

**ANNUAL STATEMENT**

OF THE

**ALAMO**

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**TITLE INSURANCE**

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of **SAN ANTONIO**

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in the state of **TEXAS**

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TO THE

**Insurance Department**

OF THE

STATE OF

**FOR THE YEAR ENDED  
December 31, 2007**

TITLE

**2007**



## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	41,313,443		41,313,443	43,068,903
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	725,821		725,821	3,701,947
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	14,586	14,586		
3.2 Other than first liens	5,741	5,741		
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)	98,565	8,865	89,700	63,600
5. Cash (\$ 596,674, Schedule E-Part 1), cash equivalents (\$ 0 Schedule E-Part 2) and short-term investments (\$ 1,144,389, Schedule DA)	1,741,063		1,741,063	14,098,088
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities	146,953		146,953	199,057
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	44,046,172	29,192	44,016,980	61,131,595
11. Title plants less \$ 0 charged off (for Title insurers only)	1,707,949	22,830	1,685,119	1,691,069
12. Investment income due and accrued	492,233		492,233	516,771
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,543,715	1,027,367	516,348	472,546
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	1,234,306		1,234,306	
16.2 Net deferred tax asset	1,924,957	1,473,830	451,127	476,983
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0 )				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 0 ) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	1,149,418	1,149,418		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	52,098,750	3,702,637	48,396,113	64,288,964
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	52,098,750	3,702,637	48,396,113	64,288,964

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Accounts Receivable & Prepaids	1,149,418	1,149,418		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,149,418	1,149,418		

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	1,953,953	1,609,630
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	17,966,320	18,669,505
3. Aggregate of other reserves required by law		
4. Supplemental reserve (Part 2B, Col. 4, Line 12)		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	622,114	701,587
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	475,149	519,559
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		306,603
8.2 Net deferred tax liability		
9. Borrowed money \$ 0 and interest thereon \$ 0		
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance		
12. 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	3,937	
15. Provision for unauthorized reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	1,148,045	5,343,170
19. Payable for securities		
20. Aggregate write-ins for other liabilities		
21. Total liabilities (Lines 1 through 20)	22,169,518	27,150,054
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	3,103,590	3,103,590
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	1,186,658	1,186,658
28. Unassigned funds (surplus)	21,936,344	32,848,662
29. Less treasury stock, at cost:		
29.1 0 shares common (value included in Line 23 \$ 0 )		
29.2 0 shares preferred (value included in Line 24 \$ 0 )		
30. Surplus as regards policyholders (Lines 22 to 28 less 29)(Page 4, Line 32)	26,226,592	37,138,910
31. Totals (Page 2, Line 26, Col. 3)	48,396,110	64,288,964

<b>DETAILS OF WRITE-INS</b>		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 3 above)		
2001.		
2002.		
2003.		
2098. Summary of remaining write-ins for Line 20 from overflow page		
2099. Totals (Lines 2001 through 2003 plus 2098) (Line 20 above)		
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		

<b>OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME</b>		1	2
		Current Year	Prior Year
<b>OPERATING INCOME</b>			
1. Title insurance and related income (Part 1):			
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)		94,868,291	113,151,577
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)			93,597
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)		57	1,244
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)		94,868,348	113,246,418
<b>DEDUCT:</b>			
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		4,542,653	2,516,764
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)		89,228,814	104,957,986
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions		93,771,467	107,474,750
8. Net operating gain or (loss) (Lines 3 minus 7)		1,096,881	5,771,668
<b>INVESTMENT INCOME</b>			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,958,503	16,895,821
10. Net realized capital gains (losses) less capital gains tax of \$ 497,377 (Exhibit of Capital Gains (Losses))		920,620	(1,006,275)
11. Net investment gain (loss) (Lines 9 + 10)		2,879,123	15,889,546
<b>OTHER INCOME</b>			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)		3,976,004	21,661,214
14. Federal and foreign income taxes incurred		677,100	2,400,200
15. Net income (Lines 13 minus 14)		3,298,904	19,261,014
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)		37,138,910	34,999,574
17. Net income (from Line 15)		3,298,904	19,261,014
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		(1,500,982)	(11,145,248)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income tax		597,601	(672,717)
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)		(62,905)	(109,744)
22. Change in provision for unauthorized reinsurance (Page 3, Line 15, Cols. 2 minus 1)			
23. Change in supplemental reserves (Page 3, Line 4, Cols. 2 minus 1)			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in			
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		(13,244,936)	(6,900,000)
29. Change in treasury stock (Page 3, Lines (29.1) and (29.2), Cols. 2 minus 1)			
30. Aggregate write-ins for gains and losses in surplus			1,706,031
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)		(10,912,318)	2,139,336
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)		26,226,592	37,138,910

<b>DETAILS OF WRITE-INS</b>			
0201. ....			
0202. ....			
0203. ....			
0298. Summary of remaining write-ins for Line 2 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)			
0601. ....			
0602. ....			
0603. ....			
0698. Summary of remaining write-ins for Line 6 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)			
1201. ....			
1202. ....			
1203. ....			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			
3001. Correction of prior year's state tax expense net of federal tax expense			1,706,031
3002. ....			
3003. ....			
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			1,706,031

## CASH FLOW

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	94,384,863	111,947,136
2. Net investment income	2,364,233	17,290,668
3. Miscellaneous income	57	94,841
4. Total (Lines 1 through 3)	96,749,153	129,332,645
5. Benefit and loss related payments	4,198,333	3,650,049
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	89,348,758	107,121,651
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	2,715,385	1,390,216
10. Total (Lines 5 through 9)	96,262,476	112,161,916
11. Net cash from operations (Line 4 minus Line 10)	486,677	17,170,729
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	39,961,387	23,223,476
12.2 Stocks	5,872,505	25,330,596
12.3 Mortgage loans	1,366	3,057
12.4 Real estate		
12.5 Other invested assets		1,350,500
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	45,835,258	49,907,629
13. Cost of investments acquired (long-term only):		
13.1 Bonds	38,565,659	25,261,225
13.2 Stocks	3,000,826	23,936,825
13.3 Mortgage loans		
13.4 Real estate	26,100	
13.5 Other invested assets		
13.6 Miscellaneous applications	(52,104)	
13.7 Total investments acquired (Lines 13.1 to 13.6)	41,540,481	49,198,050
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)	4,294,777	709,579
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	13,244,936	6,900,000
16.6 Other cash provided (applied)	(3,893,543)	(3,144,528)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(17,138,479)	(10,044,528)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(12,357,025)	7,835,780
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	14,098,088	6,262,308
19.2 End of year (Line 18 plus Line 19.1)	1,741,063	14,098,088

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

20.0001. Dividend of common stock of subsidiary, lines 12.2 and 16.5	2,244,936	
20.0002.		
20.0003.		

**OPERATIONS AND INVESTMENT EXHIBIT**

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

	1 Direct Operations	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written		42,145,575	52,072,753	94,218,328	112,048,894
2. Escrow and settlement service charges		X X X	X X X		93,597
3. Other title fees and service charges (Part 1C, Line 5)	57	X X X	X X X	57	1,244
4. Totals (Lines 1 + 2 + 3)	57	42,145,575	52,072,753	94,218,385	112,143,735

**PART 1B - PREMIUMS EARNED EXHIBIT**

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	94,218,328	112,048,894
1.2 Assumed	73,105	31,603
1.3 Ceded	126,328	
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	94,165,105	112,080,497
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	18,669,506	19,740,587
2.2 Additions during the current year	3,027,600	3,348,058
2.3 Withdrawals during the current year	3,730,786	4,419,139
2.4 Other adjustments to statutory premium reserves		
2.5 Balance at December 31 current year	17,966,320	18,669,506
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	94,868,291	113,151,578

**PART 1C - OTHER TITLE FEES AND SERVICE CHARGES**

	1 Current Year	2 Prior Year
1. Title examinations		
2. Searches and abstracts		
3. Surveys		
4. Aggregate write-ins for service charges	57	1,244
5. Totals	57	1,244

DETAILS OF WRITE-INS		
0401. Other Income	57	1,244
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Total (Lines 0401 through 0403 plus 0498) (Line 4 above)	57	1,244

**OPERATIONS AND INVESTMENT EXHIBIT  
PART 2A - LOSSES PAID AND INCURRED**

	1  Direct Operations	Agency Operations		4  Total Current Year (Cols. 1+2+3)	5  Total Prior Year
		2  Non-Affiliated Agency Operations	3  Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage		2,364,075	1,360,019	3,724,094	3,087,564
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage					
3. Total (Line 1 plus Line 2)		2,364,075	1,360,019	3,724,094	3,087,564
4. Deduct: Recovered during year from reinsurance					
5. Net payments (Line 3 minus Line 4)		2,364,075	1,360,019	3,724,094	3,087,564
6. Known claims reserve - current year (Page 3, Line 1, Column 1)		1,549,064	404,889	1,953,953	1,609,630
7. Known claims reserve - prior year (Page 3, Line 1, Column 2)		1,114,445	495,185	1,609,630	2,742,915
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7)		2,798,694	1,269,723	4,068,417	1,954,279
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)		301,048	173,188	474,236	562,485
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)		3,099,742	1,442,911	4,542,653	2,516,764



**OPERATIONS AND INVESTMENT EXHIBIT**  
**PART 2B - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

	1  Direct Operations	Agency Operations		4  Total Current Year (Cols. 1 + 2 + 3)	5  Total Prior Year
		2  Non-Affiliated Agency Operations	3  Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received:					
1.1 Direct (Schedule P, Part 1, Line 12, Col. 17)		1,549,064	404,889	1,953,953	1,609,630
1.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 18)					
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Col. 19)					
3. Known claims reserve (Line 1.1 plus Line 1.2 minus Line 2)		1,549,064	404,889	1,953,953	1,609,630
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		6,833,000	3,082,000	9,915,000	7,513,000
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)					
4.4 Net incurred but not reported		6,833,000	3,082,000	9,915,000	7,513,000
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X	1,407,000	X X X
6. Less discount for time value of money, if allowed (Sch. P, Part 1, Line 12, Col. 33)	X X X	X X X	X X X		X X X
7. Total Schedule P reserves (Lines 3 + 4.4 + 5 - 6)(Sch. P, Part 1, Line 12, Col. 35)	X X X	X X X	X X X	13,275,953	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	17,966,320	X X X
9. Aggregate of other reserves required by law	X X X	X X X	X X X		X X X
10. Gross supplemental reserve (a) (Lines 7 - (3 + 8 + 9))	X X X	X X X	X X X		X X X
11. Unrecognized Schedule P transition obligation	X X X	X X X	X X X		X X X
12. Net recognized supplemental reserve (Lines 10 - 11)	X X X	X X X	X X X		X X X

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

**OPERATIONS AND INVESTMENT EXHIBIT**  
**PART 3 - EXPENSES**

	Title and Escrow Operating Expenses				5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	Totals	
	1 Direct Operations	Agency Operations		4 Total (Cols. 1 + 2 + 3)				8 Current Year (Cols. 4 + 5 + 6 + 7)	9 Prior Year
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations						
1. Personnel costs:									
1.1 Salaries		1,813,234	460,508	2,273,742	322,480		2,596,222	2,681,803	
1.2 Employee relations and welfare		146,691	28,889	175,580	29,403		204,983	306,347	
1.3 Payroll taxes		105,804	32,012	137,816	23,238		161,054	162,334	
1.4 Other personnel costs		7,107	5,673	12,780	1,423		14,203	9,376	
1.5 Total personnel costs		2,072,836	527,082	2,599,918	376,544		2,976,462	3,159,860	
2. Amounts paid to or retained by title agents		35,833,806	44,261,840	80,095,646			80,095,646	95,305,206	
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts		9	12	21	474		495		
3.2 Surveys									
3.3 Other									
4. Advertising		151,150	7,160	158,310			158,310	230,908	
5. Boards, bureaus and associations									
6. Title plant rent and maintenance		(28,382)	(35,124)	(63,506)			(63,506)	(3,663)	
7. Claim adjustment services									
8. Amounts charged off, net of recoveries		33,087		33,087			33,087	39,686	
9. Marketing and promotional expenses		135,987	274	136,261			136,261	67,338	
10. Insurance		31,742	7,085	38,827	1,897		40,724	104,671	
11. Directors' fees									
12. Travel and travel items		603,992	113,303	717,295	9,959		727,254	635,005	
13. Rent and rent items		188,756	150,680	339,436	51,692		391,128	409,841	
14. Equipment		246,027	273,713	519,740	6,639		526,379	566,485	
15. Cost or depreciation of EDP equipment and software		514,511	627,964	1,142,475	2,371		1,144,846	1,442,230	
16. Printing, stationery, books and periodicals		209,316	131,500	340,816	11,856		352,672	322,256	
17. Postage, telephone, messengers and express		229,666	186,594	416,260	8,536		424,796	441,856	
18. Legal and auditing		445,422	504,087	949,509	2,845		952,354	689,987	
19. Totals (Lines 1.5 to 18)		40,667,925	46,756,170	87,424,095	472,813		87,896,908	103,411,666	
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes		642,018	793,242	1,435,260			1,435,260	1,620,086	
20.2 Insurance department licenses and fees		59,088	72,004	131,092			131,092	128,723	
20.3 Gross guaranty association assessments									
20.4 All other (excluding federal income and real estate)		500	402	902			902	254,990	
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)		701,606	865,648	1,567,254			1,567,254	2,003,799	
21. Real estate expenses									
22. Real estate taxes						28,762	28,762	(79,766)	
23. Aggregate write-ins for miscellaneous expenses		148,096	89,366	237,462	1,423		238,885	105,008	
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)		41,517,627	47,711,184	89,228,811	474,236	28,762	89,731,809	105,440,707	
25. Less unpaid expenses - current year			490,393	606,869	1,097,262		1,097,262	1,221,146	
26. Add unpaid expenses - prior year	6,878	536,784	677,484	1,221,146			1,221,146	3,464,577	
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	6,878	41,564,018	47,781,799	89,352,695	474,236	28,762	89,855,693	107,684,138	
<b>DETAILS OF WRITE-INS</b>									
2301. General and miscellaneous expense		148,096	89,366	237,462	1,423		238,885	105,008	
2302.									
2303.									
2398. Summary of remaining write-ins for Line 23 from overflow page									
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)		148,096	89,366	237,462	1,423		238,885	105,008	

