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

## **NOTES TO FINANCIAL STATEMENTS**

- a. None
- 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 December 31, 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 December 31, 2011 the Company had a net deferred tax asset of \$2,567,638 of which \$2,081,134 was considered non-admitted.
- b. Not applicable
- c. At December 31, 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 December 31, 2011 the Company has no current tax expense.

## **NOTES TO FINANCIAL STATEMENTS**

- d. The Company's tax expense at December 31, 2011 differs from the federal statutory rate applied to its pretax net income primarily due to permanent 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 December 31, 2011, the Company had an estimated net operating loss of \$6,404,563 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; \$1.2 million as additional paid-in capital and contributed surplus to the Company effective June 30, 2011; and \$1.2 million as additional paid-in capital and contributed surplus to the Company effective December 31, 2011. The Company currently operates as a wholly-owned subsidiary of EDG, a privately held Delaware corporation. EDG, owned by over [50] individual investors who reside primarily in the New York City area and Connecticut, has significant access to liquidity, as evidenced by the \$2.4 million of capital contributed by EDG to the Company in 2011.
- 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 entire year of 2011, EDG provided to the Company marketing, advertising and other advisory and management services associated with this arrangement totaling \$1,555,273. These costs are included in the Statement of Income under operating expenses incurred. During the full year of 2010, \$481,170 in services

## **NOTES TO FINANCIAL STATEMENTS**

provided by EDG were similarly charged to the Company under the arrangement. Also included in operating expenses for 2011, were \$443,075 of legal expenses incurred (net of recoveries) in connection with the recovery effort relating to the defalcation that occurred in late 2010. The allocated marketing, advertising and other advisory and management services combined with the legal expenses incurred associated to the recovery efforts in relation to the defalcation comprised a significant portion of the Company's net loss reported in 2011. Approximately 85% of said net loss and resulting decrease in surplus was offset by the capital contributed from EDG to the Company.

- c. Not applicable
- d. Not applicable
- e. Not applicable
- f. Not applicable
- g. At December 31, 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 December 31, 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 December 31, 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 December 31, 2011, the Company leases office space from Valre Properties LLC. The Company's annual lease obligation for 2012 is \$74,670, which includes utilities. The space is located at 4600 Rockside Road, Suite 200, Independence, Ohio, 44131. The lease will expire on May 31, 2013.

## **NOTES TO FINANCIAL STATEMENTS**

At December 31, 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 December 31, 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 2012 is \$61,476. The lease commenced on February 1, 2011 and will expire on January 13, 2013.

At December 31, 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 2012 is \$12,000.

At December 31, 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 2012 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 December 31, 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 December 31, 2011, the Company had no extraordinary items to report.

#### **b. Troubled Debt Restructuring: Debtors**

Not applicable.

#### **c. Other Disclosures**

None

### **21. Events Subsequent**

#### **b. The Company recorded a note receivable of \$1.2 million as of December 31, 2011 as a result of a capital contribution from its parent EDG. That note was satisfied in cash in February 2012. The note recorded as of December 31, 2011 and subsequent receipt of cash prior to the filing date classified the contribution as a Type I subsequent event.**

### **22. Reinsurance**

#### **a. Unsecured Reinsurance Recoverables**

At December 31, 2011, the Company had no unsecured reinsurance recoverables.

## **NOTES TO FINANCIAL STATEMENTS**

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- b. Reinsurance Recoverable in Dispute  
At December 31, 2011, the Company had no reinsurance recoverables in dispute.
- c. Reinsurance Ceded
  - (1) At December 31, 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 December 31, 2011, the Company had no uncollectible reinsurance.
- e. Commutation of Ceded Reinsurance  
At December 31, 2011, the Company had no commutation of ceded reinsurance.
- f. Retroactive Reinsurance  
At December 31, 2011, the Company had no retroactive reinsurance.
- g. Reinsurance Accounted for as a Deposit  
At December 31, 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**

Known claim reserves as of December 31, 2010 were \$3,563,942. The vast majority of these reserves were for a defalcation during the 2010 year involving escrow shortages on a number of policies relating to a title agent under contract with the Company. During 2011, there were paid losses and allocated loss adjustment expenses made of \$3,906,424 and as of December 31, 2011 there are \$367,269 of open known claim reserves relating to these same defalcation claims. The known claim reserves at year-end 2010, relating to the defalcation, therefore experienced an unfavorable development approximating \$700,000. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

### **25. Inter-company Pooling Arrangements**

Not applicable for title insurance companies.

