

ANNUAL STATEMENT

OF THE

ENTITLED INSURANCE

COMPANY

of INDEPENDENCE

in the state of OHIO

TO THE

Insurance Department

OF THE

STATE OF OHIO

FOR THE YEAR ENDED

December 31, 2012

TITLE

2012



51632201220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

EnTitle Insurance Company

NAIC Group Code 0000 0000 **NAIC Company Code** 51632 **Employer's ID Number** 34-1252928
(Current Period) (Prior Period)

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, Independence, OH, US 44131
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 4600 Rockside Road, Suite 104
(Street and Number)
Independence, OH, US 44131 216-524-3400
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 4600 Rockside Road, Suite 104, Independence, OH, US 44131
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 4600 Rockside Road, Suite 104 Independence, OH, US 44131 216-524-3400
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.entitleins.com

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

OFFICERS

	Name	Title
1.	<u>Timothy M. Dwyer</u>	<u>President</u>
2.	<u>Nicholas Ferreri</u>	<u>Chief Financial Officer</u>
3.	<u>James S. Shoenfelt</u>	<u>Secretary</u>

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

<u>Timothy M. Dwyer</u>	<u>Hanley C. Clark</u>	<u>James S. Shoenfelt</u>	<u>Nicholas Ferreri</u>
<u>Lee H. Basky</u>			

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.

<u>(Signature)</u> <u>Timothy M. Dwyer</u>	<u>(Signature)</u> <u>Nicholas Ferreri</u>	<u>(Signature)</u> <u>James S. Shoenfelt</u>
<u>(Printed Name)</u> <u>1.</u>	<u>(Printed Name)</u> <u>2.</u>	<u>(Printed Name)</u> <u>3.</u>
<u>President</u>	<u>Chief Financial Officer</u>	<u>Secretary</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to (or affirmed) before me on this _____ day of February, 2013, by _____

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	3,591,720		3,591,720	3,433,251
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 (\$ 15,328,459, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	15,328,459		15,328,459	5,595,689
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)	18,920,179		18,920,179	9,028,940
13. Title plants less \$ 0 charged off (for Title insurers only)	42,852		42,852	42,852
14. Investment income due and accrued	3,531		3,531	30,504
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	697,973	53,211	644,762	79,801
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	13,677		13,677	
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	3,169,750	1,137,742	2,032,008	486,504
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	149,037		149,037	145,816
21. Furniture and equipment, including health care delivery assets (\$ 0)	102,860	102,860		
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	475,087	475,087		1,200,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	23,574,946	1,768,900	21,806,046	11,014,417
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	23,574,946	1,768,900	21,806,046	11,014,417

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. PREPAID EXPENSE	368,476	368,476		
2502. RETAINERS	58,643	58,643		
2503. ESCROW ADVANCES	19,679	19,679		
2598. Summary of remaining write-ins for Line 25 from overflow page	28,289	28,289		1,200,000
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	475,087	475,087		1,200,000

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	455,705	974,912
2. Statutory premium reserve (Part 1B, Line 2.6, Col. 1)	4,761,489	4,161,267
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)	340,379	514,929
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	106,647	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	16,770	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 and certified (\$ 0) reinsurance		
16. Net adjustments in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	903,073	62,492
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)	6,584,063	5,804,527
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	19,832,700	9,832,700
30. Unassigned funds (surplus)	(6,610,717)	(6,622,811)
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)	15,221,983	5,209,889
33. Totals (Page 2, Line 28, Col. 3)	21,806,046	11,014,416

DETAILS OF WRITE-INS		
0301.	NONE	
0302.		
0303.		
0398. Summary of remaining write-ins for Line 03 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)		
2201. REINSURANCE PAYABLE		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2401.	NONE	
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		
2701.	NONE	
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		

