

**QUARTERLY STATEMENT**

**OF THE**

**ENTITLE INSURANCE**

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**COMPANY**

---

**of INDEPENDENCE**

---

**in the state of OHIO**

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**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**OHIO**

**FOR THE QUARTER ENDED**

**March 31, 2015**

**TITLE**

**2015**



51632201520100101

# QUARTERLY STATEMENT

AS OF MARCH 31, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## EnTitle Insurance Company

|  |   |  |                          |  |                             |                   |
|--|---|--|--------------------------|--|-----------------------------|-------------------|
| <b>NAIC Group Code</b>                       | <u>3483</u><br><small>(Current Period)</small>  | <u>3483</u><br><small>(Prior Period)</small> | <b>NAIC Company Code</b> | <u>51632</u>   | <b>Employer's ID Number</b> | <u>34-1252928</u> |
| <b>Organized under the Laws of</b>           | <u>Ohio</u>   |  |                          | <b>State of Domicile or Port of Entry</b> <u>OHIO</u>  |                             |                   |
| <b>Country of Domicile</b>                   | <u>United States of America</u>   |  |                          |  |                             |                   |
| <b>Incorporated/Organized</b>                | <u>April 7, 1978</u>  |  |                          | <b>Commenced Business</b> <u>April 7, 1978</u>   |                             |                   |
| <b>Statutory Home Office</b>                 | <u>3 Summit Park Drive, Suite 525</u><br><small>(Street and Number)</small>             |  |                          | <u>Independence, OH US 44131</u><br><small>(City or Town, State, Country and Zip Code)</small> |                             |                   |
| <b>Main Administrative Office</b>            | <u>3 Summit Park Drive, Suite 525</u><br><small>(Street and Number)</small>             |  |                          | <u>Independence, OH US 44131</u><br><small>(City or Town, State, Country and Zip Code)</small> |                             |                   |
|  |   |  |                          | <u>216-524-3400</u><br><small>(Area Code) (Telephone Number)</small>                           |                             |                   |
| <b>Mail Address</b>                          | <u>3 Summit Park Drive, Suite 525</u><br><small>(Street and Number or P.O. Box)</small> |  |                          | <u>Independence, OH US 44131</u><br><small>(City or Town, State, Country and Zip Code)</small> |                             |                   |
| <b>Primary Location of Books and Records</b> | <u>3 Summit Park Drive, Suite 525</u><br><small>(Street and Number)</small>             |  |                          | <u>Independence, OH US 44131</u><br><small>(City or Town, State, Country and Zip Code)</small> |                             |                   |
|  |   |  |                          | <u>216-524-3400</u><br><small>(Area Code) (Telephone Number)</small>                           |                             |                   |
| <b>Internet Website Address</b>              | <u>www.entitledirect.com</u>  |  |                          |  |                             |                   |
| <b>Statutory Statement Contact</b>           | <u>Maryse Jean-Pierre</u><br><small>(Name)</small>                                      |  |                          | <u>216-524-3400</u><br><small>(Area Code) (Telephone Number) (Extension)</small>               |                             |                   |
|  | <u>Maryse.Jean-Pierre@Entitledirect.com</u><br><small>(E-Mail Address)</small>          |  |                          | <u>216-524-3488</u><br><small>(Fax Number)</small>   |                             |                   |

### OFFICERS

|    | Name                      | Title                      |
|----|---------------------------|----------------------------|
| 1. | <u>Lee H. Baskey</u>      | <u>President</u>           |
| 2. | <u>James S. Shoenfelt</u> | <u>Secretary</u>           |
| 3. | <u>Maryse Jean-Pierre</u> | <u>Assistant Secretary</u> |

### VICE-PRESIDENTS

| Name                        | Title                                    | Name                    | Title   |
|-----------------------------|--|-------------------------|---|
| <u>Kimberly Lauderbaugh</u> | <u>Vice President of Operations</u>      | <u>Valerie Bradford</u> | <u>Vice President - California Operations</u> |
| <u>Shellie Haas</u>         | <u>Vice President - Texas Operations</u> |                         |   |
|                             |  |                         |   |
|                             |  |                         |   |
|                             |  |                         |   |

### DIRECTORS OR TRUSTEES

|                         |                        |                           |                      |
|-------------------------|------------------------|---------------------------|----------------------|
| <u>Timothy M. Dwyer</u> | <u>Hanley C. Clark</u> | <u>James S. Shoenfelt</u> | <u>Lee H. Baskey</u> |
|                         |                        |                           |                      |
|                         |                        |                           |                      |
|                         |                        |                           |                      |
|                         |                        |                           |                      |

State of Ohio

County of Cuyahoga ss

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

|   |  |  |
|---|--|--|
| <u>(Signature)</u><br><u>Lee H. Baskey</u><br><u>(Printed Name)</u><br>1.<br><u>President</u><br><u>(Title)</u> | <u>(Signature)</u><br><u>James S. Shoenfelt</u><br><u>(Printed Name)</u><br>2.<br><u>Secretary</u><br><u>(Title)</u> | <u>(Signature)</u><br><u>Maryse Jean-Pierre</u><br><u>(Printed Name)</u><br>3.<br><u>Assistant Secretary</u><br><u>(Title)</u> |
|---|--|--|

Subscribed and sworn to before me this \_\_\_\_\_ day of May, 2015

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

## ASSETS

|   | Current Statement Date |                            |  | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|----------------------------|--|---|
|   | 1<br>Assets            | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds  | 2,646,843              |                            | 2,646,843                                    | 3,014,514   |
| 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 (\$ 12,115,496), cash equivalents (\$ 0), and short-term investments (\$ 0)   | 12,115,496             |                            | 12,115,496                                   | 10,842,888  |
| 6. Contract loans (including \$ 0 premium notes)  |                        |                            |  |   |
| 7. Derivatives  |                        |                            |  |   |
| 8. Other invested assets  |                        |                            |  |   |
| 9. Receivables for securities   |                        |                            |  | 10,000  |
| 10. Securities lending reinvested collateral assets   |                        |                            |  |   |
| 11. Aggregate write-ins for invested assets   |                        |                            |  |   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)   | 14,762,339             |                            | 14,762,339                                   | 13,867,402  |
| 13. Title plants less \$ 0 charged off (for Title insurers only)  | 42,852                 |                            | 42,852                                       | 42,852  |
| 14. Investment income due and accrued   | 2,272                  |                            | 2,272  | 4,484   |
| 15. Premiums and considerations:  |                        |                            |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection  | 848,597                | 61,410                     | 787,187                                      | 618,033   |
| 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  | 545                    |                            | 545  | 545   |
| 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   | 4,517,048              | 3,223,274                  | 1,293,774                                    | 1,322,005   |
| 19. Guaranty funds receivable or on deposit   |                        |                            |  |   |
| 20. Electronic data processing equipment and software   | 90,555                 |                            | 90,555                                       | 103,599   |
| 21. Furniture and equipment, including health care delivery assets (\$ 0)   | 113,030                | 113,030                    |  |   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates  |                        |                            |  |   |
| 23. Receivables from parent, subsidiaries and affiliates  |                        |                            |  | 181,843   |
| 24. Health care (\$ 0) and other amounts receivable   |                        |                            |  |   |
| 25. Aggregate write-ins for other than invested assets  | 531,438                | 531,438                    |  |   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)                              | 20,908,676             | 3,929,152                  | 16,979,524                                   | 16,140,763  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts   |                        |                            |  |   |
| 28. Total (Lines 26 and 27)   | 20,908,676             | 3,929,152                  | 16,979,524                                   | 16,140,763  |

| 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   | 382,265 | 382,265 |  |  |
| 2502. SECURITY DEPOSIT  | 104,463 | 104,463 |  |  |
| 2503. RETAINERS   | 29,143  | 29,143  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 15,567  | 15,567  |  |  |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)    | 531,438 | 531,438 |  |  |

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1                         | 2                         |
|---|---------------------------|---------------------------|
|   | Current<br>Statement Date | December 31<br>Prior Year |
| 1. Known claims reserve   | 637,225                   | 358,133                   |
| 2. Statutory premium reserve  | 5,384,172                 | 5,307,723                 |
| 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)  | 405,521                   | 401,455                   |
| 7. Taxes, licenses and fees (excluding federal and foreign income taxes)                                | (904)                     | 11,575                    |
| 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  | 11,365                    | 11,115                    |
| 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  | 123,506                   |                           |
| 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)  | 6,560,885                 | 6,090,001                 |
| 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)  | (11,414,061)              | (11,781,938)              |
| 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)   | 10,418,639                | 10,050,762                |
| 33. Totals (Page 2, Line 28, Col. 3)  | 16,979,524                | 16,140,763                |

| DETAILS OF WRITE-INS  |  |  |
|---|--|--|
| 0301. ....  |  |  |
| 0302. ....  |  |  |
| 0303. ....  |  |  |
| 0398. Summary of remaining write-ins for Line 03 from overflow page |  |  |
| 0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)    |  |  |
| 2201. REINSURANCE PAYABLE   |  |  |
| 2202. ....  |  |  |
| 2203. ....  |  |  |
| 2298. Summary of remaining write-ins for Line 22 from overflow page |  |  |
| 2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)    |  |  |
| 2401. ....  |  |  |
| 2402. ....  |  |  |
| 2403. ....  |  |  |
| 2498. Summary of remaining write-ins for Line 24 from overflow page |  |  |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)    |  |  |
| 2701. ....  |  |  |
| 2702. ....  |  |  |
| 2703. ....  |  |  |
| 2798. Summary of remaining write-ins for Line 27 from overflow page |  |  |
| 2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)    |  |  |

