

QUARTERLY STATEMENT

OF THE

ENTITLE INSURANCE

COMPANY

of INDEPENDENCE

in the state of OHIO

TO THE

Insurance Department

OF THE

STATE OF

STATE OF OHIO

FOR THE QUARTER ENDED

June 30, 2013

TITLE

2013



51632201320100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2013
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 Country of Domicile | Ohio United States of America | | State of Domicile or Port of Entry OHIO | | | |
| Incorporated/Organized Statutory Home Office | April 7, 1978 4600 Rockside Road, Suite 104 (Street and Number) | | | Commenced Business April 7, 1978 Independence, OH US 44131 (City or Town, State, Country and Zip Code) | | |
| Main Administrative Office | 4600 Rockside Road, Suite 104 (Street and Number) | | | Independence, OH US 44131 (City or Town, State, Country and Zip Code) | | |
| Mail Address | 4600 Rockside Road, Suite 104 (Street and Number or P.O. Box) | | | (Area Code) | (Telephone Number) | 216-524-3400 Independence, OH US 44131 (City or Town, State, Country and Zip Code) |
| Primary Location of Books and Records | 4600 Rockside Road, Suite 104 (Street and Number) | | | Independence, OH US 44131 (City or Town, State, Country and Zip Code) | | |
| Internet Website Address | www.entitleins.com | | | | | |
| Statutory Statement Contact | Sheila Kale (Name) | | 216-524-3400 (Area Code) (Telephone Number) | | | |
| | skale@entitleins.com (E-Mail Address) | | 216-524-3488 (Extension) (Fax Number) | | | |

OFFICERS

| | Name | Title |
|----|--------------------|-------------------------|
| 1. | Timothy M. Dwyer | President |
| 2. | James S. Shoenfelt | Secretary |
| 3. | Lee H. Baskey | Chief Operating Officer |

VICE-PRESIDENTS

DIRECTORS OR TRUSTEES

State of Ohio

County of Cuyahoga ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

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

(Signature)
James S. Shoenfelt

(Printed Name)
2.

Secretary

(Title)

(Signature)
Lee H. Baskey
(Printed Name)
3.
Chief Operating Officer
(Title)

Subscribed and sworn to before me this
____ day of August, 2013

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 Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|---|------------------------|----------------------------|--|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 3,346,504 | | 3,346,504 | 3,591,720 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ 0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$ 0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ 0 encumbrances) | | | | |
| 5. Cash (\$ 14,578,839), cash equivalents (\$ 0), and short-term investments (\$ 0) | 14,578,839 | | 14,578,839 | 15,328,459 |
| 6. Contract loans (including \$ 0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 17,925,343 | | 17,925,343 | 18,920,179 |
| 13. Title plants less \$ 0 charged off (for Title insurers only) | 42,852 | | 42,852 | 42,852 |
| 14. Investment income due and accrued | 11,125 | | 11,125 | 3,531 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 609,758 | 50,440 | 559,318 | 644,762 |
| 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 | 34 | | 34 | 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 | 3,290,082 | 1,347,082 | 1,943,000 | 2,032,008 |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | 199,729 | | 199,729 | 149,037 |
| 21. Furniture and equipment, including health care delivery assets (\$ 0) | 102,849 | 102,849 | | |
| 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 | 586,438 | 586,438 | | |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 22,768,210 | 2,086,809 | 20,681,401 | 21,806,046 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 22,768,210 | 2,086,809 | 20,681,401 | 21,806,046 |

| 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 | 464,811 | 464,811 | | |
| 2502. RETAINERS | 63,643 | 63,643 | | |
| 2503. ESCROW ADVANCES | 21,683 | 21,683 | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 36,301 | 36,301 | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 586,438 | 586,438 | | |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31 Prior Year |
|---|--------------------------------|--------------------------------|
| 1. Known claims reserve | 129,500 | 455,705 |
| 2. Statutory premium reserve | 5,038,854 | 4,761,489 |
| 3. Aggregate of other reserves required by law | | |
| 4. Supplemental reserve | | |
| 5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers | | |
| 6. Other expenses (excluding taxes, licenses and fees) | 302,739 | 340,379 |
| 7. Taxes, licenses and fees (excluding federal and foreign income taxes) | 7,565 | 106,647 |
| 8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | | |
| 8.2 Net deferred tax liability | | |
| 9. Borrowed money \$ 0 and interest thereon \$ 0 | | |
| 10. Dividends declared and unpaid | | |
| 11. Premiums and other consideration received in advance | 12,683 | 16,770 |
| 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 reinsurance | | |
| 16. Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 17. Drafts outstanding | | |
| 18. Payable to parent, subsidiaries and affiliates | 509,844 | 903,073 |
| 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) | 6,001,185 | 6,584,063 |
| 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 | 19,832,700 |
| 30. Unassigned funds (surplus) | (7,152,484) | (6,610,717) |
| 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) | 14,680,216 | 15,221,983 |
| 33. Totals (Page 2, Line 28, Col. 3) | 20,681,401 | 21,806,046 |