OPERATIONS AND INVESTMENT EXHIBIT

STATEMENT OF INCOME	1 Current Year	2 Prior Year
OPERATING INCOME		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col.1)	12,045,296	10,254,779
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)	4,369,625	2,604,567
1.3 Other title fees and service charges (Part 1A, Total of Line 3, 4, 5 and 6, Col. 4)	1,237,209	607,432
2. Other operating income (Part 4, Line 2, Col. 5)		
3. Total Operating Income (Lines 1 through 2)	17,652,130	13,466,778
EXPENSES		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	357,663	1,472,823
5. Operating expenses incurred (Part 3, Line 24, Cols. 4)	18,684,164	14,888,348
6. Other operating expenses (Part 4, Line 6, Col. 5)		
7. Total Operating Expenses	19,041,827	16,361,171
8. Net operating gain or (loss) (Lines 3 minus 7)	(1,389,697)	(2,894,393)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	17,772	42,580
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	17,772	42,580
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)	(1,371,925)	(2,851,813)
14. Federal and foreign income taxes incurred		
15. Net income (Lines 13 minus 14)	(1,371,925)	(2,851,813)
CAPITAL AND SURPLUS ACCOUNT		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 32, Column 2)	5,209,889	6,032,233
17. Net income (from Line 15)	(1,371,925)	(2,851,813)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	23,306	12,691
19. Change in net unrealized foreign exchange capital gain (loss)		
20. Change in net deferred income taxes	602,112	921,518
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	758,601	(1,304,740)
22. Change in provision for unauthorized and certified 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	10,000,000	2,400,000
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)	10,012,094	(822,344)
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 32)	15,221,983	5,209,889

DETAILS OF WRITE-IN LINES		
1201.		
1202.		
1203.		
1298. Summary of remaining write-ins for Line 12 from overflow page	NONE	
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	NONE	
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	12,086,299	10,821,782
2. Net investment income	58,085	81,565
3. Miscellaneous income	5,606,834	3,211,999
4. Total (Lines 1 through 3)	17,751,218	14,115,346
5. Benefit and loss related payments	890,547	4,061,853
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	18,691,493	14,248,336
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)	19,582,040	18,310,189
11. Net cash from operations (Line 4 minus Line 10)	(1,830,822)	(4,194,843)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,940,000	2,485,652
12.2 Stocks		
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	20,671	20,149
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,960,671	2,505,801
13. Cost of investments acquired (long-term only):		
13.1 Bonds	3,109,176	2,687,176
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	56,936	188,988
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,166,112	2,876,164
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)	(205,441)	(370,363)
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	11,200,000	4,200,000
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)	569,033	(959,899)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	11,769,033	3,240,101
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)	9,732,770	(1,325,105)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,595,689	6,920,794
19.2 End of year (Line 18 plus Line 19.1)	15,328,459	5,595,689

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)	8,117,320	4,653,198		12,770,518	10,883,035
2. Escrow and settlement service charges	4,369,625			4,369,625	2,604,567
3. Title examinations					
4. Searches and abstracts	1,235,076			1,235,076	607,067
5. Surveys					
6. Aggregate write-ins for service charges	2,133			2,133	364
7. Totals (Lines 1 to 6)	13,724,154	4,653,198		18,377,352	14,095,033

DETAILS OF WRITE-INS					
0601. Misc Income	2,133			2,133	364
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)	2,133			2,133	364

PART 1B – PREMIUMS EARNED EXHIBIT

	1	2
	Current Year	Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	12,770,518	10,883,035
1.2 Assumed		
1.3 Ceded	125,000	83,335
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	12,645,518	10,799,700
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	4,161,267	3,615,955
2.2 Aggregate write-ins for book adjustments to Line 2.1		
2.3 Additions during the current year	904,146	797,082
2.4 Withdrawals during the current year	303,924	252,161
2.5 Aggregate write-ins for other adjustments not effecting earned premiums		391
2.6 Balance at December 31 current year (Lines 2.1 + 2.2 + 2.3 - 2.4 + 2.5)	4,761,489	4,161,267
3. Net title premiums earned during year (Lines 1.4 + 2.1 + 2.5 - 2.6) (Sch. T, Line 59, Col. 7)	12,045,296	10,254,779

