

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) | | 216-524-3400 (Area Code) (Telephone Number) | |
| 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 Web Site Address | www.entitleins.com | | | | | |
| Statutory Statement Contact | Sheila Kale (Name) | | 216-524-3400 (Area Code) (Telephone Number) | | 216-524-3488 (Extension) (Fax Number) | |
| | skale@entitleins.com (E-Mail Address) | | | | | |

OFFICERS

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

VICE-PRESIDENTS

| Name | Title | Name | Title |
|------|-------|------|-------|
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DIRECTORS OR TRUSTEES

| | | | |
|------------------|-----------------|--------------------|------------------|
| Timothy M. Dwyer | Hanley C. Clark | James S. Shoenfelt | Nicholas Ferreri |
| Lee H. Baskey | | | |
| | | | |
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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, by

a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|--------------------|-----------------------------------|---------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | 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 | | | | |
| 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 |

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 | 2 |
|---|-----------------|---------------|
| | Current Year | 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. | 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 | 2 |
|--|-----------------|---------------|
| | Current Year | Prior Year |
| OPERATING INCOME | | |
| 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 |
| EXPENSES | | |
| 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) |
| INVESTMENT INCOME | | |
| 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 |
| OTHER INCOME | | |
| 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) |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 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 |

| DETAILS OF WRITE-IN LINES | | |
|---|------|--|
| 1201. | | |
| 1202. | NONE | |
| 1203. | | |
| 1298. Summary of remaining write-ins for Line 12 from overflow page | | |
| 1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above) | | |
| 3001. | | |
| 3002. | NONE | |
| 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 |
|---|--|--------------|-------------|
| Cash from Operations | | Current Year | Prior Year |
| 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 | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 14,248,336 | 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) | 18,310,189 | 15,837,238 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (4,194,843) | (3,655,085) |
| Cash from Investments | | | |
| 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 | | |
| 12.7 | Miscellaneous proceeds | 20,149 | 54,297 |
| 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 | 188,988 | 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 |
| 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) | (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 |
| 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) | (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 | Agency Operations | | 4 | 5 |
|---|-------------------|----------------------------------|------------------------------|--------------------------------------|------------------|
| | | 2 | 3 | | |
| | Direct Operations | Non-Affiliated Agency Operations | Affiliated Agency Operations | Current Year Total (Cols. 1 + 2 + 3) | Prior Year Total |
| 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 | 2 |
|--|--------------|------------|
| | Current Year | Prior Year |
| 1. Title premiums written: | | |
| 1.1 Direct (Part 1A, Line 1) | 10,883,035 | 10,692,805 |
| 1.2 Assumed | | |
| 1.3 Ceded | 83,335 | 84,454 |
| 1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3) | 10,799,700 | 10,608,351 |
| 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 | 2 |
|--|------|--------------|------------|
| | | Current Year | Prior Year |
| 02.201 | NONE | | |
| 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) |

OPERATIONS AND INVESTMENT EXHIBIT

PART 2A – LOSSES PAID AND INCURRED

| | 1 | Agency Operations | | 4 Total Current Year (Cols. 1 + 2 + 3) | 5 Total Prior Year |
|---|----------------------|---|---|--|-----------------------------|
| | | 2 Non-Affiliated Agency Operations | 3 Affiliated Agency Operations | | |
| | Direct 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 | 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) | X X X | X X X | X X X | | |
| 7. Total Schedule P reserves (Lines 3 + 4.4 + 5 - 6) (Sch. P, Part 1, Line 12, Col. 34) | X X X | X X X | X X X | 3,129,912 | 5,383,942 |
| 8. Statutory premium reserve at year end (Part 1B, Line 2.6) | X X X | X X X | X X X | 4,161,267 | 3,615,955 |
| 9. Aggregate of other reserves required by law (Page 3, Line 3) | X X X | X X X | X X X | | |
| 10. Supplemental reserve (a) (Lines 7 - (3 + 8 + 9)) | X X X | X X X | X X X | | |