### **26. Structured Settlements**

At December 31, 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 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 [ X ] No [ ]

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 [ X ] No [ ] N/A [ ]

1.3 State Regulating?

Ohio

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:

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

12/31/2008

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.

12/31/2008

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).

01/14/2010

3.4 By what department or departments?

Ohio Department of Insurance

3.5 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 [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with?

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

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

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?

Yes [ ] No [ X ]

## GENERAL INTERROGATORIES

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,

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

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Cohen & Company, Ltd., 1350 Euclid Avenue Suite 800 Cleveland, Oh 44115-1877

.....  
.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....  
.....

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4 If response to 10.3 is yes, provide information related to this exemption:

.....  
.....

## GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

.....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

John Pierce, 1420 Renaissance Drive, Suite 104 Park Ridge, IL 60068

.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company \_\_\_\_\_

12.12 Number of parcels involved \_\_\_\_\_

12.13 Total book/adjusted carrying value \$ \_\_\_\_\_

12.2 If yes, provide explanation:

.....

### 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

.....

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 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 [ ]

14.11 If the response to 14.1 is no, please explain:

.....

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

## GENERAL INTERROGATORIES

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 ....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....	.....	.....	.....
.....	.....	.....	.....

## BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. 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 that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

## FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 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 [X]

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

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____



## GENERAL INTERROGATORIES

27.1 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 ]

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

28. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

28.01 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
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 Centurion 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

28.02 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)
.....	.....	.....
.....	.....	.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ X ] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Karen Polomsky	Sheila Kale	04/15/2011	Staff Change
.....	.....	.....	.....

28.05 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 Number(s)	2 Name	3 Address
.....	.....	.....
.....	.....	.....

## GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	3,433,251	3,449,208	15,957
30.2 Preferred stocks			
30.3 Totals	3,433,251	3,449,208	15,957

30.4 Describe the sources or methods utilized in determining the fair values:

Interactive Data Corp.

.....

.....

.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

.....

.....

.....

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

32.2 If no, list exceptions:

.....

.....

## OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 28,984

## GENERAL INTERROGATORIES

33.2 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
American Land Title Association	\$ 16,558
	\$

34.1 Amount of payments for legal expenses, if any? \$ 639,347

34.2 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
Robinson Curley & Clayton P.C.	\$ 274,005
Grimshaw & Harring	\$ 211,104

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ \_\_\_\_\_

35.2 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 departments of government during the period covered by this statement.

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

## GENERAL INTERROGATORIES

### PART 2 – TITLE INTERROGATORIES

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 insured in any one risk. \$ 9,000,000

3.1 Has this 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 that consist of co-ordinate interest in first liens? \$ \_\_\_\_\_

9.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:  
 9.11 Bonds \$ \_\_\_\_\_  
 9.12 Short-term investments \$ \_\_\_\_\_  
 9.13 Mortgages \$ \_\_\_\_\_  
 9.14 Cash \$ \_\_\_\_\_  
 9.15 Other admissible invested assets \$ \_\_\_\_\_  
 9.16 Total \$ \_\_\_\_\_

9.2 List below segregate 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 1D Summary, and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers).  
 9.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:  
 These funds consist of:  
 9.22 In cash on deposit \$ 9,317,063  
 9.23 Other forms of security \$ \_\_\_\_\_