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

**OPERATIONS AND INVESTMENT EXHIBIT  
PART 4 - NET OPERATING GAIN/LOSS EXHIBIT**

	1  Direct Operations	Agency Operations		4  Total (Cols. 1 + 2 + 3)	5  Other Operations	Totals	
		2  Non-affiliated Agency Operations	3  Affiliated Agency Operations			6  Current Year (Cols. 4 + 5)	7  Prior Year
1. Title insurance and related income (Part 1):							
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)		42,436,315	52,431,975	94,868,290		94,868,290	113,151,578
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)							93,597
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)	57			57		57	1,244
2. Aggregate write-ins for other operating income							
3. Total Operating Income (Lines 1.1 through 1.3 + 2)	57	42,436,315	52,431,975	94,868,347		94,868,347	113,246,419
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		3,099,742	1,442,911	4,542,653		4,542,653	2,516,764
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 + 6)		41,517,627	47,711,184	89,228,811		89,228,811	104,957,988
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)		44,617,369	49,154,095	93,771,464		93,771,464	107,474,752
8. Net operating gain or (loss) (Lines 3 minus 7)	57	(2,181,054)	3,277,880	1,096,883		1,096,883	5,771,667
<b>DETAILS OF WRITE-INS</b>							
0201.							
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)							
0601.							
0602.							
0603.							
0698. Summary of remaining write-ins for Line 6 from overflow page							
0699. Totals (Lines 0601 through 0603 plus 0698)							

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 709,907	617,839
1.1 Bonds exempt from U.S. tax	(a) 808,200	851,072
1.2 Other bonds (unaffiliated)	(a) 382,132	406,788
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	20,978	20,978
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 710	710
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 205,603	205,603
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	2,095	2,095
10. Total gross investment income	2,129,625	2,105,085

11. Investment expenses		(g) 117,820
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 28,762
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		146,582
17. Net investment income (Line 10 minus Line 16)		1,958,503

DETAILS OF WRITE-INS		
0901. Interest on refund	2,095	2,095
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)	2,095	2,095
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

- (a) Includes \$ 19,940 accrual of discount less \$ 401,133 amortization of premium and less \$ 162,496 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	23,647		23,647		
1.1 Bonds exempt from U.S. tax	(2,098)		(2,098)		
1.2 Other bonds (unaffiliated)	(88)		(88)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	3,618	(550,219)	(546,601)	(292,315)	
2.21 Common stocks of affiliates	1,943,136		1,943,136	(1,208,667)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,968,215	(550,219)	1,417,996	(1,500,982)	

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	14,586	14,586	
3.2 Other than first liens	5,741	7,108	1,367
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	8,865	8,865	
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)	29,192	30,559	1,367
11. Title plants ( for Title insurers only )	22,830	32,928	10,098
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	1,027,367	1,290,928	263,561
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	1,473,830	850,373	(623,457)
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	1,149,417	1,434,945	285,528
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,702,636	3,639,733	(62,903)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	3,702,636	3,639,733	(62,903)

<b>DETAILS OF WRITE-INS</b>			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Accounts Receivable & Prepays	1,149,417	1,434,945	285,528
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,149,417	1,434,945	285,528

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies:

The financial statements of Alamo Title Insurance are presented on the basis of accounting practices prescribed or permitted by the State of Texas Department of Insurance.

#### A. Accounting Practices:

To the extent possible, the accompanying financial statements have been prepared in substantial conformity with the NAIC Accounting Practices and Procedures manual, except where the laws of the State of Texas differ. Significant variances between Texas basis of accounting and NAIC SAP are: investments in title plants are limited in Texas to 100% of an insurer's capital stock, with the approval of the Commissioner, with a limit of one plant per county, as compared to NAIC SAP which allows the lesser of 20% of admitted assets or 40% of surplus, without a per county limitation; and recovery rates on amounts set aside in the statutory premium reserves differ.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Texas is shown below:

	<u>12/31/2007</u>	<u>12/31/2006</u>
Net Income, Texas Basis	3,298,904	19,261,014
State Prescribed/Permitted Practices (Income):		
Statutory Premium Reserve Recovery, net of tax	180,185	199,194
Net Income, NAIC SAP basis	3,479,089	19,460,208
Statutory Surplus, Texas Basis	26,226,592	37,138,911
State Prescribed/Permitted Practices (Surplus):		
Statutory Premium Reserve	1,384,906	1,204,721
Title Plants	22,830	32,928
Statutory Surplus, NAIC SAP Basis	27,634,328	38,376,560

#### B. Use of Estimates in the Preparation of the Financial Statements:

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy:

A portion of title insurance premiums written, escrow fees and other title fees is deferred and set aside in the statutory premium reserve which is computed and amortized in accordance with accounting practices prescribed by the Texas Department of Insurance. The remaining portion of title insurance premiums, escrow fees and other title fees are recognized at the time of the closing of the related real estate transaction.

Amounts paid to or retained by title agents are recognized as an expense when incurred.

In addition, the company uses the following accounting policies:

- (1) Short term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the effective interest method with exception to those bonds with a NAIC designation of 3-6, which are stated at the lower of amortized cost or market value.
- (3) Unaffiliated common stock holdings are stated at NAIC market value.
- (4) Preferred stocks are stated at NAIC market value with exception to the preferred stock with a NAIC designation of 3-6, which are stated at the lower of cost or market.
- (5) Mortgage Loans on Real Estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at amortized cost or the lower of amortized cost or market value.
- (7) Investment in Subsidiaries, Controlled or Affiliated Companies are valued using the underlying statutory equity, as adjusted, or audited GAAP equity, as appropriate for each individual investment.
- (8) Interest in Joint Ventures are valued based on the underlying audited GAAP equity of the investee, and may include adjustments for certain non-admitted assets depending on the ownership interest in the investee and the nature of the joint venture.

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**NOTES TO FINANCIAL STATEMENTS**


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(9) Derivatives - None

(10) Anticipated investment income to be used as a factor in a premium deficiency calculation - None

(11) Unpaid losses and loss adjustment expense include an amount determined from individual case estimates and loss reports. Such liabilities are necessarily based on assumptions and estimates. While management believes the amount is adequate, the ultimate liability maybe in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

**2. Accounting Changes and Correction of Errors:**

A. Not applicable

**3. Business Combinations and Goodwill:**

Non-applicable.

**4. Discontinued Operations:**

Non-applicable.

**5. Investments:**

A. Mortgage Loans – Non-applicable

B. Debt Restructuring – Non-applicable

C. Reverse Mortgages – Non-applicable

D. Loan Backed Securities

Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from broker dealer survey values or internal estimates.

A broker market analysis was used in determining the market value of its loan-back securities.

E. Repurchase Agreements – Non Applicable

**6. Joint Ventures, Partnerships and Limited Liability Companies:**

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

**7. Investment Income:**

There was no due and accrued income excluded in the financial statements.

**8. Derivative Instruments:**

None

**9. Income Taxes:**

**A. The components of the net DTA recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:**

	12.31.2007	12.31.2006
(1) Total of gross deferred tax assets	2,224,821	1,648,363
(2) Total of deferred tax liabilities	(299,864)	(321,007)
Net deferred tax asset	1,924,957	1,327,356
(3) Deferred tax asset nonadmitted	(1,473,830)	(850,373)
(4) Net admitted deferred tax asset	451,128	476,983
(5) Increase(decrease) in nonadmitted asset	623,457	

**B. Deferred tax liabilities are not recognized for the following amounts – Non-applicable**

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

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**NOTES TO FINANCIAL STATEMENTS**


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	12.31.2007	12.31.2006
Federal	677,100	2,400,200
Foreign	0	0
Sub-total	677,100	2,400,200
Capital Gains Tax	497,377	(541,840)
Federal income taxes incurred	1,174,476	1,858,360

**The main components of the deferred tax amounts are as follows:**

	Statutory	Tax	Difference	Tax Effect
Deferred tax assets:				
Discounting of reserves		3,953,608	(3,953,608)	1,383,763
Reserve Accruals	(142,593)		(142,593)	49,908
Employee Benefits	(272,539)		(272,539)	95,389
State Taxes	0		0	0
Partnership	(69,186)		(69,186)	24,215
Unrealized Loss	(246,443)		(246,443)	86,255
Amortization/Depreciation	0		0	0
Other	0	1,672,262	(1,672,262)	585,292
Total deferred tax assets	(730,761)	5,625,870	(6,356,631)	2,224,821
Nonadmitted deferred tax assets			4,210,942	(1,473,830)
Admitted deferred tax assets			(2,145,689)	750,991
				0
Deferred tax liabilities:				0
Unrealized Gains	0		0	0
Amortization/Depreciation		(819,367)	819,367	(286,778)
Other	37,386		37,386	(13,085)
Total deferred tax liabilities	37,386	(819,367)	856,753	(299,864)
Net admitted deferred tax asset			(1,288,936)	451,128

**The changes in main components of DTAs and DTLs are as follows:**

	12.31.2007	12.31.2006	Change
Deferred tax assets:			
Discounting of reserves	1,383,763	1,481,030	(97,267)
Reserve Accruals	49,908	37,615	12,293
Employee Benefits	95,389	105,503	(10,114)
State Taxes	0	0	0
Partnership	24,215	24,215	0
Unrealized Loss	86,255	0	86,255
Amortization/Depreciation	0	0	0
Other	585,292	0	585,292
Total deferred tax assets	2,224,821	1,648,363	576,458
Nonadmitted deferred tax assets	(1,473,830)	(850,373)	(623,457)
Admitted deferred tax assets	750,991	797,990	(46,999)
Deferred tax liabilities:			
Unrealized Gains	0	(16,055)	16,055
Amortization/Depreciation	(286,778)	(290,431)	3,653
Other	(13,085)	(14,520)	1,435
Total deferred tax liabilities	(299,864)	(321,007)	21,143
Net admitted deferred tax asset	451,128	476,983	(25,855)

**D. Among the more significant book to tax adjustments were the following:**

	Amount	Tax Effect
Income before taxes	3,976,004	1,391,601
Capital (Gain)/Loss Adjustment	(921,697)	(322,594)
Tax exempt income deduction	(737,716)	(258,201)
Dividends received deduction	(10,859)	(3,801)
Distribution of ATC	1,943,136	(680,098)
Meals & Entertainment	143,845	50,346
Other non deductible adjustments	14,726	5,154
Subtotal after permanent differences	521,170	182,408
Temporary differences and prior year adjustments	1,413,400	494,691
Taxable Income/Current Tax	1,934,570	677,100



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**NOTES TO FINANCIAL STATEMENTS**


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**E. (1)** The Company does not have any capital loss or operating loss carry forwards.

**E.(2)** The amount of Federal income taxes incurred and available for recoupment in the event of future net losses is:

2007	1,174,476
2006	1,858,360
2005	2,188,897

**F.** The Company is included in a consolidated federal income tax return with its parent company, Fidelity National Financial, Inc. (See organizational chart on Schedule Y for a complete listing of the Fidelity National Financial consolidated group). The Company has a written agreement, approved by the Company's Board of Directors, which set forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. The written agreement also provides that each entity in Fidelity's consolidated group compute their tax as though the entity pays tax on a stand alone basis.

**10. Information Concerning Parent, Subsidiaries and Affiliates:**

**A.** The Company is a member of a holding company group, as disclosed on Schedule Y Part 1 of this Quarterly Statement.

During 2006, following appropriate corporate and regulatory approvals, the Board of Directors of FNF effectuated a corporate restructuring which eliminated the existing holding company of FNF. On October 24, 2006, FNF transferred insurance and other assets to FNT, in exchange for shares of FNT stock. FNF shareholders then received all shares of FNT stock owned by FNF upon the closing of the transaction. FNT became a stand alone public company. On November 9, 2006, FNF merged with and into its remaining subsidiary, Fidelity National Information Services (FIS), and subsequently FNT changed its name to Fidelity National Financial, Inc (new FNF) on November 10, 2006. Both FIS and the new FNF are now separate publicly traded companies. This restructuring did not have a material effect on the financial condition of the Company.

**B.** A summary of material transactions between the Company and its parent, subsidiaries and affiliates is disclosed on Schedule Y Part 2 of the Annual Statement.

On June 30, 2006, the outstanding collateral loan receivable from Fidelity National Financial, Inc, with a remaining principal balance of \$1,350,000, was repaid in full.

