



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2013

OF THE CONDITION AND AFFAIRS OF THE

The Bankers Guarantee Title &Trust Company

NAIC Group Code 0000, NAIC Company Code 50164 Employer's ID Number 340083590

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized August 11, 1911 Commenced Business August 11, 1911

Statutory Home Office 2872 W Market Street, Fairlawn, Ohio 44333

Main Administrative Office 2872 W Market, Fairlawn, Ohio, US 44333 3308671600

Mail Address N/A

Primary Location of Books and Records N/A

Internet Website Address N/A

Statutory Statement Contact Richard L Pace 330 867 1600

OFFICERS

Richard L Pace (President)  
Patricia K Smith (Vice Pres/Sec/Tres)  
Richard M Herberich (Vice Pres)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Richard L Pace  
Patricia K Smith  
Richard M Herberich  
David Herberich  
Joes D Crawfis, III  
John P Davis

State of Ohio }  
County of Summit } 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.

Richard L Pace President  
Patricia K Smith Vice Pres/Sec/Tres  
Richard M Herberich Vice Pres

Subscribed and sworn to before me this day of 2013

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

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	420,163	65,000	355,163	
3. Mortgage loans on real estate:				
3.1 First liens	13,141,378		13,141,378	17,973,094
3.2 Other than first liens	915,000		915,000	896,508
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)	55,299		55,299	55,299
5. Cash (\$ 3,751,504 ), cash equivalents (\$ ) and short-term investments (\$ )	3,751,504		3,751,504	394,193
6. Contract loans (including \$ 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	46,318		46,318	46,452
12. Subtotals, cash and invested assets (Line 1 to Line 11)	18,329,662	65,000	18,264,662	19,365,546
13. Title plants less \$ charged off (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				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ )	56,876	56,876		
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	9,623,339	4,218,605	5,404,734	9,203,044
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	28,009,877	4,340,481	23,669,396	28,568,590
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	28,009,877	4,340,481	23,669,396	28,568,590
DETAILS OF WRITE-INS				
1101. Interest Receivable	46,318		46,318	46,452
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)	46,318		46,318	46,452
2501. Miscellaneous receivables and prepaids other than pension	3,171,744	3,171,744		
2502. Prepaid Pension	1,046,861	1,046,861		
2503. Funds Segregated for others	5,404,734		5,404,734	9,203,044
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	9,623,339	4,218,605	5,404,734	9,203,044

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE The Bankers Guarantee Title &Trust Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Known claim reserve .....		
2. Statutory premium reserve .....	97,200	84,050
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) .....	136,570	260,102
7. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		
8.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	(65,385)	160,484
8.2 Net deferred tax liability .....	66,145	66,145
9. Borrowed money \$ ..... and interest thereon \$ .....	7,775,961	9,644,554
10. Dividends declared and unpaid .....		
11. Premiums and other consideration received in advance .....		
12. Unearned interest and real estate income received in advance .....		
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....		
15. Provision for unauthorized and certified reinsurance .....		
16. Net adjustment in assets and liabilities due to foreign exchange rates .....		
17. Drafts outstanding .....		
18. Payable to parent, subsidiaries and affiliates .....		
19. Derivativess .....		
20. Payable for securities .....		
21. Payable for securities lending .....		
22. Aggregate write-ins for other liabilities .....	5,406,294	9,220,699
23. Total liabilities (Line 1 through Line 22) .....	13,416,785	19,436,034
24. Aggregate write-ins for special surplus funds .....		
25. Common capital stock .....	631,250	631,250
26. Preferred capital stock .....		
27. Aggregate write-ins for other than special surplus funds .....		
28. Surplus notes .....		
29. Gross paid in and contributed surplus .....	5,456,495	5,456,495
30. Unassigned funds (surplus) .....	4,164,866	3,399,974
31. Less treasury stock, at cost:		
31.1 ..... shares common (value included in Line 25 \$ ..... ) .....		
31.2 ..... shares preferred (value included in Line 26 \$ ..... ) .....		
32. Surplus as regards policyholders (Line 24 to Line 30 less Line 31) .....	10,252,611	9,487,719
33. TOTALS (Page 2, Line 28, Col. 3) .....	23,669,396	28,923,753
DETAILS OF WRITE-INS		
0301.....		
0302.....		
0303.....		
0398. Summary of remaining write-ins for Line 3 from overflow page .....		
0399. Totals (Line 0301 through Line 0303 plus Line 0398) (Line 3 above) .....		
2201. Loan Escrow .....	1,562	17,655
2202. Funds Segregated for others .....	5,404,734	9,203,044
2203. Rounding .....	(2)	
2298. Summary of remaining write-ins for Line 22 from overflow page .....		
2299. Totals (Line 2201 through Line 2203 plus Line 2298) (Line 22 above) .....	5,406,294	9,220,699
2401.....		
2402.....		
2403.....		
2498. Summary of remaining write-ins for Line 24 from overflow page .....		
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above) .....		
2701.....		
2702.....		
2703.....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		