## OPERATIONS AND INVESTMENT EXHIBIT

| STATEMENT OF INCOME   | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| <b>OPERATING INCOME</b>   |                              |                            |                                      |
| 1. Title insurance and related income:  |                              |                            |                                      |
| 1.1 Title insurance premiums earned   | 2,483,910                    | 1,618,382                  | 8,269,704                            |
| 1.2 Escrow and settlement services  | 1,184,795                    | 469,923                    | 2,398,884                            |
| 1.3 Other title fees and service charges  | 348,019                      | 186,493                    | 823,326                              |
| 2. Aggregate write-ins for other operating income   |                              | 5,144                      | 13,180                               |
| 3. Total Operating Income (Lines 1 through 2)   | 4,016,724                    | 2,279,942                  | 11,505,094                           |
| <b>EXPENSES:</b>  |                              |                            |                                      |
| 4. Losses and loss adjustment expenses incurred   | (281,266)                    | 64,286                     | 494,128                              |
| 5. Operating expenses incurred  | 3,795,892                    | 3,296,352                  | 13,908,743                           |
| 6. Aggregate write-ins for other operating expenses   |                              |                            |                                      |
| 7. Total Operating Expenses   | 3,514,626                    | 3,360,638                  | 14,402,871                           |
| 8. Net operating gain or (loss) (Lines 3 minus 7)   | 502,098                      | (1,080,696)                | (2,897,777)                          |
| <b>INVESTMENT INCOME</b>  |                              |                            |                                      |
| 9. Net investment income earned   | 970                          | 5,612                      | 13,696                               |
| 10. Net realized capital gains (losses) less capital gains tax of \$                                  | 0                            |                            |                                      |
| 11. Net investment gain (loss) (Lines 9 + 10)   | 970                          | 5,612                      | 13,696                               |
| <b>OTHER INCOME</b>   |                              |                            |                                      |
| 12. Aggregate write-ins for miscellaneous income or (loss) or other deductions                        |                              |                            |                                      |
| 13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12) | 503,068                      | (1,075,084)                | (2,884,081)                          |
| 14. Federal and foreign income taxes incurred   |                              |                            |                                      |
| 15. Net income (Lines 13 minus 14)  | 503,068                      | (1,075,084)                | (2,884,081)                          |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                              |                            |                                      |
| 16. Surplus as regards policyholders, December 31 prior year  | 10,050,762                   | 13,307,838                 | 13,307,838                           |
| 17. Net income (from Line 15)   | 503,068                      | (1,075,084)                | (2,884,081)                          |
| 18. Change in net unrealized capital gains or (losses) less capital gains tax of \$                   | 0                            | 1,968                      | 400                                  |
| 19. Change in net unrealized foreign exchange capital gain (loss)                                     |                              |                            |                                      |
| 20. Change in net deferred income taxes   | (164,818)                    | 333,944                    | 958,292                              |
| 21. Change in nonadmitted assets  | 29,654                       | (394,719)                  | (1,331,687)                          |
| 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   |                              |                            |                                      |
| 29. Change in treasury stock  |                              |                            |                                      |
| 30. Aggregate write-ins for gains and losses in surplus   |                              |                            |                                      |
| 31. Change in surplus as regards policyholders for the year (Lines 17 through 30)                     | 367,877                      | (1,133,891)                | (3,257,076)                          |
| 32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)                          | 10,418,639                   | 12,173,947                 | 10,050,762                           |

| DETAILS OF WRITE-IN LINES   |             |       |        |
|---|-------------|-------|--------|
| 0201. Co-Op Search Income   |             | 5,144 | 13,180 |
| 0202. ....  |             |       |        |
| 0203. ....  |             |       |        |
| 0298. Summary of remaining write-ins for Line 02 from overflow page |             |       |        |
| 0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)    |             | 5,144 | 13,180 |
| 0601. ....  |             |       |        |
| 0602. ....  |             |       |        |
| 0603. ....  |             |       |        |
| 0698. Summary of remaining write-ins for Line 06 from overflow page | <b>NONE</b> |       |        |
| 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 | <b>NONE</b> |       |        |
| 1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)    |             |       |        |
| 3001. ....  |             |       |        |
| 3002. ....  |             |       |        |
| 3003. ....  |             |       |        |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | <b>NONE</b> |       |        |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)    |             |       |        |

**CASH FLOW**

|  | 1                       | 2                     | 3                               |
|--|-------------------------|-----------------------|---------------------------------|
|  | Current Year<br>To Date | Prior Year<br>To Date | Prior Year<br>Ended December 31 |
| <b>Cash from Operations</b>  |                         |                       |                                 |
| 1. Premiums collected net of reinsurance   | 2,370,117               | 1,683,287             | 8,093,681                       |
| 2. Net investment income   | 4,699                   | 17,176                | 39,689                          |
| 3. Miscellaneous income  | 1,532,814               | 661,560               | 3,235,390                       |
| 4. Total (Lines 1 to 3)  | 3,907,630               | 2,362,023             | 11,368,760                      |
| 5. Benefit and loss related payments   | (385,290)               | 37,100                | 215,622                         |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts                             |                         |                       |                                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions   | 3,606,265               | 3,306,427             | 13,651,028                      |
| 8. Dividends paid to policyholders   |                         |                       |                                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)                     |                         |                       |                                 |
| 10. Total (Lines 5 through 9)  | 3,220,975               | 3,343,527             | 13,866,650                      |
| 11. Net cash from operations (Line 4 minus Line 10)  | 686,655                 | (981,504)             | (2,497,890)                     |
| <b>Cash from Investments</b>   |                         |                       |                                 |
| 12. Proceeds from investments sold, matured or repaid:   |                         |                       |                                 |
| 12.1 Bonds   | 500,000                 | 1,620,000             | 3,115,000                       |
| 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                                    |                         |                       |                                 |
| 12.7 Miscellaneous proceeds  | 5,468                   | 5,246                 | 20,296                          |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)  | 505,468                 | 1,625,246             | 3,135,296                       |
| 13. Cost of investments acquired (long-term only):   |                         |                       |                                 |
| 13.1 Bonds   | 139,340                 |                       | 2,415,057                       |
| 13.2 Stocks  |                         |                       |                                 |
| 13.3 Mortgage loans  |                         |                       |                                 |
| 13.4 Real estate   |                         |                       |                                 |
| 13.5 Other invested assets   |                         |                       |                                 |
| 13.6 Miscellaneous applications  | 13,586                  | 4,725                 | 57,838                          |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)   | 152,926                 | 4,725                 | 2,472,895                       |
| 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)  | 352,542                 | 1,620,521             | 662,401                         |
| <b>Cash from Financing and Miscellaneous Sources</b>   |                         |                       |                                 |
| 16. Cash provided (applied):   |                         |                       |                                 |
| 16.1 Surplus notes, capital notes  |                         |                       |                                 |
| 16.2 Capital and paid in surplus, less treasury stock  |                         |                       |                                 |
| 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)   | 233,411                 | 118,213               | (273,021)                       |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | 233,411                 | 118,213               | (273,021)                       |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>   |                         |                       |                                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)                | 1,272,608               | 757,230               | (2,108,510)                     |
| 19. Cash, cash equivalents and short-term investments:   |                         |                       |                                 |
| 19.1 Beginning of year   | 10,842,888              | 12,951,398            | 12,951,398                      |
| 19.2 End of period (Line 18 plus Line 19.1)  | 12,115,496              | 13,708,628            | 10,842,888                      |

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

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

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## NOTES TO FINANCIAL STATEMENTS

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### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015

#### 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”).

The Ohio Department of Insurance does not allow any prescribed or permitted practices for determining and reporting the financial condition and results of operations of a title insurance company and for assessing its solvency.

Reconciliation of the Company’s net income and capital & surplus between NAIC SAP and the State of Ohio is shown below.

##### Net Income

|  | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| EnTitle Insurance Company – Ohio Basis                     | 503,068     | (2,884,081) |
| State Prescribed Practices that increase/decrease NAIC SAP | -           | -           |
| State Permitted Practices that increase/decrease NAIC SAP  | -           | -           |
| NAIC SAP   | 503,068     | (2,884,081) |

##### Surplus

|  | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| EnTitle Insurance Company – Ohio Basis                     | 10,418,639  | 10,050,762  |
| State Prescribed Practices that increase/decrease NAIC SAP | -           | -           |
| State Permitted Practices that increase/decrease NAIC SAP  | -           | -           |
| NAIC SAP   | 10,418,639  | 10,050,762  |

##### 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

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## NOTES TO FINANCIAL STATEMENTS

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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
  - a. None
- Debt Restructuring
  - b. None
- Reverse Mortgages
  - c. None
- Loan-Backed Securities
  - d. None
- Repurchase Agreements
  - e. None
- Real Estate
  - f. Impairment Loss: None
  - g. Investment in low-income housing: None
  - h. Restricted Assets : Refer to General Interrogatories Part 2 - 5.2

### 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

## NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015, 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. The components of the net deferred tax asset (liability) at March 31 are as follows:

1.

|   | <b>3/31/2015</b> |                |                  |
|---|------------------|----------------|------------------|
|   | <b>Ordinary</b>  | <b>Capital</b> | <b>Total</b>     |
|   | (1)              | (2)            | (3)              |
| (a) Gross Deferred Tax Assets                           | 4,522,368        | -              | 4,522,368        |
| (b) Statutory Valuation Allowance Adjustment            | -                | -              | -                |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b)          | 4,522,368        | -              | 4,522,368        |
| (d) Deferred Tax Assets Non Admitted                    | <u>3,223,274</u> | -              | <u>3,223,274</u> |
| (e) Subtotal Net Admitted Deferred Tax Asset(1c-1d)     | 1,299,094        | -              | 1,299,094        |
| (f) Deferred Tax Liabilities                            | -                | <u>(5,320)</u> | <u>(5,320)</u>   |
| (g) Net Admitted Deferred Tax asset/(liability) (1e-1f) | 1,299,094        | (5,320)        | 1,293,774        |

  

|   | <b>12/31/2014</b> |                |                  |
|---|-------------------|----------------|------------------|
|   | <b>Ordinary</b>   | <b>Capital</b> | <b>Total</b>     |
|   | (4)               | (5)            | (6)              |
| (a) Gross Deferred Tax Assets                           | 4,687,177         | -              | 4,687,177        |
| (b) Statutory Valuation Allowance Adjustment            | -                 | -              | -                |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b)          | 4,687,177         | -              | 4,687,177        |
| (d) Deferred Tax Assets Non Admitted                    | <u>3,359,861</u>  | -              | <u>3,359,861</u> |
| (e) Subtotal Net Admitted Deferred Tax Asset(1c-1d)     | 1,327,316         | -              | 1,327,316        |
| (f) Deferred Tax Liabilities                            | -                 | <u>(5,311)</u> | <u>(5,311)</u>   |
| (g) Net Admitted Deferred Tax asset/(liability) (1e-1f) | 1,327,316         | (5,311)        | 1,322,005        |