**C.** The dollar amount of these transactions is disclosed on Schedule Y Part 2 of the Annual Statement.

**D.** At December 31, 2007 and December 31, 2006, the Company had a receivable from the parent and/or other related parties totaling \$0 and \$0, respectively, and a payable to the parent and/or other related parties of \$1,148,045 and \$5,343,170, respectively. Intercompany balances are generally settled on a monthly basis.

**E** There are no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that could result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities.

**F.** The Company has several service agreements and cost sharing arrangements with its affiliates. These arrangements are based on a straight pass-through allocation of actual costs incurred by the insurer. The balances on these arrangements are shown on Schedule Y of the Annual Statement.

**G.** Alamo Title Holding Company, domiciled in the State of Texas, owns 100% of the outstanding shares of the Company.

**H.** The Company owns no shares of stock of its ultimate parent.

**I.** The Company owns no shares of stock of affiliated or related parties.

**J.** Impairment write downs – None

**K.** Foreign insurance company subsidiaries – not applicable

**11. Debt:**

The Company has no debt.

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**NOTES TO FINANCIAL STATEMENTS**

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**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:**

- A. Defined Benefit Plan - None
- B. Defined Contribution Plan – None
- C. Multi-employer Plan – None
- D. Consolidated/Holding Company Plans – The Company’s employees are covered under a qualified voluntary contributory savings plan (“401(k) Plan”) sponsored by FNF. Under the plan, participating employees make contributions of up to 40% from pre-tax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code, into individual accounts that are generally not available until the employee reaches age 59 ½. The Company matches participants’ contributions at a rate of 50% of the first 6% of compensation. Matching contributions of \$30,980 and \$31,327 were made in 2007 and 2006, respectively.

The Company’s employees are covered to participate in an Employee Stock Purchase Plan (“ESPP”). Under this plan, eligible employees may voluntarily purchase, at current market prices, shares of FNF’s common stock through payroll deduction. Pursuant to the ESPP Plans, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. The Company contributes varying amounts as specified in the ESPP Plan. The Company’s cost of its employer matching contributions for the years 2007 and 2006 were \$24,602 and \$24,313.

Certain Company officers are participants in the 1987, 1991, 1993, 1998, 2001 and 2004 Executive Incentive Stock Option Plans and the 2005 Omnibus Incentive Plan (the “Plans”) sponsored by FNF. Under the Plans, participants have the option to purchase shares of FNF stock at annually declining share prices. Options granted under these plans expire within a specified period from the grant date. The 2005 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, and other cash and stock-based awards and dividend equivalents. There is no material effect on the Company’s financial statements as a result of the creation of these Plans.

The Company’s employees are covered to participate in certain health care and life insurance benefits for retired employees, provided they meet specific eligibility requirements. The costs of these benefit plans are accrued during the periods the employees render service. The Company is both self-insured and fully insured for its postretirement health care and life insurance benefit plans, and the plans are not funded. The health care plans provide for insurance benefits after retirement and are generally contributory, with contributions adjusted annually. Postretirement life insurance benefits are contributory, with coverage amounts declining with increases in a retiree’s age. The Company experienced net health care and life insurance cost of \$0 during 2007 and 2006 .

Certain Company employees and directors may be eligible to participate in a non-qualified deferred compensation plan sponsored by the Company’s ultimate parent, FNF. Selected participants may elect to defer an annual amount of salary, bonus, commissions and/or directors’ fees for a minimum of \$25,000 and a maximum of 100%. Plan assets are maintained by a trust established by the sponsor, and there is no expense to the Company in connection with this plan.

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations:**

- A. The Company has 1,600,000 shares of common stock authorized, 1,241,436 shares issued and outstanding. The par value per share is \$2.50.
- B. The Company has no preferred stock outstanding.
- C. The maximum amount of dividends which can be paid by Texas domiciled title insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions related to statutory surplus. No dividends, including all dividends paid in the preceding twelve months, which exceed the greater of 20% of the statutory surplus or 100% of net income for the preceding year, can be paid without prior approval. The maximum dividend payout which may be made without prior approval in 2008 is \$5,245,318. Following timely notice to the Texas Department of Insurance, the Company paid cash dividends totaling \$6,900,000 during 2006. Following timely notice to the Texas Department of Insurance, the Company paid cash dividends of \$11,000,000 and non-cash dividends of \$2,244,936 through December 31, 2007. All dividends were ordinary dividends.
- D. Within the limitations of (C) above, there are no restrictions on the portion of the Company’s profits that may be paid as ordinary dividends to shareholders.
- E. The Company has no restrictions placed on unassigned funds (surplus).
- F. Advances to surplus not repaid – Non-applicable.

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## NOTES TO FINANCIAL STATEMENTS

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- G. The Company holds no stock for any option or employee benefit plans.
- H. Changes in balances in special surplus funds – Non-applicable
- I. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(246,443).
- J. Surplus Notes – None
- K. Quasi-reorganization – Non-applicable

### **14. Contingencies:**

- A. Contingent Commitments – None
- B. Assessments – Non-applicable
- C. Gain Contingencies - None
- D. All Other Contingencies:

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our operations, some of which include claims for punitive or exemplary damages. We believe that no actions, other than those listed below, depart from customary litigation incidental to its business and that the resolution of all pending and threatened litigation will not have a material effect on our results of operations, financial position or liquidity.

As background to the disclosure below, please note the following:

These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including but not limited to the underlying facts of each matter, novel legal issues, variations between jurisdictions in which matters are being litigated, differences in applicable laws and judicial interpretations, the length of time before many of these matters might be resolved by settlement or through litigation and, in some cases, the timing of their resolutions relative to other similar cases brought against other companies, the fact that many of these matters are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined, the fact that many of these matters involve multi-state class actions in which the applicable law for the claims at issue is in dispute and therefore unclear, and the current challenging legal environment faced by large corporations and insurance companies.

In these matters, plaintiffs seek a variety of remedies including equitable relief in the form of injunctive and other remedies and monetary relief in the form of compensatory damages. In most cases, the monetary damages sought include punitive or treble damages. Often more specific information beyond the type of relief sought is not available because plaintiffs have not requested more specific relief in their court pleadings. In addition, the dollar amount of damages sought is frequently not stated with specificity. In those cases where plaintiffs have made a statement with regard to monetary damages, they often specify damages either just above or below a jurisdictional limit regardless of the facts of the case. These limits represent either the jurisdictional threshold for bringing a case in federal court or the maximum they can seek without risking removal from state court to federal court. In our experience, monetary demands in plaintiffs' court pleadings bear little relation to the ultimate loss, if any, we may experience.

For the reasons specified above, it is not possible to make meaningful estimates of the amount or range of loss that could result from these matters at this time. We review these matters on an on-going basis and follow the provisions of SFAS No. 5, "Accounting for Contingencies" when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, we base our decision on our assessment of the ultimate outcome following all appeals.

In the opinion of management, while some of these matters may be material to our operating results for any particular period if an unfavorable outcome results, none will have a material adverse effect on our overall financial condition.

The Company gets inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies from time to time about various matters relating to its business. Sometimes these take the form of civil investigative subpoenas. The Company attempts to cooperate with all such inquiries. From time to time, the Company is assessed fines for violations of regulations or other matters or enters into settlements with such authorities which require the Company to pay money or take other actions.

### **15. Leases:**

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**NOTES TO FINANCIAL STATEMENTS**


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The Company is a party to a number of long-term non-cancelable operating leases for certain facilities, furniture and equipment which expire from 2008 to 2012. Rental expense for the years 2007 and 2006 was \$240,493 and \$332,490, respectively. At December 31, 2007, the minimum rental commitments under all such leases with initial or remaining terms of more than one year, exclusive of any additional amounts that may become due under escalation clauses, are:

2008	135,241
2009	138,006
2010	135,286
2011	72,838
2012 & beyond	7,767
	489,138

**16. Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk:**

None

**17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities:**
**Securities Lending Activity:**

The Company has entered into a Securities Lending Agreement (“the Agreement”) with Bank of New York (“BNY”), whereby it lends certain securities to certain BNY customers. The loaned securities remain assets of the Company. The Company receives cash collateral having a fair market value as of the transaction date at least equal to 102% of the fair value of loaned securities. A liability is established for the return of the collateral.

As of December 31, 2007, the fair value of securities loaned was as follows: Long term bonds, \$0.

As of December 31, 2007, the Company held the following collateral associated with securities lending transactions: cash equivalents, \$0.

**18. Gains or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans:**

Non-applicable

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:**

Non-applicable

**20. Other Items:**

A. Extraordinary Items – None

B. Troubled Debt Restructuring – None

C. Other Disclosures:

- (1) Assets in the amount of \$258,935 at December 31, 2007 were on deposit with government authorities or trustees as required by law.

D. Uncollectible Balances – Not applicable

E. Business Interruption Insurance Recoveries – Not applicable

F. State Transferable Tax Credits – None

G. Amount of Deposits under Section 6603 of IRS Code – None

H. Hybrid Securities – Not applicable

I. Subprime Exposure

The subprime lending sector, also referred to as B-paper, near-prime, or second chance lending, is the sector of the mortgage lending industry which lends to borrowers who do not qualify for prime market interest rates because of poor or insufficient credit history. The term also refers to paper taken on property that cannot be sold on the primary market, including loans on certain types of investment properties and certain types of self-employed individuals. Instability in the domestic and international credit markets due to problems in the subprime sector dictates the need for additional information related to exposure to subprime mortgage related

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**NOTES TO FINANCIAL STATEMENTS**

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risk.

For purposes of this disclosure, subprime exposure is defined as the potential for financial loss through direct investment, indirect investment, or underwriting risk associated with risk from the subprime lending sector. For purposes of this note, subprime exposure is not limited solely to the risk associated with holding direct mortgage loans, but also includes any indirect risk through investments in debt securities, asset backed or structured securities, hedge funds, common stock, subsidiaries and affiliates, and insurance product issuance. Although it can be difficult to determine the indirect risk exposures, it should be noted that not only does it include expected losses, it also includes the potential for losses that could occur due to significantly depressed fair value of the related assets in an illiquid market.

As it relates to the exposure described above, the following information is disclosed:

- (1) Direct exposure through investments in subprime mortgage loans – None
- (2) Indirect exposure to subprime mortgage risk through investments in the following securities – None
- (3) Underwriting exposure to subprime mortgage risk – None
- (4) The Company monitors its investments and the portfolio's performance on a continuous basis. The process comprises an analysis of 30, 60, and 90 day delinquency rates, cumulative net losses and levels of subordination, all of which are updated on a monthly basis, where applicable.

**21. Events Subsequent:**

None

**22. Reinsurance:**

- A. Unsecured Reinsurance Recoverable – None
- B. Reinsurance in Dispute – None
- C. Reinsurance Assumed or Ceded – Non-applicable
- D. Uncollectible Reinsurance – None
- E. Commutation of Ceded Reinsurance – None
- F. Retroactive Reinsurance – None
- G. Reinsurance Accounted for as Deposit - None

**23. Retrospectively Rated Contracts:**

None

**24. Change in Incurred Losses and Loss Adjustment Expenses:**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$344,323 from \$1,609,630 in 2006 to \$1,953,953 in 2007 as a result of re-estimation of unpaid losses and loss adjustment expenses. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**25. Inter-company Pooling Arrangements:**

None

**26. Structured Settlements:**

None

**27. Supplemental Reserve:**

None

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	2,597,220	5.900	2,597,220	5.900
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies	8,022,102	18.225	8,022,102	18.225
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	21,223,023	48.216	21,223,023	48.216
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	9,471,099	21.517	9,471,099	21.517
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	1,144,389	2.600	1,144,389	2.600
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	725,821	1.649	725,821	1.649
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)	89,700	0.204	89,700	0.204
6. Contract loans				
7. Receivables for securities	146,953	0.334	146,953	0.334
8. Cash, cash equivalents and short-term investments	596,674	1.356	596,674	1.356
9. Other invested assets				
10. Total invested assets	44,016,981	100.000	44,016,981	100.000

## 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 [ ]
- 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? TEXAS
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: 12/31/2005
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 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). 12/07/2006
- 3.4 By what department or departments? TEXAS DEPARTMENT OF INSURANCE

- 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 the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ X ] No [ ]
- 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 0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 KPMG LLC  
 ONE INDEPENDENT DRIVE, SUITE 2700, JACKSONVILLE FL 32202

10. 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? TIMOTHY L. SHILLING, FCAS, MAAA  
 601 RIVERSIDE AVE., JACKSONVILLE FL 32204  
 FIDELITY NATIONAL TITLE GROUP, INC.

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]
- |   |  |    |   |
|---|--|----|---|
| 11.11 Name of real estate holding company |  |    | 0 |
| 11.12 Number of parcels involved          |  |    | 0 |
| 11.13 Total book/adjusted carrying value  |  | \$ | 0 |

- 11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [X]

- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [X] N/A [ ]

- 13.1 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? Yes [X] No [ ]

- 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.

- 13.11 If the response to 13.1 is No, please explain:

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

- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s). Enhanced to reinforce company's core values, behavior, ethics and business practices.