OPERATIONS AND INVESTMENT EXHIBIT  
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	118,355	65,155	100,645
1.2 Escrow and settlement services			
1.3 Other title fees and service charges			
2. Aggregate write-ins for other operating income	3,467,191	4,157,783	1,855,470
3. Total Operating Income (Line 1 through Line 2)	3,585,546	4,222,938	1,956,115
EXPENSES:			
4. Losses and loss adjustment expenses incurred			
5. Operating expenses incurred	92,111	52,414	83,475
6. Aggregate write-ins for other operating expenses	2,987,070	3,631,722	1,259,551
7. Total Operating Expenses	3,079,181	3,684,136	1,343,026
8. Net operating gain or (loss) (Line 3 minus Line 7)	506,365	538,802	613,089
INVESTMENT INCOME			
9. Net investment income earned	58,127	88,945	548,092
10. Net realized capital gains (losses) less capital gains tax of \$			
11. Net investment gain (loss) (Line 9 plus Line 10)	58,127	88,945	548,092
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 (Line 8 plus Line 11 plus Line 12)	564,492	627,747	1,161,181
14. Federal and foreign income taxes incurred	179,130	213,472	378,038
15. Net income (Line 13 minus Line 14)	385,362	414,275	783,143
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	9,487,719	9,550,588	9,550,588
17. Net income (from Line 15)	385,362	414,275	783,143
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$			(17,535)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes			(12,354)
21. Change in nonadmitted assets	379,532	(192,419)	121,661
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			
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		(379,128)	(937,786)
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus	(2)		2
31. Change in surplus as regards policyholders for the year (Line 17 through Line 30)	764,892	(157,272)	(62,869)
32. Surplus as regards policyholders as of statement date (Line 16 plus Line 31)	10,252,611	9,393,316	9,487,719
DETAILS OF WRITE-INS			
0201. Mortgage Operations	3,467,191	4,157,783	1,855,470
0202.			
0203.			
0298. Summary of remaining write-ins for Line 2 from overflow page			
0299. Totals (Line 0201 through Line 0203 plus Line 0298) (Line 2 above)	3,467,191	4,157,783	1,855,470
0601. Mortgage Operations	2,987,070	3,631,722	1,259,551
0602.			
0603.			
0698. Summary of remaining write-ins for Line 6 from overflow page			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	2,987,070	3,631,722	1,259,551
1201.			
1202.			
1203.			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Line 1201 through Line 1203 plus Line 1298) (Line 12 above)			
3001. Rounding	(2)		2
3002. Prior period adjustment after the completion of the 2010 report			
3003.			
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	(2)		2

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	118,355	65,155	100,645
2. Net investment income	58,127	88,945	548,092
3. Miscellaneous income	3,467,191	4,157,783	1,855,470
4. Total (Line 1 through Line 3)	3,643,673	4,311,883	2,504,207
5. Benefit and loss related payments			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	3,079,181	3,684,136	1,343,026
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	179,130	213,472	378,038
10. Total (Line 5 through Line9)	3,258,311	3,897,608	1,721,064
11. Net cash from operations (Line 4 minus Line 10)	385,362	414,275	783,143
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans	44,279,507	72,015,019	95,984,578
12.4 Real estate			
12.5 Other invested assets			5,258
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	44,279,507	72,015,019	95,989,836
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans	39,466,283	73,987,416	94,468,844
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Line 13.1 through Line 13.6)	39,466,283	73,987,416	94,468,844
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	4,813,224	(1,972,397)	1,520,992
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			
16.3 Borrowed funds	(1,868,593)	2,109,467	(1,652,416)
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders		379,128	937,786
16.6 Other cash provided (applied)	27,318	(67,773)	467,146
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,841,275)	1,662,566	(2,123,056)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	3,357,311	104,444	181,079
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	394,193	213,114	213,114
19.2 End of period (Line 18 plus Line 19.1)	3,751,504	317,558	394,193