  

|  | <b>Change</b>    |                |                  |
|--|------------------|----------------|------------------|
|  | <b>Ordinary</b>  | <b>Capital</b> | <b>Total</b>     |
|  | (7)              | (8)            | (9)              |
| (a) Gross Deferred Tax Assets                            | (164,809)        | -              | (164,809)        |
| (b) Statutory Valuation Allowance Adjustment             | -                | -              | -                |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b)           | (164,809)        | -              | (164,809)        |
| (d) Deferred Tax Assets Non Admitted                     | <u>(136,587)</u> | -              | <u>(136,587)</u> |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)     | (28,222)         | -              | (28,222)         |
| (f) Deferred Tax Liabilities                             | -                | <u>(9)</u>     | <u>(9)</u>       |
| (g) Net Admitted Deferred Tax asset/ (liability) (1e-1f) | (28,222 )        | (9)            | (28,231)         |

## NOTES TO FINANCIAL STATEMENTS

### 2. Admission Calculation Components SSAP No. 101

|   | <b>3/31/2015</b>       |                       |                     |
|---|------------------------|-----------------------|---------------------|
|   | <b>Ordinary</b><br>(1) | <b>Capital</b><br>(2) | <b>Total</b><br>(3) |
| a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.  |                        |                       |                     |
| b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.) |                        |                       |                     |
| 1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.  | 4,521,460              | -                     | 4,521,460           |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | 1,288,454              | -                     | 1,288,454           |
| c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.  |                        | 5,320                 | 5,320               |
| d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )  | 1,288,454              | 5,320                 | 1,293,774           |

|   | <b>12/31/2014</b>      |                       |                     |
|---|------------------------|-----------------------|---------------------|
|   | <b>Ordinary</b><br>(4) | <b>Capital</b><br>(5) | <b>Total</b><br>(6) |
| a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.  |                        |                       |                     |
| b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.) |                        |                       |                     |
| 1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.  | 4,686,181              | -                     | 4,686,181           |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | 1,316,694              | -                     | 1,316,694           |
| c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.  |                        | 5,311                 | 5,311               |
| d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )  | 1,316,694              | 5,311                 | 1,322,005           |

|   | <b>Change</b>          |                       |                     |
|---|------------------------|-----------------------|---------------------|
|   | <b>Ordinary</b><br>(7) | <b>Capital</b><br>(8) | <b>Total</b><br>(9) |
| a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.  |                        |                       |                     |
| b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.) |                        |                       |                     |
| 1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.  | (164,720)              | -                     | (164,720)           |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | (28,240)               | -                     | (28,240)            |
| c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.  |                        | 9                     | 9                   |
| d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )  | (28,240)               | 9                     | (28,231)            |

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**NOTES TO FINANCIAL STATEMENTS**


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|   |                    |                    |
|---|--------------------|--------------------|
| 3.  | <b><u>2015</u></b> | <b><u>2014</u></b> |
| a. Ratio Percentage Used to Determine Recover Period<br>And Threshold Limitation Amount.                                | 52%                | 53%                |
| b. Amount Of Adjusted Capital And Surplus Used To Determine<br>Recovery Period And Threshold Limitation In 2(b)2 Above. | 8,625,158          | 8,813,367          |

## 4. Impact of Tax Planning Strategies

|   | <b>3/31/2015</b> |                |              |
|---|------------------|----------------|--------------|
|   | <b>Ordinary</b>  | <b>Capital</b> | <b>Total</b> |
|   | (1)              | (2)            | (3)          |
| (a) Determination of Adjusted Gross Deferred Tax<br>Assets and Net Admitted Deferred Tax Assets,<br>By Tax Character As A Percentage. |                  |                |              |
| 1 Adjusted Gross DTAs Amount From Note 9A1(c)   | 4,522,368        | -              | 4,522,368    |
| 2 Percentage of Adjusted Gross DTAs By Tax<br>Character Attributable To The Impact of Tax Planning Strategies                         |                  |                |              |
| 3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)  | 1,299,094        | -              | 1,299,094    |
| 4 Percentage of Net Admitted Adjusted Gross DTAs by Tax<br>Character Attributable To The Impact of Tax Planning Strategies            |                  |                |              |

|   | <b>12/31/2014</b> |                |              |
|---|-------------------|----------------|--------------|
|   | <b>Ordinary</b>   | <b>Capital</b> | <b>Total</b> |
|   | (4)               | (5)            | (6)          |
| a) Determination of Adjusted Gross Deferred Tax<br>Assets and Net Admitted Deferred Tax Assets,<br>By Tax Character As A Percentage |                   |                |              |
| 1 Adjusted Gross DTAs Amount From Note 9A1(c)   | 4,687,177         | -              | 4,687,177    |
| 2 Percentage of Adjusted Gross DTAs By Tax<br>Character Attributable To The Impact of Tax Planning Strategies                       |                   |                |              |
| 3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)  | 1,327,316         | -              | 1,327,316    |
| 4 Percentage of Net Admitted Adjusted Gross DTAs by Tax<br>Character Attributable To The Impact of Tax Planning Strategies          |                   |                |              |

|   | <b>Change</b>   |                |              |
|---|-----------------|----------------|--------------|
|   | <b>Ordinary</b> | <b>Capital</b> | <b>Total</b> |
|   | (7)             | (8)            | (9)          |
| a) Determination of Adjusted Gross Deferred Tax<br>Assets and Net Admitted Deferred Tax Assets,<br>By Tax Character As A Percentage |                 |                |              |
| 1 Adjusted Gross DTAs Amount From Note 9A1(c) )   | (164,809)       | -              | (164,809)    |
| 2 Percentage of Adjusted Gross DTAs By Tax<br>Character Attributable To The Impact of Tax Planning Strategies                       |                 |                |              |
| 3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)  | (28,222)        | -              | (28,222)     |
| 4 Percentage of Net Admitted Adjusted Gross DTAs by Tax<br>Character Attributable To The Impact of Tax Planning Strategies          |                 |                |              |

c. Does the Company's Tax-planning Strategies include  
the use of reinsurance? No

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**NOTES TO FINANCIAL STATEMENTS**


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C. Current income taxes incurred consist of the following major components:

|   |                   |                   |                  |
|---|-------------------|-------------------|------------------|
| 1. Current Income Tax   | <u>03/31/2015</u> | <u>12/31/2014</u> | <u>Change</u>    |
|   | (1)               | (2)               | (3)              |
| a. Federal  | -                 | -                 | -                |
| b. Foreign  | -                 | -                 | -                |
| c. Subtotal   | -                 | -                 | -                |
| d. Federal Income Tax on net capital gains                        | -                 | -                 | -                |
| e. Utilization of capital loss carry-forwards                     | -                 | -                 | -                |
| f. Other  | -                 | -                 | -                |
| g. Federal and foreign income taxes incurred                      | -                 | -                 | -                |
| 2. Deferred Tax Assets  |                   |                   |                  |
| a. Ordinary   |                   |                   |                  |
|   | <u>03/31/2015</u> | <u>12/31/2014</u> | <u>Change</u>    |
|   | (1)               | (2)               | (3)              |
| (1) Discounting of unpaid losses                                  | 4,714             | 3,653             | 1,061            |
| (2) Unearned premium reserve                                      | 512,573           | 505,295           | 7,278            |
| (3) Policyholder reserves   | -                 | -                 | -                |
| (4) Investments   | -                 | -                 | -                |
| (5) Deferred acquisition costs                                    | -                 | -                 | -                |
| (6) Policyholder dividends accrual                                | -                 | -                 | -                |
| (7) Fixed assets  | 907               | 996               | (89)             |
| (8) Compensation and benefits accrual                             | -                 | -                 | -                |
| (9) Pension accrual   | -                 | -                 | -                |
| (10) Receivables – non-admitted                                   | -                 | -                 | -                |
| (11) Net operating loss carry-forward                             | 4,004,173         | 4,177,233         | (173,059)        |
| (12) Tax credit carry-forward.                                    | -                 | -                 | -                |
| (13) Other (including items <5% of total ordinary tax assets)     | -                 | -                 | -                |
| (99) Subtotal   | 4,522,368         | 4,687,177         | (164,809)        |
| b. Statutory valuation allowance adjustment                       | -                 | -                 | -                |
| c. Non-admitted   | <u>3,223,274</u>  | <u>3,359,861</u>  | <u>(136,587)</u> |
| d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)         | 1,299,094         | 1,327,316         | (28,222)         |
| e. Capital:   |                   |                   |                  |
| (1) Investments   | -                 | -                 | -                |
| (2) Net capital loss carry-forward                                | -                 | -                 | -                |
| (3) Real estate.  | -                 | -                 | -                |
| (4) Other (including items <5% of total capital tax assets)       | -                 | -                 | -                |
| (99) Subtotal.  | -                 | -                 | -                |
| f. Statutory valuation allowance adjustment                       | -                 | -                 | -                |
| g. Nonadmitted  | -                 | -                 | -                |
| h. Admitted capital deferred tax assets (2e99 - 2f - 2g)          | -                 | -                 | -                |
| i. Admitted deferred tax assets (2d + 2h)                         | 1,299,094         | 1,327,316         | (28,222)         |
| 3. Deferred Tax Liabilities:                                      |                   |                   |                  |
| a. Ordinary   |                   |                   |                  |
| (1) Investments   | 5,320             | 5,311             | 9                |
| (2) Fixed assets  | -                 | -                 | -                |
| (3) Deferred and uncollected premium                              | -                 | -                 | -                |
| (4) Policyholder reserves   | -                 | -                 | -                |
| (5) Other (including items <5% of total ordinary tax liabilities) | -                 | -                 | -                |

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**NOTES TO FINANCIAL STATEMENTS**


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|  |           |           |          |
|--|-----------|-----------|----------|
| (99) Subtotal  | 5,320     | 5,311     | 9        |
| b. Capital:  |           |           |          |
| (1) Investments  | -         | -         | -        |
| (2) Real Estate  | -         | -         | -        |
| (3) Other (including items <5% of total capital tax liabilities) | -         | -         | -        |
| (99) Subtotal  | -         | -         | -        |
| c. Deferred tax liabilities (3a99 + 3b99)                        | 5,320     | 5,311     | 9        |
| 4. Net deferred tax assets/liabilities (2i - 3c)                 | 1,293,774 | 1,322,005 | (28,231) |

For the quarter ended March 31, 2015 the Company has no current tax expense.

a. The Company's tax expense at March 31, 2015 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).

b. At March 31, 2015, the Company had an estimated net operating loss of \$11,776,980 available to offset against future taxable income. This net operating loss will begin to expire in 2028.

c. 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 \$6.7

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## NOTES TO FINANCIAL STATEMENTS

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billion and assets of \$22.9 billion as of December 31, 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 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.

