



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

BANKERS GUARANTEE TITLE & TRUST CO

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

(Current Period) (Prior Period)

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

Country of Domicile US

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

Statutory Home Office 1113 Medina Rd. Suite 400, Medina, Ohio 44256

(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 400 Medina Rd. Suite 400, Medina, Ohio, US 44256 3308671600

(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address N/A

(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records N/A

(Street and Number, City or Town, State, Country and Zip Code)

(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Richard L Pace 330 867 1600

(Name) (Area Code) (Telephone Number) (Extension)

rpac@bankersguarantee.com 330 867 1935

(E-Mail Address) (Fax Number)

OFFICERS

Richard L Pace (President)
Patricia K Smith (Vice President)
Michael Larsen (CFO/Treasurer)
James C Hunt (CEO)

OTHER

Paul Kopsky, Jr (Exec Mgmt Director)
Kara Harchuck (Exec Mgmt Dir, Sec, GC)
James Flynn (Sr. Mnmt Director)
Mustafa Haque (SVP, Asst GC, Asst Sec)
David Miller (Vice Pres)
Tracy Dennis (Vice Pres)
Michael Becketl (Vice Pres)
Claudia Ivey (Sr. Vice Pres)
Barry Polen (Vice Pres)

DIRECTORS OR TRUSTEES

James C Hunt
James Flynn
Michael Larsen
Kara Harchuck
Clay Parker#

State of
County of

} SS

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

Richard L Pace
President

Patricia K Smith
Vice President

Michael Larsen
CFO/Treasurer

Subscribed and sworn to before me this day of 2017

a. Is this an original filing? Yes (X) No ()

b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	8,109,000		8,109,000	
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	499,263		499,263	355,163
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	37,000,001		37,000,001	7,338,056
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)	55,299		55,299	55,299
5. Cash (\$ 11,763,521 , Schedule E-Part 1) , cash equivalents (\$, Schedule E-Part 2) and short-term investments (\$, Schedule DA)	11,763,521		11,763,521	7,176,912
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,575,330		1,575,330	1,957,329
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets	162,695		162,695	11,959
12. Subtotals, cash and invested assets (Lines 1 to 11)	59,165,109		59,165,109	16,894,718
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment , including health care delivery assets (\$)	99,168	99,168		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent , subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	7,449,119	198,043	7,251,076	6,421,067
26. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	66,713,396	297,211	66,416,185	23,315,785
27. From Separate Accounts , Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	66,713,396	297,211	66,416,185	23,315,785
DETAILS OF WRITE-INS				
1101. Interest Receivable	162,695		162,695	11,959
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)	162,695		162,695	11,959
2501. Miscellaneous Receivable	198,043	198,043		
2502. Prepaid Pension				
2503. Funds Segregated for others	7,251,076		7,251,076	6,421,067
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,449,119	198,043	7,251,076	6,421,067

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Known claims reserve (Part 2B, Line 3, Column 4)		
2. Statutory premium reserve (Part 1B, Line 2.6, Column 1)	131,808	125,327
3. Aggregate of other reserves required by law		
4. Supplemental reserve (Part 2B, Column 4, Line 10)		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	366,674	190,614
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		
8.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		(26,120)
8.2 Net deferred tax liability		
9. Borrowed money \$ and interest thereon \$	23,479,850	3,415,944
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance		
12. Unearned interest and real estate income received in advance		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Provision for unauthorized and certified (\$) reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates		
19. Derivatives		
20. Payable for securities		
21. Payable for securities lending		
22. Aggregate write-ins for other liabilities	7,285,767	6,432,526
23. Total liabilities (Line 1 through Line 22)	31,264,099	10,138,291
24. Aggregate write-ins for special surplus funds		
25. Common capital stock	631,250	631,250
26. Preferred capital stock		
27. Aggregate write-ins for other than special surplus funds		
28. Surplus notes		
29. Gross paid in and contributed surplus	29,669,096	8,046,504
30. Unassigned funds (surplus)	4,851,740	4,499,740
31. Less treasury stock, at cost:		
31.1 shares common (value included in Line 25 \$)		
31.2 shares preferred (value included in Line 26 \$)		
32. Surplus as regards policyholders (Line 24 through Line 30 minus Line 31) (Page 4, Line 32)	35,152,086	13,177,494
33. TOTALS (Page 2, Line 28, Column 3)	66,416,185	23,315,785
DETAILS OF WRITE-INS		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Line 0301 through Line 0303 plus Line 0398) (Line 3 above)		
2201. Loan Escrow	34,689	11,462
2202. Funds Segregated for others	7,251,076	6,421,067
2203. Rounding	2	(3)
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Line 2201 through Line 2203 plus Line 2298) (Line 22 above)	7,285,767	6,432,526
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		

OPERATIONS AND INVESTMENT EXHIBIT
STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
OPERATING INCOME		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Column 1)	114,635	73,947
1.2 Escrow and settlement services (Part 1A, Line 2, Column 4)		
1.3 Other title fees and service charges (Part 1A, Total of Lines 3, 4, 5 and 6, Column 4)		
2. Other operating income (Part 4, Line 2, Column 5)	2,649,624	1,948,981
3. Total Operating Income (Line 1 through Line 2)	2,764,259	2,022,928
EXPENSES:		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Column 4)		
5. Operating expenses incurred (Part 3, Line 24, Column 4)	85,959	63,668
6. Other operating expenses (Part 4, Line 6, Column 5)	2,876,642	3,378,381
7. Total Operating Expenses	2,962,601	3,442,049
8. Net operating gain or (loss) (Line 3 minus Line 7)	(198,342)	(1,419,121)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	228,420	(976,325)
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	344,762	
11. Net investment gain (loss) (Line 9 plus Line 10)	573,182	(976,325)
OTHER INCOME		
12. Aggregate write-ins for miscellaneous income or (loss) or other deductions		
13. Net income after capital gains tax and before all other federal income taxes (Line 8 plus Line 11 plus Line 12)	374,840	(2,395,446)
14. Federal and foreign income taxes incurred		(262,881)
15. Net income (Line 13 minus Line 14)	374,840	(2,132,565)
CAPITAL AND SURPLUS ACCOUNT		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 32, Column 2)	13,177,494	10,994,189
17. Net income (from Line 15)	374,840	(2,132,565)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(559,350)	
19. Change in net unrealized foreign exchange capital gain (loss)		
20. Change in net deferred income tax		
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	536,513	2,655,408
22. Change in provision for unauthorized and certified reinsurance (Page 3, Line 15, Column 2 minus Column 1)		
23. Change in supplemental reserves (Page 3, Line 4, Column 2 minus Column 1)		
24. Change in surplus notes		
25. Cumulative effect of changes in accounting principles		
26. Capital Changes:		
26.1 Paid in	21,637,593	
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		(3,119,488)
29. Change in treasury stock (Page 3, Line 31.1 and Line 31.2, Column 2 minus Column 1)		
30. Aggregate write-ins for gains and losses in surplus	(15,004)	4,779,950
31. Change in surplus as regards policyholders for the year (Line 17 through Line 30)	21,974,592	2,183,305
32. Surplus as regards policyholders, December 31 current year (Line 16 plus Line 31) (Page 3, Line 32)	35,152,086	13,177,494
DETAILS OF WRITE-INS		
1201.		
1202.		
1203.		
1298. Summary of remaining write-ins for Line 12 from overflow page		
1299. TOTALS (Line 1201 through Line 1203 plus Line 1298) (Line 12 above)		
3001. Other Comprehensive Income (15,000) and rounding	(15,004)	(2)
3002. Prior period adjustment - change in accounting method capitalize mortgage servicing rights		2,189,943
3003. Prior period adjustment - forgiveness of debt to parent as part of the stock sale 6-30-2015		2,590,009
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	(15,004)	4,779,950

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	114,063	73,947
2. Net investment income	13,832	(976,325)
3. Miscellaneous income	2,650,196	1,948,981
4. Total (Line 1 through Line 3)	2,778,091	1,046,603
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,962,601	3,442,049
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		(262,881)
10. Total (Line 5 through Line 9)	2,962,601	3,179,168
11. Net cash from operations (Line 4 minus Line 10)	(184,510)	(2,132,565)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans	45,672,663	43,853,966
12.4 Real estate		
12.5 Other invested assets	381,999	34,461
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	46,054,662	43,888,427
13. Cost of investments acquired (long-term only):		
13.1 Bonds	8,109,000	
13.2 Stocks	144,100	
13.3 Mortgage loans	75,334,608	40,955,293
13.4 Real estate		
13.5 Other invested assets		1,957,329
13.6 Miscellaneous applications	150,736	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	83,738,444	42,912,622
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(37,683,782)	975,805
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	21,637,513	
16.3 Borrowed funds	20,063,906	(3,232,172)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		3,119,488
16.6 Other cash provided (applied)	753,482	7,288,458
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	42,454,901	936,798
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	4,586,609	(219,962)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,176,912	7,396,874
19.2 End of year (Line 18 plus Line 19.1)	11,763,521	7,176,912
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