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

**NOTES TO FINANCIAL STATEMENTS**

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**NOTES TO 2012 ANNUAL FINANCIAL STATEMENT****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Bankers Guarantee Title & Trust Company and Subsidiary (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

**1. Basis of Consolidation**

The consolidated financial statements include the accounts of The Bankers Guarantee Title & Trust Company and its wholly owned subsidiary Ohio General Corp (both are corporations organized under the laws of the State of Ohio). All significant inter-company accounts and transactions have been eliminated in consolidation.

**2. Business Activities**

The Company is a title guarantee and trust company and a mortgage banker. The Company's primary activities include the origination of mortgage loans which are subsequently pooled and sold. The Company retains the servicing rights to the pooled mortgages. Other activities include the lending of funds for investment purposes. The Company grants credit to customers located primarily in Ohio.

**3. Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation's (FDIC) insurance limitations, cash equivalents (Note B), and long-term mortgages held for investment (Note C).

**4. Cash Equivalents**

For purposes of the Consolidated Statement of Cash Flows, the Company considers all short-term investments purchased with a maturity of three months or less to be cash equivalents (Note B).

**5. Mortgage Loans Held for Sale**

NOTES TO FINANCIAL STATEMENTS

Mortgage loans held for sale are valued, in aggregate, at the lower of cost or estimated fair market value. The lower of cost or market is determined by the FNMA bid price for delivery in January 2013, and any buy up or buy down adjustment at December 31. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. The details of the balances at December 31 are as follows:

	2012	2011
First mortgage loans	\$ 5,594,429	\$ 5,554,068
Less; Valuation allowance	-0-	-0-
	\$ 5,594,429	\$ 5,554,068

6. Real Estate Held for Sale

Real estate held for sale is recorded at the lower of cost or market. Real estate which is not expected to be sold during the next fiscal year is classified as non-current and included in Other Assets (Note C).

7. Property and equipment

Depreciation is computed using an accelerated method for furniture and fixtures and automobiles. Leasehold improvements on rental property are amortized over the life of the lease on the straight-line method.

8. Title Insurance Reserve

Title insurance reserves at December 31 are comprised of the following:

	2012	2011
Reserve for title insurance and unearned title insurance premiums	\$ 84,050	\$ 76,936

The reserve for unearned title insurance premiums has been established and adjusted annually in accordance with Section 3953.11 and Section 1735.03 of the Ohio Revised Code.

**NOTES TO FINANCIAL STATEMENTS**

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There are no known claims pending at December 31, 2012.

9. Income Taxes

The company is an accrual basis taxpayer which files with the Internal Revenue Service as part of a consolidated group with its parent, Nevada General Corporation. The company records its pro-rata share of federal income taxes based on the consolidated annual tax return and incurs a liability to Nevada General Corporation on this basis.

Income taxes (Note K) are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. Deferred taxes relate primarily to differences between the financial and income tax reporting basis of depreciable property and equipment, pension plan assets, and loan servicing fees.

The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740 requires management to evaluate its tax positions to determine if any might be considered uncertain. Management reviews its tax positions on an annual basis and when necessary, consults outside parties, to evaluate the risk that all of its tax positions would be sustained upon examination. Management is of the opinion that all of its tax positions are sustainable as of December 31, 2012. During the years ended December 31, 2012 and 2011, the Company has not incurred any interest or penalties on its income tax returns. Tax returns filed by the Company generally remain subject to examination by major tax jurisdictions for three years from the date on which the returns are filed.

10. Loan Origination Costs

The Company has chosen to continue expensing all costs associated with loan originations instead of capitalizing the cost of original loans and amortizing them in future periods. The Company does not believe the fair value of servicing rights can be accurately estimated without additional costs and the use of assumptions which would increase the likelihood of volatility in future periods. The practice of expensing origination costs is conservative and allows for continued comparability of prior years' results.