As of March 31, 2015, EDG provided to the Company marketing, advertising, information technology, and other advisory and management services associated with this arrangement totaling \$566,125. These costs are included in the Statement of Income under operating expenses incurred. During the entire year of 2014, \$2,248,393 in services provided by EDG was similarly charged to the Company under the arrangement. Also included in operating expenses as of March 31, 2015 was \$744 of net legal expenses incurred in connection with the recovery effort relating to the defalcation that occurred in late 2010.

- a. Not applicable
- b. Not applicable
- e. Not applicable
- f. Not applicable
- g. At March 31, 2015, 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 March 31, 2015, 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 March 31, 2015, 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

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## NOTES TO FINANCIAL STATEMENTS

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**14. Contingencies**

- a. Contingent Commitments - None
- b. Assessments – None
- c. Gain Contingencies – None
- d. All Other Contingencies - None

**15. Leases**

7. a. The company leases its office facilities under non-cancellable operating leases expiring at various times through December 2020. Rental expense for 2014 and as of March 2015 was \$633,437 and \$148,616 respectively.
  - b. Certain rental commitments have renewal options extending through the year 2020. Some of these renewals are subject to adjustment in future periods.
2. At March 31, 2015, the minimum aggregate rental commitments are as follows:

| Year Ending<br>December 31 | Operating<br>Leases |
|----------------------------|---------------------|
| 2015                       | \$386,322           |
| 2016                       | \$359,301           |
| 2017                       | \$336,906           |
| 2018                       | \$311,603           |
| 2019                       | \$167,331           |
| Thereafter                 | \$ 69,540           |
|                            | \$1,631,003         |

**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 March 31, 2015, 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. Fair Value Measurements**

Included in bonds in the statutory financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses,

## NOTES TO FINANCIAL STATEMENTS

incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used.

The Company's financial assets and liabilities have been classified, for disclosure purposes, based on the SAP 100 hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table provides information as of March 31, 2015 about the Company's financial assets measured at fair value.

|  | Level 1     | Level 2   | Level 3 | Assets<br>Carried at<br>Fair Value | Assets<br>Not Carried<br>Fair Value | Total       |
|--|-------------|-----------|---------|------------------------------------|-------------------------------------|-------------|
| US Treasuries                                  | \$2,550,945 |           |         |                                    | \$2,550,553                         | \$2,550,553 |
| State and Municipal Bonds                      |             | \$0       |         |                                    | \$0                                 | \$0         |
| Mortgage backed securities (Countrywide)       |             | \$ 80,922 |         | \$80,922                           |                                     | \$ 80,922   |
| Mortgage backed securities (Residential Asset) |             | \$ 15,766 |         |                                    | \$ 15,368                           | \$ 15,368   |
|  | \$2,550,945 | \$96,688  | \$0     | \$80,922                           | \$2,535,921                         | \$2,646,843 |

- As of March 31, 2015, the reported fair value of EnTitle Insurance Company's investments in Level 2, NAIC designated 1, Residential Asset SEC TR Series 200, issued on April 1, 2004, was \$15,766.17. These securities are Senior, Targeted Amortization Class Tranche that have a weighted-average coupon rate of 5.675 percent and a weighted-average maturity of 2.21 months. The underlying loans for these securities are normal whole loans with an original credit rating of AAA. The underlying loans have a weighted-average coupon rate of 5.675 percent and a weighted-average maturity of 228 months. The geographical concentration of those underlying loans is the United States. These securities are currently rated BBB (sf) by S&P and are collateralized by Residential Whole Loans with original and current credit enhancement of 4.5% and 17% respectively.
- As of March 31, 2015, the reported fair value of EnTitle Insurance Company's investments in Level 2, NAIC designated 6, Countrywide ALT Loan Trust Series 20, issued on September 1, 2005, was \$80,921.80. These securities are Senior Tranches that have a weighted-average coupon rate of 5.649 percent and a weighted-average maturity of 5.88 months. The underlying loans for these securities are normal whole loans with an original credit rating of AAA. The underlying

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## NOTES TO FINANCIAL STATEMENTS

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loans have a weighted-average coupon rate of 5.649 percent and a weighted-average maturity of 250 months. The geographical concentration of those underlying loans is the United States. These securities are collateralized by Residential Whole Loans with original and current credit enhancement of 4.5% and -1% respectively.

### 21. Other Items

- a. Extraordinary Items  
At March 31, 2015, the Company had no extraordinary items to report.
- b. Troubled Debt Restructuring: Debtors Not applicable.
- c. Other Disclosures None

### 22. Events Subsequent

None

### 23. Reinsurance

- a. Unsecured Reinsurance Recoverables  
At March 31, 2015, the Company had unsecured reinsurance recoverables of \$545.00.
- b. Reinsurance Recoverable in Dispute  
At March 31, 2015, the Company had no reinsurance recoverables in dispute.
- c. Reinsurance Ceded  
(1) At March 31, 2015, 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 March 31, 2015, the Company had no uncollectible reinsurance.
- e. Commutation of Ceded Reinsurance  
At March 31, 2015, the Company had no commutation of ceded reinsurance.
- f. Retroactive Reinsurance  
At March 31, 2015, the Company had no retroactive reinsurance.
- g. Reinsurance Accounted for as a Deposit  
At March 31, 2015, the Company did not do deposit accounting for any reinsurance agreements.

### 24. Retrospectively Rated Contracts & Contracts Subject to Re-determination

Not applicable for title insurance companies.

### 25. Change in Incurred Losses and Loss Adjustment Expenses

At March 31, 2015, there were no significant changes to the reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years.

### 26. Inter-company Pooling Arrangements

Not applicable for title insurance companies.

### 27. Structured Settlements

At March 31, 2015, the Company had no structured settlements.

### 28. 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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]

3.3 If the response to 3.2 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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 ]

## GENERAL INTERROGATORIES

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 [ 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<br>Affiliate<br>Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>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 ]

## GENERAL INTERROGATORIES

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   | 2  |
|--|---|--|
|  | Prior Year-End<br>Book/Adjusted<br>Carrying Value | Current Quarter<br>Book/Adjusted<br>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<br>(Subtotal Lines 14.21 to 14.26) ..... | \$ _____  | \$ _____   |
| 14.28 Total Investment in Parent included in Lines 14.21 to<br>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:

| 1<br>Name of Custodian(s)                  | 2<br>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                 |
| Washington Trust Company                   | 23 Broad Street Westerly, RI 02891                              |
| First Bank Trust N.A.                      | P.O. Box 1347 Sioux Falls, SD 57101                             |
| 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                 |
| US Bank                                    | 555 SW Oak St, Portland, OR 97204                               |
| US Bank                                    | One Enterprise Street 255 Eater St., Suite 700 Jacksonville, FL |
| US Bank                                    | One West Fourth Street, Winsaton-Salem, NC 27101                |
| Texas Treasury Trust                       | 208 East 10th Street Austin, TX 78701                           |

## 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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central<br>Registration<br>Depository | 2<br>Name(s) | 3<br>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 [ X ] N/A [ ]  
 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<br>Line of Business | 2<br>Maximum Interest | 3<br>Discount Rate | Total Discount     |                 |           |            | Discount Taken During Period |                 |            |             |
|-----------------------|-----------------------|--------------------|--------------------|-----------------|-----------|------------|------------------------------|-----------------|------------|-------------|
|                       |                       |                    | 4<br>Unpaid Losses | 5<br>Unpaid LAE | 6<br>IBNR | 7<br>TOTAL | 8<br>Unpaid Losses           | 9<br>Unpaid LAE | 10<br>IBNR | 11<br>TOTAL |
| .....                 | .....                 | .....              | .....              | .....           | .....     | .....      | .....                        | .....           | .....      | .....       |
| .....                 | .....                 | .....              | .....              | .....           | .....     | .....      | .....                        | .....           | .....      | .....       |
| .....                 | .....                 | .....              | .....              | .....           | .....     | .....      | .....                        | .....           | .....      | .....       |
| <b>Total</b>          |                       |                    |                    |                 |           |            |                              |                 |            |             |

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                            | \$ <u>250,000</u> |
| 5.12 Short-term investments           | \$ _____          |
| 5.13 Mortgages                        | \$ _____          |
| 5.14 Cash                             | \$ _____          |
| 5.15 Other admissible invested assets | \$ _____          |
| 5.16 Total                            | \$ <u>250,000</u> |

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: | \$ <u>30,448,682</u> |
| These funds consist of:   |                      |
| 5.22 In cash on deposit   | \$ <u>30,448,682</u> |
| 5.23 Other forms of security  | \$ _____             |

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

| 1<br>NAIC<br>Company Code | 2<br>ID Number | 3<br>Name of Reinsurer | 4<br>Domiciliary<br>Jurisdiction | 5<br>Type<br>of<br>Reinsurer | 6<br>Certified<br>Reinsurer<br>Rating<br>(1 through 6) | 7<br>Effective<br>Date of<br>Certified<br>Reinsurer Rating |
|---------------------------|----------------|------------------------|----------------------------------|------------------------------|--|--|
| <p><b>NONE</b></p>        |                |                        |                                  |                              |  |  |