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

OPERATIONS AND INVESTMENT EXHIBIT

| STATEMENT OF INCOME | 1 | 2 | 3 |
|---|-------------------------|-----------------------|---------------------------------|
| | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| OPERATING INCOME | | | |
| 1. Title insurance and related income: | | | |
| 1.1 Title insurance premiums earned | 6,375,921 | 5,334,378 | 12,045,296 |
| 1.2 Escrow and settlement services | 2,566,094 | 2,512,921 | 4,369,625 |
| 1.3 Other title fees and service charges | 1,224,000 | 42,589 | 1,237,209 |
| 2. Aggregate write-ins for other operating income | | | |
| 3. Total Operating Income (Lines 1 through 2) | 10,166,015 | 7,889,888 | 17,652,130 |
| EXPENSES: | | | |
| 4. Losses and loss adjustment expenses incurred | 91,894 | 90,114 | 357,663 |
| 5. Operating expenses incurred | 10,432,034 | 8,759,908 | 18,684,164 |
| 6. Aggregate write-ins for other operating expenses | | | |
| 7. Total Operating Expenses | 10,523,928 | 8,850,022 | 19,041,827 |
| 8. Net operating gain or (loss) (Lines 3 minus 7) | (357,913) | (960,134) | (1,389,697) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 13,669 | 13,565 | 17,772 |
| 10. Net realized capital gains (losses) less capital gains tax of \$ | 0 | | |
| 11. Net investment gain (loss) (Lines 9 + 10) | 13,669 | 13,565 | 17,772 |
| OTHER INCOME | | | |
| 12. Aggregate write-ins for miscellaneous income or (loss) | | | |
| 13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12) | (344,244) | (946,569) | (1,371,925) |
| 14. Federal and foreign income taxes incurred | | | |
| 15. Net income (Lines 13 minus 14) | (344,244) | (946,569) | (1,371,925) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 16. Surplus as regards policyholders, December 31 prior year | 15,221,983 | 5,209,889 | 5,209,889 |
| 17. Net income (from Line 15) | (344,244) | (946,569) | (1,371,925) |
| 18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ | 0 | 53 | 3,098 |
| 19. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 20. Change in net deferred income taxes | 120,332 | 321,382 | 602,112 |
| 21. Change in nonadmitted assets | (317,908) | (586,193) | 758,601 |
| 22. Change in provision for unauthorized and certified reinsurance | | | |
| 23. Change in supplemental reserves | | | |
| 24. Change in surplus notes | | | |
| 25. Cumulative effect of changes in accounting principles | | | |
| 26. Capital Changes: | | | |
| 26.1 Paid in | | | 10,000,000 |
| 26.2 Transferred from surplus (Stock Dividend) | | | |
| 26.3 Transferred to surplus | | | |
| 27. Surplus Adjustments: | | | |
| 27.1 Paid in | | | |
| 27.2 Transferred to capital (Stock Dividend) | | | |
| 27.3 Transferred from capital | | | |
| 28. Dividends to stockholders | | | |
| 29. Change in treasury stock | | | |
| 30. Aggregate write-ins for gains and losses in surplus | | | |
| 31. Change in surplus as regards policyholders (Lines 17 through 30) | (541,767) | (1,208,282) | 10,012,094 |
| 32. Surplus as regards policyholders as of statement date (Lines 16 plus 31) | 14,680,216 | 4,001,607 | 15,221,983 |

| DETAILS OF WRITE-IN LINES | | | |
|---|-------------|--|--|
| 0201. | | | |
| 0202. | | | |
| 0203. | | | |
| 0298. Summary of remaining write-ins for Line 02 from overflow page | NONE | | |
| 0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above) | | | |
| 0601. | | | |
| 0602. | | | |
| 0603. | | | |
| 0698. Summary of remaining write-ins for Line 06 from overflow page | NONE | | |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above) | | | |
| 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 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance | 6,737,414 | 5,685,327 | 12,086,299 |
| 2. Net investment income | 27,018 | 46,589 | 58,085 |
| 3. Miscellaneous income | 3,790,094 | 2,555,510 | 5,606,834 |
| 4. Total (Lines 1 to 3) | 10,554,526 | 8,287,426 | 17,751,218 |
| 5. Benefit and loss related payments | 404,456 | 888,165 | 890,547 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 10,501,941 | 8,399,036 | 18,691,493 |
| 8. Dividends paid to policyholders | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | | | |
| 10. Total (Lines 5 through 9) | 10,906,397 | 9,287,201 | 19,582,040 |
| 11. Net cash from operations (Line 4 minus Line 10) | (351,871) | (999,775) | (1,830,822) |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 201,000 | 1,195,000 | 2,940,000 |
| 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 | 23,326 | 8,149 | 20,671 |
| 12.7 Miscellaneous proceeds | | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 224,326 | 1,203,149 | 2,960,671 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | | 200,908 | 3,109,176 |
| 13.2 Stocks | | | |
| 13.3 Mortgage loans | | | |
| 13.4 Real estate | | | |
| 13.5 Other invested assets | | | |
| 13.6 Miscellaneous applications | 117,496 | 51,467 | 56,936 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 117,496 | 252,375 | 3,166,112 |
| 14. Net increase (or decrease) in contract loans and premium notes | | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | 106,830 | 950,774 | (205,441) |
| 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 | | 1,200,000 | 11,200,000 |
| 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) | (504,579) | (97,942) | 569,033 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (504,579) | 1,102,058 | 11,769,033 |
| 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) | (749,620) | 1,053,057 | 9,732,770 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 15,328,459 | 5,595,689 | 5,595,689 |
| 19.2 End of period (Line 18 plus Line 19.1) | 14,578,839 | 6,648,746 | 15,328,459 |