OPERATIONS AND INVESTMENT EXHIBIT

PART 1A - SUMMARY OF TITLE INSURANCE PREMIUMS WRITTEN AND RELATED REVENUES

	1 Direct Operations	Agency Operation		4 Current Year Total (Columns 1 plus 2 plus 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written (Sch. T, Line 59, Columns 3, 4 and 5)		121,116		121,116	76,265
2. Escrow and settlement service charges					
3. Title examinations					
4. Searches and abstracts					
5. Surveys					
6. Aggregate write-ins for service charges					
7. TOTALS (Lines 1 to 6)		121,116		121,116	76,265
DETAILS OF WRITE-INS					
0601.					
0602.					
0603.					
0698. Summary of remaining write-ins for Line 6 from overflow page					
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)					

PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1, Column 4)	121,116	76,265
1.2 Assumed		
1.3 Ceded		
1.4 Net title premiums written (Line 1.1 plus Line 1.2 minus Line 1.3)	121,116	76,265
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	125,327	123,009
2.2 Aggregate write-ins for book adjustments to Line 2.1		
2.3 Additions during the current year	12,112	7,627
2.4 Withdrawals during the current year	5,631	5,309
2.5 Aggregate write-ins for other adjustments not effecting earned premiums		
2.6 Balance at December 31 current year (Line 2.1 plus Line 2.2 plus Line 2.3 minus Line 2.4 plus Line 2.5)	131,808	125,327
3. Net title premiums earned during year (Line 1.4 plus Line 2.1 plus Line 2.5 minus Line 2.6) (Sch. T, Line 59, Column 7)	114,635	73,947
DETAILS OF WRITE-INS		
2.201		
2.202		
2.203		
2.298 Summary of remaining write-ins for Line 2.2 from overflow page		
2.299 Total (Line 2.201 through Line 2.203 plus Line 2.298) (Line 2.2 above)		
2.501 Correct prior year 2013		
2.502		
2.503		
2.598 Summary of remaining write-ins for Line 2.5 from overflow page		
2.599 Total (Line 2.501 through Line 2.503 plus Line 2.598) (Line 2.5 above)		

Page 7

Operations and Investment Exhibit, Part 2A

NONE

OPERATIONS AND INVESTMENT EXHIBIT

PART 2B - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	1 Direct Operations	Agency Operations		4 Total Current Year (Columns 1 plus 2 plus 3)	5 Total Prior Year
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received:					
1.1 Direct (Schedule P, Part 1, Line 12, Column 17)					
1.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Column 18)					
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Column 19)					
3. Known claims reserve net of reinsurance (Line 1.1 plus Line 1.2 minus Line 2)					
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Column 20)					
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Column 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Column 22)					
4.4 Net incurred but not reported (Line 4.1 plus Line 4.2 minus Line 4.3)					
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Column 23)					
6. Less discount for time value of money, if allowed (Schedule P, Part 1, Line 12, Column 33)	X X X	X X X	X X X		
7. Total Schedule P reserves (Line 3 plus Line 4.4 plus Line 5 minus Line 6) (Schedule P, Part 1, Line 12, Column 34)	X X X	X X X	X X X		
8. Statutory premium reserve at year end (Part 1B, Line 2.6)	X X X	X X X	X X X	131,808	125,327
9. Aggregate of other reserves required by law (Page 3, Line 3)	X X X	X X X	X X X		
10. Supplemental reserve (a) (Line 7 minus (Line 3 plus Line 8 plus Line 9))	X X X	X X X	X X X		

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO

OPERATIONS AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

		Title and Escrow Operating Expenses				5	6	7	Totals	
		1	Agency Operations		4				8 Curent Year (Column 4 plus Column 5 plus Column 6 plus Column 7)	9 Prior Year
			2 Non-affiliated Agency Operations	3 Affiliated Agency Operations						
		Direct Operations			Total (Column 1 plus Column 2 plus Column 3)	Unallocated Loss Adjustment Expenses	Other Operations	Investment Expenses		
1.	Personnel costs:									
1.1	Salaries		1,442		1,442		432,688	142,787	576,917	607,340
1.2	Employee relations and welfare		44		44		13,081	4,317	17,442	1,244,887
1.3	Payroll taxes		136		136		40,807	13,466	54,409	52,351
1.4	Other personnel costs		443		443		132,788	43,820	177,051	81,598
1.5	Total personnel costs		2,065		2,065		619,364	204,390	825,819	1,986,176
2.	Amounts paid to or retained by title agents		81,651		81,651				81,651	48,305
3.	Production services (purchased outside):									
3.1	Searches, examinations and abstracts									
3.2	Surveys									
3.3	Other									
4.	Advertising		46		46		13,706	4,523	18,275	11,250
5.	Boards, bureaus and associations		22		22		6,527	2,154	8,703	6,562
6.	Title plant rent and maintenance		20		20		5,891	1,944	7,855	11,619
7.	Claim adjustment services	X X X	X X X	X X X	X X X		X X X	X X X		
8.	Amounts charged off, net of recoveries						277,334	91,217	368,551	959,571
9.	Marketing and promotional expenses		2		2		460	152	614	
10.	Insurance		4		4		1,125	371	1,500	1,500
11.	Directors' fees									30,000
12.	Travel and travel items		5		5		1,505	496	2,006	5,273
13.	Rent and rent items		220		220		65,972	21,771	87,963	77,274
14.	Equipment		53		53		15,761	5,201	21,015	19,786
15.	Cost or depreciation of EDP equipment and software									
16.	Printing, stationery, books and periodicals		40		40		11,953	3,944	15,937	9,411
17.	Postage, telephone, messengers and express		65		65		19,471	6,425	25,961	24,602
18.	Legal and auditing		112		112		33,450	11,039	44,601	219,541
19.	Totals (Line 1.5 to Line 18)		84,305		84,305		1,072,519	353,627	1,510,451	3,410,870
20.	Taxes, licenses and fees:									
20.1	State and local insurance taxes									
20.2	Insurance department licenses and fees		1,654		1,654				1,654	9,340
20.3	Gross guaranty association assessments									
20.4	All other (excluding federal income and real estate)						292	291	583	6,197
20.5	Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		1,654		1,654		292	291	2,237	15,537
21.	Real estate expenses									
22.	Real estate taxes									
23.	Aggregate write-ins for other expenses						1,803,831	12,860	1,816,691	1,304,482
24.	Total expenses incurred (Line 19 plus Line 20.5 plus Line 21 plus Line 22 plus Line 23)		85,959		85,959		2,876,642	366,778	(a) 3,329,379	4,730,889
25.	Less unpaid expenses - current year									
26.	Add unpaid expenses - prior year									
27.	TOTAL EXPENSES PAID (Line 24 minus Line 25 plus Line 26)		85,959		85,959		2,876,642	366,778	3,329,379	4,730,889
DETAILS OF WRITE-INS										
2301.	Marketing fees & origination expense						1,559,489		1,559,489	388,070
2302.	Interest									421,265
2303.	G/fees, bank fees and other						244,342	12,860	257,202	495,147
2398.	Summary of remaining write-ins for Line 23 from overflow page									
2399.	Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)						1,803,831	12,860	1,816,691	1,304,482

