

**ANNUAL STATEMENT**

OF THE

**Stewart Title**

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**Insurance Company**

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of **Syracuse**

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in the state of **New York**

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TO THE

**Insurance Department**

OF THE

**STATE OF New York**

**FOR THE YEAR ENDED**

**December 31, 2005**

TITLE

**2005**



51420200520100100

**ANNUAL STATEMENT**

For the Year Ended December 31, 2005

OF THE CONDITION AND AFFAIRS OF THE

**Stewart Title Insurance Company**

NAIC Group Code 0340 0340 NAIC Company Code 51420 Employer's ID Number 76-0233294  
 (Current Period) (Prior Period)

Organized under the Laws of \_\_\_\_\_, State of Domicile or Port of Entry New York

Country of Domicile \_\_\_\_\_

Incorporated/Organized: October 26, 1987 Commenced Business: December 2, 1987

Statutory Home Office: 401 South Salina Street Syracuse, NY 13202

Main Administrative Office: 300 East 42nd Street 10th Floor New York, NY 10017 212-922-0050

Mail Address: 300 East 42nd Street 10th Floor New York, NY 10017

Primary Location of Books and Records: 300 East 42nd Street 10th Floor New York, NY 10017 212-922-0050

Internet Website Address: N/A

Statutory Statement Contact: Emily Thai DeRago 000-000-0000  
ethai@stewart.com 212-983-1133  
 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: 300 East 42nd Street 10th Floor New York, NY 10017 000-000-0000

**OFFICERS**

Chairman of the Board

Michael Skalka

	Name	Title
1.	<u>John F. Welling</u>	<u>President</u>
2.	<u>Julie A. Curlen</u>	<u>Secretary</u>
3.	<u>Emily Thai DeRago</u>	<u>Treasurer</u>
4.	<u>Milliman USA</u>	<u>Actuary</u>

**Vice-Presidents**

Name	Title	Name	Title
<u>Ken Anderson #</u>	<u>Vice President</u>	<u>Lawrence Boes</u>	<u>Vice President</u>
<u>Harold Boxer</u>	<u>Vice President</u>	<u>Genoveva Brown #</u>	<u>Vice President</u>
<u>Christopher Burdick #</u>	<u>Senior Vice President</u>	<u>John Caruso</u>	<u>Vice President</u>
<u>Julie Curlen</u>	<u>Executive Vice President</u>	<u>Joseph Decutiis</u>	<u>Vice President</u>
<u>Neil Falcone</u>	<u>Vice President</u>	<u>John Foley</u>	<u>Vice President</u>
<u>John Frates</u>	<u>Vice President</u>	<u>Craig Goldenberg</u>	<u>Vice President</u>
<u>Jeffrey Gurren</u>	<u>Vice President</u>	<u>James Hyland</u>	<u>Vice President</u>
<u>Kazimierz Lojko</u>	<u>Vice President</u>	<u>Gelsomina Gambardella-Terrasi #</u>	<u>Vice President</u>
<u>Kevin Reilly #</u>	<u>Vice President</u>	<u>Vincent Sabia</u>	<u>Vice President</u>
<u>Timothy Salisbury</u>	<u>Regional Vice President</u>	<u>Henry Sillcocks</u>	<u>Vice President</u>
<u>John Killea</u>	<u>Senior Vice President</u>	<u>Norman Sloane</u>	<u>Vice President</u>
<u>Ellis Judd Staley, III</u>	<u>Vice President</u>	<u>Emily Thai DeRago</u>	<u>Vice President</u>
<u>Patrick Thesing</u>	<u>Vice President</u>	<u>Thomas Thompson</u>	<u>Regional Vice President</u>
<u>Thomas Vinci</u>	<u>Vice President</u>	<u>Maribeth Walsh</u>	<u>Vice President</u>

**DIRECTORS OR TRUSTEES**

<u>Peter C. Haeffner, Jr</u>	<u>James I. Hisiger</u>	<u>Malcolm Morris</u>	<u>Stewart Morris, Jr.</u>
<u>Richard A. Nardi</u>	<u>Michael B. Skalka</u>	<u>John F. Welling</u>	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State of New York  
 County of New York ss

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

_____ (Signature) John F. Welling (Printed Name) 1. President (Title)	_____ (Signature) Julie A. Curlen (Printed Name) 2. Secretary (Title)	_____ (Signature) Emily Thai DeRago (Printed Name) 3. Treasurer (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006

a. Is this an original filing? YES [ X ] NO [ ]  
 b. If no: 1. State the amendment number \_\_\_\_\_  
 2. Date filed \_\_\_\_\_  
 3. Number of pages attached \_\_\_\_\_

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	57,328,168		57,328,168	48,550,293
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 13,978,969, Schedule E-Part 1), cash equivalents (\$ 0 Schedule E-Part 2) and short-term investments (\$ 1,987,877, Schedule DA)	15,966,846		15,966,846	3,768,671
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)	87,857		87,857	1,250
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	73,382,871		73,382,871	52,320,214
11. Title plants less \$ 328,467 charged off (for Title insurers only)	1,571,200		1,571,200	1,604,164
12. Investment income due and accrued	937,731		937,731	800,150
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	3,285,315	50,600	3,234,715	1,384,294
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				
16.2 Net deferred tax asset	3,647,586	2,725,899	921,687	325,092
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	267,666		267,666	283,508
19. Furniture and equipment, including health care delivery assets (\$ 0 )	1,023,953	1,023,953		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	93,123		93,123	17,866
22. Health care (\$ 0 ) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	2,461,824	2,275,442	186,382	209,459
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	86,671,269	6,075,894	80,595,375	56,944,747
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	86,671,269	6,075,894	80,595,375	56,944,747

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. Prepays	557,606	557,606		
2302. Agreements	1,656,895	1,656,895		
2303. Deposits	168,729		168,729	165,074
2398. Summary of remaining write-ins for Line 23 from overflow page	78,594	60,941	17,653	44,385
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,461,824	2,275,442	186,382	209,459

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	8,719,367	9,181,275
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	21,717,346	18,691,202
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)	4,733,766	8,701,772
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	152,368	17,979
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	4,324,053	1,050,695
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	304	4,899
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	819,875	622,504
19. Payable for securities		
20. Aggregate write-ins for other liabilities	457,761	146,850
21. Total liabilities (Lines 1 through 20)	40,924,840	38,417,176
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	1,100,000	1,100,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	23,765,535	13,765,535
28. Unassigned funds (surplus)	14,805,000	3,662,036
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)	39,670,535	18,527,571
31. Totals (Page 2, Line 26, Col. 3)	80,595,375	56,944,747

<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. Deferred Copiers	92,707	146,850
2002. Deferred Rents	365,054	
2003.		
2098. Summary of remaining write-ins for Line 20 from overflow page		
2099. Totals (Lines 2001 through 2003 plus 2098) (Line 20 above)	457,761	146,850
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)		148,719,302	142,721,727
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)		42,133	71,306
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)		8,495,319	7,435,787
2. Aggregate write-ins for other operating income		48,338	
3. Total Operating Income (Lines 1 through 2)		157,305,092	150,228,820
<b>DEDUCT:</b>			
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		3,383,259	4,208,767
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)		141,176,670	138,733,853
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions		144,559,929	142,942,620
8. Net operating gain or (loss) (Lines 3 minus 7)		12,745,163	7,286,200
<b>INVESTMENT INCOME</b>			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,383,995	2,225,196
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		41,228	517,777
11. Net investment gain (loss) (Lines 9 + 10)		2,425,223	2,742,973
<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)		15,170,386	10,029,173
14. Federal and foreign income taxes incurred		3,824,151	5,092,537
15. Net income (Lines 13 minus 14)		11,346,235	4,936,636
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)		18,527,571	15,992,483
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
17. Net income (from Line 15)		11,346,235	4,936,636
18. Net unrealized capital gains or losses		45,356	(86,163)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income tax		(144,104)	1,343,883
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)		784,779	(2,637,303)
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		10,000,000	1,653,035
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			(2,675,000)
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		(889,302)	
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)		21,142,964	2,535,088
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)		39,670,535	18,527,571

<b>DETAILS OF WRITE-INS</b>			
0201. Miscellaneous		48,338	
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)		48,338	
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. Prior year adjustment		(889,302)	
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)		(889,302)	

CASH FLOW Cash from Operations	1	2
	Current Year	Prior Year
1. Premiums collected net of reinsurance	149,843,837	146,196,503
2. Net investment income	2,938,276	3,001,330
3. Miscellaneous income	8,585,790	7,507,093
4. Total (Lines 1 through 3)	161,367,903	156,704,926
5. Benefit and loss related payments	3,845,167	4,517,742
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	144,904,748	134,186,711
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	1,161,602	8,920,478
10. Total (Lines 5 through 9)	149,911,517	147,624,931
11. Net cash from operations (Line 4 minus Line 10)	11,456,386	9,079,995
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,986,219	12,167,503
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	66,174	
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)	6,052,393	12,167,503
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,269,354	20,751,018
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	41,250	1,250
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,310,604	20,752,268
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)	(9,258,211)	(8,584,765)
<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	10,000,000	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		2,675,000
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	10,000,000	(2,675,000)
<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)	12,198,175	(2,179,770)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,768,671	5,948,441
19.2 End of year (Line 18 plus Line 19.1)	15,966,846	3,768,671

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

20.0001.		
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	32,534,503	119,983,559	638,891	153,156,953	145,935,696
2. Escrow and settlement service charges	42,133	X X X	X X X	42,133	71,306
3. Other title fees and service charges (Part 1C, Line 5)	8,495,319	X X X	X X X	8,495,319	7,435,787
4. Totals (Lines 1 + 2 + 3)	41,071,955	119,983,559	638,891	161,694,405	153,442,789

**PART 1B - PREMIUMS EARNED EXHIBIT**

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	153,156,953	145,935,696
1.2 Assumed	634,698	666,932
1.3 Ceded	2,046,205	1,146,569
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	151,745,446	145,456,059
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	18,691,202	15,956,870
2.2 Additions during the current year	4,211,384	3,732,926
2.3 Withdrawals during the current year	1,185,240	998,594
2.4 Other adjustments to statutory premium reserves		
2.5 Balance at December 31 current year	21,717,346	18,691,202
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	148,719,302	142,721,727

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

	1 Current Year	2 Prior Year
1. Title examinations	486,772	329,777
2. Searches and abstracts	1,096,484	1,309,907
3. Surveys	1,623,349	1,222,718
4. Aggregate write-ins for service charges	5,288,714	4,573,385
5. Totals	8,495,319	7,435,787

<b>DETAILS OF WRITE-INS</b>		
0401. Other service fees	5,288,714	4,573,385
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)	5,288,714	4,573,385

**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 .....	147,598	2,970,175	(51,603)	3,066,170	3,784,660
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage .....					
3. Total (Line 1 plus Line 2) .....	147,598	2,970,175	(51,603)	3,066,170	3,784,660
4. Deduct: Recovered during year from reinsurance .....					
5. Net payments (Line 3 minus Line 4) .....	147,598	2,970,175	(51,603)	3,066,170	3,784,660
6. Known claims reserve - current year (Page 3, Line 1, Column 1) .....	357,429	8,288,289	73,649	8,719,367	9,181,275
7. Known claims reserve - prior year (Page 3, Line 1, Column 2) .....	165,606	8,961,069	54,600	9,181,275	9,490,249
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7) .....	339,421	2,297,395	(32,554)	2,604,262	3,475,686
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5) .....	31,933	740,484	6,580	778,997	733,082
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9) .....	371,354	3,037,879	(25,974)	3,383,259	4,208,768