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

| | | | |
|---------|--|--|--|
| 20.0001 | | | |
| 20.0002 | | | |
| 20.0003 | | | |

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS **JUNE 30, 2013**

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 June 30, 2013, 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 June 30, 2013 the Company had a net deferred tax asset of \$3,290,082 of which \$1,347,082 was considered non-admitted.
- b. Not applicable
- c. At June 30, 2013, 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 quarter ended June 30, 2013 the Company has no current tax expense.

NOTES TO FINANCIAL STATEMENTS

- d. The Company's tax expense at June 30, 2013 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 June 30, 2013, the Company had an estimated net operating loss of \$8,276,323 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 first half of 2013, EDG provided to the Company marketing, advertising, information technology, and other advisory and management services associated with this arrangement totaling \$1,348,684. These costs are included in the Statement of Income under operating expenses incurred. During the entire year of 2012, \$2,388,533 in services provided by EDG were similarly charged to the Company under the arrangement. Also included in operating expenses for 2013, were \$68,718 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, the Company leases office space from Valre Properties LLC. The Company's remaining lease obligation for 2013 is \$16,867, which includes utilities. The

NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2013, the Company sub-leases office space from Mortgage Connect, LP. The Company's obligation is \$11,272.33 per month which includes IT support and equipment lease. 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, the Company had unsecured reinsurance recoverables of \$34.00.

b. Reinsurance Recoverable in Dispute

NOTES TO FINANCIAL STATEMENTS

At June 30, 2013, the Company had no reinsurance recoverables in dispute.

- c. Reinsurance Ceded
 - (1) At June 30, 2013, 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 June 30, 2013, the Company had no uncollectible reinsurance.
- e. Commutation of Ceded Reinsurance
 - At June 30, 2013, the Company had no commutation of ceded reinsurance.
- f. Retroactive Reinsurance
 - At June 30, 2013, the Company had no retroactive reinsurance.
- g. Reinsurance Accounted for as a Deposit
 - At June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, the Company had no structured settlements.

27. Supplemental Reserve

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

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state?

Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2 If yes, date of change:

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.

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

Yes [] No [X]

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

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

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

If yes, attach an explanation.

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

12/31/2011

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

04/28/2013

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/08/2013

6.4 By what department or departments?

Ohio Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

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

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

7.2 If yes, give full information

GENERAL INTERROGATORIES

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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 |
|------------------------|--------------------------------|----------|----------|-----------|----------|
| | | | | | |

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

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

.....

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

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

.....

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

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

.....

FINANCIAL

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

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

INVESTMENT

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

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

.....