**NOTES TO FINANCIAL STATEMENTS**

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**11. Foreclosed Assets**

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at cost at the date of foreclosure. Subsequent to foreclosure, any additional costs incurred are capitalized and included in the gain or loss on disposal. Historically, losses, if any, on foreclosure have not been material. In years where expected losses are considered material, an allowance is recorded. Due to existing market conditions as of December 31, 2012 and 2011, the Company established reserves of \$124,466 and \$251,773 respectively

**12. Derivative Financial Instruments**

Financial Accounting Standards Board (FASB) Accounting Standards Topic 815, Accounting for Derivatives Hedging Activities, requires that all derivatives be recorded as assets and liabilities in the balance sheet and measured at fair value. Included in their definition are loan commitments related to the origination of mortgage loans held for sale. The Company does enter into commitments to sell forward mortgage loans as a hedge against fluctuation in interest rates. However, such commitments are typically 60 days or less in duration from year end and utilize only forward sales into mortgage backed securities. The Company does not utilize other types of derivatives when hedging mortgages held for sale. Management has not recorded the fair value of such commitments as the value is not material.

**13. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**14. Date of Management's Review**

Subsequent events were evaluated through February 19, 2013 which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

**Note 2 – Accounting Changes and Corrections of Errors**

None.

**Note 3 – Business Combinations and Goodwill**

None.

**Note 4 – Discontinued Operations**

None.

**Note 5 – Investments**

The company as a course of business lends money for real estate lending. The company does not invest outside of its defined benefit pension plan.

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

None.

**Note 7 – Investment Income**

Derived from its real estate lending business.

**Note 8 – Derivative Investments**

None.

**Note 9 – Income taxes**

FEDERAL INCOME TAX

Income tax expense for the years ended December 31, 2012 and 2011 consists of federal income taxes currently due and deferred income taxes relating to temporary differences (Note A). The Company records deferred income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic No. 740 - Income Taxes.

The net deferred tax assets and liabilities in the balance sheet at December 31, 2012 and 2011 include the following components:

	2012	2011
Current deferred tax asset		

NOTES TO FINANCIAL STATEMENTS

Deferred tax assets	\$ 90,350	\$ 90,627
Deferred tax liabilities	-0-	-0-
	<hr/> \$ 90,350	<hr/> \$ 90,627
Non-current deferred tax liabilities		
Deferred tax assets	\$ 606,889	\$ 608,318
Deferred tax liabilities	(763,384)	(761,769)
	<hr/> \$ (156,495)	<hr/> \$ (153,451)

NOTES TO FINANCIAL STATEMENTS

**Note 10 – Information Concerning Parent, Subsidiaries and Affiliates**

RELATED PARTIES

Nevada General Corporation owns 98.42% of the capital stock of Bankers. Periodically, Nevada General Corporation advances and/or borrows funds to or from Bankers for operational needs. These advances bear interest. There were interest charges paid to Nevada General Corporation of \$25,955 and \$26,014 during 2012 and 2011, respectively, and there was \$2,594,000 and \$2,600,000 owed to Nevada General Corporation at December 31, 2012 and 2011. The Company received no interest income from Nevada General Corporation during 2012 and 2011.

The Bankers Guarantee Title & Trust Company also owns 100% of the stock of Ohio General Corporation, an Ohio Corp engaged in real estate lending.

**Note 11 – Debt**

WAREHOUSE LINE OF CREDIT

The Company has a \$10,000,000 line of credit with Chase Bank which expires April 30, 2013. At December 31, 2012, the Company had draws totaling \$1,546,130 on the line of credit. The line of credit bears interest at the floating rate of the 1-month London Inter Bank Offered Rate (LIBOR) plus a margin. The line of credit is secured by promissory notes and mortgage deeds of un-pooled mortgages and related accounts receivable on pooled loans.

The line of credit agreement contains certain restrictions and covenants. Under these restrictions, the Company will not hereafter incur any indebtedness for borrowed funds either on a secured or unsecured basis in excess of \$14,000,000 in the aggregate of which \$4,000,000 may be with unrestricted creditors and of which \$10,000,000 may only be with the Federal Home Loan Bank. Management considers any loans or advances secured by real estate to be in its ordinary course of business. The Company has complied with these restrictions and covenants.