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

	1	Agency Operations		4	5
		2	3		
	Direct Operations	Non-Affiliated Agency Operations	Affiliated Agency Operations	Total Current Year (Cols. 1 + 2 + 3)	Total Prior Year
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)	357,429	8,288,289	73,649	8,719,367	9,181,275
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)	357,429	8,288,289	73,649	8,719,367	9,181,275
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)	1,212,000	16,716,000	153,000	18,081,000	15,581,000
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	1,212,000	16,716,000	153,000	18,081,000	15,581,000
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X	3,636,000	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	30,436,367	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	21,717,346	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	14,109,573	3,621,373	31,224	17,762,170	604,546		18,366,716	16,061,818	
1.2 Employee relations and welfare	695,082	165,688	1,429	862,199	28,135		890,334	815,712	
1.3 Payroll taxes	788,876	182,980	1,578	973,434	31,724		1,005,158	940,576	
1.4 Other personnel costs	199,152	110,241	951	310,344			310,344	198,483	
1.5 Total personnel costs	15,792,683	4,080,282	35,182	19,908,147	664,405		20,572,552	18,016,589	
2. Amounts paid to or retained by title agents		101,873,964	543,057	102,417,021			102,417,021	99,593,404	
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts	2,727,067	25,947		2,753,014			2,753,014	3,450,428	
3.2 Surveys									
3.3 Other	2,668,251	206,678	1,782	2,876,711			2,876,711	2,092,252	
4. Advertising	8,797	19,545	169	28,511			28,511	17,432	
5. Boards, bureaus and associations	46,838	140,040	1,207	188,085			188,085	144,082	
6. Title plant rent and maintenance									
7. Claim adjustment services									
8. Amounts charged off, net of recoveries									
9. Marketing and promotional expenses	2,107,874	907,528	7,825	3,023,227			3,023,227	2,725,522	
10. Insurance	96,742	31,709	273	128,724	6,200		134,924	111,789	
11. Directors' fees	1,868	5,584	48	7,500			7,500	16,750	
12. Travel and travel items	360,906	167,732	1,446	530,084			530,084	386,177	
13. Rent and rent items	1,501,168	534,163	4,606	2,039,937	63,568		2,103,505	1,821,873	
14. Equipment	475,836	382,062	3,294	861,192			861,192	944,296	
15. Cost or depreciation of EDP equipment and software	114,827	66,058	570	181,455	7,000		188,455	195,865	
16. Printing, stationery, books and periodicals	250,739	149,686	1,291	401,716	12,142		413,858	427,316	
17. Postage, telephone, messengers and express	465,030	131,350	1,133	597,513	25,682		623,195	600,515	
18. Legal and auditing	33,372	615,157	790	649,319			649,319	228,856	
19. Totals (Lines 1.5 to 18)	26,651,998	109,337,485	602,673	136,592,156	778,997		137,371,153	130,773,146	
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes	964,370	2,375,848	20,485	3,360,703			3,360,703	3,348,129	
20.2 Insurance department licenses and fees	225,250	677,525	5,842	908,617			908,617	701,278	
20.3 Gross guaranty association assessments									
20.4 All other (excluding federal income and real estate)	43,386	56,091	483	99,960			99,960	104,873	
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)	1,233,006	3,109,464	26,810	4,369,280			4,369,280	4,154,280	
21. Real estate expenses									
22. Real estate taxes									
23. Aggregate write-ins for miscellaneous expenses	119,193	95,220	821	215,234		87,243	302,477	4,617,165	
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	28,004,197	112,542,169	630,304	141,176,670	778,997		142,042,910	139,544,591	
25. Less unpaid expenses - current year	2,931,009	3,233,065		6,164,074			6,164,074	9,494,004	
26. Add unpaid expenses - prior year	1,226,701	8,267,303		9,494,004			9,494,004	3,115,524	
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	26,299,889	117,576,407	630,304	144,506,600	778,997		145,372,840	133,166,111	
<b>DETAILS OF WRITE-INS</b>									
2301. Professional fees		67,095		67,095			67,095	4,350,000	
2302. Miscellaneous	7,042	12,171	821	20,034			20,034	30,101	
2303. Donations	112,151	15,954		128,105			128,105	159,409	
2398. Summary of remaining write-ins for Line 23 from overflow page						87,243	87,243	77,655	
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	119,193	95,220	821	215,234		87,243	302,477	4,617,165	

(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)	30,809,838	116,993,350	916,114	148,719,302		148,719,302	142,721,726
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)	42,133			42,133		42,133	71,306
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)	8,495,319			8,495,319		8,495,319	7,435,787
2. Aggregate write-ins for other operating income		48,338		48,338		48,338	
3. Total Operating Income (Lines 1.1 through 1.3 + 2)	39,347,290	117,041,688	916,114	157,305,092		157,305,092	150,228,819
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	371,354	3,037,879	(25,974)	3,383,259		3,383,259	4,208,768
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 + 6)	28,004,197	112,542,169	630,304	141,176,670		141,176,670	138,733,854
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)	28,375,551	115,580,048	604,330	144,559,929		144,559,929	142,942,622
8. Net operating gain or (loss) (Lines 3 minus 7)	10,971,739	1,461,640	311,784	12,745,163		12,745,163	7,286,197
<b>DETAILS OF WRITE-INS</b>							
0201. Miscellaneous		48,338		48,338		48,338	
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)		48,338		48,338		48,338	
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) 109,768	124,052
1.1 Bonds exempt from U.S. tax	(a) 1,115,441	838,859
1.2 Other bonds (unaffiliated)	(a) 1,484,352	1,329,786
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 98,350	112,367
7. Derivative instruments	(f)	
8. Other invested assets	66,174	66,174
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,874,085	2,471,238
11. Investment expenses		(g) 87,243
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
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)		87,243
17. Net investment income (Line 10 minus Line 16)		2,383,995
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
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 \$ 8,813 accrual of discount less \$ 555,633 amortization of premium and less \$ 238,120 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 \$ 6,392 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 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	2,029			2,029
1.1 Bonds exempt from U.S. tax	12,069			12,069
1.2 Other bonds (unaffiliated)	27,462			27,462
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
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)	(332)			(332)
10. Total capital gains (losses)	41,228			41,228

<b>DETAILS OF WRITE-INS</b>				
0901. Miscellaneous	(332)			(332)
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)	(332)			(332)

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. 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)			
11. Title plants ( for Title insurers only )			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	50,600	18,000	(32,600)
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	2,725,899	3,466,597	740,698
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets	1,023,953	1,232,900	208,947
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	2,275,442	2,143,177	(132,265)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	6,075,894	6,860,674	784,780
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	6,075,894	6,860,674	784,780

<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. Agreements	1,656,895	1,460,000	(196,895)
2302. Prepaids	557,606	431,593	(126,013)
2303. Note Receivable		248,130	248,130
2398. Summary of remaining write-ins for Line 23 from overflow page	60,941	3,454	(57,487)
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,275,442	2,143,177	(132,265)

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**NOTES TO FINANCIAL STATEMENTS**


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## 1. Accounting Practices

- A. The financial statements of Stewart Title Insurance Company are presented on the basis of accounting practices prescribed or permitted by the New York Department of Insurance.

The New York Department of Insurance recognizes statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of a title insurance company, for determining its solvency under the New York Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of New York. The state has adopted certain prescribed accounting practices, which differ from those found in NAIC SAP, in accordance with Regulation 172 of the New York State Insurance Law.

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

	<u>12/31/2005</u>	<u>12/31/2004</u>
1. Net Income, New York basis	11,346,235	4,936,636
2. State Prescribed/ Practices		
Goodwill		
Title Plant Amortization, net of tax	<u>21,427</u>	<u>21,429</u>
3. Net Income, NAIC SAP	11,367,662	4,958,065
4. Statutory Surplus, New York basis	39,670,535	18,527,571
5. State Prescribed/Permitted Practices (Surplus):		
Title Plant Amortization	213,504	192,077
Goodwill		
6. Statutory Surplus, NAIC SAP	<u>39,884,039</u>	<u>18,719,648</u>

## 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 Policies

**Revenue recognition and related expenses** - Premiums are earned at the time the policies are issued. The Company assumed and ceded reinsurance with various title companies, on an individual basis, utilizing standard facultative agreements provided by the American Land Title Association and also has in effect one excess reinsurance agreements wherein the Company assumes liability automatically under the terms of the treaty. Statutory Premium Reserves (SPR) is established to protect title insurance policyholders in the event of insolvency or dissolution of a title insurer. SPR is computed based on Section 6405(a)(1) of the New York Insurance Law. Expenses incurred in connection with issuing the policies are charged to operations as an expense for premiums retained by agents.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method.
- (3) Investments in Common stocks. - None
- (4) Investments in Preferred stock, excluding investments in preferred stock of subsidiary, controlled, or affiliated entities - None.
- (5) Mortgage loans. - None
- (6) Loan-backed securities- None
- (7) Investments in subsidiaries controlled and affiliated companies. - None
- (8) The Company has ownership interests in three limited liability companies. The company values the interests on the audited GAAP equity basis as described in the NAIC Accounting Practices and Procedures Manual SSAP 88, section 8(b)(iii).
- (9) Derivatives - None

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**NOTES TO FINANCIAL STATEMENTS**

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(10) Utilization of anticipated investment income used as a factor in the premium deficiency calculation.-None

(11) Unpaid losses and loss adjustment expenses include an amount for known claims and a formula-driven statutory premium reserve. Known claim reserves consist of a reserve for payment of the loss and costs of defense of the insured and other costs expected to be paid to other parties in the defense, settlement, or processing of the claim under the terms of the title insurance policy for each specific known claim. A reserve for adverse development on known claims is also recorded.

A statutory premium reserve is based on Section 6405 (a)(1) of the New York Insurance Law. Section 6405(a)(1) requires the Company to reserve an amount equal to one dollar fifty cents for each risk assumed under a binder or policy of insurance or any certificate or agreement issued under either of them, plus one-eightieth of one percent of the face amount of insurance effected thereby and three percent of the gross fees and premiums received by it for guaranteed certificates of title, guaranteed searches and guaranteed abstracts of title. The reserve is subsequently reduced by 5% of the addition in the first year succeeding the year of addition, and 5% every year thereafter.

## 2. Accounting Changes and Corrections of Errors

- A. The Company discovered an error in the compiling and reporting of federal income tax expense and the net admitted deferred tax asset. In the prior year, federal income tax expense was understated by \$205,433 and the net admitted deferred tax asset was understated by \$1,663,183 thereby understating surplus as regards policyholders by \$1,457,750 and overstating change in non-admitted assets by \$1,663,183 and net income by \$205,433. Line 16.2 on the Asset Page and Line 32 on the Operation and Investment Exhibit Statement of Income have been adjusted in the current year to correct for this error.

The Company discovered an error in the accounting of office leases. This resulted in expense being understated by \$278,494 thereby overstating surplus as regards policyholders by \$278,494.

The Company discovered an error in compiling and reporting of federal income tax expense. In 2003, federal income tax was understated by \$405,375 thereby overstating surplus as regard policyholders by \$405,375.

- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of New York. Effective January 1, 2001, the State of New York required that insurance companies domiciled in the State of New York prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual subject to any deviations prescribed or permitted by the State of New York insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

## 3. Business Combinations and Goodwill - None

## 4. Discontinued Operations - None

## 5. Investments

- A. Mortgage Loans- None
- B. Debt Restructuring- Not applicable
- C. Reverse Mortgages - None
- D. Loan-Backed Securities - None
- E. Repurchase Agreements - None

## 6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

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**NOTES TO FINANCIAL STATEMENTS**


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## 7. Investment Income

1. Due and accrued income is excluded from surplus on the following bases:

All investment income due and accrued on certificates of Deposit.

2. The total amount excluded was \$ 0.

## 8. Derivative Instruments - None

9. Income Taxes - The New York Department of Insurance has adopted SSAP #10 and reported in accordance with Regulation 172 of New York Insurance Law.

A. The net deferred tax asset/(liability) at December 31, 2005 and the change from the prior year are comprised of the following components:

	2005	2004	Change
(1) Total gross deferred tax assets	3,892,586	3,966,689	(74,103)
(2) Total deferred tax liabilities	245,000	175,000	(70,000)
(3) Net deferred tax asset (liability)	3,647,586	3,791,689	(144,103)
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	(2,725,899)	(3,466,597)	740,698
(5) Admitted deferred tax asset (liability)	921,687	325,091	596,596

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	2005	2004	Change
(1) Net deferred tax asset (liability)	3,647,586	3,791,689	(144,103)
(2) Tax-effect of unrealized gains and losses	0	0	0
(3) Net tax effect without unrealized gains and losses	3,647,586	3,791,689	(144,103)
(4) Change in deferred income tax			(144,103)

## B. Unrecognized deferred tax liabilities

(1) There are no temporary differences for which deferred tax liabilities are not recognized.

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

	2005	2004
(1) Current year tax expense (benefit) (exclusive of items 2 and 3 below)	3,906,763	5,114,327
(2) Tax credits	0	0
(3) Prior year adjustments	(82,612)	(21,790)
(4) Current income taxes incurred	3,824,151	5,092,537

Deferred income tax assets and liabilities consist of the following major components:

	2005	2004
Deferred tax assets:		
(1) Discounting of Reserves	2,480,954	2,224,538
(2) Fixed Assets	399,284	301,110
(3) Other	1,012,347	1,441,040
(4) Total deferred tax assets	3,892,586	3,966,689
(5) Nonadmitted deferred tax assets	(2,725,899)	(3,466,597)

**NOTES TO FINANCIAL STATEMENTS**

(6) Admitted deferred tax assets	1,166,687	500,091
Deferred tax liabilities:		
(7) Bonus Accruals	(245,000)	(175,000)
(8) Other	0	
(9) Total deferred tax liabilities	(245,000)	(175,000)
(10) Net admitted deferred tax asset (liability)	921,687	325,091

D. The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	<u>2005</u>
(1) Income before taxes	15,170,385
(2) Income tax expense (benefit) at 35% statutory rate	5,309,635
(3) Increase (decrease) in tax resulting from:	
a. Dividends received deduction	0
b. Nondeductible expenses for meals, penalties, and lobbying	439,702
c. Tax-exempt income	(249,561)
d. Deferred tax benefit on nonadmitted assets	(89,155)
e. Foreign income taxes	<b>0</b>
f. Other	(1,442,368)
(4) Total income tax expected	<u>3,968,253</u>
(5) Current income taxes incurred (without tax on realized gains and losses)	3,824,151
(6) Change in deferred income tax (without tax on unrealized gains and losses)	144,103
(7) Total income tax reported	<u>3,968,253</u>

E. Operating loss carryforward

(1) As of December 31, 2005 the company had no net operating loss carryforwards.

F. Consolidated federal income tax return

(1) The Company's federal income tax return is consolidated with the following entities: Stewart Information Services Corporation, Ortem Investments, Inc., and subsidiaries listed on the attached schedule.

(2) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated June 1, 2004. Such Agreement was filed with the New York Insurance Commissioner on March 11, 2005.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B and C.

The Company did not pay any dividend in 2005.