GENERAL INTERROGATORIES

| 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------|---------------------------|------------------------|---------------------|---|---|---|------------------------------------|---|---------------------|--|--------------------------|--|----------------------------|---|---------------------------|---|------------------|--------------------------------------|--------------------------------|--|-----------------------|---|---------------------|---|--------------------|--|--------------------|--|-----------------|---|------------------------------------|---|---------------|---|---------------|---|---------------|---|----------------------------|---|
| 13. Amount of real estate and mortgages held in short-term investments: | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yes [] No [X] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.2 If yes, please complete the following: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%; text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">Prior Year-End</td> <td style="text-align: center;">Current Quarter</td> </tr> <tr> <td style="text-align: center;">Book/Adjusted</td> <td style="text-align: center;">Book/Adjusted</td> </tr> <tr> <td style="text-align: center;">Carrying Value</td> <td style="text-align: center;">Carrying Value</td> </tr> </table> | 1 | 2 | Prior Year-End | Current Quarter | Book/Adjusted | Book/Adjusted | Carrying Value | Carrying Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prior Year-End | Current Quarter | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Book/Adjusted | Book/Adjusted | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carrying Value | Carrying Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.21 Bonds | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.22 Preferred Stock | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.23 Common Stock | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.24 Short-Term Investments | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.25 Mortgage Loans on Real Estate | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.26 All Other | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? | | Yes [] No [X] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15.2 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 [] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. For the reporting entity's security lending program, state the amount of the following as current statement date: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.3 Total payable for securities lending reported on the liability page | | \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. 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 [] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">1 Name of Custodian(s)</th> <th style="width: 50%; text-align: center;">2 Custodian Address</th> </tr> </thead> <tbody> <tr> <td>Century Trust</td> <td>100 S. Federal Place Santa Fe, NM 87501</td> </tr> <tr> <td>Bank of New York Mellon Trust Company N.A.</td> <td>10161 Centurion Parkway, Jacksonville, FL 32256</td> </tr> <tr> <td>Xerox Business Services, LLC</td> <td>100 Hancock Street, 10th Floor Quincy, MA 02171</td> </tr> <tr> <td>Citizens Bank</td> <td>RWR 110 PO Box 9587 Providence, RI 02940</td> </tr> <tr> <td>City National Bank</td> <td>555 S. Flower St., 17th Floor, Los Angeles, CA 90071</td> </tr> <tr> <td>First Bank Trust N.A.</td> <td>P.O. Box 1347 Sioux Falls, SD 57101</td> </tr> <tr> <td>First Republic Bank</td> <td>148 East 79th St., New York, NY 10075</td> </tr> <tr> <td>Harris N.A.</td> <td>P.O. Box 755 Chicago, IL 60690</td> </tr> <tr> <td>Huntington National Bank</td> <td>7 Easton Oval EA4E95, Columbus, OH 43219</td> </tr> <tr> <td>JP Morgan Chase</td> <td>P.O. Box 260180 Baton Rouge, LA 70826</td> </tr> <tr> <td>Merrill Lynch</td> <td>1375 East 9th Street, Cleveland, OH 44114</td> </tr> <tr> <td>Regions Bank</td> <td>400 W. Capitol Little Rock, AR 72201</td> </tr> <tr> <td>Regions Bank</td> <td>1900 5th Avenue N. Suite 2500 Birmingham, AL 35203</td> </tr> <tr> <td>Sun Trust</td> <td>919 E. Main Street 7th Floor Richmond, VA 23219</td> </tr> <tr> <td>Third Federal Savings & Loan</td> <td>7007 Broadway Avenue, Cleveland, OH 44105</td> </tr> <tr> <td>US Bank</td> <td>555 SW Oak St. Portland, OR 97204</td> </tr> <tr> <td>US Bank</td> <td>One Enterprise Street 255 Eater St., Suite 700 Jacksonville, FL</td> </tr> <tr> <td>US Bank</td> <td>One West Fourth Street, Winston-Salem, NC 27101</td> </tr> <tr> <td>Texas Treasury Trust</td> <td>208 East 10th Street Austin, TX 78701</td> </tr> </tbody> </table> | | | 1 Name of Custodian(s) | 2 Custodian Address | Century Trust | 100 S. Federal Place Santa Fe, NM 87501 | Bank of New York Mellon Trust Company N.A. | 10161 Centurion 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, Winston-Salem, NC 27101 | Texas Treasury Trust | 208 East 10th Street Austin, TX 78701 |
| 1 Name of Custodian(s) | 2 Custodian Address | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Century Trust | 100 S. Federal Place Santa Fe, NM 87501 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank of New York Mellon Trust Company N.A. | 10161 Centurion 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, Winston-Salem, NC 27101 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Texas Treasury Trust | 208 East 10th Street Austin, TX 78701 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GENERAL INTERROGATORIES

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

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

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

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

| 1 Central Registration Depository | 2 Name(s) | 3 Address |
|--|--------------|--------------|
| | | |
| | | |

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

18.2 If no, list exceptions:

.....
.....

GENERAL INTERROGATORIES**PART 2 - TITLE**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes No N/A X
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes No X
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes No X

3.2 If yes, give full and complete information thereto:

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

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero? Yes No X

4.2 If yes, complete the following schedule:

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

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

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

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

| | |
|---|---------------|
| 5.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: | \$ 10,474,902 |
| These funds consist of: | |
| 5.22 In cash on deposit | \$ 10,474,902 |
| 5.23 Other forms of security | \$ _____ |