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

OPERATIONS AND INVESTMENT EXHIBIT
PART 3 – EXPENSES

| | Title and Escrow Operating Expenses | | | | 5 Unallocated Loss Adjustment Expenses | 6 Other Operations | 7 Investment Expenses | Totals | |
|---|-------------------------------------|---|---|-------------------------------------|--|------------------------------|---------------------------------|--|------------------------|
| | 1 Direct Operations | Agency Operations | | 4 Total (Cols. 1 + 2 + 3) | | | | 8 Current Year (Cols. 4 + 5 + 6 + 7) | 9 Prior Year |
| | | 2 Non-affiliated Agency Operations | 3 Affiliated Agency Operations | | | | | | |
| 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 | | | | 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 | 6,327 | | 28,983 | | | | 28,983 | 9,428 |
| 6. Title plant rent and maintenance | 15,000 | | | 15,000 | | | | 15,000 | 16,863 |
| 7. Claim adjustment services | X X X | X X X | X X X | X X X | | X X X | X X X | | |
| 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 |
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OPERATIONS AND INVESTMENT EXHIBIT
PART 4 – NET OPERATING GAIN/LOSS EXHIBIT

| | 1 | Agency Operations | | 4 | 5 | Totals | |
|--|----------------------|--|------------------------------------|-----------------------------|---------------------|-------------------------------|---------------|
| | | 2 | 3 | | | 6 | 7 |
| | Direct Operations | Non-affiliated Agency Operations | Affiliated Agency Operations | Total (Cols. 1 + 2 + 3) | Other Operations | 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 | X X X | 10,254,779 | 10,000,655 |
| 1.2 Escrow and settlement services (Part 1A, Line 2) | 2,604,567 | | | 2,604,567 | X X X | 2,604,567 | 2,027,665 |
| 1.3 Other title fees and service charges (Part 1A, Lines 3 through 6) | 607,432 | | | 607,432 | X X X | 607,432 | 5,731 |
| 2. Aggregate write-ins for other operating income | X X X | X X X | X X X | X X X | | | |
| 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 | X X X | 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. | X X X | X X X | X X X | X X X | | | |
| 0202. | X X X | X X X | X X X | X X X | | | |
| 0203. | X X X | X X X | X X X | X X X | | | |
| 0298. Summary of remaining write-ins for Line 02 from overflow page | X X X | X X X | X X X | X X X | | | |
| 0299. Total (Lines 0201 through 0203 plus 0298) (Line 02 above) | X X X | X X X | X X X | X X X | | | |

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 | (a) | |
| 2.1 Preferred stocks (unaffiliated) | (b) | |
| 2.11 Preferred stocks of affiliates | (b) | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c) | |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, 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. | NONE | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 09 from overflow page | | |
| 0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above) | | |
| 1501. | NONE | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above) | | |

- (a) Includes \$ 0 accrual of discount less \$ 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) | | | | 12,691 | |
| 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. | NONE | | | | |
| 0902. | | | | | |
| 0903. | | | | | |
| 0998. Summary of remaining write-ins for Line 09 from overflow page | | | | | |
| 0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above) | | | | | |

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|---|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | 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 | | (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. | 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. 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

- 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 ☒ 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 ☒ 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 ☒

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 ☒ No ☐ N/A ☐

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

Yes ☒ 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 ☒

4.12 renewals?

Yes ☐ No ☒

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 ☒

4.22 renewals?

Yes ☐ No ☒

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

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 ☒

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 | 2 |
|-------------|----------------|
| Nationality | 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 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------|---------------------------|-------|-------|-------|-------|-------|
| Affiliate Name | Location (City, State) | FRB | OCC | OTS | FDIC | 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

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☒ No ☐

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 1,000,000

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3)

Yes ☐ No ☐

24.2 If no, give full and complete information, relating thereto:

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided):

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes ☐ No ☐ N/A ☒

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

\$

24.6 If answer to 24.4 is no, report amount of collateral for other programs.

\$

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ N/A ☒

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ N/A ☒

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ N/A ☒

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3).