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

OPERATIONS AND INVESTMENT EXHIBIT

PART 4 - NET OPERATING GAIN/LOSS EXHIBIT

	1 Direct Operations	Agency Operations		4 Total (Column 1 plus Column 2 plus Column 3)	5 Other Operations	Totals	
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations			6 Current Year (Column 4 plus Column 5)	7 Prior Year
1. Title insurance and related income (Part 1):							
1.1 Title insurance premiums earned (Part 1B, Line 3, Column 1)		114,635		114,635	X X X	114,635	73,947
1.2 Escrow and settlement services (Part 1A, Line 2)					X X X		
1.3 Other title fees and service charges (Part 1A, Lines 3 through 6)					X X X		
2. Aggregate write-ins for other operating income	X X X	X X X	X X X	X X X	2,649,624	2,649,624	1,948,981
3. Total Operating Income (Line 1.1 through Line 1.3 plus Line 2)		114,635		114,635	2,649,624	2,764,259	2,022,928
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Column 4)					X X X		
5. Operating expenses incurred (Part 3, Line 24, Column 1 to Column 3 and Column 6)		85,959		85,959	2,876,642	2,962,601	3,442,049
6. Total Operating Deductions (Line 4 plus Line 5)		85,959		85,959	2,876,642	2,962,601	3,442,049
7. Net operating gain or (loss) (Line 3 minus Line 6)		28,676		28,676	(227,018)	(198,342)	(1,419,121)
DETAILS OF WRITE-INS							
0201. Mortgage operations	X X X	X X X	X X X	X X X	2,649,624	2,649,624	1,948,981
0202.	X X X	X X X	X X X	X X X			
0203.	X X X	X X X	X X X	X X X			
0298. Summary of remaining write-ins for Line 2 from overflow page	X X X	X X X	X X X	X X X			
0299. Total (Line 0201 through Line 0203 plus Line 0298) (Line 2 above)	X X X	X X X	X X X	X X X	2,649,624	2,649,624	1,948,981

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a)	
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 338,383	338,383
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	10,692	10,692
3. Mortgage loans	(c) 1,013,687	1,013,687
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,362,762	1,362,762
11. Investment expenses		(g) 11,420
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 2,526
13. Interest expense		(h) 157,004
14. Depreciation on real estate and other invested assets		(i) 596,614
15. Aggregate write-ins for deductions from investment income		366,778
16. Total deductions (Lines 11 through 15)		1,134,342
17. Net investment income (Line 10 minus Line 16)		228,420
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501. from part 3 column 7 (page 9)		366,778
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		366,778
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	64,639		64,639		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans	65,509		65,509	(559,350)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	214,614		214,614		
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	344,762		344,762	(559,350)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	99,168	44,411	(54,757)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	198,043	789,313	591,270
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	297,211	833,724	536,513
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	297,211	833,724	536,513
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Misc Recievables and Prepaid Insurance	198,043	789,313	591,270
2502. Prepaid Pension			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	198,043	789,313	591,270

NOTES TO FINANCIAL STATEMENTS

(1) General

The Bankers Guarantee Title & Trust Company, (the “Company”) is a title insurance company domiciled and registered in Ohio and a real estate lender. The Company is an approved lender by the Federal National Mortgage Association (“Fannie Mae”), the Government National Mortgage Association (“Ginnie Mae”) and the U.S. Department of Housing and Urban Development (“HUD”)/Federal Housing Administration (“FHA”). The Company’s business is to underwrite title insurance and underwrite, originate, and service loans under the above-referenced programs. The originated loans are funded by the Company or through short-term borrowing facilities and are ultimately sold to Fannie Mae and HUD/FHA.

The Company also underwrites loans originated by outside mortgage brokers. Generally, these loans are funded by and serviced by the Company.

The Company is a wholly owned subsidiary of Nevada General Corporation (“NGC” or the “Parent”), which is wholly owned by HCH Holdings, LLC (“HCH”), which in turn, is ultimately wholly owned by Hunt Companies, Inc. (“HCI” or “Hunt”).

On June 30, 2015, HCH a majority owned subsidiary of HCI, purchased all of the outstanding shares of NGC and the Company.

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The 2015 financial statements include the accounts of the Company and its wholly owned subsidiary, Ohio General Corporation (“OGC”). Immediately prior to the stock purchase by HCH, the Company transferred certain assets to OGC and settled all inter-company loan accounts with the net result being a contribution of \$3,056,550 to OGC’s capital account. The Company then distributed all of the stock of OGC to its shareholders in the form of a stock dividend, resulting in a deconsolidation of OGC as of June 30, 2015. All significant inter-company accounts and transactions were eliminated in consolidation as of and for the period ended June 30, 2015.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and related disclosure in the accompanying notes. Significant estimates that require subjective judgments inherent in the preparation of the accompanying financial statements including:

- the determination of fair value for mortgage loans held for sale, mortgage servicing rights (“MSRs”), and any impairment thereon;
- accounting for income taxes, including the potential outcome of uncertain tax positions; and
- accrual for loss contingencies, including the allowance for risk-sharing obligations.

NOTES TO FINANCIAL STATEMENTS

Estimates are based on experience and current market conditions affecting the Company's business. Management actively monitors the market conditions on an ongoing basis and adjusts its estimates used, as necessary. Actual results may differ from these estimates.

(c) *Comprehensive Income*

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the shareholders' equity section of the balance sheet. Such items, along with net income, are components of comprehensive income.

(d) *Investment Securities*

Securities classified as available-for-sale are equity securities with readily determinable fair values and those debt securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movement in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. These securities are carried at estimated fair value based on information provided by a third party pricing service with any unrealized gains or losses excluded from net income and reported in accumulated other comprehensive income (loss), which is reported as a separate component of shareholders' equity.

Interest income, including amortization of premium and accretion of discount arising at acquisition, from all categories of investment securities are included in interest income in the statements of income.

Gains and losses realized on sales of investment securities, determined using the adjusted cost basis of the specific securities sold, are included in noninterest income in the statements of income. Additionally, declines in the estimated fair value of individual investment securities below their cost that are other-than-temporary are reflected as realized losses in the statements of income. Factors affecting the determination of whether an other-than-temporary impairment has occurred include, among other things, (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near term prospects of the issuer, (iii) that the Company does not intend to sell these securities, and (iv) it is more likely than not that the Company will not be required to sell before a period of time sufficient to allow for any anticipated recovery in fair value.

Restricted stock is stock from the Federal Home Loan Bank of Cincinnati ("FHLB"), which is restricted as to its marketability. Because no ready market exists for these investments and they have no quoted market value, the Bank's investment in these stocks are carried at cost.

(e) *Cash and Cash Equivalents*

Cash and cash equivalents include cash in banks, money market funds, and short-term instruments with a maturity date of three months or less at acquisition.

NOTES TO FINANCIAL STATEMENTS

(f) *Restricted Cash*

Restricted cash represents cash held in a bank account to satisfy Ohio Department of Insurance requirements, of which the Company was in compliance with at December 31, 2016 and 2015.

(g) *Mortgage Loans Held-for-Sale*

Mortgage loans held-for-sale are valued in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. The Company does not retain any interest in these loans after sale, except for MSR's. During the period prior to its sale, interest income on a loan held for sale is calculated in accordance with the terms of the individual loan. The Company established a valuation allowance of \$620,400 as of December 31, 2016 for unrealized losses.

(h) *Mortgage Servicing Rights, Net*

When a mortgage loan is sold, the Company retains the right to service the loan and recognizes the MSR at fair value. The initial fair value represents expected net cash flows from servicing, as well as interest earnings on escrows and interim cash balances, borrower prepayment penalties, delinquency rates, late charges along with ancillary fees that are discounted at a rate that reflects the credit and liquidity risk of the MSR over the estimated life of the underlying loan. After initial recognition, the Company amortizes all MSR's in proportion to, and over the period that approximates when servicing income is recognized. The Company assesses MSR's for impairment based on their estimated fair value compared to carrying values.

(i) *Allowance for Loan Losses*

The Company recognizes an allowance for loan loss obligations related to certain loans sold to Fannie Mae and HUD/FHA, for which the Company retains recourse. The Company's assessment of the allowance is based upon the average loss rate incurred by the Company for the trailing six year period. The allowance is determined by multiplying the average annual loss rate by the average projected unpaid principal balance for the coming year.

(j) *Foreclosed Assets*

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at cost at the date of foreclosure. Subsequent to foreclosure, any additional costs incurred are capitalized and included in the gain or loss on disposal. Historically, losses, if any, on foreclosure have not been material. In years where expected losses are considered material, an allowance is recorded.

Due to existing market conditions as of December 31, 2016 and 2015, the Company established reserves of \$227,446 and \$56,365 respectively for estimated loan loss obligations and foreclosed properties.

NOTES TO FINANCIAL STATEMENTS

(k) *Property and Equipment*

Depreciation of leasehold improvements is calculated on a straight line basis over the life of the underlying lease including available extensions. Furniture, fixtures and automobiles are being depreciated using accelerated methods over the estimated useful lives of the assets.