On December 20, 2005, Company received a capital contribution from parent company. Refer to Schedule Y part 2 of the Annual Statement.

D. Amounts due from or payable to related parties at December 31, 2005 is \$93,123 and \$819,875, respectively. The terms of the settlement require that these amounts are settled within 30 or 60 days.

G. All outstanding shares of the Company are owned by Stewart Title Guaranty Company, an insurance company domiciled in the State of Texas.

11. Debt - None

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**NOTES TO FINANCIAL STATEMENTS**


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## 12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. None
- B. The Company sponsors a defined contribution benefit plan in which all employees and its participating subsidiaries who have completed three months of service are eligible to participate.

In general, a participant in the defined contribution plan may elect to defer on a tax-free basis, in accordance with Section 401(k) of the Internal Revenue Code, a specified percentage of their compensation. Contribution by participants whose compensation is in the highly compensated group of all employees are subject to certain additional limitations under Section 401(k) of the Internal Revenue Code. Deferred compensation is contributed to a trust managed for the benefit of the participants.

The Company makes matching contributions up to \$2,000 per year for each participant in an amount equal to 50% or the first 6% of the participant's compensation. Such percentage is subject to an annual re-determination by the Company's Board of Directors.

At December 31, 2005 plan assets totaled \$ 5,633,793 including vested benefits of \$ 5,536,715.

- C. None
- D. None

## 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations.

1. The Company has 100,000 shares of common stock authorized, issued and outstanding. The par value per share is \$2.

The company has 90,000 shares of Class B common stock authorized issued and outstanding. The par value per share is \$10.

2. Preferred Stock - None
3. Under New York law, the company cannot pay a dividend to shareholders in excess of certain limits without the approval from the New York State Insurance Commissioner. The company shall not declare or pay any cash or property dividend to shareholders which, together with all such dividends declared or paid by it during the next preceding twelve months, exceeds 10% of its then outstanding capital shares unless, after deducting such dividends, it has surplus to policyholders at least equal to 50% of its reinsurance reserve (statutory premium reserve) or a surplus at least equal to 50% of the minimum capital required of such insurer to transact the business of title insurance, whichever shall be greater. In addition, dividends may be paid only out of earned surplus, surplus not attributable to contributions made to surplus within five years next proceeding or to appreciation in value of investments not sold or otherwise disposed of. Surplus as regards policyholders and the statutory premium reserve as of December 31, 2005 was \$39,670,535.

4 - 8 Not Applicable

9. The portion of unassigned funds (Surplus) represented or reduced by each of the following items:

a. Unrealized gains and losses -	\$ 45,356
b. Nonadmitted assets values -	\$ 6,075,894
c. Separate account business -	\$ -0-
d. Asset valuation reserve -	\$ -0-
e. Provision for reinsurance	\$ -0-

10- 12 The Company has no surplus notes or quasi-reorganizations.

14. A. Contingent Commitments - None  
 A. Assessments - None  
 B. Gain Contingencies - None  
 D. All other Contingencies - None

15. Leases - None

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 - None

## NOTES TO FINANCIAL STATEMENTS

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18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators. - Not Applicable

20. September 11 Events - None

21. Other Items -

A. None

B. None

C. The company holds \$60,786,480 at December 31, 2005 in segregated escrow bank accounts pending the closing of real estate transactions. This results in a contingent liability to the Company. These accounts are excluded from the financial statements of admitted assets, liabilities and surplus as regard to policyholders.

D. - E - Not applicable

22. Events Subsequent -

On February 3, 2006, the Company acquired Monroe Title Insurance Company, a title underwriter domiciled in the State of New York. The acquisition was effected by a merger of a wholly-owned subsidiary of the Company with and into Monroe Title Insurance Company, with Monroe Title Insurance Company being the Surviving entity in the merger. The merger agreement was approved by the New York State Insurance Department on February 2, 2006.

23. Reinsurance

(A) Unsecured Reinsurance Recoverable - None

(B) Reinsurance Recoverable in Dispute - None

(C) Reinsurance Assumed and Ceded - Not applicable

(D) Uncollectible Reinsurance - None

(E) Commutation of Ceded Reinsurance - None

(F) Retroactive Reinsurance - None

24. Retrospectively Rated Contracts- None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$462,209 from 9,181,275 in 2004 to 8,719,367 as a result of an decrease in the number and amount of estimate 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. No additional premiums were received since the Company does not issue retrospectively rated policies.

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Supplemental Reserve - The Company does use discounting in the calculation of its supplemental reserve.

**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	1,107,469	1.509	1,107,469	1.509
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	3,340,564	4.552	3,340,564	4.552
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				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	16,757,707	22.836	16,757,707	22.836
1.43 Revenue and assessment obligations	8,648,513	11.785	8,648,513	11.785
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)	27,473,915	37.439	27,473,915	37.439
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
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				
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)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	15,966,846	21.758	15,966,846	21.758
9. Other invested assets	87,857	0.120	87,857	0.120
10. Total invested assets	73,382,871	100.000	73,382,871	100.000



## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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  
 757 Third Avenue, 10th Floor, New York, NY 10017

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? Paul J. Struzzierr, FACS of Milliman USA  
 1325 Franklin Avenue, Suite 555, Garden City, New York 11530  
 No affiliation

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 \_\_\_\_\_

11.12 Number of parcels involved \_\_\_\_\_

11.13 Total book/adjusted carrying value \$ \_\_\_\_\_

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 [ ] N/A [ X ]

### BOARD OF DIRECTORS

13. 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 [ ]

14. 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 [ ]

15. 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

16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers \$ \_\_\_\_\_

16.12 To stockholders not officers \$ \_\_\_\_\_

16.13 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_

16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers \$ \_\_\_\_\_

16.22 To stockholders not officers \$ \_\_\_\_\_

16.23 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_

17.1 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 ]

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

17.21 Rented from others \$ \_\_\_\_\_

17.22 Borrowed from others \$ \_\_\_\_\_

17.23 Leased from others \$ \_\_\_\_\_

17.24 Other \$ \_\_\_\_\_

18.1 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 ]

18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment \$ \_\_\_\_\_

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

	\$ _____
18.22 Amount paid as expenses	\$ _____
18.23 Other amounts paid	\$ _____
19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [ X ] No [ ]
19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ _____ 93,123

### INVESTMENT

20.1 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 [ ] No [ X ]
20.2 If no, give full and complete information, relating thereto _____ _____	
21.1 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, except as shown on Schedule E - Part 3 - Special Deposits, 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 17.1).	Yes [ ] No [ X ]
21.2 If yes, state the amount thereof at December 31 of the current year:	
21.21 Loaned to others	\$ _____
21.22 Subject to repurchase agreements	\$ _____
21.23 Subject to reverse repurchase agreements	\$ _____
21.24 Subject to dollar repurchase agreements	\$ _____
21.25 Subject to reverse dollar repurchase agreements	\$ _____
21.26 Pledged as collateral	\$ _____
21.27 Placed under option agreements	\$ _____
21.28 Letter stock or securities restricted as to sale	\$ _____
21.29 Other	\$ _____

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [ ] No [ X ]
22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  If no, attach a description with this statement.	Yes [ ] No [ ] N/A [ X ]
23.1 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 ]
23.2 If yes, state the amount thereof at December 31 of the current year.	\$ _____
24. 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 Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?	Yes [ X ] No [ ]

24.01 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
Investors Bank & Trust	33 Maiden Lane, New York, NY 10038

24.02 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)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?	Yes [ ] No [ X ]
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24.04 If yes, give full and complete information relating thereto:

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

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

24.05 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
No.106975	Vaughan Nelson Investment Management	600 Travis, Suite 6300, Houston, TX 77002

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

25.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999	Total	

25.3 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

26. 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 (+)
26.1 Bonds	59,316,045	58,857,863	(458,182)
26.2 Preferred stocks			
26.3 Totals	59,316,045	58,857,863	(458,182)

26.4 Describe the sources or methods utilized in determining the fair values: Bond market value was obtained from our investment adviser, Vaughan Nelson Investment Management LP

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

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

### OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 188,086

28.2 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
New York Land Title Association	\$ 61,917
Title Insurance Rate Service Association	\$ 126,169
	\$

29.1 Amount of payments for legal expenses, if any? \$ 708,566

29.2 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
Brown Raymond Millstein Fedler	\$ 325,717
Sidley Austin Brown & Wood LLP	\$ 207,687
Jaspan Schelsinger Hoffman LLP	\$ 174,992

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ \_\_\_\_\_
- 30.2 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
	\$
	\$
	\$
	\$

## 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 <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
| 2. Largest net aggregate amount insured in any one risk.  | \$ <u>13,000,000</u>  |
| 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 <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| 3.2 If yes, give full information   | .....<br>.....<br>.....   |
| 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 <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| 5.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?  | YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| 5.2 If yes, give full information   | .....<br>.....<br>.....   |
| 6. Uncompleted building construction loans:   |   |
| 6.1 Amount already loaned   | \$ _____  |
| 6.2 Balance to be advanced  | \$ _____  |
| 6.3 Total amount to be loaned   | \$ _____  |
| 7.1 Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings?   | YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| 7.2 If yes, give total amount of such bonds or certificates of participation issued and outstanding.  | \$ _____  |
| 8. What is the aggregate amount of mortgage loans owned by the reporting entity which consist of co-ordinate interest in first liens?   | \$ _____  |
| 9.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:  |   |
| 9.11 Bonds  | \$ <u>21,925,595</u>  |
| 9.12 Short-term investments   | \$ _____  |
| 9.13 Mortgages  | \$ _____  |
| 9.14 Cash   | \$ <u>110,950</u>   |
| 9.15 Other admissible invested assets   | \$ _____  |
| 9.16 Total  | \$ <u>22,036,545</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:   | \$ <u>60,786,480</u>  |
| These funds consist of:   |   |
| 9.22 In cash on deposit   | \$ <u>60,786,480</u>  |
| 9.23 Other forms of security  | \$ _____  |

**FIVE-YEAR HISTORICAL DATA**

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

	1 2005	2 2004	3 2003	4 2002	5 2001
<b>Source of Direct Title Premiums Written (Part 1A)</b>					
1. Direct operations (Part 1A, Line 1, Col. 1)	32,534,503	28,378,108	15,193,447	11,444,603	8,233,211
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	119,983,559	115,127,321	121,679,672	90,682,537	63,688,977
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)	638,891	2,430,267	4,908,968	3,953,552	3,302,498
4. Total	153,156,953	145,935,696	141,782,087	106,080,692	75,224,686
<b>Operating Income Summary (Page 4 &amp; Part 1)</b>					
5. Premiums earned (Part 1B, Line 3)	148,719,302	142,721,727	138,774,813	104,063,851	73,778,606
6. Escrow and settlement service charges (Part 1A, Line 2)	42,133	71,306	74,903	45,589	100,569
7. Title examinations (Part 1C, Line 1)	486,772	329,777	221,494	177,284	88,414
8. Searches and abstracts (Part 1C, Line 2)	1,096,484	1,309,907	1,722,359	1,534,386	1,810,657
9. Surveys (Part 1C, Line 3)	1,623,349	1,222,718	1,344,635	930,007	553,796
10. Aggregate write-ins for service charges (Part 1C, Line 4)	5,288,714	4,573,385	1,607,894	562,317	347,831
11. Aggregate write-ins for other operating income (Page 4, Line 2)	48,338				
12. Total operating income (Page 4, Line 3)	157,305,092	150,228,820	143,746,098	107,313,434	76,679,873
<b>Statement of Income (Page 4)</b>					
13. Net operating gain or (loss) (Line 8)	12,745,163	7,286,200	5,613,524	2,793,566	(1,741,292)
14. Net investment gain or (loss) (Line 11)	2,425,223	2,742,973	2,915,296	1,666,135	2,216,842
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)	3,824,151	5,092,537	3,383,537	1,807,347	285,291
17. Net income (Line 15)	11,346,235	4,936,636	5,145,283	2,652,354	190,259
<b>Balance Sheet (Pages 2 and 3)</b>					
18. Title insurance premiums and fees receivable (Page 2, Line 13, Col. 3)	3,234,715	1,384,294	1,627,498	1,115,137	483,469
19. Total admitted assets excluding segregated accounts (Page 2, Line 24, Col. 3)	80,595,375	56,944,747	49,640,704	40,033,718	34,947,094
20. Known claims reserve (Page 3, Line 1)	8,719,367	9,181,275	9,490,249	9,071,836	7,866,957
21. Statutory premium reserve (Page 3, Line 2)	21,717,346	18,691,202	15,956,870	12,783,688	10,733,989
22. Total liabilities (Page 3, Line 21)	40,924,840	38,417,176	33,648,221	24,573,124	20,254,561
23. Capital paid up (Page 3, Lines 23 + 24)	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
24. Surplus as regards policyholders (Page 3, Line 30)	39,670,535	18,527,571	15,992,483	15,460,594	14,692,534
<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					
25. Bonds (Line 1)	78.1	92.8	86.9	91.5	85.7
26. Stocks (Lines 2.1 & 2.2)					7.0
27. Mortgage loans on real estate (Line 3.1 and 3.2)					
28. Real estate (Lines 4.1, 4.2 & 4.3)					
29. Cash, cash equivalents and short-term investments (Line 5)	21.9	7.2	12.8	7.8	7.2
30. Contract loans (Line 6)				X X X	X X X
31. Other invested assets (Line 7)					
32. Receivable for securities (Line 8)					
33. Aggregate write-ins for invested assets (Line 9)				X X X	X X X
34. 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>					
35. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
36. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
37. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					2,293,514
38. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
39. Affiliated mortgage loans on real estate					
40. All other affiliated	87,857	1,250	129,604	231,631	41,013
41. Total of above Lines 35 to 40	87,857	1,250	129,604	231,631	2,334,527
42. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 41 above divided by Page 3, Line 30, Col. 1 x 100.0)	0.2		0.8	1.5	15.9