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

NONE

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

	1 Direct Operations	Agency Operations		4 Total Current Year (Cols. 1 + 2 + 3)	5 Total Prior Year
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage and subrogation (Total same as Sch. T, Line 59, Col. 8)	651,925	228,945		880,870	4,078,696
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage and subrogation					
3. Total (Line 1 plus Line 2)	651,925	228,945		880,870	4,078,696
4. Deduct: Recovered during year from reinsurance		4,000		4,000	16,842
5. Net payments (Line 3 minus Line 4)	651,925	224,945		876,870	4,061,854
6. Known claims reserve – current year (Page 3, Line 1, Column 1)	320,692	135,013		455,705	974,912
7. Known claims reserve – prior year (Page 3, Line 1, Column 2)	570,203	404,709		974,912	3,563,942
8. Losses and allocated Loss Adjustment Expenses incurred (Line 5 plus Line 6 minus Line 7)	402,414	(44,751)		357,663	1,472,824
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)	402,414	(44,751)		357,663	1,472,824

OPERATIONS AND INVESTMENT EXHIBIT

PART 2B – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	1 Direct Operations	Agency Operations		4 Total Current Year (Cols. 1 + 2 + 3)	5 Total Prior Year
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received:					
1.1 Direct (Schedule P, Part 1, Line 12, Col. 17)	320,692	135,013		455,705	978,912
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
3. Known claims reserve net of reinsurance (Line 1.1 plus Line 1.2 minus Line 2)	320,692	135,013		455,705	974,912
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)	661,000	1,239,000		1,900,000	1,800,000
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)	6,000	73,000		79,000	145,000
4.4 Net incurred but not reported (Line 4.1 plus Line 4.2 minus Line 4.3)	655,000	1,166,000		1,821,000	1,655,000
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	204,000	346,000		550,000	500,000
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	2,826,705	3,129,912
8. Statutory premium reserve at year end (Part 1B, Line 2.6)	X X X	X X X	X X X	4,761,489	4,161,267
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	4,450,276	452,232		4,902,508				4,902,508	3,117,883
1.2 Employee relations and welfare	517,531	52,591		570,122				570,122	423,004
1.3 Payroll taxes	354,218	35,995		390,213				390,213	259,776
1.4 Other personnel costs	58,963	5,992		64,955				64,955	89,267
1.5 Total personnel costs	5,380,988	546,810		5,927,798				5,927,798	3,889,930
2. Amounts paid to or retained by title agents		3,312,621		3,312,621				3,312,621	4,273,052
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts	5,553,782			5,553,782				5,553,782	3,299,539
3.2 Surveys									
3.3 Other	167,437	447,300		614,737				614,737	371,656
4. Advertising	320,484			320,484				320,484	470,772
5. Boards, bureaus and associations	26,135	3,262		29,397				29,397	28,983
6. Title plant rent and maintenance	15,113			15,113				15,113	15,000
7. Claim adjustment services	XXX	XXX	XXX	XXX		XXX	XXX		
8. Amounts charged off, net of recoveries	8,120	825		8,945				8,945	94,719
9. Marketing and promotional expenses	362,805			362,805				362,805	238,550
10. Insurance	93,432	11,663		105,095				105,095	18,661
11. Directors' fees	6,223	777		7,000				7,000	3,000
12. Travel and travel items	143,995	17,975		161,970				161,970	172,446
13. Rent and rent items	425,129	43,201		468,330				468,330	133,958
14. Equipment	73,277	7,446		80,723				80,723	52,565
15. Cost or depreciation of EDP equipment and software	119,441	12,137		131,578				131,578	151,765
16. Printing, stationery, books and periodicals	90,315	9,178		99,493				99,493	75,526
17. Postage, telephone, messengers and express	169,850	17,260		187,110				187,110	127,467
18. Legal and auditing	473,893	59,156		533,049				533,049	764,862
19. Totals (Lines 1.5 to 18)	13,430,419	4,489,611		17,920,030				17,920,030	14,182,451
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes	206,540	118,397		324,937				324,937	327,854
20.2 Insurance department licenses and fees	52,573	30,137		82,710				82,710	135,254
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)	259,113	148,534		407,647				407,647	463,108
21. Real estate expenses									
22. Real estate taxes									
23. Aggregate write-ins for other expenses	323,602	32,885		356,487				356,487	242,789
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	14,013,134	4,671,030		18,684,164				18,684,164	14,888,348
25. Less unpaid expenses - current year					550,000			550,000	
26. Add unpaid expenses - prior year									(500,000)
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	14,013,134	4,671,030		18,684,164	(550,000)			18,134,164	14,388,348