(l) *Mortgages Held to Maturity*

The Company does maintain a portfolio of loans (notes 5 & 6) which it has chosen to hold until maturity. Historically, these loans have consisted of both commercial and residential real estate loans. The Company reviews each of these loans annually to determine if there is any potential loss in value and records specific loan loss reserves as necessary. Loss reserves of \$-0- and \$938,366 were recorded as of December 31, 2016 and 2015 respectively.

(m) *Federal Home Loan Bank Advances*

Bankers Guarantee Title & Trust Company (“BGTT”) is a member of the Federal Home Loan Bank (“FHLB”). On January 20, 2016, the Federal Housing Finance Agency (“FHFA”), as the primary regulator overseeing the FHLB, adopted a final rule governing FHLB membership. Among other things, the rule excludes captive insurers from the defined term “Insurance Company”, thus making captives ineligible for FHLB membership. It also requires that any captives admitted as FHLB members after September 12, 2014 are withdrawn from FHLB membership.

BGTT has been a third party title insurance company since 1911 and therefore remains an eligible member of the FHLB. However on March 31, 2016, BGTT was informed by the FHFA that for purposes of the rules governing FHLB membership, the FHFA considers BGTT to be a captive insurance company. BGTT was admitted as a member of the FHLB prior to September 12, 2014 and therefore will remain a FHLB member for a five year period (through February 19, 2021) after which BGTT will no longer be eligible for FHLB membership. During this five year period, BGTT will be eligible to draw advances from the FHLB pursuant to FHLB’s membership guidelines. As of December 31, 2016, BGTT had \$23.5 million in advances outstanding with the FHLB.

As of December 31, 2016, cash of \$850,000 and commercial loans with a carrying value of \$36.3 million have been pledged as collateral for such advances. In connection with the advances, the Company has purchased, as required under the terms of the advances, \$499,200 of FHLB stock.

(n) *Title Insurance Reserve*

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

	2016	2015
Reserve for title insurance and unearned title insurance premiums	\$ 131,808	\$ 125,327

The reserve for unearned title insurance premiums has been established and adjusted annually in accordance with Section 3953.11 and Section 1735.03 of the Ohio Revised Code. There are no known claims pending at December 31, 2016.

NOTES TO FINANCIAL STATEMENTS

(o) Revenues

- i. Gains from mortgage banking activities includes the initial fair value of MSRs, loan origination fees and gain on the sale of loans originated.
- ii. Servicing fees are earned for servicing mortgage loans, including all activities related to servicing the loans, and are recognized as services are provided over the life of the related mortgage loan.
- iii. The Company earns interest income on loans funded from the time the loan is closed until the loan is sold pursuant to the loan purchase agreement. Warehouse interest income varies based on the period of time between the loan closing and the sale of the loan to the investor and the size of the average balance of the loans held for sale. The Company also earns interest income on loans held to maturity.

(p) Income Taxes

Concurrent with the stock purchase, HCI filed elections to treat its C corporation subsidiaries as qualified subchapter S subsidiaries ("Q-Sub") and accordingly the Company is not subject to federal income tax, however remains subject to applicable local taxes. Prior to the reorganization, the Company was treated as a C corporation and was included as part of the group for federal income tax purposes and also filed separate local tax returns. Through June 30, 2015, the Company provided for federal income taxes pursuant to an intercompany tax sharing agreement with NGC and OGC, which was determined as if the Company filed a separate income tax return. As of June 30, 2015, any tax liabilities owed from the Company to NGC were forgiven and reflected as a capital contribution in the accompanying Statements of Stockholders Equity (see Note 11).

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company uses a more likely than not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. In accordance with the accounting guidance on the accounting for uncertainty in income taxes, the Company assessed its tax positions for all open tax years as of December 31, 2016, and concluded that it has no material uncertain tax positions requiring recognition. If there are interest and penalties on tax positions, the Company's policy is to classify these as general and administrative expenses.

NOTES TO FINANCIAL STATEMENTS

(q) Recently Issued and Adopted Accounting Standards

The Company adopted the following new accounting pronouncements:

- In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new standard supersedes a majority of existing revenue recognition guidance under U.S. GAAP, and requires a company to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. Companies may need to use more judgment and make more estimates while recognizing revenue, which could result in additional disclosures to the financial statements. ASU 2014-09 allows for either a "full retrospective" adoption or a "modified retrospective" adoption. The standard is effective for public companies for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. For all other entities, it is effective for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. A nonpublic entity may elect to apply the guidance in this ASU early with certain restrictions. The Company is currently evaluating the revenue recognition impact this guidance will have on its Financial Statements.

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None during the reporting period.

(4) Discontinued Operations

None during the reporting period.

(5) Investment

(a) Mortgage Loans Held-for-Sale

Mortgage loans held-for-sale are valued in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. The Company does not retain any interest in these loans after sale, except for MSR's. During the period prior to its sale, interest income on a loan held for sale is calculated in accordance with the terms of the individual loan. The Company established a valuation allowance of \$620,400 as of December 31, 2016 for unrealized losses.

(b) Allowance for Loan Losses

The Company recognizes an allowance for loan loss obligations related to certain loans sold to Fannie Mae and HUD/FHA, for which the Company retains recourse. The Company's

NOTES TO FINANCIAL STATEMENTS

assessment of the allowance is based upon the average loss rate incurred by the Company for the trailing six year period. The allowance is determined by multiplying the average annual loss rate by the average projected unpaid principal balance for the coming year.

(c) *Investment Securities*

Securities classified as available-for-sale are equity securities with readily determinable fair values and those debt securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movement in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. These securities are carried at estimated fair value based on information provided by a third party pricing service with any unrealized gains or losses excluded from net income and reported in accumulated other comprehensive income (loss), which is reported as a separate component of shareholders' equity.

Interest income, including amortization of premium and accretion of discount arising at acquisition, from all categories of investment securities are included in interest income in the statements of income.

Gains and losses realized on sales of investment securities, determined using the adjusted cost basis of the specific securities sold, are included in noninterest income in the statements of income. Additionally, declines in the estimated fair value of individual investment securities below their cost that are other-than-temporary are reflected as realized losses in the statements of income. Factors affecting the determination of whether an other-than-temporary impairment has occurred include, among other things, (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near term prospects of the issuer, (iii) that the Company does not intend to sell these securities, and (iv) it is more likely than not that the Company will not be required to sell before a period of time sufficient to allow for any anticipated recovery in fair value.

Restricted stock is stock from the Federal Home Loan Bank of Cincinnati ("FHLB"), which is restricted as to its marketability. Because no ready market exists for these investments and they have no quoted market value, the Bank's investment in these stocks are carried at cost.

(6) *Joint Ventures, Partnerships and LLCs*

None.

NOTES TO FINANCIAL STATEMENTS

(7) Investment Income

(a) Revenues

- i. Gains from mortgage banking activities includes the initial fair value of MSRs, loan origination fees and gain on the sale of loans originated.
- ii. Servicing fees are earned for servicing mortgage loans, including all activities related to servicing the loans, and are recognized as services are provided over the life of the related mortgage loan.
- iii. The Company earns interest income on loans funded from the time the loan is closed until the loan is sold pursuant to the loan purchase agreement. Warehouse interest income varies based on the period of time between the loan closing and the sale of the loan to the investor and the size of the average balance of the loans held for sale. The Company also earns interest income on loans held to maturity.

(8) Derivative Instruments

None.

(9) Income Taxes

(a) Income Taxes

Concurrent with the stock purchase, HCI filed elections to treat its C corporation subsidiaries as qualified subchapter S subsidiaries (“Q-Sub”) and accordingly the Company is not subject to federal income tax, however remains subject to applicable local taxes. Prior to the reorganization, the Company was treated as a C corporation and was included as part of the group for federal income tax purposes and also filed separate local tax returns. Through June 30, 2015, the Company provided for federal income taxes pursuant to an intercompany tax sharing agreement with NGC and OGC, which was determined as if the Company filed a separate income tax return. As of June 30, 2015, any tax liabilities owed from the Company to NGC were forgiven and reflected as a capital contribution in the accompanying Statements of Stockholders Equity (see Note 11).

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company uses a more likely than not threshold for recognition and de-recognition of tax positions taken or to be taken in a tax return. In accordance with the accounting guidance on the accounting for uncertainty in income taxes, the Company assessed its tax positions for all open tax years as of December 31, 2016, and concluded that it has no material uncertain tax positions requiring recognition. If there are interest and penalties on tax positions, the Company’s policy is to classify these as general and administrative expenses.