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
<b>Capital and Surplus Accounts</b> (Page 4)					
43. Net unrealized capital gains or (losses) (Line 18)	45,356	(86,163)	(89,527)	1,378,062	487,619
44. Change in nonadmitted assets (Line 21)	784,779	(2,637,303)	409,031	(2,497,186)	(409,143)
45. Dividends to stockholders (Line 28)		(2,675,000)	(5,000,000)	(3,080,020)	
46. Change in surplus as regards policyholders for the year (Line 31)	21,142,964	2,535,088	531,889	768,060	419,438
<b>Losses Paid and Incurred</b> (Part 2A)					
47. Net payments (Line 5, Col. 4)	3,066,170	3,784,660	3,838,901	4,374,032	4,086,155
48. Losses and allocated LAE incurred (Line 8, Col. 4)	2,604,262	3,475,686	4,257,314	5,578,911	5,427,416
49. Unallocated LAE incurred (Line 9, Col. 4)	778,997	733,082	688,975	604,005	575,387
50. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	3,383,259	4,208,768	4,946,289	6,182,916	6,002,803
<b>Operating Expenses to Total Operating Income</b> (Part 3)(%) (Line item divided by Page 4, Line 3 x 100.0)					
51. Personnel costs (Part 3, Line 1.5, Col. 4)	12.7	11.6	7.5	8.1	9.9
52. Amount paid to or retained by title agents (Part 3, Line 2, Col. 4)	65.1	66.3	74.7	74.4	73.6
53. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	12.0	14.5	10.4	9.2	10.9
54. Total (Lines 51 to 53)	89.7	92.3	92.6	91.8	94.4
<b>Operating Percentages</b> (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
55. Losses and loss adjustment expenses incurred (Line 4)	2.2	2.8	3.4	5.7	7.8
56. Operating expenses incurred (Line 5)	89.7	92.3	92.7	91.7	94.4
57. Aggregate write-ins for other operating deductions (Line 6)					
58. Total operating deductions (Line 7)	91.9	95.2	96.1	97.4	102.3
59. Net operating gain or (loss) (Line 8)	8.1	4.9	3.9	2.6	(2.3)
<b>Other Percentages</b> (Line item divided by Part 1B, Line 1.4)					
60. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)	2.2	2.9	3.5	5.8	8.0
61. Operating expenses incurred to net premiums written (Page 4, Line 5)	93.0	95.4	93.8	92.7	96.6

**SCHEDULE A - VERIFICATION BETWEEN YEARS  
Real Estate**

1. Book/adjusted carrying value, December 31, prior year	_____
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	_____
2.2 Totals, Part 3, Column 7	_____
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	_____
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14	_____
4.2 Totals, Part 3, Column 9	_____
5. Total profit (loss) on sales, Part 3, Column 14	<b>NONE</b>
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12	_____
6.2 Totals, Part 3, Column 8	_____
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	_____
8. Book/adjusted carrying value at the end of current period	_____
9. Total valuation allowance	_____
10. Subtotal (Lines 8 plus 9)	_____
11. Total nonadmitted amounts	_____
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets Column)	_____

**SCHEDULE B - VERIFICATION BETWEEN YEARS  
Mortgage Loans**

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	_____
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions	_____
2.2 Additional investment made after acquisitions	_____
3. Accrual of discount and mortgage interest points and commitment fees	_____
4. Increase (decrease) by adjustment	
5. Total profit (loss) on sale	<b>NONE</b>
6. Amounts paid on account or in full during the year	_____
7. Amortization of premium	_____
8. Increase (decrease) by foreign exchange adjustment	_____
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	_____
10. Total valuation allowance	_____
11. Subtotal (Lines 9 plus 10)	_____
12. Total nonadmitted amounts	_____
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets Column)	_____

**SCHEDULE BA - VERIFICATION BETWEEN YEARS  
Long-Term Invested Assets**

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	_____	1,250
2. Cost of acquisitions during year:		
2.1 Actual cost at time of acquisitions	40,000	
2.2 Additional investment made after acquisitions	1,250	41,250
3. Accrual of discount	_____	
4. Increase (decrease) by adjustment	_____	111,531
5. Total profit (loss) on sale	_____	
6. Amounts paid on account or in full during the year	_____	66,174
7. Amortization of premium	_____	
8. Increase (decrease) by foreign exchange adjustment	_____	
9. Book/adjusted carrying value of long-term invested assets at end of current period	_____	87,857
10. Total valuation allowance	_____	
11. Subtotal (Lines 9 plus 10)	_____	87,857
12. Total nonadmitted amounts	_____	
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	_____	87,857

**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 .....	4,448,033	4,378,411	4,444,214	4,445,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals	4,448,033	4,378,411	4,444,214	4,445,000
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....	16,757,707	16,596,223	17,204,097	15,845,000
	10. Canada .....				
	11. Other Countries .....				
	12. Totals	16,757,707	16,596,223	17,204,097	15,845,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	8,648,513	8,571,788	8,829,829	8,180,000
	14. Canada .....				
	15. Other Countries .....				
	16. Totals	8,648,513	8,571,788	8,829,829	8,180,000
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	27,473,915	27,324,567	27,872,434	26,139,000
	22. Canada .....				
	23. Other Countries .....				
	24. Totals	27,473,915	27,324,567	27,872,434	26,139,000
Parent, Subsidiaries and Affiliates	25. Totals				
	<b>26. Total Bonds</b>	<b>57,328,168</b>	<b>56,870,989</b>	<b>58,350,574</b>	<b>54,609,000</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 .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	<b>54. Total Common Stocks</b>				
	55. Total Stocks				
	56. Total Bonds and Stocks	57,328,168	56,870,989	58,350,574	

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

1. Book/adjusted carrying value of bonds and stocks, prior year .....	48,550,292	7. Amortization of premium .....	555,633
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	15,269,354	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....	8,813	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 .....		9. Book/adjusted carrying value at end of current period .....	57,328,168
4.4 Column 11 - 13, Part 4 .....		10. Total valuation allowance .....	
5. Total gain (loss), Column 19, Part 4 .....	41,561	11. Subtotal (Lines 9 plus 10) .....	57,328,168
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....	5,986,219	12. Total nonadmitted amounts .....	
		13. Statement value of bonds and stocks, current period .....	57,328,168

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1		3,148,291	1,299,742			4,448,033	7.759	2,426,917	4.999	4,448,033	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals		3,148,291	1,299,742			4,448,033	7.759	2,426,917	4.999	4,448,033	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	2,319,813	6,839,788	7,598,106			16,757,707	29.231	13,531,607	27.872	16,757,708	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals	2,319,813	6,839,788	7,598,106			16,757,707	29.231	13,531,607	27.872	16,757,708	
5. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	1,249,725	4,161,681	3,237,107			8,648,513	15.086	9,223,305	18.998	8,648,513	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	1,249,725	4,161,681	3,237,107			8,648,513	15.086	9,223,305	18.998	8,648,513	

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	2,017,265	13,038,229	6,422,741			21,478,235	37.465	18,816,004	38.757	21,478,235	
7.2 Class 2	1,000,691	789,056	4,205,933			5,995,680	10.459	4,550,670	9.373	5,995,680	
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals	3,017,956	13,827,285	10,628,674			27,473,915	47.924	23,366,674	48.131	27,473,915	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

**SCHEDULE D - PART 1A - SECTION 1 (continued)**  
 Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	5,586,803	27,187,989	18,557,696			51,332,488	89.541	X X X	X X X	51,332,489	
10.2 Class 2	1,000,691	789,056	4,205,933			5,995,680	10.459	X X X	X X X	5,995,680	
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 Totals	6,587,494	27,977,045	22,763,629			(b) 57,328,168	100.000	X X X	X X X	57,328,169	
10.8 Line 10.7 as a % of Col. 6	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	2,457,830	25,400,679	16,139,324			X X X	X X X	43,997,833	90.627	43,997,833	
11.2 Class 2	499,468	2,014,771	2,036,431			X X X	X X X	4,550,670	9.373	4,550,670	
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 Totals	2,957,298	27,415,450	18,175,755			X X X	X X X	(b) 48,548,503	100.000	48,548,503	
11.8 Line 11.7 as a % of Col. 8	6.091	56.470	37.438			X X X	X X X	100.000	X X X	100.000	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	5,586,803	27,187,989	18,557,696			51,332,488	89.541	43,997,833	90.627	51,332,488	X X X
12.2 Class 2	1,000,691	789,056	4,205,933			5,995,680	10.459	4,550,670	9.373	5,995,680	X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 Totals	6,587,494	27,977,045	22,763,629			57,328,168	100.000	48,548,503	100.000	57,328,168	X X X
12.8 Line 12.7 as a % of Col. 6	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	X X X
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$ \_\_\_\_\_ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ \_\_\_\_\_ 0 current year, \$ \_\_\_\_\_ 0 prior year of bonds with Z designations and \$ \_\_\_\_\_ 0 current year, \$ \_\_\_\_\_ 0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ \_\_\_\_\_ 0 current year, \$ \_\_\_\_\_ 0 prior year of bonds with 5\* designations and \$ \_\_\_\_\_ 0 current year, \$ \_\_\_\_\_ 0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations		3,148,291	1,299,742			4,448,033	7.759	2,426,917	4.999	4,448,033	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals		3,148,291	1,299,742			4,448,033	7.759	2,426,917	4.999	4,448,033	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined											
3.6 Other											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations	2,319,813	6,839,788	7,598,106			16,757,707	29.231	13,531,607	27.872	16,757,707	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined											
4.6 Other											
4.7 Totals	2,319,813	6,839,788	7,598,106			16,757,707	29.231	13,531,607	27.872	16,757,707	
5. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	1,249,725	4,161,681	3,237,107			8,648,513	15.086	9,223,305	18.998	8,648,513	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined											
5.6 Other											
5.7 Totals	1,249,725	4,161,681	3,237,107			8,648,513	15.086	9,223,305	18.998	8,648,513	

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
6.	Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
	6.1 Issuer Obligations											
	6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	6.3 Defined											
	6.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	6.5 Defined											
	6.6 Other											
	6.7 Totals											
7.	Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
	7.1 Issuer Obligations	3,017,956	13,827,285	10,628,674			27,473,915	47.924	23,366,674	48.131	27,473,915	
	7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	7.3 Defined											
	7.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	7.5 Defined											
	7.6 Other											
	7.7 Totals	3,017,956	13,827,285	10,628,674			27,473,915	47.924	23,366,674	48.131	27,473,915	
8.	Credit Tenant Loans, Schedules D & DA (Group 8)											
	8.1 Issuer Obligations											
	8.7 Totals											
9.	Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
	9.1 Issuer Obligations											
	9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	9.3 Defined											
	9.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	9.5 Defined											
	9.6 Other											
	9.7 Totals											

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	6,587,494	27,977,045	22,763,629			57,328,168	100.000	X X X	X X X	57,328,168	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES								X X X	X X X		
10.3 Defined								X X X	X X X		
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES								X X X	X X X		
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 Totals	6,587,494	27,977,045	22,763,629			57,328,168	100.000	X X X	X X X	57,328,168	
10.8 Line 10.7 as a % of Col. 6	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	2,957,299	27,415,450	18,175,755			X X X	X X X	48,548,504	100.000	48,548,503	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						X X X	X X X				
11.3 Defined						X X X	X X X				
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES						X X X	X X X				
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 Totals	2,957,299	27,415,450	18,175,755			X X X	X X X	48,548,504	100.000	48,548,503	
11.8 Line 11.7 as a % of Col. 8	6.091	56.470	37.438			X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	6,587,494	27,977,045	22,763,629			57,328,168	100.000	48,548,503	100.000	57,328,168	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											X X X
12.3 Defined											X X X
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											X X X
12.5 Defined											X X X
12.6 Other											X X X
12.7 Totals	6,587,494	27,977,045	22,763,629			57,328,168	100.000	48,548,503	100.000	57,328,168	X X X
12.8 Line 12.7 as a % of Col. 6	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	11.491	48.802	39.708			100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES										X X X	
13.3 Defined										X X X	
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES										X X X	
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

**SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS**

**Short - Term Investments**

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year					
2. Cost of short-term investments acquired	1,981,484	1,981,484			
3. Increase (decrease) by adjustment	6,393	6,393			
4. Increase (decrease) by foreign exchange adjustment					
5. Total profit (loss) on disposal of short-term investments					
6. Consideration received on disposal of short-term investments					
7. Book/adjusted carrying value, current year	1,987,877	1,987,877			
8. Total valuation allowance					
9. Subtotal (Lines 7 plus 8)	1,987,877	1,987,877			
10. Total nonadmitted amounts					
11. Statement value (Lines 9 minus 10)	1,987,877	1,987,877			
12. Income collected during year					
13. Income earned during year	14,018	14,018			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: \_\_\_\_\_

**NONE**            **Schedule DB - Part A and B Verification**

**NONE**            **Schedule DB - Part C, D and E Verification**

**NONE**            **Schedule DB - Part F - Section 1**

**NONE**            **Schedule DB - Part F - Section 2**

## SCHEDULE E-PART 1A-SEGREGATED FUNDS HELD FOR OTHERS AS NON-INTEREST EARNING CASH DEPOSITS

Showing all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which non-interest earning deposits of segregated funds held for others were maintained by the Company at any time during the year and the balances, if any (according to reporting entity's records) on December 31, of the current year.