Yes ☒ No ☐

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

| | | | |
|-------|--|----|-----------|
| 25.21 | Subject to repurchase agreements | \$ | |
| 25.22 | Subject to reverse repurchase agreements | \$ | |
| 25.23 | Subject to dollar repurchase agreements | \$ | |
| 25.24 | Subject to reverse dollar repurchase agreements | \$ | |
| 25.25 | Pledged as collateral | \$ | |
| 25.26 | Placed under option agreements | \$ | |
| 25.27 | Letter stock or securities restricted as to sale | \$ | |
| 25.28 | On deposit with state or other regulatory body | \$ | 3,626,000 |
| 25.29 | Other | \$ | |

25.3 For category (25.27) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |
| | | |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☒

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 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 |

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 | 2 | 3 |
|---------------|---------------------|------------------------------|
| CUSIP # | Name of Mutual Fund | Book/Adjusted Carrying Value |
| | | |
| | | |
| 29.2999 TOTAL | | |

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

| 1 | 2 | 3 | 4 |
|---|---|--|-------------------|
| Name of Mutual Fund (from above table) | Name of Significant Holding of the Mutual Fund | Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 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 | 2 | 3 |
|-----------------------|-------------------------------|------------|--|
| | Statement (Admitted) Value | Fair Value | 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 [☒]

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 [☒]

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 [☒]

5.1

Has this reporting entity guaranteed policies issued by any other entity and now in force?

Yes [☐] No [☒]

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 [☒]

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

9.23 Other forms of security

\$

\$ 9,317,063

\$

FIVE – YEAR HISTORICAL DATA

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

| | 1 | 2 | 3 | 4 | 5 |
|---|-------------|-------------|-----------|-----------|-----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Source of Direct Title Premiums Written (Part 1A) | | | | | |
| 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 |
| Operating Income Summary (Page 4 & Part 1) | | | | | |
| 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 |
| Statement of Income (Page 4) | | | | | |
| 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 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 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 |
| Cash Flow (Page 5) | | | | | |
| 25. Net cash from operations (Line 11) | (4,194,843) | (3,655,085) | (168,562) | (118,812) | (88,937) |
| Percentage Distribution of Cash, Cash-Equivalents and Invested Assets (Page 2, Col. 3) (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) | | | X X X | X X X | X X X |
| 33. Other invested assets (Line 8) | | | | | |
| 34. Receivable for securities (Line 9) | | | | | |
| 35. Securities lending reinvested collateral assets (Line 10) | | | X X X | X X X | X X X |
| 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 |
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 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 | 2 | 3 | 4 | 5 |
|---|-------------|-------------|-----------|-----------|-----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Capital and Surplus Accounts (Page 4) | | | | | |
| 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 |
| Losses Paid and Incurred (Part 2A) | | | | | |
| 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) |
| Operating Expenses to Total Operating Income (Part 3)(%) (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 |
| Operating Percentages (Page 4) (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) |
| Other Percentages (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 requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No [X]

If no, please explain:

Not applicable

SCHEDULE P – PART 1 – SUMMARY
(\$000 omitted)

| Years in Which Policies Were Written | 1 Amount of Insurance Written in Millions | Premiums Written and Other Income | | | | | Loss and Allocated Loss Adjustment Expenses Payments | | | | | |
|--------------------------------------|--|-----------------------------------|--------------------------|-----------------------|------------------------|------------------------------------|--|------------------|----------------|------------------------|-------------------|-----------------|
| | | 2 Direct Premium | 3 Assumed Premium | 4 Other Income | 5 Ceded Premium | 6 Net (Cols. 2 + 3 + 4 - 5) | Loss Payments | | | Allocated LAE Payments | | |
| | | | | | | | 7 Direct | 8 Assumed | 9 Ceded | 10 Direct | 11 Assumed | 12 Ceded |
| 1. Prior | X X X | 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 | X X X | 105,262 | | 3,315 | 1,272 | 107,305 | 5,418 | | 266 | 1,311 | | 148 |