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

- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

### BOARD OF DIRECTORS

14. 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 [X] No [ ]

15. 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 [ ]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |  |    |   |
|---|--|----|---|
| 18.11 To directors or other officers              |  |    | 0 |
| 18.12 To stockholders not officers                |  |    | 0 |
| 18.13 Trustees, supreme or grand (Fraternal only) |  | \$ | 0 |

- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |  |    |   |
|---|--|----|---|
| 18.21 To directors or other officers              |  |    | 0 |
| 18.22 To stockholders not officers                |  |    | 0 |
| 18.23 Trustees, supreme or grand (Fraternal only) |  | \$ | 0 |



## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 19.1 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]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- |       |                      |             |
|-------|----------------------|-------------|
| 19.21 | Rented from others   | \$ <u>0</u> |
| 19.22 | Borrowed from others | \$ <u>0</u> |
| 19.23 | Leased from others   | \$ <u>0</u> |
| 19.24 | Other                | \$ <u>0</u> |
- 20.1 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]
- 20.2 If answer is yes:
- |       |  |             |
|-------|--|-------------|
| 20.21 | Amount paid as losses or risk adjustment | \$ <u>0</u> |
| 20.22 | Amount paid as expenses                  | \$ <u>0</u> |
| 20.23 | Other amounts paid                       | \$ <u>0</u> |
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

- 22.1 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, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No [ ]
- 22.2 If no, give full and complete information, relating thereto
- 23.1 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 19.1). Yes [X] No [ ]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- |        |  |                   |
|--------|--|-------------------|
| 23.21  | Loaned to others                                 | \$ <u>0</u>       |
| 23.22  | Subject to repurchase agreements                 | \$ <u>0</u>       |
| 23.23  | Subject to reverse repurchase agreements         | \$ <u>0</u>       |
| 23.24  | Subject to dollar repurchase agreements          | \$ <u>0</u>       |
| 23.25  | Subject to reverse dollar repurchase agreements  | \$ <u>0</u>       |
| 23.26  | Pledged as collateral                            | \$ <u>0</u>       |
| 23.27  | Placed under option agreements                   | \$ <u>0</u>       |
| 23.28  | Letter stock or securities restricted as to sale | \$ <u>0</u>       |
| 23.29  | On deposit with state or other regulatory body   | \$ <u>258,935</u> |
| 23.291 | Other  | \$ <u>0</u>       |

23.3 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
- If no, attach a description with this statement.
- 25.1 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]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

26. Excluding items in Schedule E, 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 3, III Conducting Examinations, G - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

26.01 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
BNY Western Trust	700 S Flower St Suite 200 Los Angeles CA 90017

26.02 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)

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [ ] No [X]

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Managed In House	Matthew Hartmann	601 Riverside Ave Jacksonville FL
Managed In House	Sean Casey	601 Riverside Ave Jacksonville FL

27.1 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 [  ]

27.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		0
		0
		0
		0
27.2999	Total	0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		0	
		0	
		0	
		0	

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	42,457,832	42,884,272	426,440
28.2 Preferred stocks	0	0	0
28.3 Totals	42,457,832	42,884,272	426,440

28.4 Describe the sources or methods utilized in determining the fair values: Fair values determined based on guidelines set forth in NAIC Securities Valuation Manual, NAIC Annual Statement Instructions and when deemed necessary, information provided by market service organizations.

29.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes [  ] No [  ]

29.2 If no, list exceptions: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 32,991

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

1 Name	2 Amount Paid
Texas Land Title Association	\$ 23,310
American Land Title Association	\$ 9,088
	\$ 0

31.1 Amount of payments for legal expenses, if any? \$ (14,475)

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

31.2 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
Blackstone, Dilworth	\$ 13,000
	\$ 0
	\$ 0

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

\$ 14,396

32.2 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
Nick Kraji	\$ 10,764
	\$ 0
	\$ 0
	\$ 0

**GENERAL INTERROGATORIES**

**PART 2-TITLE INTERROGATORIES**

- 1. Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity? YES [ ] NO [X]
  
- 2. Largest net aggregate amount insured in any one risk. \$ 27,058,673
  
- 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 [X] NO [ ]
  
- 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	\$ <u>0</u>
	6.2	Balance to be advanced	\$ <u>0</u>
	6.3	Total amount to be loaned	\$ <u>0</u>
  
- 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. \$ 0
  
- 8. What is the aggregate amount of mortgage loans owned by the reporting entity which consist of co-ordinate interest in first liens? \$ 0
  
- 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	\$ <u>17,966,320</u>
	9.12	Short-term investments	\$ <u>0</u>
	9.13	Mortgages	\$ <u>0</u>
	9.14	Cash	\$ <u>0</u>
	9.15	Other admissible invested assets	\$ <u>0</u>
	9.16	Total	\$ <u>17,966,320</u>
  
- 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:	\$ <u>0</u>
	9.22	In cash on deposit	\$ <u>0</u>
	9.23	Other forms of security	\$ <u>0</u>

**FIVE-YEAR HISTORICAL DATA**

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

	1 2007	2 2006	3 2005	4 2004	5 2003
<b>Source of Direct Title Premiums Written (Part 1A)</b>					
1. Direct operations (Part 1A, Line 1, Col. 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	42,145,575	49,314,681	46,967,626	45,631,103	49,014,020
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)	52,072,753	62,734,213	62,319,933	67,701,809	84,245,770
4. Total	94,218,328	112,048,894	109,287,559	113,332,912	133,259,790
<b>Operating Income Summary (Page 4 &amp; Part 1)</b>					
5. Premiums earned (Part 1B, Line 3)	94,868,291	113,151,578	110,806,669	112,872,506	131,307,683
6. Escrow and settlement service charges (Part 1A, Line 2)		93,597	524,392	359,273	164,537
7. Title examinations (Part 1C, Line 1)					
8. Searches and abstracts (Part 1C, Line 2)					
9. Surveys (Part 1C, Line 3)					
10. Aggregate write-ins for service charges (Part 1C, Line 4)	57	1,244	660,505	959,126	618,493
11. Aggregate write-ins for other operating income (Page 4, Line 2)					
12. Total operating income (Page 4, Line 3)	94,868,348	113,246,419	111,991,566	114,190,905	132,090,713
<b>Statement of Income (Page 4)</b>					
13. Net operating gain or (loss) (Line 8)	1,096,881	5,771,668	5,320,805	4,452,793	2,232,274
14. Net investment gain or (loss) (Line 11)	2,879,123	15,889,546	1,707,560	1,905,100	3,664,609
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)	677,100	2,400,200	2,188,896	1,952,674	1,807,122
17. Net income (Line 15)	3,298,904	19,261,014	4,839,469	4,405,219	4,089,761
<b>Balance Sheet (Pages 2 and 3)</b>					
18. Title insurance premiums and fees receivable (Page 2, Line 13, Col. 3)	516,348	472,546	1,329,357	1,411,153	1,714,706
19. Total admitted assets excluding segregated accounts (Page 2, Line 24, Col. 3)	48,396,113	64,288,964	71,875,582	72,623,632	69,625,355
20. Known claims reserve (Page 3, Line 1)	1,953,953	1,609,630	2,742,915	2,362,879	2,055,956
21. Statutory premium reserve (Page 3, Line 2)	17,966,320	18,669,505	19,740,587	21,311,000	20,839,626
22. Total liabilities (Page 3, Line 21)	22,169,518	27,150,054	36,876,008	36,666,930	31,884,515
23. Capital paid up (Page 3, Lines 23 + 24)	3,103,590	3,103,590	3,103,590	3,106,590	3,106,590
24. Surplus as regards policyholders (Page 3, Line 30)	26,226,592	37,138,910	34,999,574	35,956,697	37,740,841
<b>Cash Flow (Page 5)</b>					
25. Net cash from operations (Line 11)	486,677	17,170,729	3,867,545	4,154,566	4,970,135
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)</b>					
(Item divided by Page 2, Line 10, Col. 3) x 100.0					
26. Bonds (Line 1)	93.9	70.5	62.0	65.1	66.4
27. Stocks (Lines 2.1 & 2.2)	1.6	6.1	26.6	25.4	23.2
28. Mortgage loans on real estate (Line 3.1 and 3.2)					0.1
29. Real estate (Lines 4.1, 4.2 & 4.3)	0.2	0.1	0.1		
30. Cash, cash equivalents and short-term investments (Line 5)	4.0	23.1	9.3	7.1	7.4
31. Contract loans (Line 6)					
32. Other invested assets (Line 7)			2.0	2.4	3.0
33. Receivable for securities (Line 8)	0.3	0.3			
34. Aggregate write-ins for invested assets (Line 9)					
35. Subtotals cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
36. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
37. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
38. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 1)		1,510,467	15,069,227	13,538,572	12,148,777
39. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 7)					
40. Affiliated mortgage loans on real estate					
41. All other affiliated			1,350,000	1,620,000	1,890,000
42. Total of above Lines 36 to 41		1,510,467	16,419,227	15,158,572	14,038,777
43. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 42 above divided by Page 3, Line 30, Col. 1 x 100.0)		4.1	46.9	42.2	37.2

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2007	2 2006	3 2005	4 2004	5 2003
<b>Capital and Surplus Accounts</b> (Page 4)					
44. Net unrealized capital gains or (losses) (Line 18)	(1,500,982)	(11,145,248)	(462,557)	1,012,204	4,904,614
45. Change in nonadmitted assets (Line 21)	(62,905)	(109,744)	(1,793,076)	263,391	268,663
46. Dividends to stockholders (Line 28)	(13,244,936)	(6,900,000)	(5,000,000)	(7,500,000)	(7,000,000)
47. Change in surplus as regards policyholders for the year (Line 31)	(10,912,318)	2,139,336	(957,123)	(1,784,144)	2,520,770
<b>Losses Paid and Incurred</b> (Part 2A)					
48. Net payments (Line 5, Col. 4)	3,724,094	3,087,564	2,664,435	2,540,164	2,181,770
49. Losses and allocated LAE incurred (Line 8, Col. 4)	4,068,417	1,954,279	3,044,471	2,847,088	2,588,332
50. Unallocated LAE incurred (Line 9, Col. 4)	474,236	562,485			
51. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	4,542,653	2,516,764	3,044,471	2,847,088	2,588,332
<b>Operating Expenses to Total Operating Income</b> (Part 3)(%) (Line item divided by Page 4, Line 3 x 100.0)					
52. Personnel costs (Part 3, Line 1.5, Col. 4)	2.7	2.4	3.4	3.2	3.0
53. Amount paid to or retained by title agents (Part 3, Line 2, Col. 4)	84.4	84.2	82.9	84.4	85.7
54. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	6.9	6.1	6.2	6.0	7.6
55. Total (Lines 52 to 54)	94.1	92.7	92.5	93.6	96.4
<b>Operating Percentages</b> (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
56. Losses and loss adjustment expenses incurred (Line 4)	4.8	2.2	2.7	2.5	2.0
57. Operating expenses incurred (Line 5)	94.1	92.7	92.5	93.6	96.4
58. Aggregate write-ins for other operating deductions (Line 6)					
59. Total operating deductions (Line 7)	98.8	94.9	95.2	96.1	98.3
60. Net operating gain or (loss) (Line 8)	1.2	5.1	4.8	3.9	1.7
<b>Other Percentages</b> (Line item divided by Part 1B, Line 1.4 x 100.0)					
61. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)	4.8	2.2	2.8	2.5	1.9
62. Operating expenses incurred to net premiums written (Page 4, Line 5)	94.8	93.6	94.9	94.3	95.5

**SCHEDULE D - SUMMARY BY COUNTRY**  
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description	1	2	3	4
	Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States .....	10,619,322	10,898,119	10,791,115
	2. Canada .....			
	3. Other Countries .....			
	4. Totals	10,619,322	10,898,119	10,791,115
States, Territories and Possessions (Direct and guaranteed)	5. United States .....	21,223,018	21,375,453	21,671,383
	6. Canada .....			
	7. Other Countries .....			
	8. Totals	21,223,018	21,375,453	21,671,383
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....			
	10. Canada .....			
	11. Other Countries .....			
	12. Totals			
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....			
	14. Canada .....			
	15. Other Countries .....			
	16. Totals			
Public Utilities (unaffiliated)	17. United States .....			
	18. Canada .....			
	19. Other Countries .....			
	20. Totals			
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	9,471,099	9,422,771	9,569,440
	22. Canada .....			
	23. Other Countries .....			
	24. Totals	9,471,099	9,422,771	9,569,440
Parent, Subsidiaries and Affiliates	25. Totals			
	<b>26. Total Bonds</b>	<b>41,313,439</b>	<b>41,696,343</b>	<b>42,031,938</b>
<b>PREFERRED STOCKS</b>				
Public Utilities (unaffiliated)	27. United States .....			
	28. Canada .....			
	29. Other Countries .....			
	30. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....			
	32. Canada .....			
	33. Other Countries .....			
	34. Totals			
Industrial and Miscellaneous (unaffiliated)	35. United States .....			
	36. Canada .....			
	37. Other Countries .....			
	38. Totals			
Parent, Subsidiaries and Affiliates	39. Totals			
	<b>40. Total Preferred Stocks</b>			
<b>COMMON STOCKS</b>				
Public Utilities (unaffiliated)	41. United States .....			
	42. Canada .....			
	43. Other Countries .....			
	44. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....			
	46. Canada .....			
	47. Other Countries .....			
	48. Totals			
Industrial and Miscellaneous (unaffiliated)	49. United States .....	725,821	725,821	972,265
	50. Canada .....			
	51. Other Countries .....			
	52. Totals	725,821	725,821	972,265
Parent, Subsidiaries and Affiliates	53. Totals			
	<b>54. Total Common Stocks</b>	<b>725,821</b>	<b>725,821</b>	<b>972,265</b>
	55. Total Stocks	725,821	725,821	972,265
	56. Total Bonds and Stocks	42,039,260	42,422,164	43,004,203