DETAILS OF WRITE-IN LINES									
2301. Bank Charges/Misc Exp/Donations/Tax Penalty	166,344	16,905		183,249				183,249	88,929
2302. Data Processing/Data Center Expense	157,258	15,980		173,238				173,238	153,860
2303.									
2398. Summary of remaining write-ins for Line 23 from overflow page									
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	323,602	32,885		356,487				356,487	242,789

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

OPERATIONS AND INVESTMENT EXHIBIT

PART 4 – NET OPERATING GAIN/LOSS EXHIBIT

	1	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)	7,515,671	4,529,625		12,045,296	X X X	12,045,296	10,254,779
1.2 Escrow and settlement services (Part 1A, Line 2)	4,369,625			4,369,625	X X X	4,369,625	2,604,567
1.3 Other title fees and service charges (Part 1A, Lines 3 through 6)	1,237,209			1,237,209	X X X	1,237,209	607,432
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)	13,122,505	4,529,625		17,652,130		17,652,130	13,466,778
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	402,414	(44,751)		357,663	X X X	357,663	1,472,824
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 and 6)	14,013,134	4,671,030		18,684,164		18,684,164	14,888,348
6. Total Operating Deductions (Lines 4 + 5)	14,415,548	4,626,279		19,041,827		19,041,827	16,361,172
7. Net operating gain or (loss) (Lines 3 minus 6)	(1,293,043)	(96,654)		(1,389,697)		(1,389,697)	(2,894,394)

10

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) 12,325	12,325
1.1 Bonds exempt from U.S. tax	(a) 11,375	11,375
1.2 Other bonds (unaffiliated)	(a) 11,058	11,058
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) 3,052	3,052
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	37,810	37,810
11. Investment expenses		(g) 20,038
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)		20,038
17. Net investment income (Line 10 minus Line 16)		17,772

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 \$ 34,011 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)				23,306	
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)				23,306	

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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	53,211	45,226	(7,985)
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	1,137,742	2,081,134	943,392
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	102,860	118,268	15,408
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	475,087	203,538	(271,549)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,768,900	2,527,502	758,602
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,768,900	2,527,502	758,602

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. PREPAID EXPENSE	368,476	132,963	(235,513)
2502. RETAINERS	58,643	30,369	(28,274)
2503. ESCROW ADVANCES	19,679	11,917	(7,762)
2598. Summary of remaining write-ins for Line 25 from overflow page	28,289	28,289	
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	475,087	203,538	(271,549)

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

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, 2012, 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, 2012 the Company had a net deferred tax asset of \$3,169,750 of which \$1,137,742 was considered non-admitted.
 - b. Not applicable
 - c. At December 31, 2012, 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, 2012 the Company has no current tax expense.

NOTES TO FINANCIAL STATEMENTS

- d. The Company's tax expense at December 31, 2012 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, 2012, the Company had an estimated net operating loss of \$7,999,479 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; \$1.2 million as additional paid-in capital and contributed surplus to the Company effective December 31, 2011; and \$10 million as additional paid-in capital and contributed surplus to the Company effective September 30, 2012. The Company currently operates as a wholly-owned subsidiary of EDG, a privately held Delaware corporation.

On August 15, 2012, Entitle Direct Group, Inc. (EDG), the sole shareholder of EnTitle Insurance Company, entered into an investment agreement with an affiliate of PartnerRe Ltd. (NYSE: PRE). PRE is a global reinsurance company based in Bermuda with total capital of \$7.4 billion and assets of over \$23 billion as of June 30, 2012. The agreement called for PRE to invest \$19 million for a minority equity stake in EDG. Existing EDG shareholders invested an additional \$2 million alongside PRE. The transaction closed on October 3, 2012. In connection with that transaction, EDG contributed \$10 million to EnTitle Insurance Company as referenced above.

- 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

NOTES TO FINANCIAL STATEMENTS

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 2012, EDG provided to the Company marketing, advertising, information technology, and other advisory and management services associated with this arrangement totaling \$2,388,533. These costs are included in the Statement of Income under operating expenses incurred. During the full year of 2011, \$1,555,273 in services provided by EDG were similarly charged to the Company under the arrangement. Also included in operating expenses for 2012, were \$181,355 of net legal expenses incurred in connection with the recovery effort relating to the defalcation that occurred in late 2010.