1 Depository	2 Rate of Interest	3 Balance
OPEN DEPOSITORIES		
FEDERALLY INSURED DEPOSITORIES		
JP Morgan Chase	White Plains NY	63,920
Citibank N.A	White Plains NY	1,465,623
Citibank N.A	White Plains NY	834,884
Citibank N.A	White Plains NY	357,643
Citibank N.A	White Plains NY	172
Citibank N.A	Syracuse NY	69,553
JP Morgan Chase	New York NY	936,681
Citibank N.A	Melville NY	437,985
Citibank N.A	Melville NY	314,457
Citibank N.A	Melville NY	440,542
Citibank N.A	New York NY	819,490
Citibank N.A	New York NY	2,034,216
Citibank N.A	New York NY	700,964
JP Morgan Chase	New York NY	2,755,388
JP Morgan Chase	New York NY	7,232,415
JP Morgan Chase	New York NY	8,804
0199998 Deposits in ( 0 ) depositories which do not exceed the allowable limit in any one depository	X X X	
0199999 Total Federally Insured Depositories	X X X	18,472,737
NON-FEDERALLY INSURED DEPOSITORIES		
0299999 Total Non-Federally Insured Depositories	X X X	
0399999 Total Open Depositories - Dec. 31st	X X X	18,472,737
SUSPENDED DEPOSITORIES		
0499999 Total Suspended Depositories - Dec. 31st	X X X	
0599999 Grand Total - All Depositories - Dec. 31st	X X X	18,472,737
1. Totals: Last day of January		17,760,837
2. February		15,468,775
3. March		14,326,434
4. April		16,227,879
5. May		15,620,006
6. June		22,669,444
7. July		20,077,561
8. August		27,870,334
9. September		21,031,154
10. October		23,134,417
11. November		17,638,842
12. December		18,472,737

## SCHEDULE E-PART 1B-SEGREGATED FUNDS HELD FOR OTHERS AS INTEREST EARNING CASH DEPOSITS

Showing all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which interest earning deposits of segregated funds held for others were maintained by the Company at any time during the year and the balances, if any (according to reporting entity's records) on December 31, of the current year.

1 Depository	2 Rate of Interest	3 Interest Received During Year	4 Interest Earned During Year	5 Balance
OPEN DEPOSITORIES				
FEDERALLY INSURED DEPOSITORIES				
Hudson Valley Bank	White Plains, NY			1,512,472
JP Morgan Chase	New York, NY			18,852,901
Citibank, N.A	New York, NY			91,985
JP Morgan Chase	New York, NY			3,134,148
JP Morgan Chase	New York, NY			18,722,237
0199998 Deposits in ( 0 ) depositories which do not exceed the allowable limit in any one depository	X X X			
0199999 Total Federally Insured Depositories	X X X			42,313,743
NON-FEDERALLY INSURED DEPOSITORIES				
0299999 Total Non-Federally Insured Depositories	X X X			
0399999 Total Open Depositories - Dec. 31st	X X X			42,313,743
SUSPENDED DEPOSITORIES				
0499999 Total Suspended Depositories - Dec. 31st	X X X			
0599999 Grand Totals - All Depositories - Dec. 31st	X X X			42,313,743

1.	Totals: Last day of January	217,189,581
2.	February	22,252,830
3.	March	17,254,103
4.	April	16,021,624
5.	May	15,502,935
6.	June	21,048,940
7.	July	20,712,132
8.	August	28,683,844
9.	September	38,698,390
10.	October	31,574,094
11.	November	27,259,009
12.	December	42,313,743

**SCHEDULE E - PART 1C - REINSURANCE RESERVE FUNDS**

Showing all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which deposits of reinsurance reserve funds were maintained by the Company at any time during the year and the balances, if any (according to reporting entity's records) on December 31, of the current year. Exclude balances represented by negotiable instruments.

1 Depository	2 Rate of Interest	3 Interest Received During Year	4 Interest Earned During Year	5 Balance
OPEN DEPOSITORIES				
0199998 Deposits in ( 0 ) depositories which do not exceed the allowable limit in any one depository-open depositories	X X X			
0199999 Total Open Depositories - Dec. 31st	X X X			
SUSPENDED DEPOSITORIES				
0299998 Deposits in ( 0 ) depositories which do not exceed the allowable limit in any one depository-suspended depositories	X X X			
0299999 Total Suspended Depositories - Dec. 31st	X X X			
<b>NONE</b>				
0399999 Grand Totals - All Depositories - Dec. 31st.	X X X			

<ol style="list-style-type: none"> <li>1. Totals: Last day of January</li> <li>2. February</li> <li>3. March</li> <li>4. April</li> <li>5. May</li> <li>6. June</li> <li>7. July</li> <li>8. August</li> <li>9. September</li> <li>10. October</li> <li>11. November</li> <li>12. December</li> </ol>	
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**SCHEDULE E - PART 1D - SUMMARY**

<b>Segregated Funds Held for Others</b>			
Type	1 Non-Interest Earning	2 Interest Earning	3 Total (Cols. 1 + 2)
1. Open depositories	18,472,737	42,313,743	60,786,480
2. Suspended depositories			
3. Total segregated cash funds held for others (General Interrogatories-Part 2, Line 9.22)	18,472,737	42,313,743	60,786,480
4. Other forms of security held for others (General Interrogatories-Part 2, Line 9.23)			
5. Total all segregated funds held for others (General Interrogatories-Part 2, Line 9.21)	18,472,737	42,313,743	60,786,480
<b>Company Funds on Hand and on Deposit</b>			
<b>General Funds</b>			
6. Open depositories			13,978,970
7. Suspended depositories			
8. Total general funds			13,978,970
<b>Reinsurance Reserve Funds</b>			
9. Open depositories			
10. Suspended depositories			
11. Total reinsurance reserve funds			
<b>Total Company Funds</b>			
12. Open depositories			13,978,970
13. Suspended depositories			
14. Total company funds on deposit (Lines 8 & 11)			13,978,970
15. Company funds on hand			
16. Total company funds on hand and on deposit			13,978,970

**SCHEDULE E - PART 1E - SUMMARY OF INTEREST EARNED**

Interest Earned On	1 Interest Earned by Company	2 Average Monthly Balance of Non-Earning Deposits	3 Average Monthly Balance of Earning Deposits
<b>Segregated Funds Held for Others</b>			
17. Open depositories		19,191,535	41,542,602
18. Suspended depositories			
19. Total segregated funds held for others		19,191,535	41,542,602
<b>Company Funds on Deposit</b>			
20. Open depositories	96,663	14,620	3,889,109
21. Suspended depositories			
22. Total company funds on deposit	96,663	14,620	3,889,109
<b>Total All Funds on Deposit</b>			
23. Open depositories		19,206,155	45,431,711
24. Suspended depositories			
25. Total all funds on deposit		19,206,155	45,431,711

### SCHEDULE E - PART 1F - FUNDS ON DEPOSIT - INTERROGATORIES

1. Does the reporting entity require, at least annually, letters of representation from its directors and officers concerning conflicts of interest in relation to:
- 1.1 The supply of goods or paid provision of personal services to a reporting entity depository listed in Schedule E-Part 1, or its parent, subsidiaries, or any of its affiliates? YES  NO
  - 1.2 Real estate agreements, including, but not limited to lease, rental, mortgage, or purchase agreements with the reporting entity depository listed in Schedule E-Part 1, or its parent, subsidiaries, or any of its affiliates? YES  NO
  - 2.1 Is the reporting entity aware of any real estate agreements, including, but not limited to lease, rental, mortgage, or purchase agreements, existing between the reporting entity, its Parent, Subsidiaries, or any of its Affiliates, and any depository listed in Schedule E-Part 1, or its parent, subsidiaries or any of its affiliates? YES  NO
  - 2.2 If yes, give details below.  
.....  
.....  
.....  
.....  
.....
3. Does the reporting entity maintain sufficient records of funds held as escrow or security deposits and reported in Exhibit Capital Gains (Losses) and Schedule E - Part 1A that will enable it to identify the funds on an individual basis? YES  NO

**SCHEDULE F - PART 1**

**Assumed Reinsurance as of December 31, Current Year (000 Omitted)**

1	2	3	4	5	6	7	8	9	10	11	12	13
Federal ID Number	NAIC Company Code	Name of Reinsured	Domiciliary Jurisdiction	Reinsurance Assumed Liability	Assumed Premiums Received	Reinsurance Payable on Paid Losses and Loss Adjustment Expenses	Reinsurance Payable on Known Case Losses and LAE Reserves	Assumed Premiums Receivable	Funds Held By or Deposited With Reinsured Companies	Letters of Credit Posted	Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	Amount of Assets Pledged or Collateral Held in Trust
74-0924290	50121	Stewart Title Guaranty Company	TX	(7,187)	(3)							
0299999		Total Affiliates - U.S. Non-Pool		(7,187)	(3)							
AA-1124112	00000	Stewart Title Limited -UK	UK	1,650,272	578							
0399999		Total Affiliates - Other (Non-U.S.)		1,650,272	578							
0499999		Total Affiliates		1,643,085	575							
11-3097983	50029	Washington Title Insurance Company	NY	215,415	31							
16-0557455	51063	Monroe Title Insurance Corporation	NY	79,973	28							
95-2566122	50814	First America Title Insurance Company	CA	3,500	1							
0599998		Total Other U.S. Unaffiliated Insurers Less Than \$50,000										
0599999		Total Other U.S. Unaffiliated Insurers		298,888	60							
9999999		TOTALS		1,941,973	635							

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**SCHEDULE F - PART 2**

**Ceded Reinsurance as of December 31, Current Year (000 Omitted)**

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Ceded Liability	7 Ceded Reinsurance Premiums Paid	8 Reinsurance Recoverable on Paid Losses and Loss Adjustment Expenses	9 Reinsurance Recoverable on Known Case Losses and LAE Reserves	Reinsurance Payable		12 Net Amount Recoverable From Reinsurers (Cols. 8 + 9 - 10 - 11)	13 Funds Held By Company Under Reinsurance Treaties
									10 Ceded Balances Payable	11 Other Amounts Due to Reinsurers		
74-0924290	50121	Stewart Title Guaranty Company	TX		5,414,198	1,844						
0299999		Total Authorized - Affiliates - U.S. Non-Pool			5,414,198	1,844						
95-2566122	50814	First America Title Insurance Company	CA		263,965	79						
36-2468956	50229	Chicago Title Insurance Company	MO		225,965	79						
23-1253755	50083	Common Wealth Land Title Insurance Company	PA		72,850	25						
86-0417131	51586	Fidelity National Title Insurance Company	CA		55,000	19						
0399999		Total Authorized - Affiliates - Other (Non-U.S.)			617,780	202						
0499999		Total Authorized - Affiliates			6,031,978	2,046						
0999999		Total Authorized			6,031,978	2,046						
9999999		Totals			6,031,978	2,046						

**SCHEDULE F - PART 3**

**Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 6 thru 10 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 12 + 15 + 16
<b>NONE</b>																

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1. Amounts in dispute totaling \$           0           are included in Column 5.  
 2. Amounts in dispute totaling \$           0           are excluded from Column 13.  
 3. Column 5 excludes \$           0           recoverables on ceded IBNR on contracts in force prior to July 1, 1984 and not subsequently renewed.