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - By States and Territories

| States, Etc. | 1 Active Status | Direct Premiums Written | | Direct Losses Paid (Deducting Salvage) | | Direct Known Claim Reserve | |
|------------------------------|--------------------|---------------------------|-------------------------|--|-------------------------|----------------------------|-------------------------|
| | | 2 Current Year to Date | 3 Prior Year to Date | 4 Current Year to Date | 5 Prior Year to Date | 6 Current Year to Date | 7 Prior Year to Date |
| 1. Alabama | AL L | 4,298 | 7,052 | | | | |
| 2. Alaska | AK N | | | | | | |
| 3. Arizona | AZ L | 2,876 | 10,144 | | 20 | | |
| 4. Arkansas | AR L | 2,807 | 1,544 | | | | |
| 5. California | CA L | 626,837 | 478,127 | | 313,651 | 591,008 | |
| 6. Colorado | CO N | | | | | | 39,840 |
| 7. Connecticut | CT L | 91,088 | 67,401 | | | | |
| 8. Delaware | DE L | 41,973 | 30,657 | | | | |
| 9. District of Columbia | DC L | 23,627 | 25,431 | | | | |
| 10. Florida | FL L | 724,593 | 231,481 | | 36,545 | 1,468 | |
| 11. Georgia | GA L | 55,222 | 36,523 | | 18,649 | | 17,500 |
| 12. Hawaii | HI N | | | | | | |
| 13. Idaho | ID N | | | | | | |
| 14. Illinois | IL L | 17,382 | 28,653 | | 2,130 | 7,911 | |
| 15. Indiana | IN L | 10,274 | 7,753 | | | | 17,563 |
| 16. Iowa | IA L | | | | | | |
| 17. Kansas | KS L | 7,461 | 7,901 | | | | |
| 18. Kentucky | KY L | 11,859 | 9,634 | | | 952 | |
| 19. Louisiana | LA L | 1,797 | 317 | | | | |
| 20. Maine | ME N | | | | | | |
| 21. Maryland | MD L | 176,578 | 176,051 | | | | |
| 22. Massachusetts | MA L | 83,893 | 59,879 | | | | |
| 23. Michigan | MI N | | | | | | |
| 24. Minnesota | MN L | 14,669 | 11,572 | | 5,312 | | |
| 25. Mississippi | MS L | 4,235 | 10,257 | | | | |
| 26. Missouri | MO L | 2,968 | 30,925 | | (5,156) | 2,297 | |
| 27. Montana | MT L | 5,346 | 600 | | | | |
| 28. Nebraska | NE L | 3,583 | | | | | |
| 29. Nevada | NV L | 2 | 6,219 | | 28,006 | 245,411 | |
| 30. New Hampshire | NH N | | | | | 110,000 | 116,151 |
| 31. New Jersey | NJ N | | | | | | |
| 32. New Mexico | NM L | | | | | | |
| 33. New York | NY L | 2,741,752 | 2,079,743 | | | | |
| 34. North Carolina | NC L | 17,700 | 26,081 | | | 2,835 | |
| 35. North Dakota | ND L | 1,606 | 1,753 | | | | |
| 36. Ohio | OH L | 126,648 | 559,330 | | 8,713 | 29,676 | |
| 37. Oklahoma | OK L | 357 | | | | | |
| 38. Oregon | OR L | | | | | | |
| 39. Pennsylvania | PA L | 1,387,464 | 1,338,279 | | 962 | 5,987 | |
| 40. Rhode Island | RI L | 5,535 | 9,588 | | | | |
| 41. South Carolina | SC L | 17,488 | 18,033 | | | | |
| 42. South Dakota | SD L | 511 | | | | | |
| 43. Tennessee | TN L | 18,101 | 16,943 | | 2,770 | | |
| 44. Texas | TX L | | | | | | |
| 45. Utah | UT L | | | | 3,649 | 620 | |
| 46. Vermont | VT N | | | | | | |
| 47. Virginia | VA L | 476,941 | 364,722 | | 4,848 | | |
| 48. Washington | WA L | | (5,690) | | | | |
| 49. West Virginia | WV L | 6,471 | 6,109 | | | | |
| 50. Wisconsin | WI L | 1,845 | 971 | | | | |
| 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 XXX | | | | | | |
| 59. Totals | (a) 41 | 6,715,787 | 5,653,983 | 420,099 | 888,165 | 129,500 | 176,861 |

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

NONE

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

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

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| Asterik | Explanation |
|---------|-------------|
| | NONE |

PART 1 – LOSS EXPERIENCE

| | Current Year to Date | | | | 5 Prior Year to Date Direct Loss Percentage |
|--------------------------------------|---------------------------------|---|--------------------------------|---|--|
| | 1 Direct Premiums Written | 2 Other Income (Page 4, Lines 1.2 + 1.3 + 2) | 3 Direct Losses Incurred | 4 Direct Loss Percentage Cols. 3 / (1 + 2) | |
| 1. Direct operations | 4,973,701 | 3,789,145 | 72,968 | 0.80 | 1.10 |
| 2. Agency operations: | | | | | |
| 2.1 Non-affiliated agency operations | 1,742,087 | 950 | 18,926 | 1.10 | 1.00 |
| 2.2 Affiliated agency operations | | | | | |
| 3. Totals | 6,715,788 | 3,790,095 | 91,894 | 0.90 | 1.10 |

PART 2 – DIRECT PREMIUMS WRITTEN

| | 1 Current Quarter | 2 Current Year to Date | 3 Prior Year Year to Date |
|--------------------------------------|-------------------------|------------------------------|---------------------------------|
| 1. Direct operations | 2,401,666 | 4,973,701 | 3,548,378 |
| 2. Agency operations: | | | |
| 2.1 Non-affiliated agency operations | 1,103,545 | 1,742,087 | 2,105,605 |
| 2.2 Affiliated agency operations | | | |
| 3. Totals | 3,505,211 | 6,715,788 | 5,653,983 |

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

| | Current Year | | | Prior Year |
|---|--------------|----------------------------|--|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS | | | | |
| 2504. SECURITY DEPOSIT | 20,337 | 20,337 | | |
| 2505. A/R AFFILIATE P31 TAX SHARING | 10,964 | 10,964 | | |
| 2506. RECEIVERS BOND | 5,000 | 5,000 | | |
| 2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598) | 36,301 | 36,301 | | |

SCHEDULE A - VERIFICATION

Real Estate

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

NONE**SCHEDULE B - VERIFICATION**

Mortgage Loans

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

NONE**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

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

NONE**SCHEDULE D - VERIFICATION**

Bonds and Stocks

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 3,591,720 | 3,433,251 |
| 2. Cost of bonds and stocks acquired | | 3,109,176 |
| 3. Accrual of discount | 53 | 23,306 |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | 201,000 | 2,940,000 |
| 6. Deduct consideration for bonds and stocks disposed of | 44,269 | 34,013 |
| 7. Deduct amortization of premium | | |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 3,346,504 | 3,591,720 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 3,346,504 | 3,591,720 |