- c. Not applicable
- d. Not applicable
- e. Not applicable
- f. Not applicable
- g. At December 31, 2012, 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, 2012, 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, 2012, 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, 2012, the Company leases office space from Valre Properties LLC. The Company's remaining lease obligation for 2013 is \$31,113, which includes utilities.

NOTES TO FINANCIAL STATEMENTS

The space is located at 4600 Rockside Road, Suite 200, Independence, Ohio, 44131. The lease will expire on May 31, 2013.

At December 31, 2012, 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 260 Airside Drive 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, 2012, 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 2013 is \$65,728. The lease commenced November 2011 and will expire November 2014.

At December 31, 2012, 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 2013 is \$12,000.

At December 31, 2012, 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 2013 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, 2012, 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, 2012, the Company had no extraordinary items to report.
- b. Troubled Debt Restructuring: Debtors
Not applicable.
- c. Other Disclosures
None

21. Events Subsequent

None

22. Reinsurance

- a. Unsecured Reinsurance Recoverables
At December 31, 2012, the Company had unsecured reinsurance recoverables of \$13,677.
- b. Reinsurance Recoverable in Dispute

NOTES TO FINANCIAL STATEMENTS

- At December 31, 2012, the Company had no reinsurance recoverables in dispute.
- c. Reinsurance Ceded
 - (1) At December 31, 2012, 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, 2012, the Company had no uncollectible reinsurance.
 - e. Commutation of Ceded Reinsurance
 - At December 31, 2012, the Company had no commutation of ceded reinsurance.
 - f. Retroactive Reinsurance
 - At December 31, 2012, the Company had no retroactive reinsurance.
 - g. Reinsurance Accounted for as a Deposit
 - At December 31, 2012 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

At December 31, 2012, there were no significant changes to the reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years.

25. Inter-company Pooling Arrangements

Not applicable for title insurance companies.

26. Structured Settlements

At December 31, 2012, 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. _____ 12/31/2011 _____
- 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 Nationality	2 Type of Entity
.....

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

Yes [] No [X]

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

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 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 where the issuing or confirming bank is not on the SVO Bank List? 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 [X]

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

INVESTMENT

24.01 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 24.03) Yes [X] No []

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

24.03 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):

24.04 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 [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

24.07 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 [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

24.09 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 [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.103 Total payable for securities lending reported on the liability page \$ _____

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 24.03). Yes [X] 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	\$ <u>4,110,735</u>
25.29	Other	\$ _____

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

GENERAL INTERROGATORIES

- 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
- 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
- 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 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
Century Trust	100 S. Federal Place Santa Fe, NM 87501
Bank of New York Mellon Trust Company N.A.	10161 Centuriion Parkway, Jacksonville, FL 32256
Xerox Business Services, LLC	100 Hancock Street, 10th Floor Quincy, MA 02171
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 No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Bank of Albuquerque	Century Trust	07/01/2012	State mandated custodial change
Citibank N.A.	Xerox Business Services, LLC	10/01/2012	State mandated custodial change

GENERAL INTERROGATORIES

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	3,591,720	3,595,276	3,556
30.2 Preferred stocks			
30.3 Totals	3,591,720	3,595,276	3,556

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 []

GENERAL INTERROGATORIES

32.2 If no, list exceptions:

.....

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 29,397

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	\$ 19,435
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 333,502

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.	\$ 191,713
.....	\$
.....	\$

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

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

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

GENERAL INTERROGATORIES

PART 2 – TITLE INTERROGATORIES

1. Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity? Yes [] No [X]
2. Largest net aggregate amount insured in any one risk. \$ 4,275,000
- 3.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk or portion thereof, reinsured? Yes [] No [X]
- 3.2 If yes, give full information

4. If the reporting entity has assumed risk from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [X]
- 5.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 5.2 If yes, give full information