**SCHEDULE D - VERIFICATION BETWEEN YEARS**  
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year .....	<u>46,770,849</u>	7. Amortization of premium .....	<u>401,132</u>
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	<u>41,566,486</u>	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....	<u>19,940</u>	8.1 Column 15, Part 1 .....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2 Section 1 .....	
4.1 Columns 12 - 14, Part 1 .....		8.3 Column 16, Part 2, Section 2 .....	
4.2 Column 15 - 17, Part 2, Section 1 .....		8.4 Column 15, Part 4 .....	
4.3 Column 15, Part 2, Section 2 .....	<u>(878,009)</u>	9. Book/adjusted carrying value at end of current period .....	<u>42,039,264</u>
4.4 Column 11 - 13, Part 4 .....	<u>(1,173,192)</u>	10. Total valuation allowance .....	
5. Total gain (loss), Column 19, Part 4 .....	<u>1,968,214</u>	11. Subtotal (Lines 9 plus 10) .....	<u>42,039,264</u>
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....	<u>45,833,892</u>	12. Total nonadmitted amounts .....	
		13. Statement value of bonds and stocks, current period .....	<u>42,039,264</u>

**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	Loss Payments			Allocated LAE Payments			
							7 Direct	8 Assumed	9 Ceded	10 Direct	11 Assumed	12 Ceded	
1. Prior	X X X	599,977	4,028		519	603,486	10,343				2,984		
2. 1998	13,489	116,773	31		56	116,748	1,325				805		
3. 1999	14,496	103,548	49	82	46	103,633	1,113				344		
4. 2000	12,756	94,747	83	103	2	94,931	1,075				254		
5. 2001	13,483	99,333	96	237		99,666	2,780				1,051		
6. 2002	15,363	108,421	94	150	7	108,658	1,195				507		
7. 2003	20,161	133,260	34	783	10	134,067	2,977				587		
8. 2004	16,935	113,333	46	1,319	35	114,663	1,267				261		
9. 2005	17,469	109,288	39	1,185	90	110,422	751				55		
10. 2006	17,952	112,049	32	95		112,176	560				167		
11. 2007	16,030	94,218	73		126	94,165	89				19		
12. Totals	X X X	1,684,947	4,605	3,954	891	1,692,615	23,475				7,034		

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid	
					Known Claim Reserves			IBNR Reserves				
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded		
1. Prior	216	9	13,336	2,440	97				931			297
2. 1998	114	2	2,132	375	1				270			47
3. 1999	198	4	1,461	402	20				203			33
4. 2000	149	15	1,344	324	27				205			30
5. 2001	130	162	3,993	310	383				379			89
6. 2002	106	74	1,776	361	174				379			40
7. 2003	113	216	3,780	341	44				1,212			155
8. 2004	237	137	1,665	297	246				1,208			107
9. 2005	14	184	990	243	412				1,180			163
10. 2006	16	183	910	144	526				1,826			302
11. 2007		51	159	38	24				2,122			144
12. Total	1,293	1,037	31,546	5,275	1,954				9,915			1,407

	24 Total Net Loss and LAE Unpaid (Cols. 17+18+20+21-19-22+23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss & LAE Per \$1000 Of Coverage For Time Value of Money	33 Discount For Time Value of Money	34 Inter-company Pooling Participation Percentage	35 Net Reserves After Discount (Cols. 24-33)
			26 Direct (Cols. 7+10+17+20)	27 Assumed (Cols. 8+11+18+21)	28 Ceded (Cols. 9+12+19+22)	29 Net	30 Direct Basis ((Cols. 14+23+26)/[Cols. 2+4])	31 Net Basis ((Cols. 14+23+29)/Col.6)				
1. Prior	1,325	10	14,355			14,355	0.024	0.024	X X X			1,325
2. 1998	318	3	2,401			2,401	0.021	0.021	0.182			318
3. 1999	256	6	1,680			1,680	0.017	0.017	0.118			256
4. 2000	262	6	1,561			1,561	0.017	0.017	0.126			262
5. 2001	851	9	4,593			4,593	0.049	0.049	0.359			851
6. 2002	593	7	2,255			2,255	0.022	0.022	0.154			593
7. 2003	1,411	16	4,820			4,820	0.039	0.039	0.257			1,411
8. 2004	1,561	22	2,982			2,982	0.028	0.028	0.190			1,561
9. 2005	1,755	39	2,398			2,398	0.025	0.025	0.157			1,755
10. 2006	2,654	47	3,079			3,079	0.032	0.032	0.199			2,654
11. 2007	2,290	31	2,254			2,254	0.026	0.026	0.153			2,290
12. Total	13,276	196	42,378			42,378	X X X	X X X	X X X		X X X	13,276



**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**  
**Allocated by States and Territories**

States, Etc.	1 Is Insurer Licensed ? (Yes or No)	2 Premium Rate (b)	Direct Premiums Written			6 Other Income	7 Direct Premiums Earned	8 Direct Losses Paid	9 Direct Losses Incurred	10 Direct Losses Unpaid
			3 Direct Operations	Agency Operations						
				4 Non-affiliated Agencies	5 Affiliated Agencies					
1. Alabama	AL	NO								
2. Alaska	AK	NO								
3. Arizona	AZ	NO								
4. Arkansas	AR	NO				2,625				
5. California	CA	NO								
6. Colorado	CO	NO				1,165				
7. Connecticut	CT	NO								
8. Delaware	DE	NO								
9. Dist. Columbia	DC	NO								
10. Florida	FL	NO								
11. Georgia	GA	NO				209				
12. Hawaii	HI	NO								
13. Idaho	ID	NO								
14. Illinois	IL	NO								
15. Indiana	IN	NO				605				
16. Iowa	IA	NO								
17. Kansas	KS	NO								
18. Kentucky	KY	NO								
19. Louisiana	LA	NO				3,523				
20. Maine	ME	NO								
21. Maryland	MD	NO				1,240				
22. Massachusetts	MA	NO								
23. Michigan	MI	NO								
24. Minnesota	MN	NO								
25. Mississippi	MS	NO								
26. Missouri	MO	NO				1,153				
27. Montana	MT	NO								
28. Nebraska	NE	NO								
29. Nevada	NV	NO				12,364				
30. New Hampshire	NH	NO								
31. New Jersey	NJ	NO								
32. New Mexico	NM	YES	AI	52,471		65,203	4,301	(3,647)	2,450	
33. New York	NY	NO				4,659				
34. No. Carolina	NC	NO								
35. No. Dakota	ND	NO								
36. Ohio	OH	NO								
37. Oklahoma	OK	NO								
38. Oregon	OR	NO								
39. Pennsylvania	PA	NO								
40. Rhode Island	RI	NO								
41. So. Carolina	SC	NO								
42. So. Dakota	SD	NO								
43. Tennessee	TN	NO				2,377				
44. Texas	TX	YES	AI	42,093,104	52,072,753	57	94,768,757	3,719,794	4,072,065	1,951,503
45. Utah	UT	NO								
46. Vermont	VT	NO								
47. Virginia	VA	NO				4,410				
48. Washington	WA	NO								
49. West Virginia	WV	NO								
50. Wisconsin	WI	NO								
51. Wyoming	WY	NO								
52. American Samoa	AS	NO								
53. Guam	GU	NO								
54. Puerto Rico	PR	NO								
55. U.S. Virgin Islands	VI	NO								
56. Northern Mariana Islands	MP	NO								
57. Canada	CN	NO								
58. Aggregate Other Alien	OT	X X X	X X X							
59. Totals	(a) 2	X X X		42,145,575	52,072,753	57	94,868,290	3,724,095	4,068,418	1,953,953

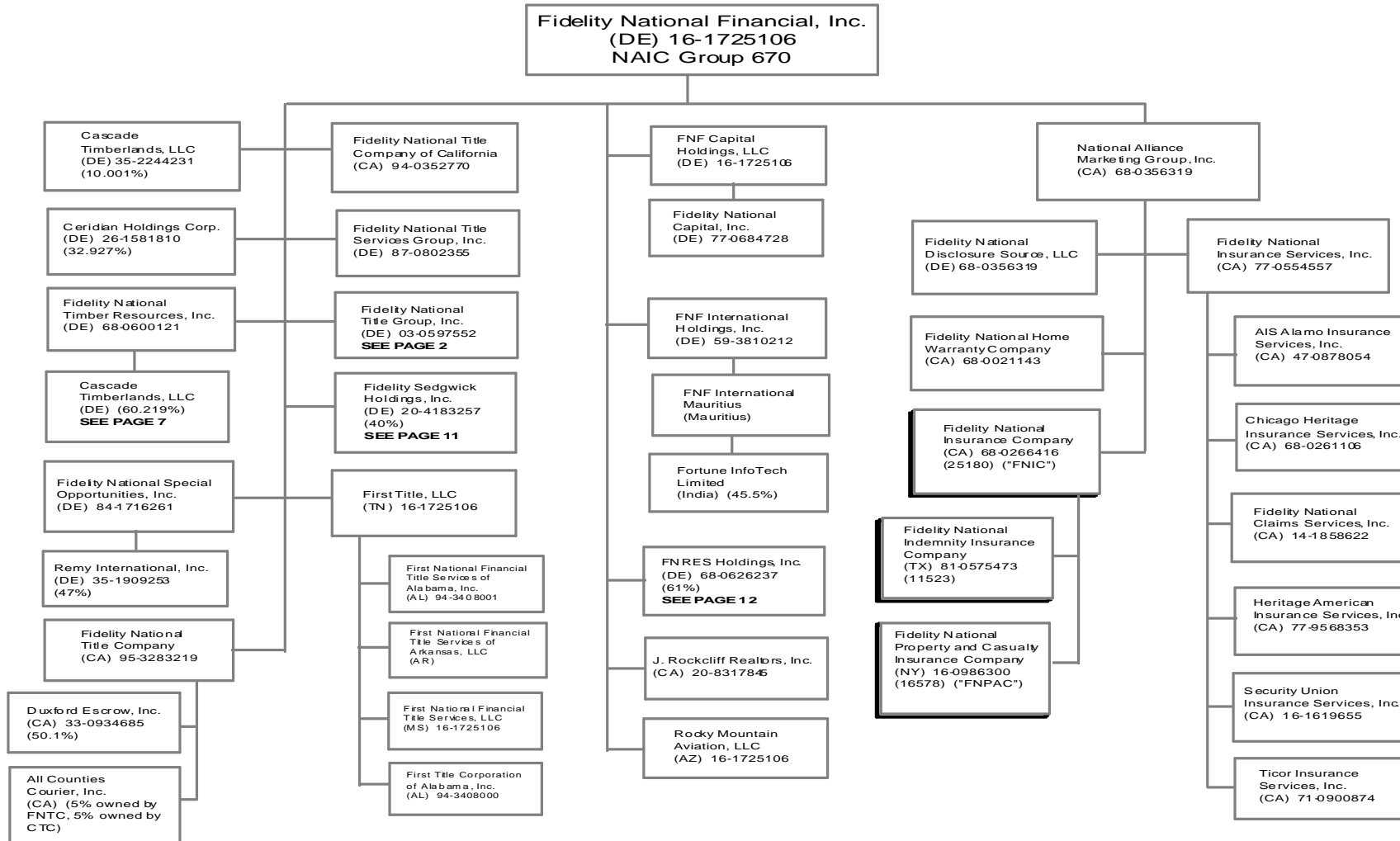
DETAILS OF WRITE-INS										
5801.	X X X									
5802.	X X X									
5803.	X X X									
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X								

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

(b) Insert "AI" if gross all-inclusive rate; "R" if gross risk rate; "O" if other and indicate rate type utilized:

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

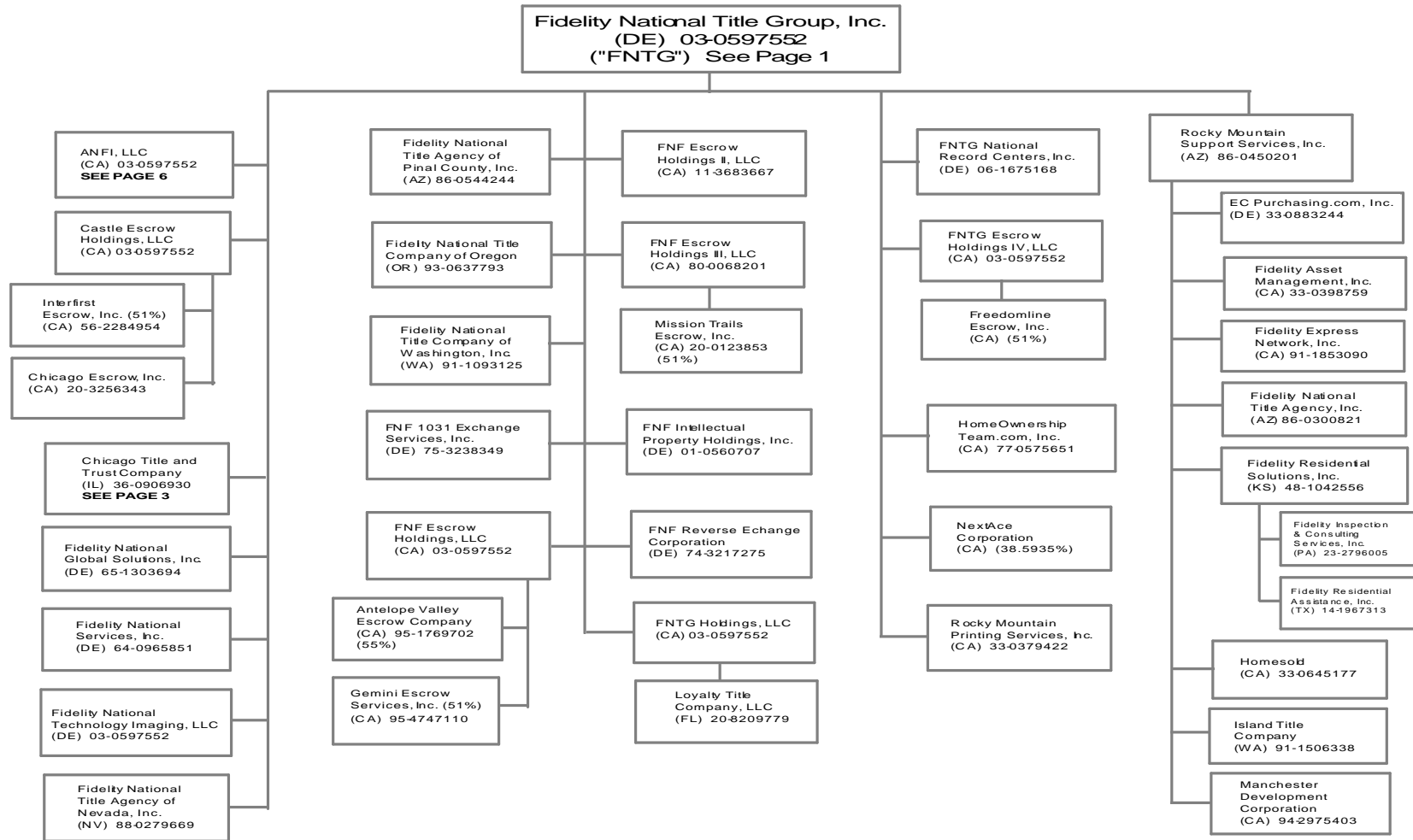
Page 1



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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
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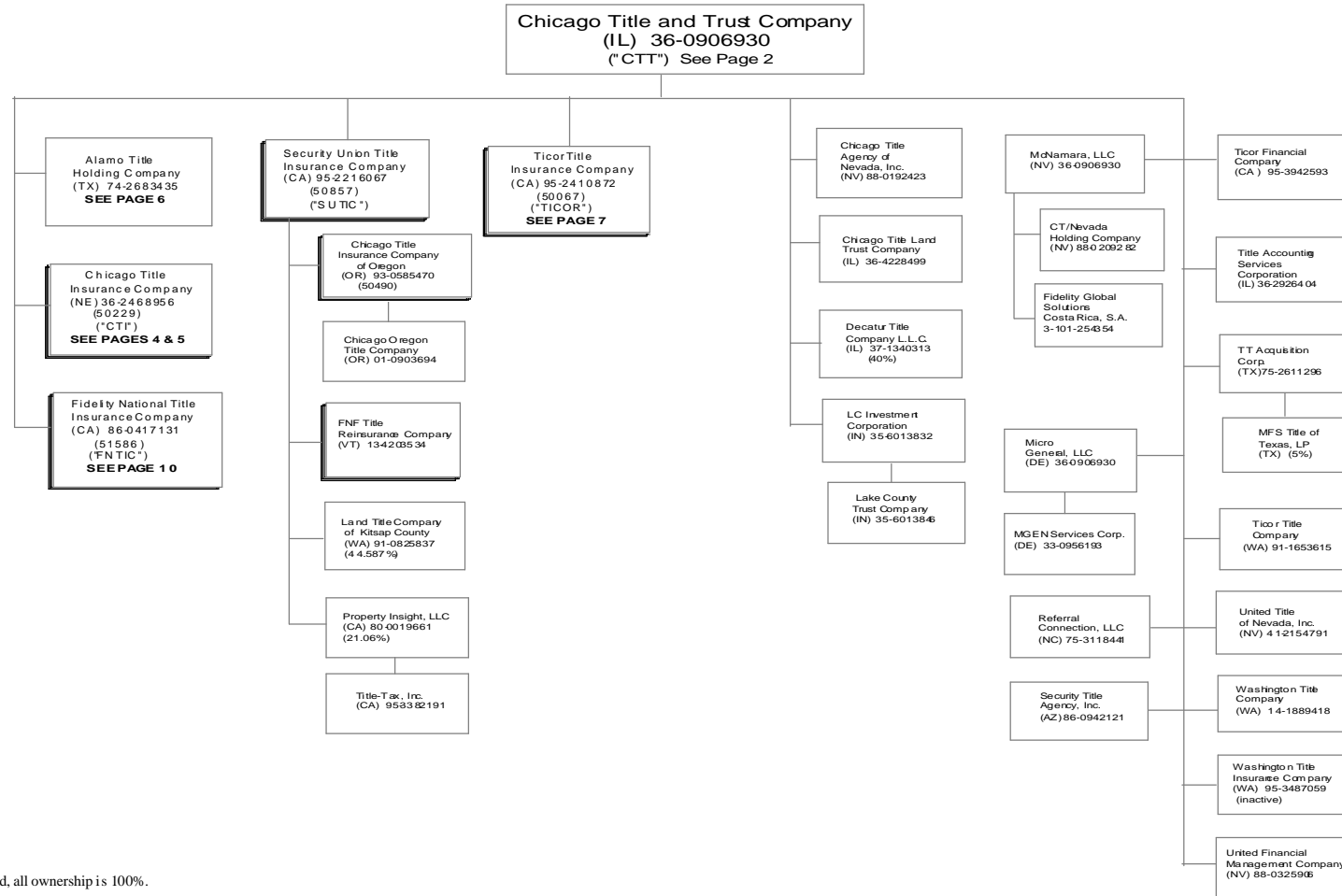
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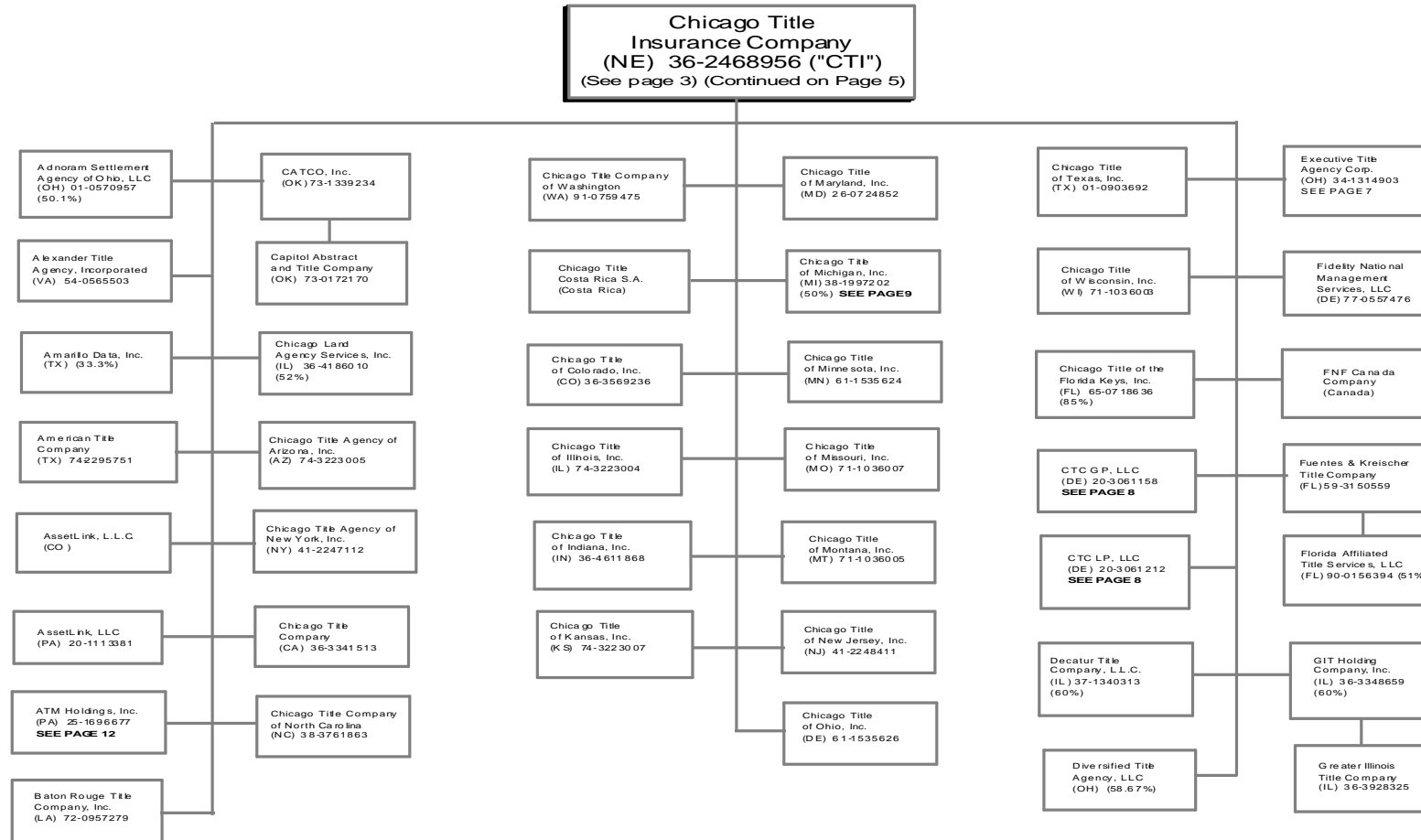
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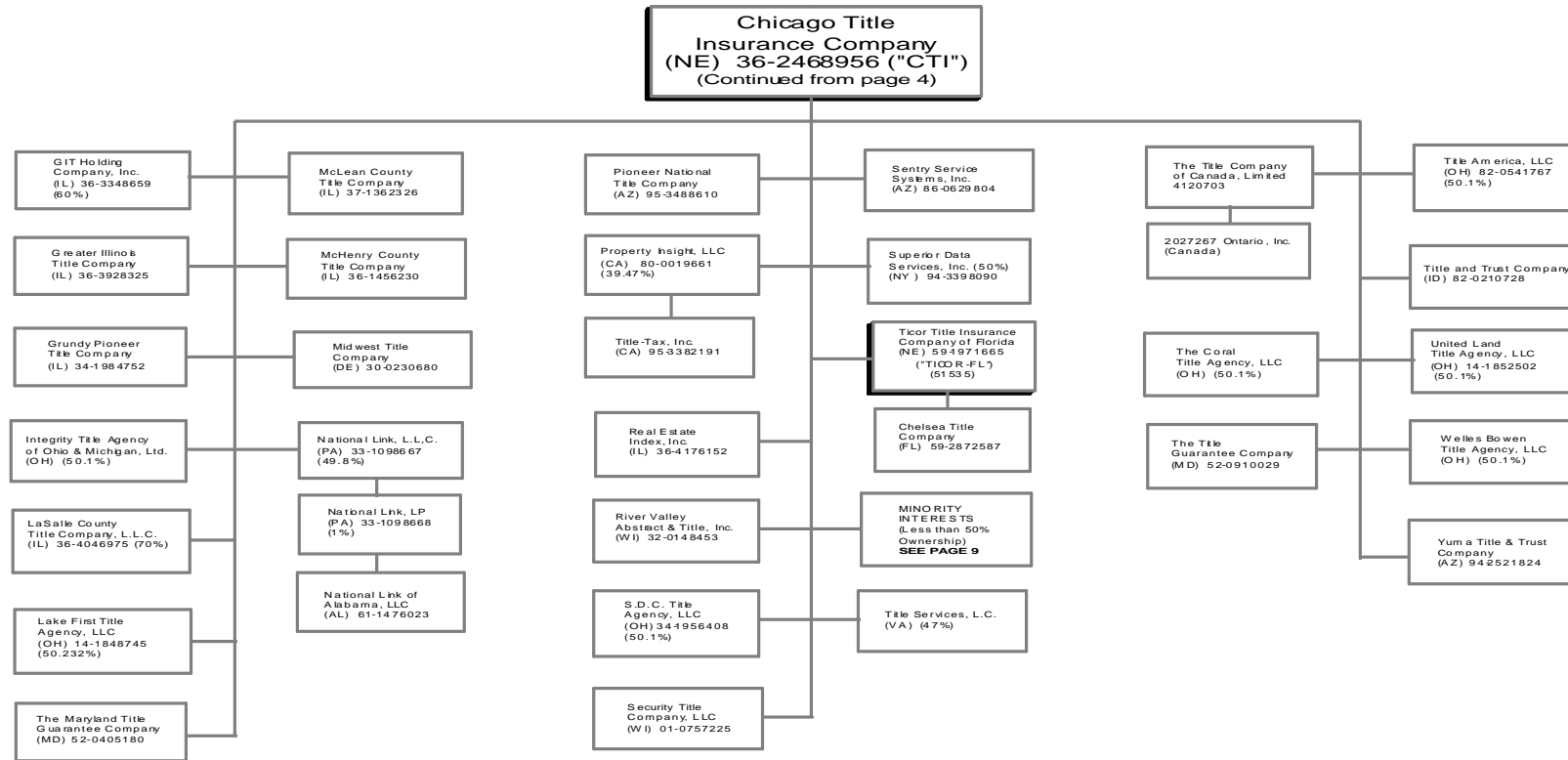
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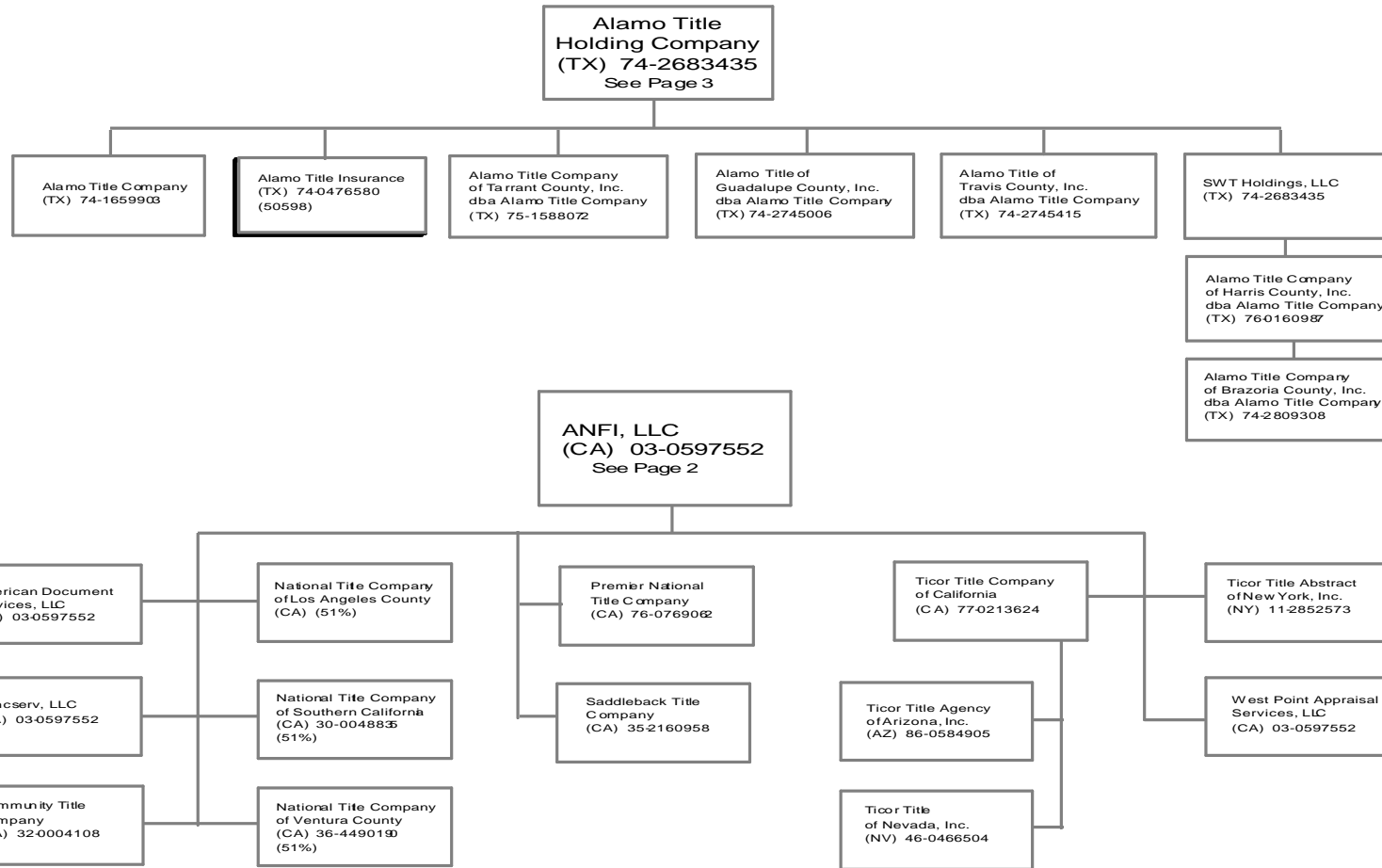
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