LONG-TERM DEBT

- 1. Notes Payable-FHLB

	2012	2011
	<hr/>	<hr/>

Long-term debt maturing in succeeding years is:

December 31,	2013	\$ 360,176
	2014	1,913,883
	2015	151,225
	2016	1,144,726

NOTES TO FINANCIAL STATEMENTS

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2017	1,435,689
Thereafter	73,925
	<hr/>
	\$5,079,624
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**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

EMPLOYEE 401 (k) PLAN

Effective January 1, 2003, The Bankers Guarantee Title & Trust Company implemented a 401 (k) Plan. This plan allows eligible participants to defer up to 25% of their qualifying compensation under IRC Section 401 (k), up to a maximum salary deferral of \$16,500 in 2012. In addition, the Company will contribute 25% of the amount deferred, up to 8% of each employee’s salary. Participating employees fully vest in the employer contributions after six years. The company’s matching contribution to the Plan totaled \$11,032 for 2012 and \$8,535 for 2011.

DB – PENSION PLAN

The Company has a non-contributory defined benefit pension plan covering all full-time employees. The Company funds the pension plan by payment to an employee pension trust. Due to the over-funded status of the plan, no contributions were made in 2012 or 2011.

Effective December 31, 2008, the Company adopted certain required provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 715, *Compensation – Retirement Benefits*, which became effective for private companies with fiscal years ending after December 15, 2008. Net (cost) earnings due to net periodic (expense) benefits were \$4,824 and \$19,715 for the years ended December 31, 2012 and 2011, respectively. ASC 715 does not recognize unrecognized investment gains or losses as a component of the prepaid asset, but requires these gains and losses to be recorded as part of comprehensive income. Unrecognized gains (losses) net of tax, included in comprehensive income, were \$(17,535) and \$(27,466) for 2012 and 2011 respectively.

The Company uses a December 31 measurement date for all its plans.

NOTES TO FINANCIAL STATEMENTS

	2012	2011
Projected benefit obligation	\$	\$
December 31	1,877,176	1,777,420
Fair value of plan assets December		
31	2,924,037	2,846,025
Funded status	\$	\$
	1,046,861	1,068,605
Prepaid pension cost	\$	\$
	1,046,861	1,068,605

The following are weighted-average assumptions used to determine benefit obligations at December 31, 2012 and December 31, 2011:

	2012	2011
Discount rate	5.00%	5.00%
Rate of compensation increase	3.50%	3.50%

NOTE D – PENSION PLAN - continued

The following are weighted average assumptions used to determine net periodic benefit cost for the years ended December 31, 2012 and December 31, 2011:

	2012	2011
Discount rate	5.00%	5.00%
Expected long-term return on plan assets	8.00%	8.00%
Rate of compensation increase	3.50%	3.50%

NOTES TO FINANCIAL STATEMENTS

Beginning in 2009, the Company’s expected long-term return on plan assets and rate of compensation increase assumptions are based on historical analysis of actual results for the 20 year period ended December 31, 2009.

The Plan’s net periodic pension cost, employer contributions and benefits paid for the years ended December 31, 2012 and 2011 were:

	2012	2011
Benefit cost (income)	\$ (4,824)	\$ (19,715)
Employer contributions	\$ -0-	\$ -0-
Benefits paid	\$ 83,118	\$ 77,220

The accumulated benefit obligation for all defined benefit pension plans was \$1,543,943 and \$1,495,819 at December 31, 2012 and December 31, 2011, respectively.

The Company’s pension plan weighted-average asset allocations at December 31, 2012 and December 31, 2011 by asset category are as follows:

Asset Category	Plan assets at December 31	
	2012	2011
Equity securities – preferred	6%	9%
Equity securities – other	51%	48%
Debt securities	5%	3%
Cash and other	38%	40%
Total	100%	100%

The Company does not target an asset allocation, but instead consults periodically with investments professionals, and looks to replace maturing assets with similar instruments when it feels it is able to and in the best interest of the plan. The Company also uses its own judgment when consulting professionals.



NOTES TO FINANCIAL STATEMENTS

**Note 13 – Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations**

CAPITAL REQUIREMENTS

The Company is subject to various capital requirements in connection with seller/servicer agreements that the Company has entered into with secondary market investors. Failure to maintain minimum capital requirements could result in the Company’s inability to originate and service loans for the respective investor and, therefore could have a direct material effect on the Company’s financial statements. The Company’s actual capital amounts and the minimum amounts required for capital adequacy purposes, by investor, are as follows:

	Actual Capital	Minimum Required Capital
As of December 31, 2012		
GNMA	\$ 14,195,896	\$ 2,523,507
HUD	14,195,896	1,000,000
FNMA	14,195,896	2,916,322
As of December 31, 2011		
GNMA	\$ 14,378,678	\$ 2,521,573
HUD	14,378,678	500,000
FNMA	14,378,678	3,024,443

COMMITMENT

The Company’s Board of Directors previously voted to suspend its policy of paying a special dividend to shareholders in an amount sufficient to reduce the company’s equity to \$15,000,000 each year. At the April, 2010 Board of Directors meeting, the board approved reinstatement of its policy of paying a special dividend, subject to approval of the Ohio Department of insurance, and subject to a floor of \$14,300,000 in stockholders’ equity.