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - By States and Territories

|                              |     | 1     | Direct Premiums Written |                           | Direct Losses Paid (Deducting Salvage) |                           | Direct Known Claim Reserve |                           |
|------------------------------|-----|-------|-------------------------|---------------------------|--|---------------------------|----------------------------|---------------------------|
|                              |     |       | Active Status           | 2<br>Current Year to Date | 3<br>Prior Year to Date                | 4<br>Current Year to Date | 5<br>Prior Year to Date    | 6<br>Current Year to Date |
| States, Etc.                 |     |       |                         |                           |  |                           |                            |                           |
| 1. Alabama                   | AL  | L     | 5,303                   | 2,892                     | 7,076                                  |                           |                            |                           |
| 2. Alaska                    | AK  | N     |                         |                           |  |                           |                            |                           |
| 3. Arizona                   | AZ  | L     | 10,806                  | 1,677                     |  |                           |                            |                           |
| 4. Arkansas                  | AR  | L     | 734                     | 1,158                     |  |                           |                            |                           |
| 5. California                | CA  | L     | 476,415                 | 142,360                   | 9,767                                  | 4,344                     | 223,984                    | 57,190                    |
| 6. Colorado                  | CO  | N     |                         |                           |  |                           |                            |                           |
| 7. Connecticut               | CT  | L     | 26,771                  | 33,754                    |  |                           |                            |                           |
| 8. Delaware                  | DE  | L     | 15,249                  | 6,149                     |  |                           |                            |                           |
| 9. District of Columbia      | DC  | L     | 16,401                  | 912                       |  |                           |                            |                           |
| 10. Florida                  | FL  | L     | 307,184                 | 120,441                   |  |                           |                            | 1,000                     |
| 11. Georgia                  | GA  | L     | 88,137                  | 35,632                    |  |                           |                            |                           |
| 12. Hawaii                   | HI  | N     |                         |                           |  |                           |                            |                           |
| 13. Idaho                    | ID  | N     |                         |                           |  |                           |                            |                           |
| 14. Illinois                 | IL  | L     | 43,430                  | 26,092                    |  | 2,553                     |                            |                           |
| 15. Indiana                  | IN  | L     | 9,593                   | 8,877                     | 457                                    |                           | 343                        |                           |
| 16. Iowa                     | IA  | L     |                         |                           |  |                           |                            |                           |
| 17. Kansas                   | KS  | L     | 286                     | 541                       |  |                           |                            |                           |
| 18. Kentucky                 | KY  | L     | 410                     | 3,457                     |  |                           |                            |                           |
| 19. Louisiana                | LA  | L     | 5,510                   | 417                       |  |                           |                            |                           |
| 20. Maine                    | ME  | N     |                         |                           |  |                           |                            |                           |
| 21. Maryland                 | MD  | L     | 66,243                  | 29,238                    | 853                                    |                           |                            |                           |
| 22. Massachusetts            | MA  | L     | 4,174                   | 8,895                     | 3,183                                  |                           |                            |                           |
| 23. Michigan                 | MI  | N     |                         |                           |  |                           |                            |                           |
| 24. Minnesota                | MN  | L     | 22,112                  | 15,070                    |  | 72                        |                            |                           |
| 25. Mississippi              | MS  | L     |                         |                           |  |                           |                            |                           |
| 26. Missouri                 | MO  | L     | 2,262                   | 971                       |  | 562                       |                            |                           |
| 27. Montana                  | MT  | L     | 2,544                   | 679                       |  |                           |                            |                           |
| 28. Nebraska                 | NE  | L     | 1,424                   |                           |  |                           |                            |                           |
| 29. Nevada                   | NV  | L     |                         |                           | 8,370                                  | 17,301                    | 55,570                     | 31,000                    |
| 30. New Hampshire            | NH  | N     |                         |                           |  |                           |                            |                           |
| 31. New Jersey               | NJ  | N     |                         |                           |  |                           |                            |                           |
| 32. New Mexico               | NM  | L     |                         |                           |  |                           |                            |                           |
| 33. New York                 | NY  | L     | 753,812                 | 891,882                   | 4,643                                  | 2,958                     | 30,625                     | 13,863                    |
| 34. North Carolina           | NC  | L     | 3,237                   | 2,473                     | 592                                    |                           | 24,408                     |                           |
| 35. North Dakota             | ND  | L     |                         |                           |  |                           |                            |                           |
| 36. Ohio                     | OH  | L     | 46,596                  | 19,616                    | (597,690)                              | 5,894                     | 237,295                    | 3,760                     |
| 37. Oklahoma                 | OK  | L     |                         |                           |  |                           |                            |                           |
| 38. Oregon                   | OR  | L     |                         |                           |  |                           |                            |                           |
| 39. Pennsylvania             | PA  | L     | 492,478                 | 193,955                   | 2,392                                  | 504                       |                            |                           |
| 40. Rhode Island             | RI  | L     | 6,089                   | 899                       |  |                           |                            |                           |
| 41. South Carolina           | SC  | L     | 30,466                  | 9,193                     |  |                           |                            |                           |
| 42. South Dakota             | SD  | L     | 568                     |                           |  |                           |                            |                           |
| 43. Tennessee                | TN  | L     | 29,789                  | 738                       |  | 1,272                     | 65,000                     |                           |
| 44. Texas                    | TX  | L     | 55,247                  | 65,223                    |  |                           |                            |                           |
| 45. Utah                     | UT  | L     |                         |                           |  |                           |                            |                           |
| 46. Vermont                  | VT  | N     |                         |                           |  |                           |                            |                           |
| 47. Virginia                 | VA  | L     | 80,835                  | 37,395                    |  | 1,538                     |                            |                           |
| 48. Washington               | WA  | L     |                         |                           |  |                           |                            |                           |
| 49. West Virginia            | WV  | L     | 311                     | 517                       |  |                           |                            |                           |
| 50. Wisconsin                | WI  | L     | 1,220                   | 579                       |  |                           |                            |                           |
| 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) | 41    | 2,605,636               | 1,661,682                 | (560,357)                              | 36,998                    | 637,225                    | 106,813                   |

| 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 (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X |  |  |  |  |  |

NONE

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

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

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

**PART 1 - ORGANIZATIONAL CHART**

Exhibit A

**PARTNERRE, LTD  
90 PITS BAY ROAD  
PEMBROKE, BERMUDA  
FEIN – 98-0406884  
ULTIMATE CONTROLLING PARTY  
(40.4% Ownership of Entitle Direct Group)**

**TIMOTHY M. DWYER  
800 RIVER PARK 3<sup>rd</sup> FLOOR NORTH  
NORWALK, CT 06854  
ULTIMATE CONTROLLING PARTY  
(29.8% Ownership of Entitle Direct Group)**

**ENTITLE DIRECT GROUP, INC.  
800 RIVER PARK 3<sup>rd</sup> FLOOR NORTH  
NORWALK, CT 06854  
FEIN – 26-0331910  
100% OWNERSHIP OF ENTITLE INSURANCE COMPANY**

**ENTITLE INSURANCE COMPANY  
3 SUMMIT PARK DRIVE, SUITE 525  
INDEPENDENCE, OHIO 44131  
FEIN – 34-1252928  
STATE OF DOMICILE - OHIO**



**PART 1 – LOSS EXPERIENCE**

|  | Current Year to Date            |   |                                |   | 5<br>Prior Year to Date<br>Direct Loss<br>Percentage |
|--|---------------------------------|---|--------------------------------|---|--|
|  | 1<br>Direct Premiums<br>Written | 2<br>Other Income<br>(Page 4, Lines<br>1.2 + 1.3 + 2) | 3<br>Direct Losses<br>Incurred | 4<br>Direct<br>Loss Percentage<br>Cols. 3 / (1 + 2) |  |
| 1. Direct operations .....                 | 1,974,065                       | 1,532,814   | (307,693)                      | -8.80   | 2.50   |
| 2. Agency operations:                      |                                 |   |                                |   |  |
| 2.1 Non-affiliated agency operations ..... | 631,571                         |   | 26,427                         | 4.20  | 3.40   |
| 2.2 Affiliated agency operations .....     |                                 |   |                                |   |  |
| 3. Totals                                  | 2,605,636                       | 1,532,814   | (281,266)                      | -6.80   | 2.80   |

**PART 2 – DIRECT PREMIUMS WRITTEN**

|  | 1<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>Year to Date |
|--|-------------------------|------------------------------|---------------------------------|
| 1. Direct operations .....                 | 1,974,065               | 1,974,065                    | 980,840                         |
| 2. Agency operations:                      |                         |                              |                                 |
| 2.1 Non-affiliated agency operations ..... | 631,571                 | 631,571                      | 680,842                         |
| 2.2 Affiliated agency operations .....     |                         |                              |                                 |
| 3. Totals                                  | 2,605,636               | 2,605,636                    | 1,661,682                       |

**OVERFLOW PAGE FOR WRITE-INS**

**Page 2 - Continuation**

**ASSETS**

|   | Current Year |                       |   | Prior Year             |
|---|--------------|-----------------------|---|------------------------|
|   | 1            | 2                     | 3                                       | 4                      |
| <b>REMAINING WRITE-INS AGGREGATED AT LINE 25<br/>FOR OTHER THAN INVESTED ASSETS</b> | Assets       | Nonadmitted<br>Assets | Net Admitted<br>Assets<br>(Cols. 1 - 2) | Net Admitted<br>Assets |
| 2504. A/R AFFILIATE P31 TAX SHARING   | 10,964       | 10,964                |   |                        |
| 2505. RECEIVERS BOND  | 5,000        | 5,000                 |   |                        |
| 2506. ESCROW ADVANCES   | (397)        | (397)                 |   |                        |
| 2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598)                          | 15,567       | 15,567                |   |                        |