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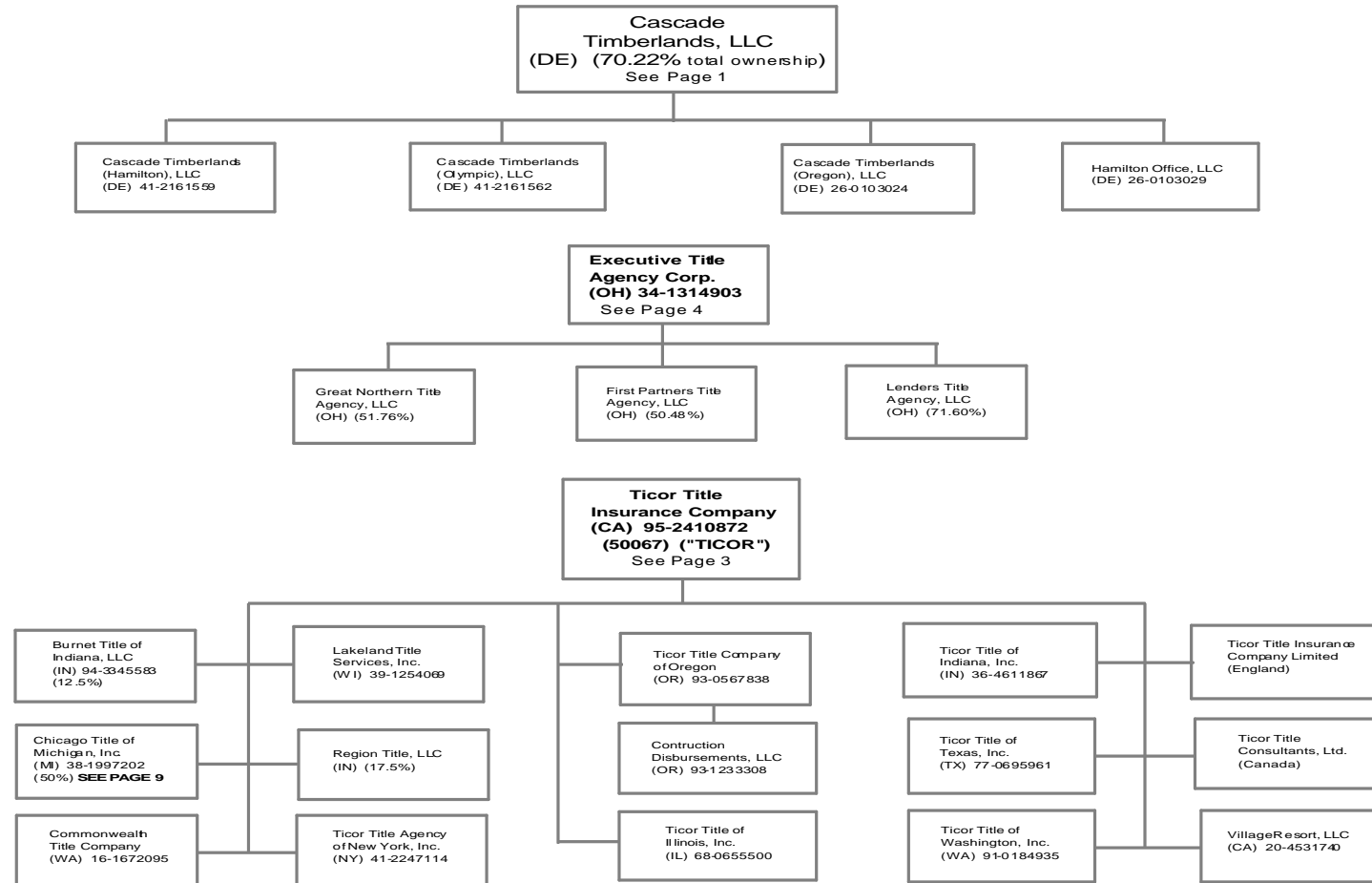
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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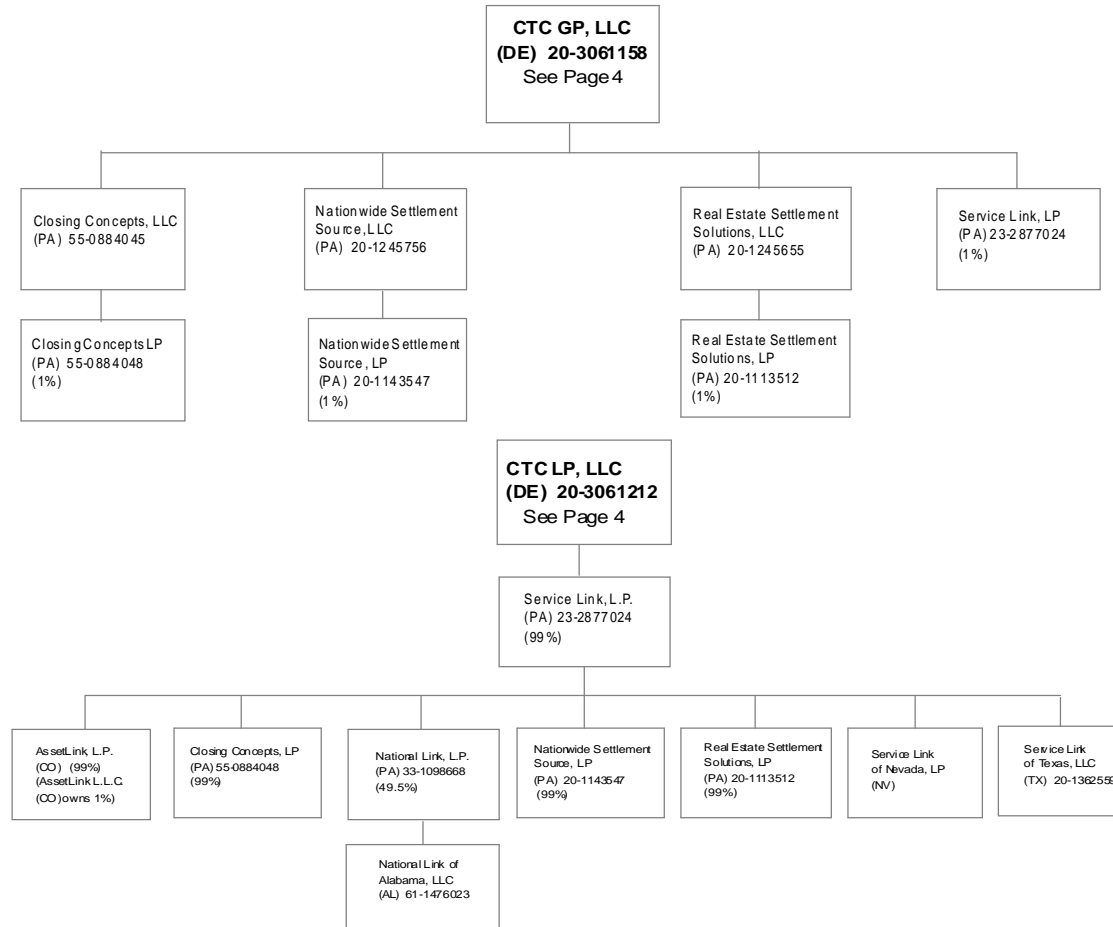
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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

Page 8

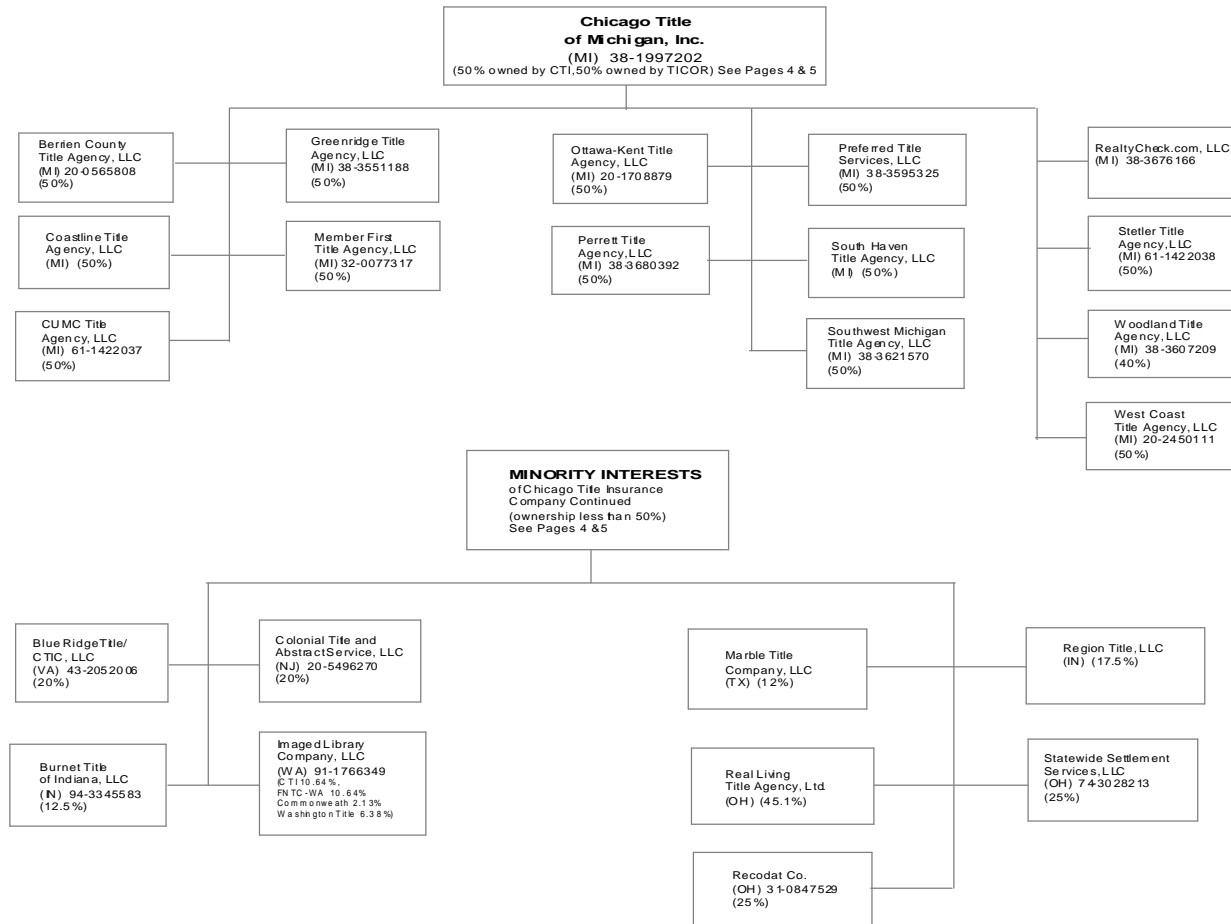


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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