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|-----------------------------------|---|--|--|--|---|--|---|---|
| BONDS | | | | | | | | |
| 1. Class 1 (a) | 3,257,123 | | | (14,691) | 3,257,123 | 3,242,432 | | 3,476,461 |
| 2. Class 2 (a) | | | | | | | | |
| 3. Class 3 (a) | | | | | | | | |
| 4. Class 4 (a) | | | | | | | | |
| 5. Class 5 (a) | | | | | | | | |
| 6. Class 6 (a) | 111,617 | | | (7,545) | 111,617 | 104,072 | | 115,259 |
| 7. Total Bonds | 3,368,740 | | | (22,236) | 3,368,740 | 3,346,504 | | 3,591,720 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | | | | | | | | |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | | | | | | | | |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | 3,368,740 | | | (22,236) | 3,368,740 | 3,346,504 | | 3,591,720 |

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

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

SCHEDULE DA - PART 1

Short-Term Investments

| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
|---------|--------------------------------------|-------------------|---------------------|--|---|
| 9199999 | | X | NONE | | |

SCHEDULE DA - VERIFICATION

Short-Term Investments

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

SCHEDULE DB - PART A - VERIFICATION**Options, Caps, Floors, Collars, Swaps and Forwards**

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

NONE**SCHEDULE DB - PART B - VERIFICATION****Future Contracts**

1. Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)
- 3.1 Add:
 - Change in variation margin on open contracts - Highly Effective Hedges
 - 3.11 Section 1, Column 15, current year to date minus
 - 3.12 Section 1, Column 15, prior year
- 3.2 Add:
 - Change in variation margin on open contracts - All Other
 - 3.13 Section 1, Column 18, current year to date minus
 - 3.14 Section 1, Column 18, prior year
- 3.3 Subtotal (Line 3.1 minus Line 3.2)
- 4.1 Cumulative variation margin on terminated contracts during the year
- 4.2 Less:
 - 4.21 Amount used to adjust basis of hedged item
 - 4.22 Amount recognized
- 4.3 Subtotal (Line 4.1 minus Line 4.2)
5. Dispositions gains (losses) on contracts terminated in prior year:
 - 5.1 Total gain (loss) recognized for terminations in prior year
 - 5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year
6. Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)
7. Deduct total nonadmitted amounts
8. Statement value at end of current period (Line 6 minus Line 7)

SCHEDULE DB - PART C - SECTION 1

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

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

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

NONE

SCHEDULE DB VERIFICATION

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

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance
3. Total (Line 1 plus Line 2)
4. Part D, Section 1, Column 5
5. Part D, Section 1, Column 6
6. Total (Line 3 minus Line 4 minus Line 5)

NONE

Fair Value Check

7. Part A, Section 1, Column 16
8. Part B, Section 1, Column 13
9. Total (Line 7 plus Line 8)
10. Part D, Section 1, Column 8
11. Part D, Section 1, Column 9
12. Total (Line 9 minus Line 10 minus Line 11)

Potential Exposure Check

13. Part A, Section 1, Column 21
14. Part B, Section 1, Column 20
15. Part D, Section 1, Column 11
16. Total (Line 13 plus Line 14 minus Line 15)

SCHEDULE E - VERIFICATION

(Cash Equivalents)

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

NONE

SCHEDULE A - PART 2

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

| 1 Description of Property | Location | | 4 Date Acquired | 5 Name of Vendor | 6 Actual Cost at Time of Acquisition | 7 Amount of Encumbrances | 8 Book/Adjusted Carrying Value Less Encumbrances | 9 Additional Investment Made After Acquisition |
|------------------------------|-----------|------------|--------------------|---------------------|---|-----------------------------|---|---|
| | 2 City | 3 State | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 0399999 Totals | | | | | | | | |

NONE

E10

SCHEDULE A - PART 3

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

| 1 Description of Property | Location | | 4 Disposal Date | 5 Name of Purchaser | 6 Actual Cost | 7 Expended for Additions, Permanent Improvements and Changes in Encumbrances | 8 Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value Less Encumbrances | | | | | 14 Book/Adjusted Carrying Value Less Encumbrances on Disposal | 15 Amounts Received During Year | 16 Foreign Exchange Gain (Loss) on Disposal | 17 Realized Gain (Loss) on Disposal | 18 Total Gain (Loss) on Disposal | 19 Gross Income Earned Less Interest Incurred on Encumbrances | 20 Taxes, Repairs and Expenses Incurred |
|------------------------------|-----------|------------|--------------------|------------------------|------------------|---|--|--|---|---|---|--|--|------------------------------------|--|--|-------------------------------------|--|--|
| | 2 City | 3 State | | | | | | 9 Current Year's Other Than Temporary Impairment Recognized | 10 Current Year's Change in Encumbrances | 11 Total Change in B./A.C.V. (11 - 9 - 10) | 12 Current Year's Change in Encumbrances | 13 Total Foreign Exchange Change in B./A.C.V. | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 0399999 Totals | | | | | | | | | | | | | | | | | | | |

NONE

SCHEDULE B - PART 2

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

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Rate of Interest | 7 Actual Cost at Time of Acquisition | 8 Additional Investment Made After Acquisitions | 9 Value of Land and Buildings |
|------------------|-----------|------------|----------------|--------------------|--------------------------|---|---|-------------------------------------|
| | 2 City | 3 State | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 3399999 Totals | | | | XXX | XXX | | | |