6. Uncompleted building construction loans:
- | | |
|-------------------------------|----------|
| 6.1 Amount already loaned | \$ _____ |
| 6.2 Balance to be advanced | \$ _____ |
| 6.3 Total amount to be loaned | \$ _____ |
- 7.1 Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings? Yes [] No [X]
- 7.2 If yes, give total amount of such bonds or certificates of participation issued and outstanding. \$ _____
8. What is the aggregate amount of mortgage loans owned by the reporting entity that consist of co-ordinate interest in first liens? \$ _____
- 9.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:
- | | |
|---------------------------------------|----------|
| 9.11 Bonds | \$ _____ |
| 9.12 Short-term investments | \$ _____ |
| 9.13 Mortgages | \$ _____ |
| 9.14 Cash | \$ _____ |
| 9.15 Other admissible invested assets | \$ _____ |
| 9.16 Total | \$ _____ |
- 9.2 List below segregate funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities. (These funds are also included in Schedule E – Part 1D Summary, and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers).
- | | |
|---|----------------------|
| 9.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: | \$ _____ |
| These funds consist of: | |
| 9.22 In cash on deposit | \$ <u>11,196,341</u> |
| 9.23 Other forms of security | \$ _____ |

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2012	2011	2010	2009	2008
Source of Direct Title Premiums Written (Part 1A)					
1. Direct operations (Part 1A, Line 1, Col. 1)	8,117,320	4,870,315	3,755,117	1,303,356	10,948
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	4,653,198	6,012,720	6,937,688	5,160,950	3,726,809
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)					
4. Total	12,770,518	10,883,035	10,692,805	6,464,306	3,737,757
Operating Income Summary (Page 4 & Part 1)					
5. Premiums earned (Part 1B, Line 3)	12,045,296	10,254,779	10,000,655	6,091,427	3,491,912
6. Escrow and settlement service charges (Part 1A, Line 2)	4,369,625	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)	1,235,076	607,067			
9. Surveys (Part 1A, Line 5)					
10. Aggregate write-ins for service charges (Part 1A, Line 6)	2,133	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)	17,652,130	13,466,777	12,034,051	6,709,125	3,496,438
Statement of Income (Page 4)					
13. Net operating gain or (loss) (Line 8)	(1,389,697)	(2,894,393)	(3,803,187)	(347,635)	(381,255)
14. Net investment gain or (loss) (Line 11)	17,772	42,580	181,652	111,685	263,093
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)					
17. Net income (Line 15)	(1,371,925)	(2,851,813)	(3,621,535)	(235,950)	(118,162)
Balance Sheet (Pages 2 and 3)					
18. Title insurance premiums and fees receivable (Page 2, Line 15, Col. 3)	644,762	79,801	94,744	47,666	12,611
19. Total admitted assets excluding segregated accounts (Page 2, Line 26, Col. 3)	21,806,046	11,014,417	14,179,372	9,759,858	9,544,957
20. Known claims reserve (Page 3, Line 1)	455,705	974,912	3,563,942	65,930	134,149
21. Statutory premium reserve (Page 3, Line 2)	4,761,489	4,161,267	3,615,955	3,009,547	2,669,081
22. Total liabilities (Page 3, Line 23)	6,584,063	5,804,527	8,145,565	3,262,747	2,863,545
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)	15,221,983	5,209,889	6,032,233	6,497,111	6,681,412
Cash Flow (Page 5)					
25. Net cash from operations (Line 11)	(1,830,822)	(4,194,843)	(3,655,085)	(168,562)	(118,812)
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)	19.0	38.0	32.0	44.0	60.0
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)	81.0	62.0	68.0	56.0	40.0
31. Contract loans (Line 6)					
32. Derivatives (Line 7)				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
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. Total investment in parent included in Lines 38 to 43 above					
46. 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
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains or (losses) (Line 18)	23,306	12,691	33,431	45,596	(106,020)
48. Change in nonadmitted assets (Line 21)	758,601	(1,304,740)	(1,102,973)	(68,846)	18,495
49. Dividends to stockholders (Line 28)					
50. Change in surplus as regards policyholders for the year (Line 31)	10,012,094	(822,344)	(464,878)	(184,301)	(117,101)
Losses Paid and Incurred (Part 2A)					
51. Net payments (Line 5, Col. 4)	876,870	4,061,854	614,286	57,609	13,449
52. Losses and allocated LAE incurred (Line 8, Col. 4)	357,663	1,472,824	4,112,298	(10,610)	(179,955)
53. Unallocated LAE incurred (Line 9, Col. 4)					
54. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	357,663	1,472,824	4,112,298	(10,610)	(179,955)
Operating Expenses to Total Operating Income (Part 3)(%) (Line item divided by Page 4, Line 3 x 100.0)					
55. Personnel costs (Part 3, Line 1.5, Col. 4)	33.6	28.9	21.5	20.4	15.8
56. Amounts paid to or retained by title agents (Part 3, Line 2, Col. 4)	18.8	31.7	42.5	62.5	87.1
57. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	53.5	49.9	33.4	22.4	13.1
58. Total (Lines 55 to 57)	105.8	110.5	97.4	105.3	116.0
Operating Percentages (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
59. Losses and loss adjustment expenses incurred (Line 4)	2.0	10.9	34.2	(0.2)	(5.1)
60. Operating expenses incurred (Line 5)	105.8	110.6	97.4	105.3	116.1
61. Aggregate write-ins for other operating deductions (Line 6)					
62. Total operating deductions (Line 7)	107.9	121.5	131.6	105.2	110.9
63. Net operating gain or (loss) (Line 8)	(7.9)	(21.5)	(31.6)	(5.2)	(10.9)
Other Percentages (Line item divided by Part 1B, Line 1.4 x 100.0)					
64. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)	2.8	13.6	38.8	(0.2)	(4.9)
65. Operating expenses incurred to net premiums written (Page 4, Line 5)	147.8	137.9	110.5	109.8	111.6