Page 9

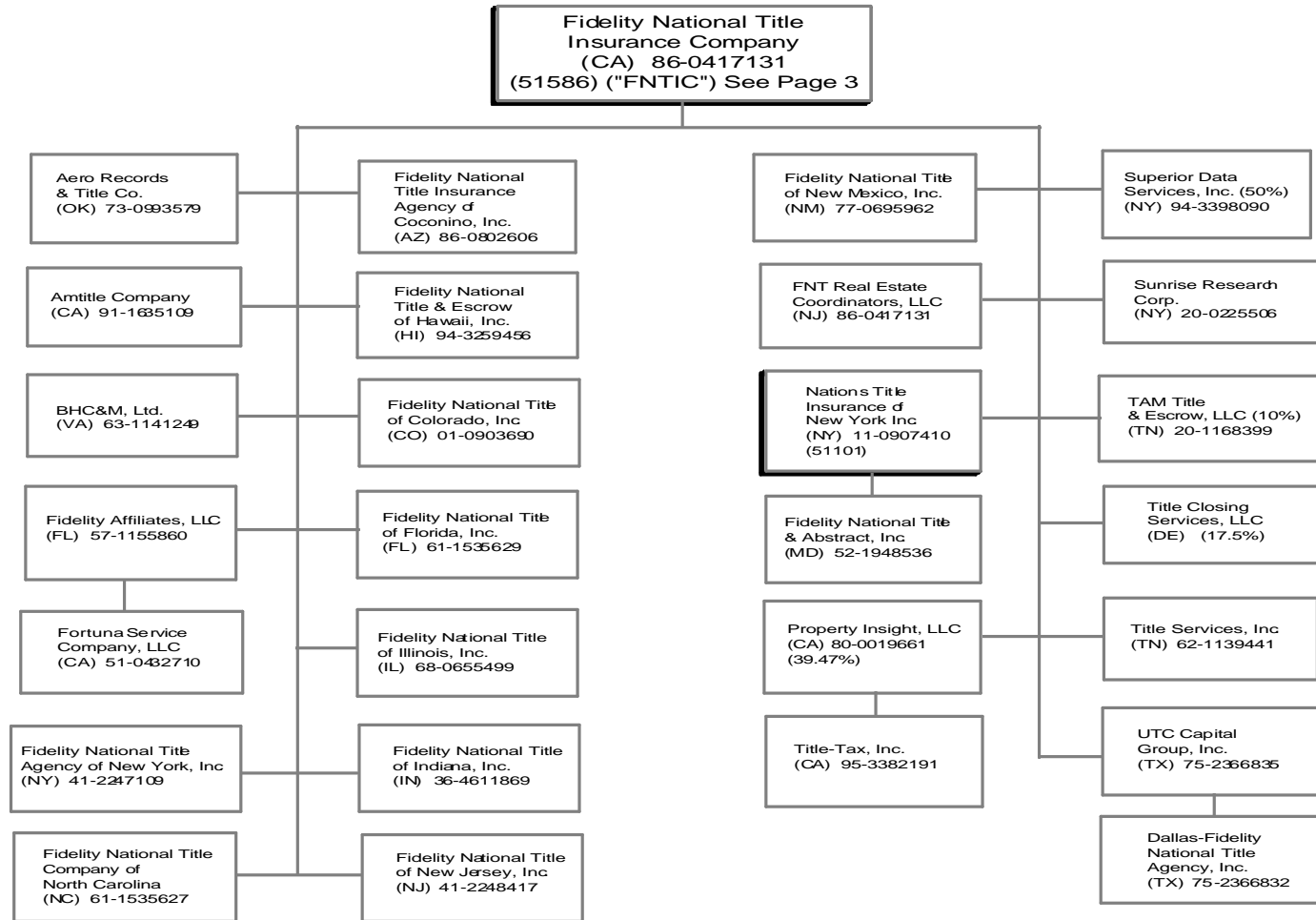


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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

Page 10

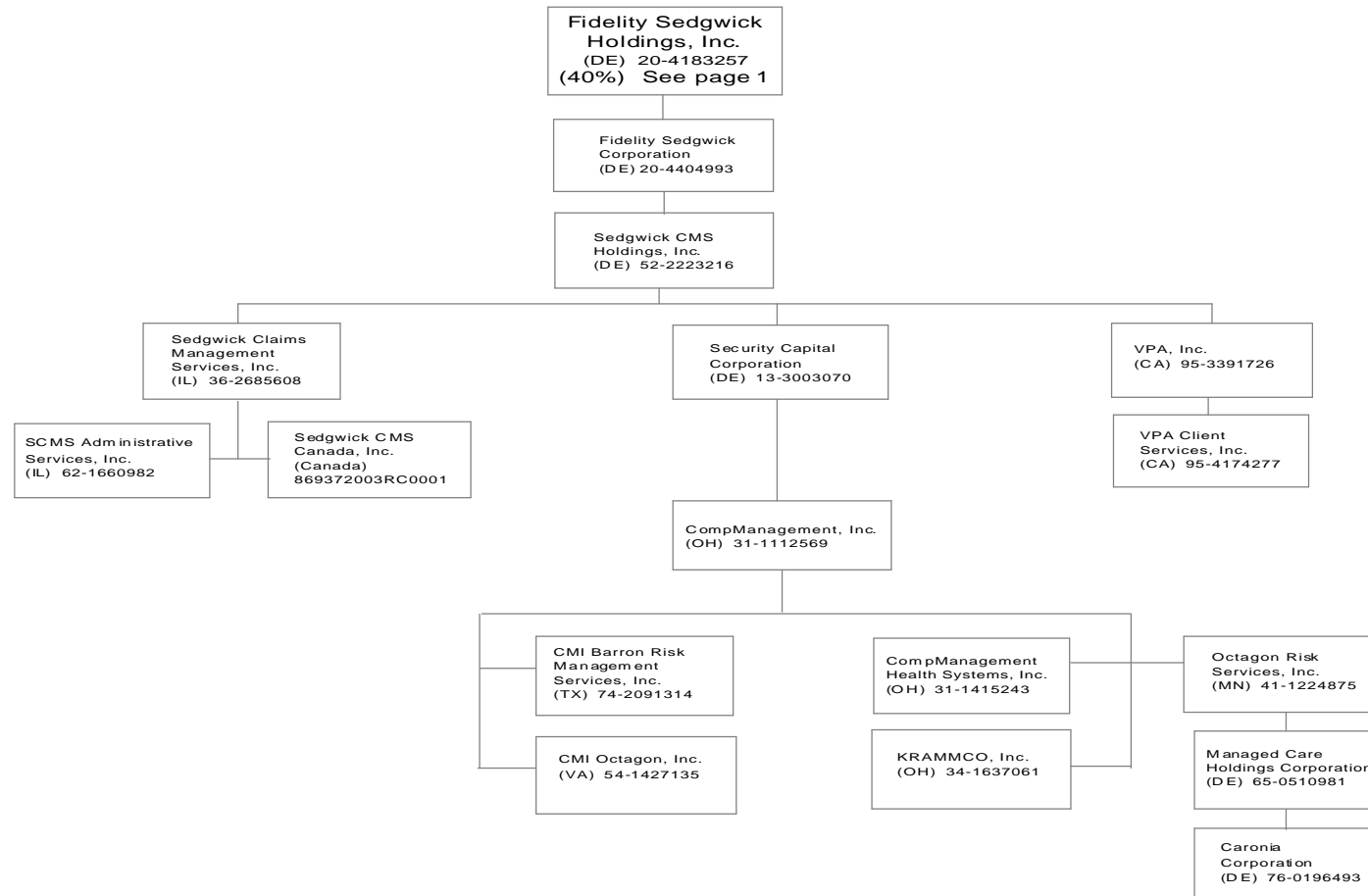


Unless otherwise noted, all ownership is 100%.

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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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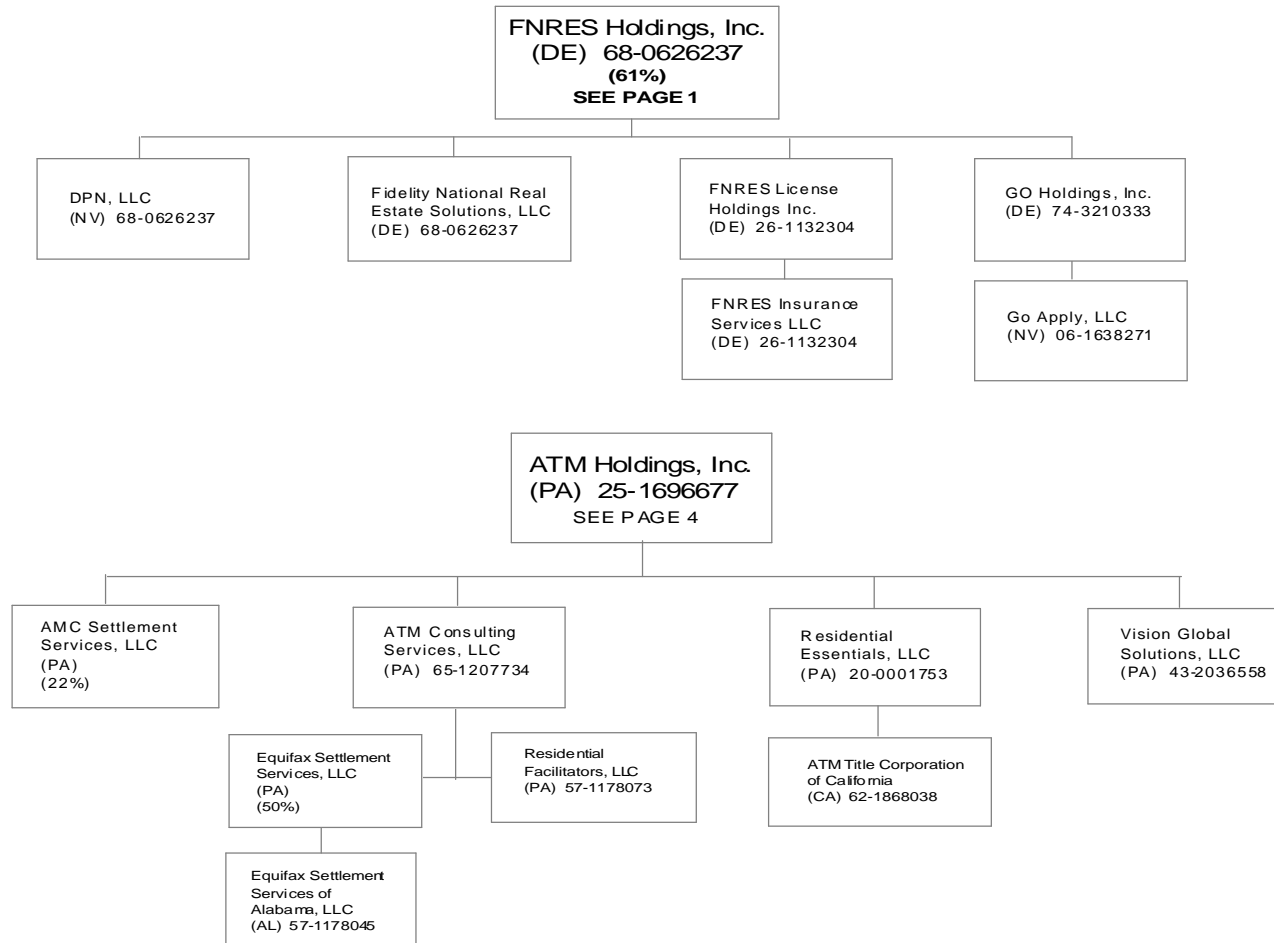


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Unless otherwise noted, all ownership is 100%.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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Unless otherwise noted, all ownership is 100%.

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