**Note 14 – Contingencies**

**NOTES TO FINANCIAL STATEMENTS**

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None.

**Note 15 – Leases**

The Company renewed its lease for five years during January, 2012 with no increase in rent. They have one (1) additional five year renewal option where rent will be adjusted in accordance with increases in the Consumer Price Index. The current monthly rental payments are \$4,609. The Company has the right to cancel the lease, giving a six month notice.

The annual minimum rental commitment for the next five years is approximately \$55,308, subject to the Company's six month termination notice clause.

Office rent expense was \$54,742 and \$56,076 for 2012 and 2011 respectively.

**Note 16 – Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

In the normal course of business the Company is a party to financial instruments with off-balance-sheet risk. These financial instruments consist of mortgage loans pooled and sold with recourse. The majority of the Company's servicing portfolio consists of mortgage loans pooled and sold to FNMA and GNMA. The Company evaluates the credit extended to its mortgagors based on established mortgage bankers' credit approval criteria. These criteria are applied to both originated and purchased mortgages. The Company also requires mortgagors to obtain private mortgage insurance whenever the loan amount exceeds eighty percent of the value of the real estate, unless originated under an approved Fannie Mae variance. The mortgage notes are collateralized by their respective real estate, the majority of which is located in Northeast Ohio. The company's mortgage servicing portfolio totals approximately \$264,712,457 at December 31, 2012, of which, \$67,877,987 contains a recourse provision.

The Company's exposure to credit loss on this portfolio, if the borrower completely fails to perform and if the collateral proves to be of no value, is represented by the amount of unpaid recourse loans less any private mortgage insurance. Historically, losses from foreclosed loans have been nominal and management believes any losses resulting from loans in foreclosure, as of December 31, 2012, will be within established allowances.

## NOTES TO FINANCIAL STATEMENTS

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### **Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

### **Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.**

None.

### **Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

None.

### **Note 20 – September 11 Events**

None.

### **Note 21 – Other Items**

None.

### **Note 22 – Events Subsequent-Update of prior year event**

After the close of the calendar year, a borrower defaulted on repayment at maturity on a \$3,640,000 land loan. While the amount is significant, management does not anticipate any loss even without resorting to personal guarantees. Loan balance is approximately 46 % of value based on an appraisal dated 11/22/2010 for \$ 7,850,000. Update as of December 31, 2012 the loan was brought current as part of a workout agreement to extend the loan and modify its terms. All interest and third party advances were paid as 12/31/12 in return for reducing the interest rate to 7% and extending the maturity date. The borrower is not making monthly payments of interest and escrow for real estate taxes.

### **Note 23 – Reinsurance**

None.

**NOTES TO FINANCIAL STATEMENTS**

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**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

None.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Title – none.

**Note 26 – Inter-company Pooling Arrangements**

None.

**Note 27 Structured Settlements**

None.

**Note 28 – Supplemental Reserve**

None.

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 the response to 4.1 is 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 ( ) N/A ( )
- 6.1

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

.....
- 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.

.....
- 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).

.....
- 6.4

By what department or departments?

.....
- 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 ( ) No ( ) N/A ( )
- 6.6

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

Yes ( ) 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 ( )
- 7.2

If yes, give full information  
.....
- 8.1

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

Yes ( ) No ( )
- 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 ( )
- 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
---------------------	-----------------------------	----------	----------	-----------	----------

GENERAL INTERROGATORIES (continued)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 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 the amounts receivable from parent included in the Page 2 amount:

\$ .....