NOTES TO FINANCIAL STATEMENTS

(10) Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

(a) Related-Party Transactions

i) Expense Allocations

Certain expenses of the Company are paid by HCBS. These expenses included (i) the actual costs to the Parent Company of goods, materials and services used for and obtained by the Company from unaffiliated parties, and (ii) the costs of certain personnel employed by the Parent Company and directly involved in the organization and business of the Company and for legal, accounting, administration, data processing, duplication and other miscellaneous costs or services performed by employees or officers of the Parent Company.

For the period July 1, 2015 through December 31, 2015, these costs amounted to \$22,715 and are recorded as “General and Administrative” costs on the Statements of Operations. During 2016 these costs amounted to \$ 0. Any amounts outstanding as of December 31, 2016 and 2015 are reflected in “Due to Affiliates” on the Balance Sheets.

(b) Transactions With Parent Company

Prior to June 30, 2015, NGC owned 98.42% of the capital stock of the Company. Effective June 30, 2015, NGC became the sole shareholder of the Company. Periodically, NGC advanced and/or borrowed funds to or from the Company for operational needs. Those advances bear interest. There were interest charges paid to NGC of \$10,645 during 2015 and there were no outstanding advances as of December 31, 2016 or 2015 between the companies.

In connection with the stock sale by HCH on June 30, 2015, NGC forgave advances outstanding to the Company totaling \$2,590,009 as a contribution to capital.

(c) Transactions With Subsidiary

Prior to June 30, 2015, the Company contributed certain assets and liabilities to OGC as follows:

Mortgage loans available for sale	\$	1,856,219
Real estate available for sale		1,208,878
Accrued income tax due Bankers		491,253
Advances due from Bankers		(499,800)
Net contributed capital	\$	<u>3,056,550</u>

The Company then distributed all of the stock of OGC in the form of a stock dividend to the shareholders of the Company. The OGC shares received by NGC were then immediately distributed the individual shareholders of NGC, also in the form of a stock dividend. The dividend was recorded based upon the book value of OGC and totaled \$3,119,488.

NOTES TO FINANCIAL STATEMENTS

(11) Debt

(a) Short-Term Borrowings Under Warehouse Facilities

The Company had a \$10,000,000 warehouse facility available to fund loan originations. The facility bears interest at LIBOR plus a margin and is secured by promissory notes and mortgage deeds of un-sold loans. The facility expired on May 31, 2015 and was not renewed.

(b) Long-Term Obligations

For the years ended December 31, 2016 and 2015, long-term obligations consisted of the following:

	2016	2015
Advances payable over 120 months including principal and interest with rates ranging from 2.70% to 3.00%	\$ 130,635	\$ 194,069
Advance payable in monthly installments of \$11,859 at 1.75% and a balloon payment of \$1,885,366 due April, 2019.	2,117,615	2,221,875
Advance with interest only payable monthly at 4.07% callable quarterly after one year and due December, 2016	-0-	1,000,000
Advance with interest only payable monthly at 0.99% and due September, 2017	1,000,000	-0-
Advance with interest only payable monthly at 0.72% and due April, 2017	20,231,600	-0-
	23,479,850	3,415,944
Less: current maturities	(21,394,409)	(1,167,694)
	\$ 2,085,441	\$ 2,248,250
Long-term debt maturing in succeeding years is:		
December 31,	2017	21,394,409
	2018	158,636
	2019	1,926,805
		\$
		23,479,850

(12) Retirement Plans, Deferred Compensation, Postemployment Benefits

(a) Pension Plan

The Company has a non-contributory defined benefit pension plan covering all full-time employees. The Company funds the pension plan by payment to an employee pension trust. Due to the over-funded status of the plan, no contributions were made in 2015.

On December 29, 2014, the Board of Directors approved an amendment to the Plan to cease the accrual of benefits and freeze the Plan effective December 31, 2014. The Board of Directors then

NOTES TO FINANCIAL STATEMENTS

authorized the Company to proceed with terminating the Plan, and the Plan was terminated effective March 31, 2015.

In accordance with the plan of termination, the assets of the plan were distributed for the benefit of the plan participants and the Company wrote off the prepaid pension cost resulting in an expense of \$2,232,358, a deferred tax benefit of \$310,036 and other comprehensive income of \$688,989 for the year ended December 31, 2015.

No other plans exist.

(13) Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(a) *Paid In Capital*

Effective July 31, 2016, the parent company contributed assets with a fair value of \$41,869,193 and received cash from the Company of \$20,231,600, resulting in a net contribution to paid in capital of \$21,637,593.

(14) Liabilities, Contingencies and Assessments

(a) *Commitments and Contingencies*

(a) *Lease Obligations*

The Company was party to one non-cancelable lease contract as of December 31, 2015 for office space. The lease required monthly rental payments of \$4,494 and expired in December, 2016. Effective December 15, 2016, the Company entered into a lease for new office space. The lease is for 60 months and requires base monthly rental payments ranging from \$5,008 to \$5,278 over the term of the lease. The Company is recognizing lease expense on a straight line basis based upon the total minimum lease payments required over the term of the lease.

Annual rent expenses incurred under these leases totaled \$60,714 and \$54,699 for the years ended December 31, 2016 and 2015 respectively.

(b) *GSE Related Commitments*

Commitments for the origination and subsequent sale and delivery of loans to GSEs represent those mortgage transactions where the borrower has locked an interest rate and scheduled closing and the Company has entered into a mandatory delivery commitment to sell the loan to the GSEs. At December 31, 2016, the Company had \$2,123,125 of these commitments, of which \$729,400 have already been funded. These loans are recorded at fair value and are included in "Mortgage loans held-for-sale" on the Balance Sheets.

(c) *Other*

Due to the nature of the Company's mortgage banking activities, the Company is subject to supervision by certain GSEs. Among other things, these agencies require the Company to meet certain minimum net worth requirements, as defined. The Company met these requirements for all agencies, as applicable, with the highest net worth requirement being \$3.528 million and \$3.518 million, as of December 31, 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

(15) Leases

(a) *Lease Obligations*

The Company was party to one non-cancelable lease contract as of December 31, 2015 for office space. The lease required monthly rental payments of \$4,494 and expired in December, 2016. Effective December 15, 2016, the Company entered into a lease for new office space. The lease is for 60 months and requires base monthly rental payments ranging from \$5,008 to \$5,278 over the term of the lease. The Company is recognizing lease expense on a straight line basis based upon the total minimum lease payments required over the term of the lease.

Annual rent expenses incurred under these leases totaled \$60,714 and \$54,699 for the years ended December 31, 2016 and 2015 respectively.

(16) Information About Financial Instruments with Off-Balance Sheet Risk

None reported.

(17) Sales, Transfers and Servicing of Financial Assets and Extinguishments of Liabilities

Reported within the body of these notes in other sections.

(18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

N/A – Title.

(19) Direct Premiums Written/Produced by Managing General Agents/Third Parties

N/A – Title.

(20) Fair Value Measurement

(a) *Fair Value of Financial Instruments*

The Company uses valuation techniques that are consistent with the market approach, the income approach and/or the cost approach to measure assets and liabilities that are measured at fair value. Inputs to valuation techniques are based on assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, those that reflect the assumptions market participants would use in valuing the asset or liability based on market data obtained from independent sources, or unobservable, those that reflect the assumptions about the valuation techniques and inputs market participants would use in valuing the asset or liability based on the best information available in the circumstances. In that regard, accounting standards establish a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1*—Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- *Level 2*—Financial assets and liabilities whose values are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for *similar* assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are

NOTES TO FINANCIAL STATEMENTS

observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

- *Level 3*—Financial assets and liabilities whose values are based on inputs that are both unobservable and significant to the overall valuation.

Where inputs used to measure fair value may fall into different levels of the fair value hierarchy, the Company categorizes such financial asset or liability based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability that a market participant would use.

Assets and Liabilities Not Measured at Fair Value

For cash and cash equivalents, restricted cash, accounts receivables, short-term borrowings and allowance for risk- sharing obligations, recorded values approximate fair value due to their terms, or their liquid or short-term nature.