**FIVE – YEAR HISTORICAL DATA**

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

	1 2011	2	3 2009	4 2008	5 2007
<b>Source of Direct Title Premiums Written (Part 1A)</b>					
1. Direct operations (Part 1A, Line 1, Col. 1)	4,870,315	3,755,117	1,303,356	10,948	
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	6,012,720	6,937,688	5,160,950	3,726,809	3,445,031
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)					428,862
4. Total	10,883,035	10,692,805	6,464,306	3,737,757	3,873,893
<b>Operating Income Summary (Page 4 &amp; Part 1)</b>					
5. Premiums earned (Part 1B, Line 3)	10,254,779	10,000,655	6,091,427	3,491,912	3,594,472
6. Escrow and settlement service charges (Part 1A, Line 2)	2,604,567	2,027,665	611,719	4,515	
7. Title examinations (Part 1A, Line 3)					
8. Searches and abstracts (Part 1A, Line 4)	607,067				
9. Surveys (Part 1A, Line 5)					
10. Aggregate write-ins for service charges (Part 1A, Line 6)	364	5,731	5,979	11	
11. Aggregate write-ins for other operating income (Page 4, Line 2)					
12. Total operating income (Page 4, Line 3)	13,466,777	12,034,051	6,709,125	3,496,438	3,594,472
<b>Statement of Income (Page 4)</b>					
13. Net operating gain or (loss) (Line 8)	(2,894,393)	(3,803,187)	(347,635)	(381,255)	(357,053)
14. Net investment gain or (loss) (Line 11)	42,580	181,652	111,685	263,093	505,883
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)					27,350
17. Net income (Line 15)	(2,851,813)	(3,621,535)	(235,950)	(118,162)	121,480
<b>Balance Sheet (Pages 2 and 3)</b>					
18. Title insurance premiums and fees receivable (Page 2, Line 15, Col. 3)	79,801	94,744	47,666	12,611	13,610
19. Total admitted assets excluding segregated accounts (Page 2, Line 26, Col. 3)	11,014,417	14,179,372	9,759,858	9,544,957	9,809,886
20. Known claims reserve (Page 3, Line 1)	974,912	3,563,942	65,930	134,149	327,553
21. Statutory premium reserve (Page 3, Line 2)	4,161,267	3,615,955	3,009,547	2,669,081	2,524,234
22. Total liabilities (Page 3, Line 23)	5,804,527	8,145,565	3,262,747	2,863,545	3,011,373
23. Capital paid up (Page 3, Lines 25 + 26)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
24. Surplus as regards policyholders (Page 3, Line 32)	5,209,889	6,032,233	6,497,111	6,681,412	6,798,513
<b>Cash Flow (Page 5)</b>					
25. Net cash from operations (Line 11)	(4,194,843)	(3,655,085)	(168,562)	(118,812)	(88,937)
<b>Percentage Distribution of Cash, Cash-Equivalents and Invested Assets (Page 2, Col. 3)</b>					
(Item divided by Page 2, Line 12, Col. 3) x 100.0					
26. Bonds (Line 1)	38.0	32.0	44.0	60.0	44.0
27. Stocks (Lines 2.1 & 2.2)					
28. Mortgage loans on real estate (Line 3.1 and 3.2)					
29. Real estate (Lines 4.1, 4.2 & 4.3)					
30. Cash, cash equivalents and short-term investments (Line 5)	62.0	68.0	56.0	40.0	56.0
31. Contract loans (Line 6)					
32. Derivatives (Line 7)			XXX	XXX	XXX
33. Other invested assets (Line 8)					
34. Receivable for securities (Line 9)					
35. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
36. Aggregate write-ins for invested assets (Line 11)					
37. Subtotals cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
39. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
40. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
41. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Lines 38 to 43					
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Line 32, Col. 1 x 100.0)					