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ( ) No (X)
- 11.2

If yes, give full and complete information relating thereto:  
  
.....  
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ .....
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:
- |   | 1<br>Prior Year-End Book/<br>Adjusted Carrying Value | 2<br>Current Quarter Book/<br>Adjusted Carrying Value |
|---|--|---|
| 14.21 Bonds .....   | \$ .....   | \$ .....  |
| 14.22 Preferred Stock .....   | \$ .....   | \$ .....  |
| 14.23 Common Stock .....  | \$ .....   | \$ .....  |
| 14.24 Short-Term Investments .....  | \$ .....   | \$ .....  |
| 14.25 Mortgage Loans on Real Estate .....   | \$ .....   | \$ .....  |
| 14.26 All Other .....   | \$ .....   | \$ .....  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) ..... | \$ .....   | \$ .....  |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 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 ( )

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....
- 16.2 Total book adusted/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 Consideration, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ( ) No (X)

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

1 Name of Custodian(s)	2 Custodian Address
---------------------------	------------------------

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 ( )

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 ( ) 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 of the reporting entity's participation change?  
If yes, attach an explanation.

Yes ( ) No ( ) N/A (X)
2.

Has the reporting entity reinsured any risk with any other reporting entity and agreed to relaease 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)
- 3.1

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:

3	4	5	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			6	7	8	9	10	11	12	13
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	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

\$ .....
- 5.12

Short-term investments

\$ .....
- 5.13

Mortgages

\$ .....
- 5.14

Cash

\$ .....
- 5.15

Other admissible invested assets

\$ .....
- 5.16

Total

\$ .....
- 5.2

List below segregated funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities.  
(These funds are also included in Schedule E - Part 1 and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers)
- 5.21

Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:  
These funds consist of:

\$ .....
- 5.22

In cash on deposit

\$ .....
- 5.23

Other forms of security

\$ .....



**Page 9**  
Schedule F - Ceded Reinsurance  
**NONE**

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 N						
2. Alaska .....	AK N						
3. Arizona .....	AZ N						
4. Arkansas .....	AR N						
5. California .....	CA N						
6. Colorado .....	CO N						
7. Connecticut .....	CT N						
8. Delaware .....	DE N						
9. District of Columbia .....	DC N						
10. Florida .....	FL N						
11. Georgia .....	GA N						
12. Hawaii .....	HI N						
13. Idaho .....	ID N						
14. Illinois .....	IL N						
15. Indiana .....	IN N						
16. Iowa .....	IA N						
17. Kansas .....	KS N						
18. Kentucky .....	KY N						
19. Louisiana .....	LA N						
20. Maine .....	ME N						
21. Maryland .....	MD N						
22. Massachusetts .....	MA N						
23. Michigan .....	MI N						
24. Minnesota .....	MN N						
25. Mississippi .....	MS N						
26. Missouri .....	MO N						
27. Montana .....	MT N						
28. Nebraska .....	NE N						
29. Nevada .....	NV N						
30. New Hampshire .....	NH N						
31. New Jersey .....	NJ N						
32. New Mexico .....	NM N						
33. New York .....	NY N						
34. North Carolina .....	NC N						
35. North Dakota .....	ND N						
36. Ohio .....	OH L	118,355	65,155				
37. Oklahoma .....	OK N						
38. Oregon .....	OR N						
39. Pennsylvania .....	PA N						
40. Rhode Island .....	RI N						
41. South Carolina .....	SC N						
42. South Dakota .....	SD N						
43. Tennessee .....	TN N						
44. Texas .....	TX N						
45. Utah .....	UT N						
46. Vermont .....	VT N						
47. Virginia .....	VA N						
48. Washington .....	WA N						
49. West Virginia .....	WV N						
50. Wisconsin .....	WI N						
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						
59. Totals .....	(a) 1	118,355	65,155				
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						
58999. TOTALS (Line 58001 through Line 58003 plus Line 58998) (Line 58 above) .....	X X X						

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

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

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

**PART 1 - ORGANIZATIONAL CHART**

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Nevada General Corporation (Ultimate Parent)

The Bankers Guarantee Title & Trust Company (Insurance Company)

Ohio General Corp. (100% owned subsidiary)

**Page 12**  
Schedule Y, Part 1A  
**NONE**

Schedule Y, Part 1A, 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, Line 1.2 plus Line 1.3 plus Line 2)	3  Direct Losses Incurred	4  Direct Loss Percentage Column 3 / (Column 1 plus Column 2)	
• 1. Direct operations .....					
• 2. Agency operations:					
2.1 Non-affiliated agency operations .....	118,355	3,467,191			
2.2 Affiliated agency operations .....					
3. Totals .....	118,355	3,467,191			