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	39,285		103	212	39,176	1,186		276	635		156
2. 2003		10,751			118	10,633	42			45		
3. 2004		7,264			52	7,212	18			67		
4. 2005		7,756			266	7,490	(16)			89		
5. 2006		4,554			179	4,375	15			34		
6. 2007		3,874			145	3,729	1			25		
7. 2008		3,738			101	3,637				2		
8. 2009		6,464			32	6,432	40			134		
9. 2010		10,693			84	10,609	4,720			544		
10. 2011		10,883		3,212	83	14,012				25		
11. 2012		12,771		5,607	125	18,253	1			22		
12. Totals	X X X	118,033		8,922	1,397	125,558	6,007		276	1,622		156

	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	925		1,389	463	1				106		54	30
2. 2003			87	75	1				54			16
3. 2004	1		85	67					45			13
4. 2005	90		73	60					58		5	17
5. 2006			49	32					41		3	12
6. 2007	37		26	17					45		3	13
7. 2008			2	6	1				59		2	17
8. 2009	1		174	17	21				138		4	40
9. 2010	236		5,264	59	179				391		2	113
10. 2011			25	6	252				379		2	110
11. 2012			23	2	1				584		4	169
12. Totals	1,290		7,197	804	456				1,900		79	550

	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	83	1	1,928		486	1,442	4.984	3.767	X X X	83	
2. 2003	71	3	142			142	1.470	1.486		71	
3. 2004	58		130			130	1.969	1.983		58	
4. 2005	70	1	131		5	126	1.908	1.909		70	
5. 2006	50		90		3	87	2.240	2.263		50	
6. 2007	55	1	71		3	68	2.168	2.172		55	
7. 2008	75	1	62		2	60	2.113	2.117		75	
8. 2009	195	7	333		4	329	5.770	5.737		195	
9. 2010	681	7	5,834		2	5,832	55.616	56.037		681	
10. 2011	739	3	656		2	654	7.039	7.074		739	
11. 2012	750	1	608		4	604	6.084	6.113		750	
12. Totals	2,827	25	9,985		511	9,474	X X X	X X X	X X X	2,827	