MSRs are carried at the lower of amortized cost or estimated fair value. When the carrying value of MSRs exceeds fair value, the Company recognizes impairment charges through earnings; fair value in excess of the amount capitalized is not recognized. The Company's MSRs do not trade in an active, open market with readily observable prices. Accordingly, the Company estimates the fair value based on market information with the assistance of third- party valuation specialists. To determine impairment, the mortgage servicing portfolio is stratified by the risk characteristics of the underlying mortgage loans, and the Company compares the estimated fair value of each stratum to its carrying value (see Note 4). Management has determined that the predominant risk characteristics of the Company’s servicing portfolio is interest rate and type of loan. As of December 31, 2016 and 2015, the fair value of each stratum of our MSR portfolio exceeded the amortized cost. The following table presents information about the Company’s MSRs:

MSRs	2016	2015
Carrying value	\$ 1,575,330	\$ 1,957,329
Fair value	\$ 2,161,800	\$ 2,220,825

Mortgage loans held-for-sale are valued, in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. The carrying values of loans held for sale as of December 31, 2016 and 2015 were \$17,247,618 and \$1,626,830 respectively, net of allowance for loan losses of \$620,400 and \$-0- respectively.

Mortgages held to maturity consists of both commercial and residential real estate loans. The Company reviews each of these loans annually to determine if there is any potential loss in value and records specific loan loss reserves as necessary. The following table presents information about the Company’s mortgages held to maturity:

	2016	2015
--	------	------

NOTES TO FINANCIAL STATEMENTS

Carrying value		
Commercial loans	\$ 19,823,891	\$ 6,705,956
Related party commercial loan	583,822	-0-
Residential loan	270,655	-0-
Unamortized discount	(78,140)	-0-
	20,600,228	6,705,956
Less: Valuation allowance	-0-	(938,366)
Fair value	\$ 20,600,228	\$ 5,767,590

Investment securities consist of a commercial bond issued by Jefferies, LLC. The estimated fair of this security is based upon indications of interest, bids, offers, last sales price, or other sources prevailing as of the close of business closest to December 31, 2016. The following table presents information about this investment security:

	2016	2015
Carrying value	\$ 8,124,000	\$ -0-
Unrealized loss	(15,000)	-0-
Fair value	\$ 8,109,000	\$ -0-

(21) Other Items

(a) Other Assets

Other assets consist of the following at December 31:

	2016	2015
FHLB stock	\$ 499,200	\$ 355,100
FNMA stock	63	63
Real estate held for sale (note A)	55,299	55,299
Deposits	8,579	659
	\$ 563,141	\$ 411,121

(22) Events Subsequent

(a) Subsequent Events

Management evaluated all activity of The Bankers Guarantee Title & Trust Company and Subsidiary through February 28, 2017, the date the financial statements were available to be issued, and concluded that the following subsequent events have occurred that would require disclosure in the notes to the financial statements.

(23) Reinsurance

None.

(24) Retrospectively Rated Contracts & Contracts Subject to Redetermination

N/A – Title

NOTES TO FINANCIAL STATEMENTS

(25) Changes in Incurred Losses and Loss Adjustment Expenses

None.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Supplemental Reserves

None.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes (X) No ()
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes (X) No () N/A ()
- 1.3

State Regulating?

Ohio
- 2.1

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

Yes (X) No ()
- 2.2

If yes, date of change:

10/05/2016
- 3.1

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

03/01/2013
- 3.2

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

12/31/2012
- 3.3

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

05/31/2013
- 3.4

By what department or departments?

Ohio
- 3.5

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

Yes () No () N/A (X)
- 3.6

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

Yes () No () N/A (X)
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes () No (X)

4.12

renewals?

Yes () No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes () No (X)

4.22

renewals?

Yes () No (X)
- 5.1

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

Yes () No (X)
- 5.2

If yes, provide the name of entity, the 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.

<div>1</div> <div>Name of Entity</div>	<div>2</div> <div>NAIC Company Code</div>	<div>3</div> <div>State of Domicile</div>
--	---	---

- 6.1

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

Yes () No (X)
- 6.2

If yes, give full information:
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes () No (X)
- 7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

<div>1</div> <div>Nationality</div>	<div>2</div> <div>Type of Entity</div>
-------------------------------------	--

- 8.1

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

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

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

Yes () No (X)
- 8.4

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

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City, State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>FDIC</div>	<div>6</div> <div>SEC</div>
--	--	-----------------------------	-----------------------------	------------------------------	-----------------------------

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Stinnett Padrutt & Aranyosi Co. 3465 S Arlington Rd. Akron, OH 44312
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes () No (X)
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes () No (X)
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?

Yes () No () N/A (X)
- 10.6

If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
12.11 Name of real estate holding company
.....
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value \$
12.2 If yes, provide explanation
.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes () No ()
13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No ()
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes (X) No ()
14.11 If the response to 14.1 is no, please explain:
.....
14.2 Has the code of ethics for senior managers been amended? Yes () No (X)
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....
15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes () No (X)
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
--	--	--	-----------------

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes () No (X)
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes (X) No ()
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes () No (X)

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes (X) No ()
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers \$
20.12 To stockholders not officers \$
20.13 Trustees, supreme or grand (Fraternal only) \$
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers \$
20.22 To stockholders not officers \$
20.23 Trustees, supreme or grand (Fraternal only) \$
21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others \$
21.22 Borrowed from others \$
21.23 Leased from others \$
21.24 Other \$
22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment \$
22.22 Amount paid as expenses \$
22.23 Other amounts paid \$
23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes () No (X)
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes (X) No ()

24.02

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

24.03

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

24.04

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

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

24.05

If answer to 24.04 is YES, report amount of collateral for conforming programs.

\$

24.06

If answer to 24.04 is NO, report amount of collateral for other programs.

\$

24.07

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

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

24.08

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

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

24.09

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

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

24.10

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

24.101

Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2

\$

24.102

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

\$

24.103

Total payable for securities lending reported on the liability page

\$

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes (X) No ()

25.2

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

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Placed under option agreements

\$

25.26

Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$

25.27

FHLB Capital Stock

\$ 499,200

25.28

On deposit with states

\$

25.29

On deposit with other regulatory bodies

\$

25.30

Pledged as collateral - excluding collateral pledged to an FHLB

\$

25.31

Pledged as collateral to FHLB - including assets backing funding agreements

\$ 36,209,173

25.32

Other

\$

25.3 For category (25.26) provide the following:

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

26.1

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

Yes () No (X)

26.2

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

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

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

27.2

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

\$

28.

Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes () No (X)

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

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

.....

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

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

FHLB of Cincinnati	Cincinnati, OH	Collateral held
Wells Fargo Bank	Columbia, MD	Securities held

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes () No (X)

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

<div>1</div> <div>Name of Firm or Individual</div>	<div>2</div> <div>Affiliation</div>
--	-------------------------------------

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes () No ()

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes () No ()

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

<div>1</div> <div>Central Registration Depository Number</div>	<div>2</div> <div>Name of Firm or Individual</div>	<div>3</div> <div>Legal Entity Identified (LEI)</div>	<div>4</div> <div>Registered With</div>	<div>5</div> <div>Investment Management Agreement (IMA) Filed</div>
--	--	---	---	---

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No (X)

29.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP Number</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
--------------------------------------	---	--

29.2999 - Total

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

<div>1</div> <div>Name of Mutual Fund (from question 29.2)</div>	<div>2</div> <div>Name of Significant Holding of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
--	--	--	---

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

	<div>1</div> <div>Statement (Admitted) Value</div>	<div>2</div> <div>Fair Value</div>	<div>3</div> <div>Excess of Statement over Fair Value (-) , or Fair Value over Statement (+)</div>
30.1 Bonds	\$ 8,109,000	\$ 8,109,000	\$
30.2 Preferred stocks	\$	\$	\$
30.3 Totals	\$ 8,109,000	\$ 8,109,000	\$

30.4 Describe the sources or methods utilized in determining the fair values:
bond is valued on a quarterly basis.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes (X) No ()

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes () No (X)

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
Information is issuer provided.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes () No (X)

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 6,616

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

<div>1</div> <div>Name</div>	<div>2</div> <div>Amount Paid</div>
Ohio Mortgage Bankers Association	\$ 2,100
	\$
	\$
	\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO

GENERAL INTERROGATORIES

PART 2 - TITLE INTERROGATORIES

1.

Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity?

Yes ()

No (X)

2.

Largest net aggregate amount incurred in any one risk.

\$

.....

5,284,900

3.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk or portion thereof, reinsured?

Yes ()

No (X)

3.2

If yes, give full information.

.....

.....

4.

If the reporting entity has assumed risk from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes ()

No (X)

5.1

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

Yes ()

No (X)

5.2

If yes, give full information.

.....

.....

6.

Uncompleted building construction loans:

6.1

Amount already loaned

\$

6.2

Balance to be advanced

\$

6.3

Total amount to be loaned

\$

7.1

Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings?