NONE

EO2

SCHEDULE B - PART 3

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

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Disposal Date | 7 Book Value/ Recorded Investment Excluding Accrued Interest Prior Year | Change in Book Value/Recorded Investment | | | | | 14 Book Value/ Recorded Investment Excluding Accrued Interest on Disposal | 15 | 16 | 17 | 18 | |
|------------------|-----------|------------|----------------|--------------------|-----------------------|--|--|---|--|--|---|--|----|----|----|----|--|
| | 2 City | 3 State | | | | | 8 Unrealized Valuation Increase (Decrease) | 9 Current Year's (Amortization) / Accretion | 10 Current Year's Other than Temporary Impairment Recognized | 11 Capitalized Deferred Interest and Other | 12 Total Change in Book Value (8+9+10+11) | 13 Total Foreign Exchange Change in Book Value | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| 0599999 Totals | | | | | | | | | | | | | | | | | |

NONE

SCHEDULE BA - PART 2

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

| 1 CUSIP Ident- ification | 2 Name or Description | Location | | 5 Name of Vendor or General Partner | 6 NAIC Desig- nation | 7 Date Originally Acquired | 8 Type and Strategy | 9 Actual Cost at Time of Acquisition | 10 Additional Investment Made After Acquisition | 11 Amount of Encumbrances | 12 Commitment for Additional Investment | 13 Percentage of Ownership |
|-----------------------------------|-----------------------------|-----------|------------|---|-------------------------------|-------------------------------------|------------------------------|---|--|---------------------------------|--|-------------------------------------|
| | | 3 City | 4 State | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 4199999 | Totals | | | | | | | | | | | XXX |

NONE**SCHEDULE BA - PART 3**

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

| 1 CUSIP Ident- ification | 2 Name or Description | Location | | 5 Name of Purchaser or Nature of Disposal | 6 Date Originally Acquired | 7 Disposal Date | 8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Change in Book/Adjusted Carrying Value | | | | | 15 Book/Adjusted Carrying Value Less Encumbrances on Disposal | 16 Consideration | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Investment Income |
|-----------------------------------|-----------------------------|-----------|------------|---|-------------------------------------|-----------------------|---|--|--|---|--|--|--|---------------------|---|---|--|----------------------------|
| | | 3 City | 4 State | | | | | 9 Unrealized Valuation Increase (Decrease) | 10 Current Year's (Depreciation) or (Amortization)/ Accretion | 11 Current Year's Other Than Temporary Impairment Recognized | 12 Capitalized Deferred Interest and Other | 13 Total Change in B.I.A.C.V. (9+10-11+12) | 14 Total Foreign Exchange Change in B.I.A.C.V. | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| 4199999 | Totals | | | | | | | | | | | | | | | | | |

NONE

SCHEDULE D - PART 3

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

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

SCHEDULE D - PART 4

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

| 1 CUSIP Ident- ification | 2 Description | 3 F o r e i g n | 4 Disposal Date | 5 Name of Purchaser | 6 Number of Shares of Stock | 7 Consid- eration | 8 Par Value | 9 Actual Cost | 10 Prior Year Book/ Adjusted Carrying Value | Change in Book/Adjusted Carrying Value | | | | | 16 Book/ Adjusted Carrying Value at Disposal Date | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Bond Interest/ Stock Dividends Received During Year | 21 Stated Contractual Maturity Date | 22 NAIC Desig- nation or Market Indicator (a) | | |
|-----------------------------------|------------------|--------------------------------------|-----------------------|---------------------------|--|-------------------------|-------------------|---------------------|---|--|--|---|--|--|---|--|---|--|---|---|--|-----|-----|
| | | | | | | | | | | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year's (Amort- ization)/ Accretion | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B./A.C.V. (11+12-13) | 15 Total Foreign Exchange Change in B./A.C.V. | | | | | | | | | |
| 9999999 | Totals | | | | | | XXX | | | | | | | | | | | | | | | XXX | XXX |

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

NONE

SCHEDULE DB - PART A - SECTION 1

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

NONE

(a)

E06

| Code | Description of Hedged Risk(s) |
|------|-------------------------------|
| | NONE |

NONE

(b)

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

NONE

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

NONE

| Broker Name | Beginning Cash Balance | Cumulative Cash Change | Ending Cash Balance |
|-------------------------|------------------------|------------------------|---------------------|
| | | | |
| | | | |
| NONE | | | |
| Total Net Cash Deposits | | | |

NONE

Total Net Cash Deposits

(a) **Code** **Description of Hedged Risk(s)**

| | |
|--|-------------|
| | NONE |
|--|-------------|

NONE

(b) **Code** **Financial or Economic Impact of the Hedge at the End of the Reporting Period**

| | |
|--|-------------|
| | NONE |
|--|-------------|

NONE

E07

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

NONE

80E

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|--------------------------|-------------------------|-------------|------------|-----------|-----------------------------------|---------------|--------------------------------|
| Exchange, Counterparty or Central Clearinghouse | Type of Asset Pledged | CUSIP Identification | Description | Fair Value | Par Value | Book / Adjusted Carrying Value | Maturity Date | Type of Margin (I, V or IV) |
| | | | NONE | | | | | |