**SCHEDULE H - PART 1**

Showing All Title Plants Owned at December 31 of Current Year and Basis of Valuation

1 Permanent Identification Number	2 Form of Ownership	Title Plant Covering Period		5 Date Acquired	6 Actual Cost	7 Book Value	8 Book Value Valuation Basis (a)	9 Increase by Adjustment in Book Value	10 Decrease by Adjustment in Book Value
		3 From	4 To						
01	Wholly Owned	07/01/1989	01/01/1996	01/01/1993	327,667				32,764
02	Wholly Owned	01/01/1998	01/01/1999	01/01/1999	2,000	1,200			200
03	Wholly Owned	07/30/1987	12/31/2003	02/01/2004	1,570,000	1,570,000	Appraised Value		
9999999 Totals					1,899,667	1,571,200	X X X		32,964

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(a) If the basis is other than cost, provide explanation to reason for deviating from the cost basis:

**SCHEDULE H - PART 2**

Showing All Title Plants Acquired During the Year

1 Permanent Identification Number	2 Form of Ownership	Title Plant Covering Period		5 Date Acquired	6 How Acquired	7 Name of Seller	8 Acquisition / Construction Cost to Company During Year	9 Book Value at December 31 of Current Year	10 Percentage Ownership as of December 31	11 Title Plant Not 100% Owned (Does Company Participate in Maintenance Cost? Yes or No)
		3 From	4 To							
					<b>NONE</b>					

**SCHEDULE H - PART 3**

Showing All Title Plants Sold or Otherwise Disposed of During the Year

1 Permanent Identification Number	2 Form of Ownership	Title Plant Covering Period		5 Date Sold	6 Name of Purchaser	7 Cost to Company	8 Increase by Adjustment in Book Value During Year	9 Decrease by Adjustment in Book Value During Year	10 Book Value at Date of Sale	11 Consideration	12 Profit and (Losses) on Sale
		3 From	4 To								
<b>NONE</b>											

4 2

**SCHEDULE H - Verification Between Years**

1. Book value, December 31, prior year	1,604,164	5. Decrease by adjustment in book value:	
2. Increase by adjustment in book value:		5.1 Totals, Part 1, Col. 10	32,964
2.1 Totals, Part 1, Col. 9		5.2 Totals, Part 3, Col. 9	
2.2 Totals, Part 3, Col. 8		6. Consideration received on sales, Part 3, Col. 11	
3. Cost of acquisition, Part 2, Col. 8		7. Net profit (loss) on sales, Part 3, Col. 12	
4. Totals	1,604,164	8. Book value, December 31, current year	1,571,200

## SCHEDULE H - PART 4

### Showing Total Title Assets Held Directly or by Subsidiaries

Type of Title Plant Ownership	1 Title Plant Value Current Year	2 Title Plant Value Prior Year
1. Direct investment in title plant assets .....	1,571,200	1,604,164
2. Title plant assets held by subsidiaries (proportionate to ownership) .....		
3. Total (Line 1 plus Line 2)	1,571,200	1,604,164

**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	118,354	515	2,527	154	121,242	5,095			4,026		
2. 1996	8,306	49,820	29	1,606	206	51,249	2,118			969		
3. 1997	9,430	51,031	74	1,478	255	52,328	2,039			723		
4. 1998	12,599	64,266	157	2,194	282	66,335	2,073			846		
5. 1999	14,781	69,308	203	3,028	185	72,354	3,957			1,811		
6. 2000	12,665	63,871	266	2,723	391	66,469	2,243			1,282		
7. 2001	13,232	75,225	337	2,901	618	77,845	1,780			587		
8. 2002	20,604	106,081	405	3,250	372	109,364	614			365		
9. 2003	30,280	141,782	539	4,971	373	146,919	466			288		
10. 2004	28,815	145,936	667	7,507	1,147	152,963	301			256		
11. 2005	32,588	153,157	635	8,537	2,046	160,283	118			36		
12. Totals	X X X	1,038,831	3,827	40,722	6,029	1,077,351	20,804			11,189		

	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	1,539	430	9,551	487	144			404			77
2. 1996	229	428	3,515	135	344			132			44
3. 1997	686	444	3,206	131	445			191			61
4. 1998	647	463	3,382	148	493			316			85
5. 1999	820	683	6,451	151	1,914			402			191
6. 2000	755	600	4,125	133	496			871			180
7. 2001	840	565	2,932	89	939			979			227
8. 2002	137	427	1,406	69	1,287			1,498			338
9. 2003	36	392	1,146	68	1,714			2,487			534
10. 2004	115	304	861	58	606			4,452			797
11. 2005		109	263	19	337			6,349			1,102
12. Total	5,804	4,845	36,838	1,488	8,719			18,081			3,636

	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	625	17	9,669			9,669	0.084	0.084	X X X		625	
2. 1996	520	14	3,563			3,563	0.078	0.079	0.486		520	
3. 1997	697	14	3,398			3,398	0.074	0.075	0.414		697	
4. 1998	894	17	3,728			3,728	0.064	0.064	0.339		894	
5. 1999	2,507	38	8,084			8,084	0.124	0.124	0.606		2,507	
6. 2000	1,547	29	4,892			4,892	0.085	0.085	0.448		1,547	
7. 2001	2,145	18	4,285			4,285	0.065	0.065	0.384		2,145	
8. 2002	3,123	37	3,764			3,764	0.041	0.041	0.220		3,123	
9. 2003	4,735	33	4,955			4,955	0.040	0.040	0.194		4,735	
10. 2004	5,855	34	5,615			5,615	0.044	0.044	0.233		5,855	
11. 2005	7,788	15	6,840			6,840	0.050	0.050	0.247		7,788	
12. Total	30,436	266	58,793			58,793	X X X	X X X	X X X		X X X	30,436

**SCHEDULE P - PART 1A - POLICIES WRITTEN DIRECTLY**  
(\$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	4,598		2,175	1	6,772	204				136		
2. 1996	573	2,939		1,180	2	4,117	4				4		
3. 1997	902	3,524		1,335	22	4,837	78				11		
4. 1998	1,802	4,516		2,055	12	6,559	113				76		
5. 1999	1,359	5,539		3,007	39	8,507	13				44		
6. 2000	976	6,755		2,609	120	9,244	96				72		
7. 2001	2,173	8,233		2,901	83	11,051	12				55		
8. 2002	2,024	11,445		3,197	68	14,574	28				2		
9. 2003	3,390	15,193		4,916	69	20,040	(2)				15		
10. 2004	5,917	28,378		7,507	604	35,281					2		
11. 2005	5,783	32,535		8,537	1,193	39,879							
12. Totals	X X X	123,655		39,419	2,213	160,861	546				417		

	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		51	391	27	37				210			42
2. 1996	5	15	23	5					4			1
3. 1997		25	114	9					80			16
4. 1998		29	218	10					116			23
5. 1999		26	83	5	298				13			3
6. 2000		15	183	7					99			20
7. 2001	8	8	75	8					12			2
8. 2002	33	8	38	4					29			6
9. 2003	3	9	22	5	227				(1)			
10. 2004		11	13	2	22							
11. 2005		5	5									
12. Total	49	202	1,165	82	584				562			113

	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 ((Cols.29+14+23)/Col. 1)	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	289	1	587			587	0.100	0.100	X X X			289
2. 1996	5		12			12	0.007	0.007	0.049			5
3. 1997	96		169			169	0.043	0.043	0.233			96
4. 1998	139		305			305	0.054	0.054	0.198			139
5. 1999	314	1	368			368	0.046	0.047	0.292			314
6. 2000	119		267			267	0.032	0.033	0.309			119
7. 2001	14		79			79	0.008	0.008	0.041			14
8. 2002	35		59			59	0.005	0.005	0.036			35
9. 2003	226	1	239			239	0.012	0.012	0.073			226
10. 2004	22	2	24			24	0.001	0.001	0.006			22
11. 2005									0.001			
12. Total	1,259	5	2,109			2,109	X X X	X X X	X X X		X X X	1,259

**SCHEDULE P - PART 1B - POLICIES WRITTEN THROUGH AGENTS**

(\$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	113,756	515	352	153	114,470	4,891				3,890		
2. 1996	7,733	46,881	29	426	204	47,132	2,114				965		
3. 1997	8,528	47,507	74	143	233	47,491	1,961				712		
4. 1998	10,797	59,750	157	139	270	59,776	1,960				770		
5. 1999	13,422	63,769	203	21	146	63,847	3,944				1,767		
6. 2000	11,689	57,116	266	114	271	57,225	2,147				1,210		
7. 2001	11,059	66,992	337		535	66,794	1,768				532		
8. 2002	18,580	94,636	405	53	304	94,790	586				363		
9. 2003	26,890	126,589	539	55	304	126,879	468				273		
10. 2004	22,898	117,558	667		543	117,682	301				254		
11. 2005	26,805	120,622	635		853	120,404	118				36		
12. Totals	X X X	915,176	3,827	1,303	3,816	916,490	20,258				10,772		

	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	1,539	379	9,160	460	107				194			35
2. 1996	224	413	3,492	130	344				128			43
3. 1997	686	419	3,092	122	445				111			45
4. 1998	647	434	3,164	138	493				200			62
5. 1999	820	657	6,368	146	1,616				389			188
6. 2000	755	585	3,942	126	496				772			160
7. 2001	832	557	2,857	81	939				967			225
8. 2002	104	419	1,368	65	1,287				1,469			332
9. 2003	33	383	1,124	63	1,487				2,488			534
10. 2004	115	293	848	56	584				4,452			797
11. 2005		104	258	19	337				6,349			1,102
12. Total	5,755	4,643	35,673	1,406	8,135				17,519			3,523

	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 ((Cols. 29+14+23)/Col. 1)	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	336	16	9,082			9,082	0.083	0.083	X X X			336
2. 1996	515	14	3,551			3,551	0.085	0.085	0.518			515
3. 1997	601	14	3,229			3,229	0.078	0.078	0.433			601
4. 1998	755	17	3,423			3,423	0.065	0.066	0.363			755
5. 1999	2,193	37	7,716			7,716	0.134	0.134	0.638			2,193
6. 2000	1,428	29	4,625			4,625	0.094	0.094	0.459			1,428
7. 2001	2,131	18	4,206			4,206	0.074	0.075	0.451			2,131
8. 2002	3,088	37	3,705			3,705	0.047	0.047	0.240			3,088
9. 2003	4,509	32	4,716			4,716	0.044	0.044	0.209			4,509
10. 2004	5,833	32	5,591			5,591	0.057	0.057	0.292			5,833
11. 2005	7,788	15	6,840			6,840	0.067	0.067	0.300			7,788
12. Total	29,177	261	56,684			56,684	X X X	X X X	X X X		X X X	29,177

## SCHEDULE P-PART 2 POLICY YEAR INCURRED LOSS AND ALAE

Years in Which Policies Were Written	Incurred Losses and Allocated Expenses at Year End (\$000 omitted) Including Known Claims and IBNR on Unreported Claims									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1986										
3. 1987										
4. 1988	48	50	47	46	46	47	43	43	42	42
5. 1989	420	447	404	381	376	376	366	365	368	367
6. 1990	1,895	2,052	2,053	1,968	1,995	2,001	1,965	1,968	1,989	1,910
7. 1991	1,317	1,748	1,726	1,878	1,743	1,838	1,822	1,830	1,868	1,864
8. 1992	802	625	705	704	703	708	637	628	625	678
9. 1993	1,043	876	903	943	880	878	794	819	821	804
10. 1994	1,260	1,234	1,263	1,273	1,352	1,389	1,382	1,364	1,383	1,344
11. 1995	1,226	1,812	2,212	2,290	2,292	2,225	2,210	2,663	2,704	2,564
12. 1996	2,427	2,066	3,711	4,071	3,899	3,702	3,603	3,688	3,760	3,461
13. 1997	X X X	1,685	2,538	2,330	2,409	2,417	3,173	3,471	3,547	3,318
14. 1998	X X X	X X X	1,638	2,733	3,587	3,924	4,442	4,179	3,953	3,665
15. 1999	X X X	X X X	X X X	3,477	4,989	7,125	6,810	7,892	7,888	7,906
16. 2000	X X X	X X X	X X X	X X X	3,193	3,430	5,034	5,179	5,099	4,730
17. 2001	X X X	X X X	X X X	X X X	X X X	3,919	4,621	4,455	4,680	4,152
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	4,419	3,764	3,578	3,640
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,834	5,714	4,869
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,671	5,607
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	6,840

## SCHEDULE P-PART 2A POLICY YEAR PAID LOSS AND ALAE

Years in Which Policies Were Written	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior												
2. 1986												
3. 1987												
4. 1988	40	40	40	40	40	41	41	41	41	41	11	3
5. 1989	347	357	358	358	358	358	358	358	358	358	35	13
6. 1990	1,589	1,686	1,758	1,789	1,861	1,876	1,902	1,914	1,920	1,860	33	12
7. 1991	1,137	1,204	1,354	1,378	1,618	1,750	1,776	1,788	1,791	1,789	37	5
8. 1992	469	428	486	504	549	562	576	578	584	585	41	4
9. 1993	566	583	574	652	660	671	683	702	728	769	49	8
10. 1994	452	644	756	846	996	1,063	1,145	1,195	1,247	1,270	63	13
11. 1995	432	699	959	1,166	1,435	1,555	1,675	2,305	2,451	2,449	127	17
12. 1996	151	253	850	1,613	2,107	2,399	2,528	2,736	2,840	3,087	108	14
13. 1997	X X X	46	423	586	1,144	1,284	1,466	1,460	2,685	2,762	101	16
14. 1998	X X X	X X X	9	346	818	1,644	2,749	2,671	2,784	2,919	117	14
15. 1999	X X X	X X X	X X X	90	1,194	2,892	3,982	5,294	5,625	5,768	103	10
16. 2000	X X X	X X X	X X X	X X X	64	560	1,572	2,870	3,081	3,525	93	11
17. 2001	X X X	X X X	X X X	X X X	X X X	275	747	1,066	1,946	2,367	62	9
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	104	134	496	979	30	3
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	31	302	754	34	1
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	49	557	24	24
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	154	4	4

**SCHEDULE P-PART 2B  
POLICY YEAR LOSS AND ALAE CASE BASIS RESERVES**

Years in Which Policies Were Written	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1986										
3. 1987										
4. 1988										
5. 1989	60	39	7	7						
6. 1990	258	145	78	90	24	9	9	6	7	
7. 1991	180	277	214	426	105	76	28	28	25	25
8. 1992	55	90	85	89	12	6				
9. 1993	106	85	95	74	38	37	28	62	36	59
10. 1994	193	182	119	134	122	114	127	65	38	21
11. 1995	257	514	596	624	481	465	340	185	67	22
12. 1996	152	596	1,628	1,264	1,000	857	767	668	698	303
13. 1997	X X X	150	600	905	501	658	1,228	1,514	523	393
14. 1998	X X X	X X X	119	871	1,211	1,184	832	708	602	435
15. 1999	X X X	X X X	X X X	636	1,463	2,203	1,680	1,328	1,517	1,688
16. 2000	X X X	X X X	X X X	X X X	538	1,058	1,783	720	841	437
17. 2001	X X X	X X X	X X X	X X X	X X X	169	1,168	1,636	1,308	828
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	51	542	752	1,135
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	997	1,646	1,511
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	90	534
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	298