PART 2 - DIRECT PREMIUMS WRITTEN

	1  Current Quarter	2  Current Year to Date	3  Prior Year Year to Date
• 1. Direct operations .....			
• 2. Agency operations:			
2.1 Non-affiliated agency operations .....	24,383	118,355	65,155
2.2 Affiliated agency operations .....			
3. Totals .....	24,383	118,355	65,155

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 .....	55,299	55,299
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 end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8) .....	55,299	55,299
10. Deduct total nonadmitted amounts .....	55,299	55,299
11. Statement value at end of current period (Line 9 minus Line 10) .....	55,299	55,299

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 .....	18,869,602	20,385,336
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	39,466,283	94,468,844
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		(5,029,923)
6. Total gain (loss) on disposals .....	18,503	499,396
7. Deduct amounts received on disposals .....	44,298,010	91,454,051
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 (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) .....	14,056,378	18,869,602
12. Total Valuation Allowance .....		
13. Subtotal (Line 11 plus Line 12) .....	14,056,378	18,869,602
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....	14,056,378	18,869,602

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book /adjusted carrying value, December	NONE	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition ..		
2.2 Additional investment made after a		
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 (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book /adjusted carrying value of bonds and stocks, December 31 of prior year .....	420,163	420,163
2. Cost of bonds and stocks acquired .....		
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		
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 (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9) .....	420,163	420,163
11. Deduct total nonadmitted amounts .....		65,000
12. Statement value at end of current period (Line 10 minus Line 11) .....	420,163	355,163

**Page SI02**

Schedule D, Part 1B

**NONE**

**Page SI03**

Schedule DA, Part 1

**NONE**

Schedule DA, Verification

**NONE**

**Page SI04**

Schedule DB, Part A, Verification

**NONE**

Schedule DB, Part B, Verification

**NONE**

**Page SI05**

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open

**NONE**

**Page SI06**

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open

**NONE**

**Page SI07**

Schedule DB, Verification

**NONE**

**Page SI08**

Schedule E, Verification (Cash Equivalents)

**NONE**

**Page E01**

Sch. A, Pt. 2, Real Estate Acquired

**NONE**

Sch. A, Pt. 3, Real Estate Disposed

**NONE**

**Page E02**

Schedule B, Part 2, Mortgage Loans Acquired

**NONE**

Schedule B, Part 3, Mortgage Loans Disposed

**NONE**

**Page E03**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired

**NONE**

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed

**NONE**

**Page E04**

Schedule D, Part 3, Long-Term Bonds and Stocks Acquired

**NONE**

**Page E05**

Schedule D, Part 4, Long-Term Bonds and Stocks Disposed Of

**NONE**

**Page E06**

Schedule DB, Part A, Section 1  
**NONE**

Description of Hedged Risk (s)  
**NONE**

Financial or Economic Impact of the Hedge  
**NONE**

**Page E07**

Schedule DB, Part B, Section 1  
**NONE**

Schedule DB, Part B, Section 1, Broker Name  
**NONE**

Schedule DB, Part B, Description of Hedged Risk (s)  
**NONE**

Schedule DB, Part B, Financial or Economic Impact of the Hedge  
**NONE**

**Page E08**

Schedule DB, Part D, Section 1  
**NONE**

**Page E09**

Schedule DB, Part D, Section 2, By Reporting Entity  
**NONE**

Schedule DB, Part D, Section 2, To Reporting Entity  
**NONE**

**Page E10**

Schedule DL, Part 1  
**NONE**

**Page E11**

Schedule DL, Part 2  
**NONE**



SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
				Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information	Code	Rate of Interest			First Month	Second Month	Third Month	
Open Depositories -- Section (B) -- General Funds									
various						2,818,457	1,969,006	3,751,504	.
0299999 - TOTAL - Open Depositories -- Section (B) -- General Funds						2,818,457	1,969,006	3,751,504	.
0499999 - TOTAL - Open Depositories						2,818,457	1,969,006	3,751,504	.
0999999 - TOTAL Cash on Deposit						2,818,457	1,969,006	3,751,504	.
1199999 - TOTAL Cash						2,818,457	1,969,006	3,751,504	.

**Page E13**  
Schedule E, Part 2, Cash Equivalents  
**NONE**