Yes ()

No (X)

7.2

If yes, give total amount of such bonds or certificates of participation issued and outstanding.

\$

.....

8.

What is the aggregate amount of mortgage loans owned by the reporting entity which consist of co-ordinate interest in first liens?

\$

.....

9.1

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

9.11

Bonds

\$

9.12

Short-term investments

\$

9.13

Mortgages

\$

9.14

Cash

\$ 125,522

9.15

Other admissible invested assets

\$

9.16

Total

\$ 125,522

9.2

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

9.21

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

These funds consist of:

\$

9.22

In cash on deposit

\$

9.23

Other forms of security

\$

FIVE-YEAR HISTORICAL DATA

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

	1 2016	2 2015	3 2014	4 2013	5 2012
Source of Direct Title Premiums Written (Part 1A)					
1. Direct operations (Part 1A, Line 1, Column 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Column 2)	121,116	76,265	132,784	157,321	107,760
3. Affiliated agency operations (Part 1A, Line 1, Column 3)					
4. Total	121,116	76,265	132,784	157,321	107,760
Operating Income Summary (Page 4 and Part 1)					
5. Premiums earned (Part 1B, Line 3)	114,063	73,947	124,276	145,723	100,645
6. Escrow and settlement service charges (Part 1A, Line 2)					
7. Title examinations (Part 1A, Line 3)					
8. Searches and abstracts (Part 1A, Line 4)					
9. Surveys (Part 1A, Line 5)					
10. Aggregate write-ins for service charges (Part 1A, Line 6)					
11. Other operating income (Page 4, Line 2)	2,649,624	1,948,981	1,450,295	1,424,283	1,855,470
12. Total operating income (Page 4, Line 3)	2,763,687	2,022,928	1,574,571	1,570,006	1,956,115
Statement of Income (Page 4)					
13. Net operating gain or (loss) (Line 8)	(198,342)	(1,419,121)	119,868	242,395	613,089
14. Net investment gain or (loss) (Line 11)	573,182	(976,325)	197,869	357,387	548,092
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)		(262,881)	42,742	172,434	378,038
17. Net income (Line 15)	374,840	(2,132,565)	274,995	427,348	783,143
Balance Sheet (Page 2 and Page 3)					
18. Title insurance premiums and fees receivable (Page 2, Line 15, Column 3)					
19. Total admitted assets excluding segregated accounts (Page 2, Line 26, Column 3)	66,416,185	23,315,785	25,205,605	26,180,582	28,923,753
20. Known claims reserve (Page 3, Line 1)					
21. Statutory premium reserve (Page 3, Line 2)	131,808	125,327	123,009	95,647	84,050
22. Total liabilities (Page 3, Line 23)	31,264,099	10,138,291	14,211,416	16,073,228	19,436,034
23. Capital paid up (Page 3, Line 25 plus Line 26)	631,250	631,250	631,250	631,250	631,250
24. Surplus as regards policyholders (Page 3, Line 32)	35,152,086	13,177,494	10,994,189	10,107,354	9,487,719
Cash Flow (Page 5)					
25. Net cash from operations (Line 11)	(184,510)	(2,132,565)	274,995	427,348	783,143
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
26. Bonds (Line 1)	13.7				
27. Stocks (Line 2.1 and Line 2.2)	0.8	2.1	2.0	2.3	1.8
28. Mortgage loans on real estate (Line 3.1 and Line 3.2)	62.5	43.4	56.6	78.3	95.7
29. Real estate (Line 4.1, Line 4.2 and Line 4.3)	0.1	0.3	0.3	0.3	0.3
30. Cash, cash equivalents and short-term investments (Line 5)	20.0	42.5	40.9	18.6	2.0
31. Contract loans (Line 6)					
32. Derivatives (Line 7)					
33. Other invested assets (Line 8)	2.9	11.6			
34. Receivable for securities (Line 9)					
35. Securities lending reinvested collateral assets (Line 10)					
36. Aggregate write-ins for invested assets (Line 11)		0.1	0.2	0.6	0.2
37. Subtotals cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
39. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
40. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)			65,000	65,000	65,000
41. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Line 38 through Line 43			65,000	65,000	65,000
45. Total investment in parent included in Line 38 through Line 43					
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Line 32, Column 1 x 100.0)			0.6	0.6	0.7

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains or (losses) (Line 18)	(559,350)		63,478	67,072	(17,535)
48. Change in nonadmitted assets (Line 21)	536,513	2,655,408	1,082,889	147,992	121,661
49. Dividends to stockholders (Line 28)		(3,119,488)	(446,925)		(937,786)
50. Change in surplus as regards policyholders for the year (Line 31)	21,974,592	2,183,305	886,835	619,635	(62,869)
Losses Paid and Incurred (Part 2A)					
51. Net payments (Line 5, Column 4)					
52. Losses and allocated LAE incurred (Line 8, Column 4)					
53. Unallocated LAE incurred (Line 9, Column 4)					
54. Losses and loss adjustment expenses incurred (Line 10, Column 4)					
Operating Expenses to Total Operating Income (Part 3) (%) (Line item divided by Page 4, Line 3 x 100.0)					
55. Personnel costs (Part 3, Line 1.5, Column 4)	0.1	0.1	0.1	0.1	0.1
56. Amounts paid to or retained by title agents (Part 3, Line 2, Column 4)	3.0	2.4	6.5	6.7	3.8
57. All other operating expenses (Part 3, Line 24 minus Line 1.5 minus Line 2, Column 4)	0.1	0.5	0.4	2.3	0.3
58. Total (Line 55 through Line 57)	3.2	3.0	7.0	9.1	4.2
Operating Percentages (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
59. Losses and loss adjustment expenses incurred (Line 4)					
60. Operating expenses incurred (Line 5)	3.1	3.1	6.9	9.2	4.3
61. Other operating expenses (Line 6)	104.1	167.0	85.5	75.3	64.4
62. Total operating deductions (Line 7)	107.2	170.2	92.4	84.6	68.7
63. Net operating gain or (loss) (Line 8)	(7.2)	(70.2)	7.6	15.4	31.3
Other Percentages (Line item divided by Part 1B, Line 1.4 x 100.0)					
64. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)					
65. Operating expenses incurred to net premiums written (Page 4, Line 5)	70.9	83.5	82.2	92.1	77.5
One-Year Schedule P - Part 2 Development (000 omitted)					
66. Development in estimated losses and ALAE on policies effective before current year (Schedule P, Part 2, Line 22, Col. 11)					
67. Percent of such development to policyholders' surplus of prior year-end (Line 66 above divided by Page 4, Line 16, Col. 1 x 100.0)					
One-Year Schedule P - Part 3 Development (000 omitted)					
68. Development in estimated losses and ALAE for claims reported before current year (Schedule P, Part 3, Line 12, Col. 11)					
69. Percent of such development to policyholders' surplus of prior year-end (Line 68 above divided by Page 4, Line 16, Col. 1 x 100.0)					
Two-Year Schedule P - Part 2 Development (000 omitted)					
70. Development in estimated losses and ALAE on policies effective before prior year-end (Schedule P, Part 2, Line 22, Col. 12)					
71. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year-end (Line 70 above divided by Page 4, Line 16, Col. 2 x 100.0)					
Two-Year Schedule P - Part 3 Development (000 omitted)					
72. Development in estimated losses and ALAE for claims reported before prior year-end (Schedule P, Part 3, Line 12, Col. 12)					
73. Percent of such development to policyholders' surplus of second prior year-end (Line 72 above divided by Page 4, Line 16, Col. 2 x 100.0)					

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? If no, please explain:

Yes () No ()

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Policies Were Written	1 Amount of Insurance Written in Millions	Premiums Written and Other Income					Loss and Allocated Loss Adjustment Expenses Payments					
		2 Direct Premium	3 Assumed Premium	4 Other Income	5 Ceded Premium	6 Net Columns (2 + 3 + 4 - 5)	Loss Payments			Allocated LAE Payments		
							7 Direct	8 Assumed	9 Ceded	10 Direct	11 Assumed	12 Ceded
1. Prior	X X X	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2007 .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2008 .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 2009 .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 2010 .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 2011		62	.....	.....	.....	62	.....	.....	.....	.....	.....	.....
7. 2012		108	.....	.....	.....	108	.....	.....	.....	.....	.....	.....
8. 2013		157	.....	.....	.....	157	.....	.....	.....	.....	.....	.....
9. 2014		132	.....	.....	.....	132	.....	.....	.....	.....	.....	.....
10. 2015		76	.....	.....	.....	76	.....	.....	.....	.....	.....	.....
11. 2016		121	.....	.....	.....	121	.....	.....	.....	.....	.....	.....
12. Totals	X X X	656	.....	.....	.....	656	.....	.....	.....	.....	.....	.....