| | 13 Salvage and Subrogation Received | 14 Unallocated Loss Expense Payments | 15 Total Net Loss and Expense Paid (Cols. 7+8+10+11 -9-12+14) | 16 Number of Claims Reported (Direct) | Loss and Allocated Loss Adjustment Expenses Unpaid | | | | | | 23 Unallocated Loss Expense Unpaid |
|------------|---|--|---|---|---|-------------------|-----------------|------------------|-------------------|-----------------|--|
| | | | | | Known Claim Reserves | | | IBNR Reserves | | | |
| | | | | | 17 Direct | 18 Assumed | 19 Ceded | 20 Direct | 21 Assumed | 22 Ceded | |
| 1. Prior | 930 | | 1,421 | 366 | | | | 201 | | 93 | 56 |
| 2. 2002 | | | 94 | 82 | 4 | | 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 | | 4 | 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. 29+14+23)/ Col. 1) | 33 Discount For Time Value of Money | 34 Net Reserves After Discount (Cols. 24-33) |
|------------|--|---|---|---------------------------------------|-------------------------------------|---------------|--|--|--|--|---|
| | | | 26 Direct (Cols. 7+ 10+17+20) | 27 Assumed (Cols. 8+ 11+18+21) | 28 Ceded (Cols. 9+ 12+19+22) | 29 Net | 30 Direct Basis ((Cols. 14+23+26/ Col. 2) | 31 Net Basis ((Cols. 14+23 + 29) / [Cols. 6 -4]) | | | |
| | | | | | | | | | | | |
| 1. Prior | 164 | 3 | 1,831 | | 302 | 1,529 | 6.169 | 5.206 | X X X | | 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 | X X X | X X X | X X X | | 3,130 |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
By States and Territories

| States, Etc. | | 1 | 2 | Direct Premiums Written | | | 6 | 7 | 8 | 9 | 10 |
|------------------------------|--------|---------------|------------------|-------------------------|------------------------------|--------------------------|--------------|---------------------|---|---|----------------------------|
| | | Active Status | Premium Rate (b) | 3 Direct Operations | Agency Operations | | Other Income | Net Premiums Earned | Direct Losses and Allocated Loss Adjustment Expenses Paid | Direct Losses and Allocated Loss Adjustment Expenses Incurred | Direct Known Claim Reserve |
| | | | | | 4 Non-affiliated Agencies | 5 Affiliated Agencies | | | | | |
| 1. Alabama | AL | L | | 13,556 | 8,031 | | 25,585 | 19,546 | | | |
| 2. Alaska | AK | N | | | | | | | | | |
| 3. Arizona | AZ | L | | 14,555 | 11,729 | | 330 | 25,526 | 2,042 | 2,042 | |
| 4. Arkansas | AR | L | | 2,314 | 25 | | 1,400 | 2,119 | | | |
| 5. California | CA | L | | 855,443 | 5,980 | | 1,072,562 | 782,896 | 159,103 | 684,306 | 550,203 |
| 6. Colorado | CO | N | | | | | | | | | |
| 7. Connecticut | CT | L | | 110,637 | 60,712 | | 340 | 155,876 | | | |
| 8. Delaware | DE | L | | 31,507 | 4,791 | | 42,080 | 32,851 | | | |
| 9. District of Columbia | DC | L | | 30,173 | 150 | | 29,360 | 27,500 | | | |
| 10. Florida | FL | L | | 203,112 | 100,250 | | 144,961 | 285,374 | 356,212 | 6,439 | |
| 11. Georgia | GA | L | | 47,385 | 11,994 | | 63,680 | 54,224 | | | |
| 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 | | | 11,536 | | | |
| 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 | | | 16,501 | | | |
| 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 | | | 2,444 | | | |
| 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 | | | | | | | | | |
| 45. Utah | UT | L | | 2,565 | | | 125 | 2,502 | 24,972 | 48,259 | 30,000 |
| 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 | X X X | X X X | | | | | | | | |
| 59. Totals | (a) 41 | X X X | | 4,870,315 | 6,012,719 | | 3,211,998 | 10,254,780 | 4,078,695 | 1,493,665 | 978,912 |

| 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 | X X X | | | | | | | | |
| 5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) | X X X | 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.

(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 DOMICLE - OHIO

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. 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

| | 1 | 2 | 3 |
|---|--------------|--------------------|--------------------|
| | Current Year | | |
| | Total | Prior Year | Change in Total |
| | Nonadmitted | Total | Nonadmitted Assets |
| DETAILS OF WRITE-IN LINES FOR | | | |
| EXHIBIT OF NET INVESTMENT INCOME AT LINE 25 | Assets | 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 | |
| 2597. Totals (Lines 2504 through 2596) (Page 12, Line 2598) | 27,881 | 11,062 | (16,819) |

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