**FIVE – YEAR HISTORICAL DATA**

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
46. Net unrealized capital gains or (losses) (Line 18)	12,691	33,431	45,596	(106,020)	(150,068)
47. Change in nonadmitted assets (Line 21)	(1,304,740)	(1,102,973)	(68,846)	18,495	2,425
48. Dividends to stockholders (Line 28)					
49. Change in surplus as regards policyholders for the year (Line 31)	(822,344)	(464,878)	(184,301)	(117,101)	5,024,575
<b>Losses Paid and Incurred (Part 2A)</b>					
50. Net payments (Line 5, Col. 4)	4,061,854	614,286	57,609	13,449	239,975
51. Losses and allocated LAE incurred (Line 8, Col. 4)	1,472,824	4,112,298	(10,610)	(179,955)	(76,380)
52. Unallocated LAE incurred (Line 9, Col. 4)					
53. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	1,472,824	4,112,298	(10,610)	(179,955)	(76,380)
<b>Operating Expenses to Total Operating Income (Part 3)(%)</b> (Line item divided by Page 4, Line 3 x 100.0)					
54. Personnel costs (Part 3, Line 1.5, Col. 4)	28.9	21.5	20.4	15.8	9.8
55. Amounts paid to or retained by title agents (Part 3, Line 2, Col. 4)	31.7	42.5	62.5	87.1	86.9
56. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	49.9	33.4	22.4	13.1	15.4
57. Total (Lines 54 to 56)	110.5	97.4	105.3	116.0	112.1
<b>Operating Percentages (Page 4)</b> (Line item divided by Page 4, Line 3 x 100.0)					
58. Losses and loss adjustment expenses incurred (Line 4)	10.9	34.2	(0.2)	(5.1)	(2.1)
59. Operating expenses incurred (Line 5)	110.6	97.4	105.3	116.1	112.1
60. Aggregate write-ins for other operating deductions (Line 6)					
61. Total operating deductions (Line 7)	121.5	131.6	105.2	110.9	109.9
62. Net operating gain or (loss) (Line 8)	(21.5)	(31.6)	(5.2)	(10.9)	(9.9)
<b>Other Percentages</b> (Line item divided by Part 1B, Line 1.4 x 100.0)					
63. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)	13.6	38.8	(0.2)	(4.9)	(2.1)
64. Operating expenses incurred to net premiums written (Page 4, Line 5)	137.9	110.5	109.8	111.6	108.0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure

Yes [ ] No [X]

requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

If no, please explain:

Not applicable

**SCHEDULE P – PART 1 – SUMMARY**

(\$000 omitted)

Years in Which Policies Were Written	Amount of Insurance Written in Millions	Premiums Written and Other Income						Loss and Allocated Loss Adjustment Expenses Payments					
		2	3	4	5	6	Loss Payments			Allocated LAE Payments			
							7	8	9	10	11	12	
Years in Which Policies Were Written	Amount of Insurance Written in Millions	Direct Premium	Assumed Premium	Other Income	Ceded Premium	Net (Cols. 2 + 3 + 4 - 5)	Direct	Assumed	Ceded	Direct	Assumed	Ceded	
1. Prior	XXX	30,587		103	140	30,550	1,113		131	517		78	
2. 2002		8,698			72	8,626	69		13	108		70	
3. 2003		10,751			118	10,633	43		122	44			
4. 2004		7,264			52	7,212	17			67			
5. 2005		7,756			266	7,490	(32)			87			
6. 2006		4,554			179	4,375	15			33			
7. 2007		3,874			145	3,729				21			
8. 2008		3,738			101	3,637	1			1			
9. 2009		6,464			32	6,432	34			64			
10. 2010		10,693			84	10,609	4,158			365			
11. 2011		10,883		3,212	83	14,012				4			
12. Totals	XXX	105,262		3,315	1,272	107,305	5,418		266	1,311		148	