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Columns 7 + 8 + 10 + 11 - 9 - 12 + 14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid
					Known Claim Reserves			IBNR Reserves			
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded	
1. Prior											
2. 2007											
3. 2008											
4. 2009											
5. 2010											
6. 2011											
7. 2012											
8. 2013											
9. 2014											
10. 2015											
11. 2016											
12. Totals											

	24 Total Net Loss and LAE Unpaid (Columns 17 + 18 + 20 + 21 - 19 - 22 + 23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss and LAE Per \$1000 of Coverage ([Columns 29 + 14 + 23] / Column 1)	33 Discount For Time Value of Money	34 Net Reserves After Discount (Columns 24 - 33)
			26 Direct (Columns 7 + 10 + 17 + 20)	27 Assumed (Columns 8 + 11 + 18 + 21)	28 Ceded (Columns 9 + 12 + 19 + 22)	29 Net	30 Direct Basis ([Columns 14 + 23 + 26] / Column 2)	31 Net Basis ([Columns 14 + 23 + 29] / [Columns 6 - 4])			
1. Prior	X X X	.....	.....
2. 2007
3. 2008
4. 2009
5. 2010
6. 2011
7. 2012
8. 2013
9. 2014
10. 2015
11. 2016
12. Totals	X X X	X X X	X X X	.....	.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

By States and Territories

States, Etc.		1 Active Status	2 Premium Rate (b)	Direct Premiums Written		6 Other Income	7 Net Premiums Earned	8 Direct Losses and Allocated Loss Adjustment Expenses Paid	9 Direct Losses and Allocated Loss Adjustment Expenses Incurred	10 Direct Known Claim Reserve	
				3 Direct Operations	Agency Operations						
					4 Non-affiliated Agencies						5 Affiliated Agencies
1. Alabama	AL	N									
2. Alaska	AK	N									
3. Arizona	AZ	N									
4. Arkansas	AR	N									
5. California	CA	N									
6. Colorado	CO	N									
7. Connecticut	CT	N									
8. Delaware	DE	N									
9. Dist. Columbia	DC	N									
10. Florida	FL	N									
11. Georgia	GA	N									
12. Hawaii	HI	N									
13. Idaho	ID	N									
14. Illinois	IL	N									
15. Indiana	IN	N									
16. Iowa	IA	N									
17. Kansas	KS	N									
18. Kentucky	KY	N									
19. Louisiana	LA	N									
20. Maine	ME	N									
21. Maryland	MD	N									
22. Massachusetts	MA	N									
23. Michigan	MI	N									
24. Minnesota	MN	N									
25. Mississippi	MS	N									
26. Missouri	MO	N									
27. Montana	MT	N									
28. Nebraska	NE	N									
29. Nevada	NV	N									
30. New Hampshire	NH	N									
31. New Jersey	NJ	N									
32. New Mexico	NM	N									
33. New York	NY	N									
34. North Carolina	NC	N									
35. North Dakota	ND	N									
36. Ohio	OH	L		121,116			114,635				
37. Oklahoma	OK	N									
38. Oregon	OR	N									
39. Pennsylvania	PA	N									
40. Rhode Island	RI	N									
41. South Carolina	SC	N									
42. South Dakota	SD	N									
43. Tennessee	TN	N									
44. Texas	TX	N									
45. Utah	UT	N									
46. Vermont	VT	N									
47. Virginia	VA	N									
48. Washington	WA	N									
49. West Virginia	WV	N									
50. Wisconsin	WI	N									
51. Wyoming	WY	N									
52. American Samoa	AS	N									
53. Guam	GU	N									
54. Puerto Rico	PR	N									
55. U. S. Virgin Islands	VI	N									
56. Northern Mariana Islands	MP	N									
57. Canada	CAN	N									
58. Aggregate other alien	OT	X X X	X X X								
59. Totals	(a)	1	X X X	121,116			114,635				
DETAILS OF WRITE-INS											
58001		X X X									
58002		X X X									
58003		X X X									
58998 Summary of remaining write-ins for Line 58 from overflow page		X X X	X X X								
58999 Totals (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		X X X	X X X								

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

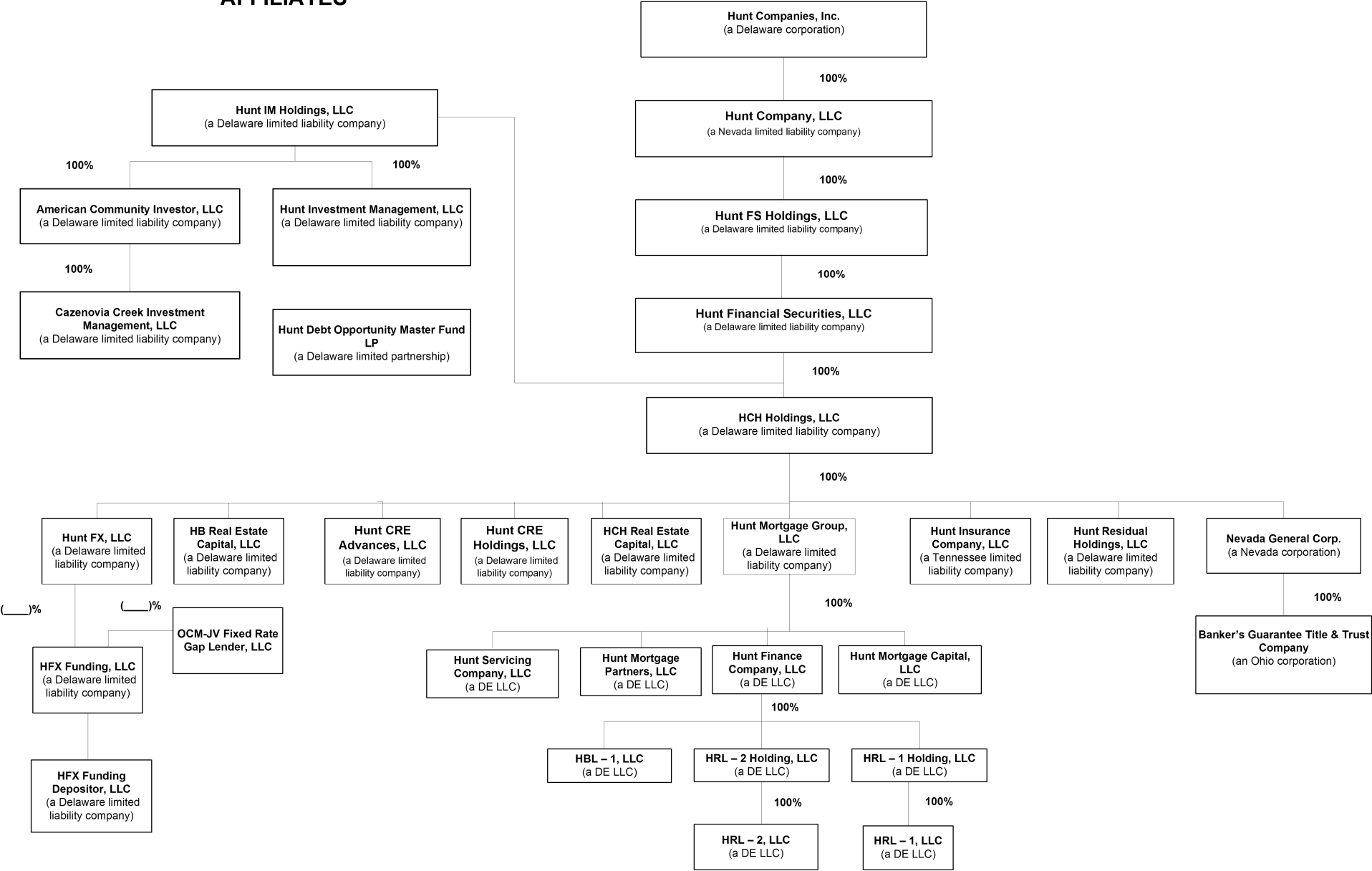
(a) Insert the number of L responses except for Canada and Other Alien.

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE BANKERS GUARANTEE TITLE & TRUST CO
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

HUNT FINANCIAL SECURITIES, LLC AND
AFFILIATES

CONFIDENTIAL



Title

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