**SCHEDULE P-PART 2C  
POLICY YEAR BULK RESERVES ON KNOWN CLAIMS**

Years in Which Policies Were Written	Bulk Reserves on Known Claims at Year End (\$000 omitted) Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1986										
3. 1987										
4. 1988										
5. 1989				1						
6. 1990				9	5	1	1	1	1	
7. 1991				43	20	12	3	3	3	3
8. 1992				9	2	1				
9. 1993				7	7	6	4	8	5	8
10. 1994				14	23	17	16	8	5	3
11. 1995				63	90	70	44	23	9	3
12. 1996				127	188	129	98	81	88	41
13. 1997	X X X			91	94	99	157	185	66	53
14. 1998	X X X	X X X		88	227	179	107	86	76	58
15. 1999	X X X	X X X	X X X	64	274	332	215	162	192	226
16. 2000	X X X	X X X	X X X	X X X	101	160	229	88	106	59
17. 2001	X X X	X X X	X X X	X X X	X X X	25	150	199	165	111
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	7	66	95	152
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	121	208	203
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	12	71
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	40

**SCHEDULE P-PART 2D  
POLICY YEAR IBNR RESERVES**

Years in Which Policies Were Written	IBNR Reserves on Unreported Claims at Year End (\$000 omitted)									
	Loss and Allocated Loss Expense									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior										
2. 1986										
3. 1987										
4. 1988	8	10	7	6	6	6	2	3	2	1
5. 1989	13	51	39	15	18	18	8	7	10	9
6. 1990	48	221	217	80	105	115	52	47	62	56
7. 1991		267	158	31			14	11	49	45
8. 1992	278	107	134	102	137	139	61	50	41	32
9. 1993	371	208	234	210	176	165	80	47	52	34
10. 1994	615	408	388	279	228	194	94	96	93	77
11. 1995	537	599	657	437	267	135	151	150	177	150
12. 1996	2,124	1,217	1,233	1,067	606	317	210	203	133	132
13. 1997	X X X	1,489	1,515	748	671	375	322	312	273	191
14. 1998	X X X	X X X	1,510	1,428	1,331	917	754	714	491	316
15. 1999	X X X	X X X	X X X	2,687	2,058	1,698	933	1,108	554	402
16. 2000	X X X	X X X	X X X	X X X	2,490	1,653	1,451	1,501	1,071	871
17. 2001	X X X	X X X	X X X	X X X	X X X	3,450	2,556	1,553	1,261	979
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	4,257	3,022	2,235	1,498
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,685	3,558	2,487
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,520	4,452
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	6,349

**SCHEDULE P-PART 3  
INCURRED LOSS AND ALAE BY YEAR OF FIRST REPORT**

Years in Which Claims Were First Reported	Losses and Allocated Expenses at Year End (\$000 omitted)									
	Incurred Loss and ALAE on Known Claims and Bulk Reserves on Known Claims									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	4,356	5,336	5,381	5,810	5,728	5,833	5,793	5,897	5,866	5,802
2. 1996	1,187	1,543	1,506	1,702	1,745	1,783	1,780	2,138	2,126	2,092
3. 1997	X X X	1,137	2,159	2,286	2,237	2,336	2,234	2,116	2,085	2,012
4. 1998	X X X	X X X	2,059	2,259	2,111	2,076	2,729	2,109	2,164	1,965
5. 1999	X X X	X X X	X X X	2,945	2,763	2,791	2,908	3,530	3,652	3,530
6. 2000	X X X	X X X	X X X	X X X	4,783	6,008	5,791	6,011	5,753	5,671
7. 2001	X X X	X X X	X X X	X X X	X X X	3,967	4,505	3,893	4,097	3,964
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	4,625	5,070	4,984	4,162
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,867	3,948	4,063
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,434	4,338
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,112

**SCHEDULE P-PART 3A  
PAID LOSS AND ALAE BY YEAR OF FIRST REPORT**

Years in Which Claims Were First Reported	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	4,483	4,799	4,963	5,095	5,505	5,690	5,751	5,854	5,823	5,757	197	51
2. 1996	699	920	1,162	1,312	1,481	1,539	1,530	2,003	2,082	2,071	106	13
3. 1997	X X X	218	1,038	1,411	1,521	1,765	1,782	1,879	1,910	1,913	74	11
4. 1998	X X X	X X X	401	856	1,511	1,457	1,556	1,193	1,980	1,858	83	10
5. 1999	X X X	X X X	X X X	690	1,597	1,942	2,248	2,603	2,904	3,129	99	13
6. 2000	X X X	X X X	X X X	X X X	1,226	3,314	4,299	5,023	4,882	4,914	112	15
7. 2001	X X X	X X X	X X X	X X X	X X X	1,220	3,040	3,233	3,347	3,603	107	15
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	1,095	2,500	3,852	3,694	111	12
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	853	1,324	2,094	70	7
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	824	1,884	68	4
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,074	45	2

**SCHEDULE P-PART 3B  
LOSS AND ALAE CASE BASIS RESERVES  
BY YEAR OF FIRST REPORT**

Years in Which Claims Were First Reported	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	773	905	396	649	188	124	85	38	37	37
2. 1996	488	652	344	354	222	212	278	120	39	16
3. 1997	X X X	812	1,122	795	603	496	450	203	157	89
4. 1998	X X X	X X X	1,679	1,274	505	538	1,063	781	138	68
5. 1999	X X X	X X X	X X X	2,048	982	738	671	836	677	379
6. 2000	X X X	X X X	X X X	X X X	2,995	2,341	1,958	855	751	652
7. 2001	X X X	X X X	X X X	X X X	X X X	2,387	2,454	505	626	319
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	1,081	2,339	964	354
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,782	2,336	1,633
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,425	2,293
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,848

**SCHEDULE P-PART 3C  
BULK RESERVES ON KNOWN CLAIMS  
BY YEAR OF FIRST REPORT**

Years in Which Claims Were First Reported	Bulk Reserves on Known Claims at Year End (\$000 omitted)									
	Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior				66	35	19	6	5	6	6
2. 1996				36	42	32	28	15	5	4
3. 1997	X X X			80	113	75	51	34	18	10
4. 1998	X X X	X X X		128	95	81	108	135	46	39
5. 1999	X X X	X X X	X X X	206	184	111	99	91	71	22
6. 2000	X X X	X X X	X X X	X X X	562	353	170	133	120	105
7. 2001	X X X	X X X	X X X	X X X	X X X	360	165	155	124	43
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	404	231	168	114
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	232	288	337
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	185	161
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	190

## SCHEDULE P INTERROGATORIES

- 1.1 Title insurance losses should include all losses on any transaction for which a title insurance premium, rate or charge was made or contemplated. Escrow losses for which the company is contractually obligated should be included. Losses arising from defalcations for which the reporting entity is contractually obligated should be included. Are the title insurance losses reported in Schedule P defined in conformance with the above definition? Yes  No
- 1.2 If not, describe the types of losses reported. ....
- 1.3 If the types or basis of reporting has changed over time, please explain the nature of such changes. ....
- 2.1 Are paid loss and allocated loss adjustment expenses reduced on account of salvage or subrogation in accordance with the instructions? Yes  No
- 2.2 If not, describe the basis of reporting. ....
- 2.3 If the basis of reporting has changed over time, please explain the nature of such changes. ....
- 3.1 Are sales of salvage at prices different from their book value recorded in accordance with the instructions? Yes  No
- 3.2 If not, describe the basis of reporting. ....
- 3.3 If the basis of reporting has changed over time, please explain the nature of such changes. ....
- 4.1 Are the case basis reserves reported gross of anticipated salvage and subrogation in accordance with the instructions? Yes  No
- 4.2 If not, please explain. ....
- 4.3 If the basis of reporting has changed over time, please explain the nature of such changes. ....
- 5.1 Do any of the reserves reported in Schedule P contain a provision for reserve discount, contingency margin, or any other element not providing for an estimation of ultimate liability? Yes  No
- 5.2 If so, please explain. ....
- 6.1 Does the company IBNR reserves in Schedule P reconcile to the IBNR reserves prepared on a GAAP basis? Yes  No
- 6.2 If not, please explain. ....
- 7.1 Are allocated loss adjustment expenses recorded in accordance with the instructions? Yes  No
- 7.2 If not, please explain which items are not in conformity. ....
- 7.3 If the basis of reporting has changed over time, please explain the nature of such changes. ....
- 8.1 The unallocated loss adjustment expenses paid during the most recent calendar year should be distributed to the various policy years in which the policy was issued as follows: (1) 10% to the most recent policy year, (2) 20% to the next most recent policy year, (3) 10% to the succeeding policy year, (4) 5% to each of the next two succeeding policy years, and (5) the balance to all policy years, including the most recent policy year, in proportion to the amount of loss payments paid for each policy year during the most recent calendar year. Are they so reported? Yes  No
- 8.2 If estimates were used prior to 1996, please explain the basis of such estimates. ....
9. Indicate the basis of determining claim counts:
- 9.1 Are policies having multiple claims shown in Schedule P as a single claim? Yes  No
- 9.2 Are claims closed without payment removed from the claim count? Yes  No
- 9.3 If the definition of claim count has changed over time, please explain the nature of such changes. ....
- 10.1 Have there been any portfolio reinsurance transfers or other accounting conventions that have caused a mismatch of premiums, other income, loss or ALAE? Yes  No
- 10.2 If so, please explain. ....
- 11.1 Have there been any excess of loss or stop loss reinsurance treaties or other accounting conventions that have caused a mismatch of premiums, other income, loss or ALAE? Yes  No
- 11.2 If so, please explain. ....
- 12.1 Have there been any major mergers or acquisitions, either with respect to an insurer or an agent, that had a material impact on operations or claims development? Yes  No
- 12.2 If so, please explain. ....
- 13.1 Were any estimates or allocations used to complete this data request? Yes  No
- 13.2 If so, please explain the nature of the estimate or allocation, the assumptions made and the data used to support your assumptions. ....
14. Are there any especially significant events, coverage, retention or accounting changes which have occurred which must be considered when making an analysis of the information provided? Yes  No

**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									
5. California	CA	YES	A1					(10,987)			
6. Colorado	CO	NO									
7. Connecticut	CT	NO									
8. Delaware	DE	NO									
9. Dist. Columbia	DC	NO									
10. Florida	FL	NO									
11. Georgia	GA	NO									
12. Hawaii	HI	NO									
13. Idaho	ID	NO									
14. Illinois	IL	NO									
15. Indiana	IN	NO									
16. Iowa	IA	NO									
17. Kansas	KS	NO									
18. Kentucky	KY	NO									
19. Louisiana	LA	NO									
20. Maine	ME	NO									
21. Maryland	MD	NO									
22. Massachusetts	MA	NO									
23. Michigan	MI	NO									
24. Minnesota	MN	NO									
25. Mississippi	MS	NO									
26. Missouri	MO	NO									
27. Montana	MT	NO									
28. Nebraska	NE	NO									
29. Nevada	NV	NO									
30. New Hampshire	NH	NO									
31. New Jersey	NJ	NO									
32. New Mexico	NM	NO									
33. New York	NY	YES	A1	32,534,503	119,983,559	638,891	8,537,452	148,719,302	3,066,170	3,394,246	8,719,369
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									
44. Texas	TX	NO									
45. Utah	UT	NO									
46. Vermont	VT	NO									
47. Virginia	VA	NO									
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 Is.	VI	NO									
56. Canada	CN	NO									
57. Aggregate Other Alien	OT	X X X									
58. Totals	(a) 2	X X X		32,534,503	119,983,559	638,891	8,537,452	148,719,302	3,066,170	3,383,259	8,719,369

DETAILS OF WRITE-INS										
5701.	X X X									
5702.	X X X									
5703.	X X X									
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X									
5799. Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X									