	13	14	15	16	Loss and Allocated Loss Adjustment Expenses Unpaid						23	
					Known Claim Reserves			IBNR Reserves				
					17	18	19	20	21	22		
	Salvage and Subrogation Received	Unallocated Loss Expense Payments	Total Net Loss and Expense Paid (Cols. 7+8+10+11 -9-12+14)	Number of Claims Reported (Direct)	Direct	Assumed	Ceded	Direct	Assumed	Ceded	Unallocated Loss Expense Unpaid	
1. Prior	930		1,421	366				201			93	56
2. 2002			94	82	4			33			32	9
3. 2003			(35)	93	1			82				23
4. 2004	1		84	71				69				19
5. 2005	74		55	67	37			77			6	21
6. 2006			48	34				50			3	14
7. 2007	29		21	38				49			3	14
8. 2008			2	8	1			63			2	18
9. 2009			98	14	49			147			4	41
10. 2010	12		4,523	103	837			617			1	171
11. 2011			4	1	50			412			1	114
12. Totals	1,046		6,315	877	979			1,800			145	500

	24 Total Net Loss and LAE Unpaid (Cols. 17+18+20 +21-19 -22+23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss & LAE Per \$1000 of Coverage ([Cols. 14+23 + 29] / [Cols. 29+14+23] / Col. 1)	33 Net Reserves After Discount For Time Value of Money (Cols. 24-33)	
			26	27	28	29	30	31			
			Direct	Assumed (Cols. 8+ 11+18+21)	Ceded (Cols. 9+ 12+19+22)	Net	Direct Basis ([Cols. 14+23+26/ Col. 2])	Net Basis ([Cols. 14+23 + 29] / [Cols. 29+14+23] / Col. 1])			
1. Prior	164	3	1,831		302	1,529	6,169	5,206	XXX		164
2. 2002	10	1	214		119	95	2,564	1,206			10
3. 2003	106	5	170		122	48	1,795	0,668			106
4. 2004	88	1	153			153	2,368	2,385			88
5. 2005	129	1	169		6	163	2,450	2,457			129
6. 2006	61	2	98		3	95	2,459	2,491			61
7. 2007	60	3	70		3	67	2,168	2,172			60
8. 2008	80	1	66		2	64	2,247	2,255			80
9. 2009	233	7	294		4	290	5,183	5,146			233
10. 2010	1,624	36	5,977		1	5,976	57,496	57,941			1,624
11. 2011	575	1	466		1	465	5,329	5,361			575
12. Totals	3,130	61	9,508		563	8,945	XXX	XXX	XXX		3,130

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### By States and Territories