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

By States and Territories

States, Etc.	1 Active Status	2 Premium Rate (b)	Direct Premiums Written			6 Other Income	7 Net Premiums Earned	8 Direct Losses and Allocated Adjustment Expenses Paid	9 Direct Losses and Allocated Loss Adjustment Expenses Incurred	10 Direct Known Claim Reserve
			3 Direct Operations	Agency Operations						
				4 Non-affiliated Agencies	5 Affiliated Agencies					
1. Alabama	AL	L	R	12,899		35,326	11,678			
2. Alaska	AK	N								
3. Arizona	AZ	L	RSX	26,628	883	250	26,718	8,464	8,464	
4. Arkansas	AR	L	R	1,701		(350)	1,544			
5. California	CA	L	RSX	1,109,286		1,854,454	980,679	614,684	347,880	283,399
6. Colorado	CO	N								
7. Connecticut	CT	L	R	165,045	543	210	148,977			
8. Delaware	DE	L	R	63,441	792	90,525	57,538			
9. District of Columbia	DC	L	R	46,901	3,571	51,309	45,557			
10. Florida	FL	L	RX	534,201	38,045	436,404	526,442	2,843	37,843	35,000
11. Georgia	GA	L	R	81,585	781	121,217	74,387	21,505	22,015	510
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	L	R	42,958	3,348	44,017	44,673	12,818	7,389	17,570
15. Indiana	IN	L	R	10,558	1,410	13,935	10,654	747	747	
16. Iowa	IA	L	R				140			
17. Kansas	KS	L	R	8,935		22,065	8,185			
18. Kentucky	KY	L	R	13,989	3,189	17,064	15,335	3,739	3,739	
19. Louisiana	LA	L	R	6,679		8,175	6,663			
20. Maine	ME	N								
21. Maryland	MD	L	R	317,014	355	466,378	297,603			
22. Massachusetts	MA	L	R	103,098	5,140	199,555	97,269			
23. Michigan	MI	N								
24. Minnesota	MN	L	R	27,649	521	34,005	26,991	2,346	3,849	1,503
25. Mississippi	MS	L	R	13,783	3,545	22,200	15,425			
26. Missouri	MO	L	R	41,413	(8,095)	161,627	25,677	18,234	18,369	135
27. Montana	MT	L	R	2,103		3,685	1,890			
28. Nebraska	NE	L	R				306			
29. Nevada	NV	L	RSXC	8,410		3,575	12,101	346,085	143,626	111,541
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	L	RSX				58			
33. New York	NY	L	RC/RSX	1,416,785	3,520,663	510,408	4,549,929			
34. North Carolina	NC	L	R	52,223	4,083	179,050	49,928	4,040	4,040	
35. North Dakota	ND	L	R	5,281		9,344	4,701			
36. Ohio	OH	L	R	92,511	1,028,775	80,155	1,208,871	27,885	(9,561)	4,264
37. Oklahoma	OK	L	R				41			
38. Oregon	OR	L	R							
39. Pennsylvania	PA	L	RSXC	3,082,048	24,171	376,260	3,001,185	7,028	(12,972)	
40. Rhode Island	RI	L	R	13,938	1,068	25,456	13,385			
41. South Carolina	SC	L	R	34,545	4,188	58,830	35,793	1,000	1,000	
42. South Dakota	SD	L	R				32			
43. Tennessee	TN	L	RSX/R	33,602	1,278	48,238	32,249	275	275	
44. Texas	TX	L	R							
45. Utah	UT	L	RSX				258	2,195	(27,806)	
46. Vermont	VT	N								
47. Virginia	VA	L	R	730,876	9,528	715,097	688,549	(193,018)	(191,234)	1,783
48. Washington	WA	L	RSX		1,560		4,972			
49. West Virginia	WV	L	R	15,253	3,856	14,600	17,089			
50. Wisconsin	WI	L	R	1,982		3,770	1,824			
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	CAN	N								
58. Aggregate Other Alien	OT	X X X	X X X							
59. Totals	(a) 41	X X X		8,117,320	4,653,198	5,606,834	12,045,296	880,870	357,663	455,705

DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X							
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	X X X							

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

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

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

PART 1 - ORGANIZATIONAL CHART

Exhibit A

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

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

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

OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

	Current Year			Prior Year
	1	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. A/R AFFILIATE P31 TAX SHARING	10,964	10,964		
2506. RECEIVERS BOND	5,000	5,000		
2507. CAPITAL CONTRIBUTION				1,200,000
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	28,289	28,289		1,200,000

OVERFLOW PAGE FOR WRITE-INS

Page 12 - Continuation

DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. SECURITY DEPOSIT	12,325	12,325	
2505. A/R AFFILIATE P3I TAX SHARING	10,964	10,964	
2506. RECEIVERS BOND	5,000	5,000	
2597. Totals (Lines 2504 through 2596) (Page 12, Line 2598)	28,289	28,289	

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