**SCHEDULE A - VERIFICATION****Real Estate**

|  | 1<br>Year To Date | 2<br>Prior Year<br>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<br>Year To Date | 2<br>Prior Year<br>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<br>Year To Date | 2<br>Prior Year<br>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<br>Year To Date | 2<br>Prior Year<br>Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year                      | 3,014,514         | 3,754,264                            |
| 2. Cost of bonds and stocks acquired  | 139,340           | 2,415,057                            |
| 3. Accrual of discount  |                   |                                      |
| 4. Unrealized valuation increase (decrease)   | (27)              | 400                                  |
| 5. Total gain (loss) on disposals   |                   |                                      |
| 6. Deduct consideration for bonds and stocks disposed of  | 500,000           | 3,115,000                            |
| 7. Deduct amortization of premium   | 6,985             | 40,207                               |
| 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) | 2,646,842         | 3,014,514                            |
| 11. Deduct total nonadmitted amounts  |                   |                                      |
| 12. Statement value at end of current period (Line 10 minus Line 11)                                | 2,646,842         | 3,014,514                            |

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

S102

| NAIC Designation                  | 1<br>Book/Adjusted<br>Carrying Value<br>Beginning<br>of Current Quarter | 2<br>Acquisitions<br>During Current<br>Quarter | 3<br>Dispositions<br>During Current<br>Quarter | 4<br>Non-Trading<br>Activity During<br>Current Quarter | 5<br>Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | 6<br>Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | 7<br>Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | 8<br>Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
|-----------------------------------|---|--|--|--|---|--|---|---|
| <b>BONDS</b>                      |   |  |  |  |   |  |   |   |
| 1. NAIC 1 (a) .....               | 2,930,276   | 139,340  | 500,000  | (3,696)  | 2,565,920   |  |   | 2,930,276   |
| 2. NAIC 2 (a) .....               |   |  |  |  |   |  |   |   |
| 3. NAIC 3 (a) .....               |   |  |  |  |   |  |   |   |
| 4. NAIC 4 (a) .....               |   |  |  |  |   |  |   |   |
| 5. NAIC 5 (a) .....               |   |  |  |  |   |  |   |   |
| 6. NAIC 6 (a) .....               | 84,238  |  |  | (3,316)  | 80,922  |  |   | 84,238  |
| 7. Total Bonds                    | 3,014,514   | 139,340  | 500,000  | (7,012)  | 2,646,842   |  |   | 3,014,514   |
| <b>PREFERRED STOCK</b>            |   |  |  |  |   |  |   |   |
| 8. NAIC 1 .....                   |   |  |  |  |   |  |   |   |
| 9. NAIC 2 .....                   |   |  |  |  |   |  |   |   |
| 10. NAIC 3 .....                  |   |  |  |  |   |  |   |   |
| 11. NAIC 4 .....                  |   |  |  |  |   |  |   |   |
| 12. NAIC 5 .....                  |   |  |  |  |   |  |   |   |
| 13. NAIC 6 .....                  |   |  |  |  |   |  |   |   |
| 14. Total Preferred Stock         |   |  |  |  |   |  |   |   |
| 15. Total Bonds & Preferred Stock | 3,014,514   | 139,340  | 500,000  | (7,012)  | 2,646,842   |  |   | 3,014,514   |

(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                               | 2            | 3              | 4                                     | 5  |
|---------|---------------------------------|--------------|----------------|---------------------------------------|--|
|         | Book/Adjusted<br>Carrying Value | Par<br>Value | Actual<br>Cost | Interest<br>Collected<br>Year To Date | Paid for Accrued<br>Interest<br>Year To Date |
| 9199999 |                                 |              |                |                                       |  |

**NONE**

### SCHEDULE DA - VERIFICATION

#### Short-Term Investments

|   | 1            | 2                               |
|---|--------------|---------------------------------|
|   | Year To Date | Prior Year<br>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)                                |              |                                 |

**NONE**

## 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   | <b>NONE</b> |  |
| 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)                             |             |  |

## 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   |             |  |
|      | 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   |             |  |
| 3.2  | Add:   |             |  |
|      | Change in adjustment to basis of hedged item   |             |  |
| 3.21 | Section 1, Column 17, current year to date minus   |             |  |
| 3.22 | Section 1, Column 17, prior year   |             |  |
|      | Change in amount recognized  |             |  |
| 3.23 | Section 1, Column 19, current year to date minus   | <b>NONE</b> |  |
| 3.24 | Section 1, Column 19, 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

| Replicated (Synthetic Asset) Transactions |             |  |                    |                                 |            |                |               | Components of the Replication (Synthetic Asset) Transactions |                                 |            |                         |             |  |                                 |            |  |
|---|-------------|--|--------------------|---------------------------------|------------|----------------|---------------|--|---------------------------------|------------|-------------------------|-------------|--|---------------------------------|------------|--|
| 1   | 2           | 3  | 4                  | 5                               | 6          | 7              | 8             | Derivative Instrument(s) Open                                |                                 |            | Cash Instrument(s) Held |             |  |                                 |            |  |
| Number                                    | Description | NAIC<br>Designation or<br>Other<br>Description | Notional<br>Amount | Book/Adjusted<br>Carrying Value | Fair Value | Effective Date | Maturity Date | 9  | 10                              | 11         | 12                      | 13          | 14   | 15                              | 16         |  |
|   |             |  |                    |                                 |            |                |               | Description  | Book/Adjusted<br>Carrying Value | Fair Value | CUSIP                   | Description | NAIC<br>Designation or<br>Other<br>Description | Book/Adjusted<br>Carrying Value | Fair Value |  |
| <b>NONE</b>                               |             |  |                    |                                 |            |                |               |  |                                 |            |                         |             |  |                                 |            |  |
| 9999999                                   | Totals      |  |                    |                                 |            | X X X          | X X X         | X X X  |                                 |            | X X X                   | X X X       | X X X  |                                 |            |  |

505



## 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            | 2                               |
|---|--------------|---------------------------------|
|   | Year To Date | Prior Year<br>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   | <b>NONE</b>  |                                 |
| 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 A - PART 2

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

| 1<br>Description of Property | Location  |            | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Actual Cost at Time of Acquisition | 7<br>Amount of Encumbrances | 8<br>Book/Adjusted Carrying Value Less Encumbrances | 9<br>Additional Investment Made After Acquisition |
|------------------------------|-----------|------------|--------------------|---------------------|---|-----------------------------|---|---|
|                              | 2<br>City | 3<br>State |                    |                     |   |                             |   |   |
| <b>NONE</b>                  |           |            |                    |                     |   |                             |   |   |
| 0399999 Totals               |           |            |                    |                     |   |                             |   |   |

EO1

### SCHEDULE A - PART 3

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

| 1<br>Description of Property | Location  |            | 4<br>Disposal Date | 5<br>Name of Purchaser | 6<br>Actual Cost | 7<br>Expended for Additions, Permanent Improvements and Changes in Encumbrances | 8<br>Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value Less Encumbrances |   |   |   |  | 14<br>Book/Adjusted Carrying Value Less Encumbrances on Disposal | 15<br>Amounts Received During Year | 16<br>Foreign Exchange Gain (Loss) on Disposal | 17<br>Realized Gain (Loss) on Disposal | 18<br>Total Gain (Loss) on Disposal | 19<br>Gross Income Earned Less Interest Incurred on Encumbrances | 20<br>Taxes, Repairs and Expenses Incurred |
|------------------------------|-----------|------------|--------------------|------------------------|------------------|---|--|--|---|---|---|--|--|------------------------------------|--|--|-------------------------------------|--|--|
|                              | 2<br>City | 3<br>State |                    |                        |                  |   |  | 9<br>Current Year's Depreciation                         | 10<br>Current Year's Other Than Temporary Impairment Recognized | 11<br>Current Year's Change in Encumbrances | 12<br>Total Change in B./A.C.V. (11 - 9 - 10) | 13<br>Total Foreign Exchange Change in B./A.C.V. |  |                                    |  |  |                                     |  |  |
| <b>NONE</b>                  |           |            |                    |                        |                  |   |  |  |   |   |   |  |  |                                    |  |  |                                     |  |  |
| 0399999 Totals               |           |            |                    |                        |                  |   |  |  |   |   |   |  |  |                                    |  |  |                                     |  |  |



### SCHEDULE BA - PART 2

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

| 1<br>CUSIP<br>Ident-<br>ification | 2<br>Name<br>or Description | Location  |            | 5<br>Name of<br>Vendor or<br>General<br>Partner | 6<br>NAIC<br>Desig-<br>nation | 7<br>Date<br>Originally<br>Acquired | 8<br>Type<br>and<br>Strategy | 9<br>Actual Cost<br>at Time of<br>Acquisition | 10<br>Additional<br>Investment Made<br>After Acquisition | 11<br>Amount of<br>Encumbrances | 12<br>Commitment<br>for Additional<br>Investment | 13<br>Percentage<br>of<br>Ownership |
|-----------------------------------|-----------------------------|-----------|------------|---|-------------------------------|-------------------------------------|------------------------------|---|--|---------------------------------|--|-------------------------------------|
|                                   |                             | 3<br>City | 4<br>State |   |                               |                                     |                              |   |  |                                 |  |                                     |
| <b>NONE</b>                       |                             |           |            |   |                               |                                     |                              |   |  |                                 |  |                                     |
| 4699999 Totals                    |                             |           |            |   |                               |                                     |                              |   |  |                                 |  | X X X                               |

EO3

### SCHEDULE BA - PART 3

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

| 1<br>CUSIP<br>Ident-<br>ification | 2<br>Name<br>or Description | Location  |            | 5<br>Name of<br>Purchaser<br>or Nature of<br>Disposal | 6<br>Date<br>Originally<br>Acquired | 7<br>Disposal<br>Date | 8<br>Book/Adjusted<br>Carrying<br>Value Less<br>Encumbrances,<br>Prior Year | Change in Book/Adjusted Carrying Value                 |  |   |  |   |  | 15<br>Book/Adjusted<br>Carrying Value<br>Less<br>Encumbrances<br>on Disposal | 16<br>Consideration | 17<br>Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | 18<br>Realized<br>Gain<br>(Loss) on<br>Disposal | 19<br>Total<br>Gain<br>(Loss) on<br>Disposal | 20<br>Investment<br>Income |
|-----------------------------------|-----------------------------|-----------|------------|---|-------------------------------------|-----------------------|---|--|--|---|--|---|--|--|---------------------|---|---|--|----------------------------|
|                                   |                             | 3<br>City | 4<br>State |   |                                     |                       |   | 9<br>Unrealized<br>Valuation<br>Increase<br>(Decrease) | 10<br>Current Year's<br>(Depreciation)<br>or<br>(Amortization)/<br>Accretion | 11<br>Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | 12<br>Capitalized<br>Deferred<br>Interest and<br>Other | 13<br>Total<br>Change in<br>B./A.C.V.<br>(9+10-11+12) | 14<br>Total<br>Foreign<br>Exchange<br>Change in<br>B./A.C.V. |  |                     |   |   |  |                            |
| <b>NONE</b>                       |                             |           |            |   |                                     |                       |   |  |  |   |  |   |  |  |                     |   |   |  |                            |
| 4699999 Totals                    |                             |           |            |   |                                     |                       |   |  |  |   |  |   |  |  |                     |   |   |  |                            |