E
60

Collateral Pledged to Reporting Entity

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

General Interrogatories:

1. Total activity for the year to date

Fair Value \$ 0

Book/Adjusted Carrying Value \$ 0

2. Average balance for the year to date

Fair Value \$ 0

Book/Adjusted Carrying Value \$ 0

3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:

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

SCHEDULE DL - PART 2

Reinvested Collateral Assets Owned Current Statement Date

General Interrogatories:

1. Total activity for the year
2. Average balance for the year

Fair Value \$ C
Fair Value \$ C

Book/Adjusted Carrying Value \$ 0
Book/Adjusted Carrying Value \$ 0

SCHEDULE E - PART 1 - CASH

Month-End Depository Balances

| 1 Depository | 2 Code | 3 Rate of Interest | 4 Amount of Interest Received During Current Quarter | 5 Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter | | | 9 * |
|---|-----------|-----------------------------|---|---|---|-------------------|------------------|--------|
| | | | | | 6 First Month | 7 Second Month | 8 Third Month | |
| Open Depositories - Section (A) - Segregated Funds Held for Others | | | | | | | | |
| PNC Bank | | | | | 9,471,129 | 3,437,280 | 9,245,846 | |
| City National Bank | | | | | 938,030 | 890,730 | 872,131 | |
| Dollar Bank | | | | | 394,807 | 353,181 | 356,925 | |
| 0199998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | XXX | XXX | | | | | | X |
| 0199999 Total Segregated Funds Held for Others | XXX | XXX | | | 10,803,966 | 4,681,191 | 10,474,902 | X |
| Open Depositories - Section (B) - General Funds | | | | | | | | |
| DOLLAR BANK | | | | | 727,658 | 406,130 | 518,806 | |
| JP MORGAN CHASE NY | | | | | 10,406,614 | 10,407,053 | 10,407,478 | |
| FIRST REBUBLIC BANK | | | | | 32,355 | 32,355 | 32,356 | |
| CITY NATIONAL BANK | | | | | 132,459 | 132,470 | 132,480 | |
| MERRILL LYNCH | | | | | 1,591,053 | 1,595,589 | 1,603,037 | |
| HARRIS N.A. | | | | | 10,100 | 10,100 | 10,100 | |
| HUNTINGTON BANK | | | | | 9,422 | 9,422 | 9,422 | |
| THIRD FEDERAL | | | | | 334,140 | 334,140 | 334,140 | |
| US BANK | | | | | 115,000 | 115,000 | 115,000 | |
| XEROX BUSINESS SERVICES | | | | | 105,000 | 105,000 | 105,000 | |
| FIRST BANK | | | | | 106,000 | 106,000 | 106,000 | |
| CITIZENS | | | | | 50,012 | 50,012 | 50,012 | |
| US BANK | | | | | 40,006 | 40,007 | 40,007 | |
| US BANK | | | | | 200,000 | 200,000 | 200,000 | |
| BANK OF NEW YORK | | | | | 105,000 | 105,000 | 105,000 | |
| REGIONS BANK | | | | | 1 | 1 | 1 | |
| REGIONS BANK | | | | | 105,000 | 105,000 | 105,000 | |
| SUNTRUST BANK | | | | | 205,000 | 205,000 | 205,000 | |
| TEXAS TRUST | | | | | 500,000 | 500,000 | 500,000 | |
| 0299998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | XXX | XXX | | | | | | X |
| 0299999 Total General Funds | XXX | XXX | 1,604 | | 14,774,820 | 14,458,279 | 14,578,839 | X |
| Open Depositories - Section (C) - Reinsurance Reserve Funds | | | | | | | | |
| 0399998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | XXX | XXX | | | | | | X |
| 0399999 Total Reinsurance Reserve Funds | XXX | XXX | | | | | | X |
| 0499999 Total Open Depositories | XXX | XXX | 1,604 | | 25,578,786 | 19,139,470 | 25,053,741 | X |
| Suspended Depositories - Section (A) - Seg. Funds Held for Others | | | | | | | | |
| 0599998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | XXX | XXX | | | | | | X |
| 0599999 Total Segregated Funds Held for Others | XXX | XXX | | | | | | X |
| Suspended Depositories - Section (B) - General Funds | | | | | | | | |
| 0699998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | XXX | XXX | | | | | | X |
| 0699999 Total General Funds | XXX | XXX | | | | | | X |
| Suspended Depositories - Section (C) - Reinsurance Reserve Funds | | | | | | | | |
| 0799998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | XXX | XXX | | | | | | X |
| 0799999 Total Reinsurance Reserve Funds | XXX | XXX | | | | | | X |
| 0899999 Total Suspended Depositories | XXX | XXX | | | | | | X |
| 0999999 Total Cash on Deposit | XXX | XXX | 1,604 | | 25,578,786 | 19,139,470 | 25,053,741 | X |
| 1099999 Cash in Company's Office | XXX | XXX | XXX | XXX | | | | X |
| 1199999 Total Cash | XXX | XXX | 1,604 | | 25,578,786 | 19,139,470 | 25,053,741 | X |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

8699999 Total Cash Equivalents

E13