States, Etc.	Active Status	1 Premium Rate (b)	Direct Premiums Written			6 Other Income	7 Net Premiums Earned	8 Direct Losses and Allocated Loss Adjustment Expenses Paid	9 Direct Losses and Allocated Loss Adjustment Expenses Paid	10 Direct Known Claim Reserve					
			3 Direct Operations	Agency Operations											
				4 Non-affiliated Agencies	5 Affiliated Agencies										
1. Alabama	AL	L	13,556	8,031		25,585	19,546								
2. Alaska	AK	N				330	25,526	2,042	2,042						
3. Arizona	AZ	L	14,555	11,729		1,400	2,119								
4. Arkansas	AR	L	2,314	25		1,072,562	782,896	159,103	684,306	550,203					
5. California	CA	L	855,443	5,980											
6. Colorado	CO	N				340	155,876								
7. Connecticut	CT	L	110,637	60,712		42,080	32,851								
8. Delaware	DE	L	31,507	4,791		29,360	27,500								
9. District of Columbia	DC	L	30,173	150		144,961	285,374	356,212	6,439						
10. Florida	FL	L	203,112	100,250		63,680	54,224								
11. Georgia	GA	L	47,385	11,994											
12. Hawaii	HI	N													
13. Idaho	ID	N													
14. Illinois	IL	L	52,816	38,009		47,208	87,863	627,765	26,404	23,000					
15. Indiana	IN	L	12,565	84,882		9,260	87,703								
16. Iowa	IA	L		12,729											
17. Kansas	KS	L	11,271	14,889		20,940	23,609								
18. Kentucky	KY	L	13,299	28,657		14,769	38,057								
19. Louisiana	LA	L	17,532	112,165		14,110	118,519								
20. Maine	ME	N													
21. Maryland	MD	L	209,100	41,589		281,374	235,568								
22. Massachusetts	MA	L	106,055	25,247		141,247	118,989								
23. Michigan	MI	N													
24. Minnesota	MN	L	17,152	55,542		21,015	68,384								
25. Mississippi	MS	L	5,267	2,500		7,285	6,990								
26. Missouri	MO	L	33,299	137,500		96,629	149,868								
27. Montana	MT	L	3,415			710	3,074								
28. Nebraska	NE	L		17,308											
29. Nevada	NV	L	9,649			9,678	13,337	1,258,447	371,733	314,000					
30. New Hampshire	NH	N													
31. New Jersey	NJ	N													
32. New Mexico	NM	L		2,605											
33. New York	NY	L	530,207	2,890,656		203,585	3,200,521								
34. North Carolina	NC	L	35,744	5,909		98,139	37,699								
35. North Dakota	ND	L													
36. Ohio	OH	L	59,101	2,107,156		52,033	2,063,580	418,776	130,442	41,709					
37. Oklahoma	OK	L	1,864	453		225	2,209	161,511	161,511						
38. Oregon	OR	L													
39. Pennsylvania	PA	L	1,718,654	80,200		97,017	1,755,889	57,031	62,029	20,000					
40. Rhode Island	RI	L	3,627	1,689		6,905	4,784								
41. South Carolina	SC	L	31,957	7,996		52,318	37,438	3,573	3,573						
42. South Dakota	SD	L	407			977	331								
43. Tennessee	TN	L	35,320	18,193		45,093	49,015								
44. Texas	TX	L	2,565			125	2,502	24,972	48,259	30,000					
45. Utah	UT	L													
46. Vermont	VT	N													
47. Virginia	VA	L	643,008	30,561		600,528	630,235	1,009,263	(3,073)						
48. Washington	WA	L	915	77,367		445	82,318								
49. West Virginia	WV	L	5,491	8,026		6,085	12,165								
50. Wisconsin	WI	L	1,353	7,229		4,000	7,740								
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	XXX	XXX	4,870,315	6,012,719		3,211,998	10,254,780	4,078,695	1,493,665	978,912				
59. Totals		(a) 41	XXX												

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

**NONE**

(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.

(b) Each type of rate must be coded with a combination of the five Activity Codes (R, S, X, C, and/or E) listed in the instructions. Use the code combination corresponding to the State's statutory definitions of title insurance program. If more than one combination of activities is indicated in the statutory definition, all relevant combinations must be listed. See the Schedule T Instructions.

**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 DOMICILE - OHIO**

**OVERFLOW PAGE FOR WRITE-INS****Page 2 - Continuation**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
<b>REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS</b>				
2504. SECURITY DEPOSIT	12,325	12,325		
2505. ESCROW ADVANCES	11,917	11,917		
2506. A/R GUARDIAN FINANCIAL SERVICES	10,964	10,964		
2507. RECEIVERS BOND	5,000	5,000		
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	40,206	40,206		

**OVERFLOW PAGE FOR WRITE-INS****Page 12 - Continuation**

<b>DETAILS OF WRITE-IN LINES FOR EXHIBIT OF NET INVESTMENT INCOME AT LINE 25</b>	<b>1</b> Current Year Total Nonadmitted Assets	<b>2</b> Prior Year Total Nonadmitted Assets	<b>3</b> Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. ESCROW ADVANCES .....	11,917		(11,917)
2505. A/R AFFILIATE P3I TAX SHARING .....	10,964	6,062	(4,902)
2506. RECEIVERS BOND .....	5,000	5,000	
<b>2597. Totals (Lines 2504 through 2596) (Page 12, Line 2598)</b>	<b>27,881</b>	<b>11,062</b>	<b>(16,819)</b>

## ALPHABETICAL INDEX TO TITLE ANNUAL STATEMENT

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