### SCHEDULE D - PART 3

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

| 1<br>CUSIP<br>Ident-<br>ification | 2<br>Description                   | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number<br>of Shares<br>of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for<br>Accrued Interest<br>and Dividends | 10<br>NAIC Designation<br>or Market<br>Indicator (a) |
|-----------------------------------|------------------------------------|--------------|--------------------|---------------------|--------------------------------------|------------------|----------------|--|--|
| 912828-C8-1                       | US Treasury Note                   |              | 01/06/2015         | Market              |                                      | 10,023           | 10,000.00      | 7  | 1  |
| 912828-B4-1                       | US Treasury Note                   |              | 01/29/2015         | Market              |                                      | 129,317          | 129,000.00     | 7  | 1  |
| 0599999                           | Total Bonds U. S. Government       |              |                    |                     | X X X                                | 139,340          | 139,000.00     | 7  | X X X  |
| 8399997                           | Total Bonds Part 3                 |              |                    |                     | X X X                                | 139,340          | 139,000.00     | 7  | X X X  |
| 8399998                           | Summary Item from Part 5 for Bonds |              |                    |                     | X X X                                | X X X            | X X X          | X X X  | X X X  |
| 8399999                           | Total Bonds                        |              |                    |                     | X X X                                | 139,340          | 139,000.00     | 7  | X X X  |
| 9999999                           | Totals                             |              |                    |                     | X X X                                | 139,340          | X X X          | 7  | X X X  |

E04

(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<br>CUSIP Identification | 2<br>Description                   | 3<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 4<br>Disposal Date | 5<br>Name of Purchaser | 6<br>Number of Shares of Stock | 7<br>Consideration | 8<br>Par Value | 9<br>Actual Cost | 10<br>Prior Year Book/ Adjusted Carrying Value | Change in Book/Adjusted Carrying Value          |  |   |  |  | 16<br>Book/ Adjusted Carrying Value at Disposal Date | 17<br>Foreign Exchange Gain (Loss) on Disposal | 18<br>Realized Gain (Loss) on Disposal | 19<br>Total Gain (Loss) on Disposal | 20<br>Bond Interest/ Stock Dividends Received During Year | 21<br>Stated Contractual Maturity Date | 22<br>NAIC Designation or Market Indicator (a) |       |
|---------------------------|------------------------------------|--------------------------------------|--------------------|------------------------|--------------------------------|--------------------|----------------|------------------|--|---|--|---|--|--|--|--|--|-------------------------------------|---|--|--|-------|
|                           |                                    |                                      |                    |                        |                                |                    |                |                  |  | 11<br>Unrealized Valuation Increase/ (Decrease) | 12<br>Current Year's (Amortization)/ Accretion | 13<br>Current Year's Other Than Temporary Impairment Recognized | 14<br>Total Change in B./A.C.V. (11+12-13) | 15<br>Total Foreign Exchange Change in B./A.C.V. |  |  |  |                                     |   |  |  |       |
| 912828-SE-1               | US Treasury Note                   |                                      | 02/17/2015         | Market                 |                                | 500,000            | 500,000.00     | 501,433          | 500,191  |   | (191)  |   | (191)                                      |  | 500,000  |  |  |                                     | 625   | 02/15/2015                             | 1  |       |
| 0599999                   | Total - Bonds - U.S. Governments   |                                      |                    |                        | X X X                          | 500,000            | 500,000.00     | 501,433          | 500,191  |   | (191)  |   | (191)                                      |  | 500,000  |  |  |                                     | 625   | X X X                                  | X X X  |       |
| 8399997                   | Total - Bonds - Part 4             |                                      |                    |                        | X X X                          | 500,000            | 500,000.00     | 501,433          | 500,191  |   | (191)  |   | (191)                                      |  | 500,000  |  |  |                                     | 625   | X X X                                  | X X X  |       |
| 8399998                   | Summary Item from Part 5 for Bonds |                                      |                    |                        | X X X                          | X X X              | X X X          | X X X            | X X X  | X X X   | X X X  | X X X   | X X X                                      | X X X  | X X X  | X X X  | X X X                                  | X X X                               | X X X   | X X X                                  | X X X  | X X X |
| 8399999                   | Total Bonds                        |                                      |                    |                        | X X X                          | 500,000            | 500,000.00     | 501,433          | 500,191  |   | (191)  |   | (191)                                      |  | 500,000  |  |  |                                     | 625   | X X X                                  | X X X  |       |
| 9999999                   | Totals                             |                                      |                    |                        |                                | 500,000            | X X X          | 501,433          | 500,191  |   | (191)  |   | (191)                                      |  | 500,000  |  |  |                                     | 625   | X X X                                  | X X X  |       |

E05

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

### SCHEDULE DB - PART A - SECTION 1

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

| 1             | 2   | 3                            | 4                      | 5   | 6          | 7                              | 8                   | 9               | 10  | 11   | 12   | 13                  | 14                            | 15    | 16         | 17  | 18   | 19                                       | 20  | 21                 | 22                                 | 23  |       |
|---------------|---|------------------------------|------------------------|---|------------|--------------------------------|---------------------|-----------------|---|--|--|---------------------|-------------------------------|-------|------------|---|--|--|---|--------------------|------------------------------------|---|-------|
| Description   | Description of Item(s) Hedged, Used for Income Generation or Replicated | Schedule/ Exhibit Identifier | Type(s) of Risk(s) (a) | Exchange, Counterparty or Central Clearinghouse | Trade Date | Date of Maturity or Expiration | Number of Contracts | Notional Amount | Strike Price, Rate or Index Received (Paid) | Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid | Current Year Initial Cost of Premium (Received) Paid | Current Year Income | Book/ Adjusted Carrying Value | Code  | Fair Value | Unrealized Valuation Increase/ (Decrease) | Total Foreign Exchange Change in B./A.C.V. | Current Year's (Amortization)/ Accretion | Adjustment to Carrying Value of Hedged Item | Potential Exposure | Credit Quality of Reference Entity | Hedge Effectiveness at Inception and at Quarter-end (b) |       |
| <b>NONE</b>   |   |                              |                        |   |            |                                |                     |                 |   |  |  |                     |                               |       |            |   |  |  |   |                    |                                    |   |       |
| 1449999 Total |   |                              |                        |   |            | X X X                          | X X X               | X X X           | X X X                                       |  |  |                     |                               | X X X |            |   |  |  |   |                    |                                    | X X X   | X X X |

E06

(a)

| Code        | Description of Hedged Risk(s) |
|-------------|-------------------------------|
| <b>NONE</b> |                               |

(b)

| Code        | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
|-------------|--|
| <b>NONE</b> |  |

## SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

| 1<br>Ticker Symbol | 2<br>Number of Contracts | 3<br>Notional Amount | 4<br>Description | 5<br>Description of Item(s) Hedged, Used for Income Generation or Replicated | 6<br>Schedule/ Exhibit Identifier | 7<br>Type(s) of Risk(s) (a) | 8<br>Date of Maturity or Expiration | 9<br>Exchange | 10<br>Trade Date | 11<br>Transaction Price | 12<br>Reporting Date Price | 13<br>Fair Value | 14<br>Book/ Adjusted Carrying Value | Highly Effective Hedges           |                                 |  | 18<br>Cumulative Variation Margin for All Other Hedges | 19<br>Change in Variation Margin Gain (Loss) Recognized in Current Year | 20<br>Potential Exposure | 21<br>Hedge Effectiveness at Inception and at Quarter-end (b) | 22<br>Value of One (1) Point |
|--------------------|--------------------------|----------------------|------------------|--|-----------------------------------|-----------------------------|-------------------------------------|---------------|------------------|-------------------------|----------------------------|------------------|-------------------------------------|-----------------------------------|---------------------------------|--|--|---|--------------------------|---|------------------------------|
|                    |                          |                      |                  |  |                                   |                             |                                     |               |                  |                         |                            |                  |                                     | 15<br>Cumulative Variation Margin | 16<br>Deferred Variation Margin | 17<br>Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item |  |   |                          |   |                              |
|                    |                          |                      |                  |  |                                   | XXX                         | XXX                                 | XXX           | XXX              | XXX                     | XXX                        |                  |                                     |                                   |                                 |  |  |   | XXX                      | XXX   |                              |

NONE

| Broker Name  | Beginning Cash Balance | Cumulative Cash Change | Ending Cash Balance |
|--|------------------------|------------------------|---------------------|
| <div style="font-size: 3em; font-weight: bold;">NONE</div> |                        |                        |                     |
| Total Net Cash Deposits                                    |                        |                        |                     |

E07

(a)

| Code   | Description of Hedged Risk(s) |
|--|-------------------------------|
| <div style="font-size: 3em; font-weight: bold;">NONE</div> |                               |

(b)

| Code   | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
|--|--|
| <div style="font-size: 3em; font-weight: bold;">NONE</div> |  |

## SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

| 1<br>Description of Exchange,<br>Counterparty or Central<br>Clearinghouse | 2<br>Master<br>Agreement<br>(Y or N) | 3<br>Credit<br>Support<br>Annex<br>(Y or N) | 4<br>Fair Value of<br>Acceptable<br>Collateral | Book/Adjusted Carrying Value  |   |                                    | Fair Value                              |   |                                     | 11<br>Potential<br>Exposure | 12<br>Off-Balance<br>Sheet<br>Exposure |
|---|--------------------------------------|---|--|---|---|------------------------------------|---|---|-------------------------------------|-----------------------------|--|
|   |                                      |   |  | 5<br>Contracts<br>With<br>Book/<br>Adjusted<br>Carrying<br>Value >0 | 6<br>Contracts<br>With<br>Book/<br>Adjusted<br>Carrying<br>Value <0 | 7<br>Exposure net<br>of Collateral | 8<br>Contracts<br>With Fair<br>Value >0 | 9<br>Contracts<br>With Fair<br>Value <0 | 10<br>Exposure Net<br>of Collateral |                             |  |
| NONE  |                                      |   |  |   |   |                                    |   |   |                                     |                             |  |
| 0999999 Gross Totals  |                                      |   |  |   |   |                                    |   |   |                                     |                             |  |
| 1. Offset per SSAP No. 64   |                                      |   |  |   |   |                                    |   |   |                                     |                             |  |
| 2. Net after right of offset per SSAP No. 64                              |                                      |   |  |   |   |                                    |   |   |                                     |                             |  |

E08

## SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

| 1<br>Exchange,<br>Counterparty or Central<br>Clearinghouse | 2<br>Type of Asset<br>Pledged | 3<br>CUSIP<br>Identification | 4<br>Description | 5<br>Fair Value | 6<br>Par Value | 7<br>Book / Adjusted<br>Carrying Value | 8<br>Maturity Date | 9<br>Type of Margin<br>(I, V or IV) |       |
|--|-------------------------------|------------------------------|------------------|-----------------|----------------|--|--------------------|-------------------------------------|-------|
|  |                               |                              | <b>NONE</b>      |                 |                |  |                    |                                     |       |
| 0199999 Total Collateral Pledged by Reporting Entity       |                               |                              |                  |                 |                |  |                    | X X X                               | X X X |

E09

Collateral Pledged to Reporting Entity

| 1<br>Exchange,<br>Counterparty or Central<br>Clearinghouse | 2<br>Type of Asset<br>Pledged | 3<br>CUSIP<br>Identification | 4<br>Description | 5<br>Fair Value | 6<br>Par Value | 7<br>Book / Adjusted<br>Carrying Value | 8<br>Maturity Date | 9<br>Type of Margin<br>(I, V or IV) |
|--|-------------------------------|------------------------------|------------------|-----------------|----------------|--|--------------------|-------------------------------------|
|  |                               |                              | <b>NONE</b>      |                 |                |  |                    |                                     |
| 0299999 Total Collateral Pledged to Reporting Entity       |                               |                              |                  |                 |                | X X X                                  | X X X              | X X X                               |

## SCHEDULE DL - PART 1

### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

| 1                       | 2           | 3    | 4  | 5             | 6                                       | 7                 |
|-------------------------|-------------|------|--|---------------|---|-------------------|
| CUSIP<br>Identification | Description | Code | NAIC<br>Desig-<br>nation/<br>Market<br>Indicator | Fair<br>Value | Book /<br>Adjusted<br>Carrying<br>Value | Maturity<br>Dates |
| NONE                    |             |      |  |               |   |                   |
| 999999 Totals           |             |      |  |               |   | XXX               |

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

### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

| 1<br>CUSIP<br>Identification | 2<br>Description | 3<br>Code | 4<br>NAIC<br>Desig-<br>nation/<br>Market<br>Indicator | 5<br>Fair<br>Value | 6<br>Book /<br>Adjusted<br>Carrying<br>Value | 7<br>Maturity<br>Dates |
|------------------------------|------------------|-----------|---|--------------------|--|------------------------|
| NONE                         |                  |           |   |                    |  |                        |
| 9999999 Totals               |                  |           |   |                    |  | XXX                    |

General Interrogatories:

|                                 |               |   |                                 |   |
|---------------------------------|---------------|---|---------------------------------|---|
| 1. Total activity for the year  | Fair Value \$ | 0 | Book/Adjusted Carrying Value \$ | 0 |
| 2. Average balance for the year | Fair Value \$ | 0 | Book/Adjusted Carrying Value \$ | 0 |

**SCHEDULE E - PART 1 - CASH**

## Month-End Depository Balances

| 1<br>Depository  | 2<br>Code | 3<br>Rate<br>of<br>Interest | 4<br>Amount of<br>Interest<br>Received<br>During Current<br>Quarter | 5<br>Amount of<br>Interest<br>Accrued at<br>Current<br>Statement Date | Book Balance at End of Each<br>Month During Current Quarter |                   |                  | 9<br>* |
|--|-----------|-----------------------------|---|---|---|-------------------|------------------|--------|
|  |           |                             |   |   | 6<br>First Month  | 7<br>Second Month | 8<br>Third Month |        |
| Open Depositories - Section (A) - Segregated Funds Held for Others   |           |                             |   |   |   |                   |                  |        |
| PNC Bank<br>Pittsburgh, PA   |           |                             |   |   | 2,637,416   | 6,345,772         | 12,672,287       |        |
| Capital One Bank<br>New York, NY   |           |                             |   |   | 48,174  | 39,312            | 239,017          |        |
| Bank of the West<br>San Ramon, CA  |           |                             |   |   | 6,736,525   | 11,536,088        | 16,838,320       |        |
| Dollar Bank<br>Cleveland, OH   |           |                             |   |   | 174,529   | 199,969           | 190,097          |        |
| Wells Fargo<br>Dallas, TX  |           |                             |   |   | 395,611   | 551,841           | 508,961          |        |
| 0199998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Open Depositories      | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0199999 Total Segregated Funds Held for Others   | X X X     | X X X                       |   |   | 9,992,255   | 18,672,982        | 30,448,682       | X      |
| Open Depositories - Section (B) - General Funds  |           |                             |   |   |   |                   |                  |        |
| DOLLAR BANK<br>CLEVELAND, OH   |           |                             |   |   | 495,415   | 1,251,396         | 1,166,191        |        |
| JP MORGAN CHASE NY<br>NEW YORK, NY   |           |                             |   |   | 6,247,533   | 6,247,533         | 6,247,533        |        |
| FIRST REPUBLIC BANK<br>SAN FRANCISCO, CA   |           |                             |   |   | 765,010   | 765,010           | 765,038          |        |
| MERRILL LYNCH<br>CLEVELAND, OH   |           |                             |   |   | 872,751   | 875,330           | 877,457          |        |
| HARRIS N.A.<br>CHICAGO, IL   |           |                             |   |   | 1,026,185   | 1,026,185         | 1,026,471        |        |
| US BANK<br>PORTLAND, OR  |           |                             |   |   | 115,000   | 115,000           | 115,000          |        |
| XEROX STATE & LOCAL SOL<br>QUINCY, MA  |           |                             |   |   | 105,000   | 105,000           | 105,000          |        |
| FIRST BANK<br>SIOUX FALLS, SD  |           |                             |   |   | 106,002   | 106,002           | 106,002          |        |
| WASHINGTON TRUST<br>WESTERLY, RI   |           |                             |   |   | 50,013  | 50,013            | 50,027           |        |
| US BANK - GA<br>JACKSONVILLE, FL   |           |                             |   |   | 40,014  | 40,015            | 40,015           |        |
| REGIONS BANK - AR<br>LITTLE ROCK, AR   |           |                             |   |   | 105,000   | 105,000           | 105,000          |        |
| US BANK NC<br>JACKSONVILLE, FL   |           |                             |   |   | 200,000   | 200,000           | 200,000          |        |
| US BANK - SC<br>JACKSONVILLE, FL   |           |                             |   |   | 443   |                   |                  |        |
| SUNTRUST<br>RICHMOND, VA   |           |                             |   |   | 205,000   | 205,000           | 205,000          |        |
| REGIONS BANK<br>BIRMINGHAM, AL   |           |                             |   |   | 106,378   | 105,000           | 105,002          |        |
| REGIONS BANK<br>BIRMINGHAM, AL   |           |                             |   |   | 880   | 880               | 1,760            |        |
| TEXAS TRUST<br>AUSTIN, TX  |           |                             |   |   | 500,000   | 500,000           | 1,000,000        |        |
| 0299998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Open Depositories      | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0299999 Total General Funds  | X X X     | X X X                       |   |   | 10,940,624  | 11,697,364        | 12,115,496       | X      |
| Open Depositories - Section (C) - Reinsurance Reserve Funds  |           |                             |   |   |   |                   |                  |        |
| 0399998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Open Depositories      | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0399999 Total Reinsurance Reserve Funds  | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0499999 Total Open Depositories  | X X X     | X X X                       |   |   | 20,932,879  | 30,370,346        | 42,564,178       | X      |
| Suspended Depositories - Section (A) - Seg. Funds Held for Others  |           |                             |   |   |   |                   |                  |        |
| 0599998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Suspended Depositories | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0599999 Total Segregated Funds Held for Others   | X X X     | X X X                       |   |   |   |                   |                  | X      |
| Suspended Depositories - Section (B) - General Funds   |           |                             |   |   |   |                   |                  |        |
| 0699998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Suspended Depositories | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0699999 Total General Funds  | X X X     | X X X                       |   |   |   |                   |                  | X      |
| Suspended Depositories - Section (C) - Reinsurance Reserve Funds   |           |                             |   |   |   |                   |                  |        |
| 0799998 Deposits in ( ) depositories which do<br>not exceed the allowable limit in any one depository<br>(see Instructions) - Suspended Depositories | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0799999 Total Reinsurance Reserve Funds  | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0899999 Total Suspended Depositories   | X X X     | X X X                       |   |   |   |                   |                  | X      |
| 0999999 Total Cash on Deposit  | X X X     | X X X                       |   |   | 20,932,879  | 30,370,346        | 42,564,178       | X      |
| 1099999 Cash in Company's Office   | X X X     | X X X                       | X X X   | X X X   |   |                   |                  | X      |
| 1199999 Total Cash   | X X X     | X X X                       |   |   | 20,932,879  | 30,370,346        | 42,564,178       | X      |

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description   | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|--|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|  |           |                    | <b>NONE</b>           |                    |                                   |                                       |                                  |
| <div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">E13</span> <span>8699999 Total Cash Equivalents</span> </div> |           |                    |                       |                    |                                   |                                       |                                  |