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

(b) Insert "A" 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**

		00000	DE	74-1677330	Stewart Information Services Corporation-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty Company-STG(SISCO)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company(STG)
0340	Stewart	50035	FL	65-0685696	Alliance Title of America(SISCO-86%)(STG-14%)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance Company(STG)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Company(STG)
0340	Stewart	50036	OR	91-1800766	Stewart Title Insurance Co. of Oregon(STG)
		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico(STG)
		00000	EN	AA-1124112	Stewart Title Limited (United Kingdom)(STG)
	Stewart	32336	VT	03-0311175	Title Reinsurance Company(STG)
		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC(STG)
		00000	TX	74-2327609	Stewart Title of Austin(STC)
		00000	TX	74-2783918	Stewart Title Corpus Christi(STC)
		00000	TX	75-2258899	Stewart Title Dallas Inc.(STC)
		00000	OK	73-1093494	Stewart Abstract of Oklahoma(STC)
		00000	FL	59-1285458	Stewart Title o Jacksonville Inc.(STC)
		00000	NM	85-0446018	Stewart Title LLC(STC)
		00000	NM	85-0432768	Santa Fe Abstract(STC)
		00000	AR	71-0798379	Stewart Title of Arkansas(STC)
		00000	WA	91-1202822	Stewart Title of Washington(STC)
		00000	AR	71-0858758	Ultima Corp.(STC)
		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix(STC)
		00000	CA	95-4607898	Stewart Title of California (STC)
		00000	CA	57-1140281	GlobeExplorer(STC)
		00000	CA	94-1311451	California Land Title of Marin(STC)
		00000	IL	36-3849696	Stewart Title of Illinois (STC)
		00000	CA	94-2812125	Consolidated Title(STC)
		00000	CA	68-0166273	OnLine Documents Inc.(STC)
		00000	DE	74-2803466	Landata Group Inc.(STC)
		00000	FL	59-3138251	Tampa Cypress Partners(STC)
		00000	FL	59-3667114	Southern Title Holding(STC)
		00000	FL	65-0093460	Executive Title Insurance(STC)
		00000	MO	43-1622646	Stewart Title Inc.(STC)
		00000	MT	81-0529591	Stewart Title of Montana(STC)
		00000	PL	99-9999999	Stewart International Spolka Z Organizona(STC)
		00000	TN	62-0947657	First Data Systems(STC)
		00000	TN	20-1624648	Stewart Title of Tennessee(STC)
		00000	TX	76-0450977	Stewart Mortgage Information(STC)
		00000	TX	74-1959294	Landata Inc.(STC)

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

00000	TX	74-2334790	REI Data(STC)
00000	TX	65-1223112	Stewart Realty Solutions(STC)
00000	TX	20-1820620	StarTex(STC)
00000	DE	33-0912302	RealEC Inc.(STC)
00000	AZ	57-1140281	Air Photo (STC)
00000	TX	76-0360990	Stewart Information International Inc.(STC)
00000	CN	99-9999999	Lawyers Mortgage Network Inc.(STC)



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	<u>Response</u>
<b>MARCH FILING</b>	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....	Yes
2. Will an actuarial opinion be filed by March 1? .....	Yes
<b>APRIL FILING</b>	
3. Will Management's Discussion and Analysis be filed by April 1? .....	Yes
4. Will the Supplemental Schedule of Business Written by Agency be filed by April 1? .....	Yes
5. Will the Investment Risks Interrogatories be filed by April 1? .....	Yes
<b>JUNE FILING</b>	
6. Will an audited financial report be filed by June 1? .....	Yes

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

<b>MARCH FILING</b>	
7. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? .....	NO

**Explanation:**

**Bar code:**



5142020054200000

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**OVERFLOW PAGE FOR WRITE-INS**

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**OVERFLOW PAGE FOR WRITE-INS**

**Page 2 - Continuation  
ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets

**REMAINING WRITE-INS AGGREGATED AT LINE 09 FOR INVESTED ASSETS**

0904.				
0905.				
0906.				
0907.				
0908.				
0909.				
0910.				
0911.				
0912.				
0913.				
0914.				
0915.				
0916.				
0917.				
0918.				
0919.				
0920.				
0921.				
0922.				
0923.				
0924.				
0925.				
0997. Totals (Lines 0904 through 0925) (Page 2, Line 0998)				

**REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR OTHER THAN INVESTED ASSETS**

2304. Accounts Receivable	78,594	60,941	17,653	44,385
2305.				
2306.				
2307.				
2308.				
2309.				
2310.				
2311.				
2312.				
2313.				
2314.				
2315.				
2316.				
2317.				
2318.				
2319.				
2320.				
2321.				
2322.				
2323.				
2324.				
2325.				
2397. Totals (Lines 2304 through 2325) (Page 2, Line 2398)	78,594	60,941	17,653	44,385

**OVERFLOW PAGE FOR WRITE-INS**

**Page 9 - Continuation  
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						

**REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR MISCELLANEOUS EXPENSES**

2304. Investment Expenses							87,243	87,243	77,655
2305.									
2306.									
2307.									
2308.									
2309.									
2310.									
2311.									
2312.									
2313.									
2314.									
2315.									
2316.									
2317.									
2318.									
2319.									
2320.									
2321.									
2322.									
2323.									
2324.									
2325.									
2397. Totals (Lines 2304 through 2325) (Page 9, Line 2398)							87,243	87,243	77,655

5 9 . 1

**OVERFLOW PAGE FOR WRITE-INS**

**Page 12 - Continuation  
EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Non-admitted Assets (Col. 2 - Col. 1)

**REMAINING WRITE-INS AGGREGATED AT LINE 09 FOR INVESTED ASSETS**

0904.			
0905.			
0906.			
0907.			
0908.			
0909.			
0910.			
0911.			
0912.			
0913.			
0914.			
0915.			
0916.			
0917.			
0918.			
0919.			
0920.			
0921.			
0922.			
0923.			
0924.			
0925.			
0997. Totals (Lines 0904 through 0925) (Page 12, Line 0998)			

**REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR OTHER THAN INVESTED ASSETS**

2304. Accounts Receivable	60,941	3,454	(57,487)
2305.			
2306.			
2307.			
2308.			
2309.			
2310.			
2311.			
2312.			
2313.			
2314.			
2315.			
2316.			
2317.			
2318.			
2319.			
2320.			
2321.			
2322.			
2323.			
2324.			
2325.			
2397. Totals (Lines 2304 through 2325) (Page 12, Line 2398)	60,941	3,454	(57,487)

**NONE**      **Schedule A - Part 1**

**NONE**      **Schedule A - Part 2**

**NONE**      **Schedule A - Part 3**

**NONE**      **Schedule B - Part 1**

**NONE**      **Schedule B - Part 2**

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Ident- ification	2 Name or Description	3 Code	4 Location		6 Name of Vendor or General Partner	7 NAIC Desig- nation	8 Date Originally Acquired	9 Type And Strategy	10 Actual Cost	11 Additional Investment During Year Actual Cost	12 Fair Value	13 Amount of Encumbrances	14 Book/Adjusted Carrying Value Less Encumbrances	15 Increase (Decrease) by Adjustment	16 Increase (Decrease) by Foreign Exchange Adjustment	17 Investment Income	18 Commitment for Additional Investment	19 Percentage of Ownership
			4 City	5 State														
	National Commercial Title Agency LLC	O	Westchester	New York			03/17/2004		1,250	1,250	14,500		2,500					50%
	Coach Title Agency LLC	O	Huntington	New York			11/01/2004		40,000		170,716		85,357					50%
2099999	Subtotal - Other - Joint Venture/Partnership Interests - Affiliated								41,250	1,250	185,216		87,857					X X X
3299999	Total Affiliated								41,250	1,250	185,216		87,857					X X X
3399999	Totals								41,250	1,250	185,216		87,857					X X X

9 0 6

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											
<b>NONE</b>														

E 0 7

Annual Statement for the year 2005 of the Stewart Title Insurance Company

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				Interest				Dates		
		3 *	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due & Accrued	20 Gross Amt. Rec. During Year	21 Acquired	22 Maturity
3133X1-BV-8	FEDERAL HOME LOAN BANK				1FE	880,546	98.39	877,659	895,000	882,594		1,298			4.500	4.773	MS	11,747	40,275	07/30/2004	09/16/2013
3128X0-L3-1	Federal Home Loan Mortgage Corp				1FE	747,000	99.60	726,328	750,000	748,368		720			3.250	3.384	FA	8,531	24,375	01/26/2004	02/25/2008
3133X7-FK-5	FEDERAL HOMELOAN BANK				1FE	417,544	103.06	412,252	400,000	417,148		(396)			5.250	4.686	JD	758	10,500	10/05/2005	06/18/2014
31359M-PZ-0	FEDERAL NATIL MTG ASSN				1FE	546,290	97.34	535,391	550,000	548,113		959			3.250	3.470	MN	2,284	17,875	07/08/2004	11/15/2007
31359M-B2-8	FEDERAL NATIONAL MTG ASSN				1FE	744,291	99.00	742,500	750,000	744,340		49			4.750	5.009	AO	7,125	7,125	12/22/2005	04/19/2010
912828-DT-4	US TREASURY NOTE				1FE	602,039	98.58	591,468	600,000	601,663		(376)			3.750	3.660	MN	2,875	11,250	06/07/2005	05/15/2008
912828-DR-8	US Treasury Notes				1FE	506,504	98.56	492,813	500,000	505,807		(697)			4.000	3.739	AO	4,222	10,000	06/08/2005	04/15/2010
0199999	Subtotal - Issuer Obligations					4,444,214	X X X	4,378,411	4,445,000	4,448,033		1,557			X X X	X X X	X X X	37,542	121,400	X X X	X X X
0399999	Subtotals - U.S. Governments					4,444,214	X X X	4,378,411	4,445,000	4,448,033		1,557			X X X	X X X	X X X	37,542	121,400	X X X	X X X
052429-Y3-5	Austin TX GO				1FE	642,876	101.76	610,542	600,000	622,745		(8,407)			4.100	2.591	FA	10,250	24,600	07/23/2003	08/01/2008
145628-HN-6	Carrollton TX Sch Dist				1FE	753,109	105.68	739,788	700,000	733,733		(6,546)			5.000	3.889	FA	13,222	35,000	12/03/2002	02/15/2012
186167-CV-2	Cleveland Hill NY Un Free Sch Dist				1FE	253,883	99.69	249,212	250,000	252,613		(403)			3.500	3.327	AO	1,847	8,750	09/25/2002	10/15/2011
280515-XC-6	EDGEWOOD TEX INDPT SCH DIST				1FE	489,929	109.03	490,622	450,000	489,249		(679)			5.250	3.876	FA	8,925		11/10/2005	02/15/2013
414004-QS-3	Harris County Tex				1FE	196,560	109.02	181,375	165,000	190,388		(3,441)			5.375	2.832	FA	3,350	8,870	03/08/2004	08/15/2012
435398-DL-3	Holley NY Cent Sch Dist				1FE	153,387	100.53	150,796	150,000	152,226		(367)			3.600	3.328	JD	240	5,400	09/18/2002	06/15/2011
452150-W7-6	Illinois ST First Ser G.O				1FE	446,484	103.23	412,928	400,000	415,315		(9,303)			5.500	3.029	FA	9,167	22,000	07/10/2002	08/01/2007
547160-HG-9	Lovejoy Indpt Sch Dist Tex				1FE	555,860	107.09	535,465	500,000	547,622		(6,918)			5.000	3.298	FA	9,444	22,917	09/22/2004	02/15/2012
56052A-DQ-6	Maine State G.O.				1FE	347,424	101.30	354,547	350,000	349,509		320			4.250	4.398	JD	661	14,875	07/10/1998	06/15/2007
564385-ZT-2	Mansfield Tex Indpt Sch Dist				1FE	438,064	108.84	424,488	390,000	422,106		(5,590)			5.500	3.755	FA	8,103	21,450	01/16/2003	02/15/2013
575827-3X-6	MASSACHUSETTS ST				1FE	846,750	109.75	823,088	750,000	838,682		(8,068)			5.500	3.312	JD	3,438	41,250	05/25/2005	12/01/2011
575827-EB-2	Massachusetts State G.O.				1FE	808,178	102.19	766,440	750,000	756,024		(6,897)			6.000	5.068	MN	7,500	45,000	11/18/1996	11/01/2006
602245-JZ-6	Milwaukee County Wis Bonds				1FE	547,885	102.93	514,655	500,000	516,882		(9,253)			5.000	3.029	AO	6,250	25,000	07/10/2002	10/01/2007
64966B-SA-2	New York NY G.O				1FE	499,625	99.85	499,250	500,000	499,943		96			3.100	3.144	FA	6,458	15,500	07/18/2002	08/01/2006
649787-MH-8	New York State G.O.				1FE	516,275	100.88	504,375	500,000	501,668		(2,281)			4.500	4.057	MS	6,625	22,500	01/27/1999	09/15/2006
763261-KN-3	Richardson Tex Indpt Sch Dist				1FE	1,098,050	107.67	1,076,710	1,000,000	1,083,886		(10,139)			5.000	3.685	FA	18,889	64,444	08/04/2004	02/15/2013
763261-JC-9	RICHARDSON TX ISD				1FE	576,512	101.78	564,901	555,000	569,864		(4,466)			4.000	3.118	FA	8,387	22,200	07/01/2004	02/15/2009
779222-XB-9	Round Rock Tex				1FE	604,346	107.94	593,692	550,000	596,943		(5,240)			5.000	3.739	FA	10,389	29,792	07/28/2004	08/15/2013
796237-AJ-4	San Antonio Tex				1FE	11,573	106.72	10,672	10,000	11,185		(216)			5.000	2.519	FA	208	500	03/08/2004	02/01/2011
796237-AY-1	San Antonio Tex				1FE	509,203	106.58	468,943	440,000	492,139		(9,502)			5.000	2.519	FA	9,167	22,000	03/08/2004	02/01/2011
796236-7S-0	San Antonio Tex				1FE	1,088,888	102.57	1,010,275	985,000	1,029,937		(27,633)			5.000	2.068	FA	20,521	49,250	11/04/2003	08/01/2007
796236-7G-6	San Antonio Tex				1FE	16,582	102.45	15,368	15,000	15,684		(421)			5.000	2.068	FA	312	750	11/04/2003	08/01/2007
848304-FB-2	Spencerport NY Cent Sch Dist G.O				1FE	708,757	102.35	716,436	700,000	705,930		(956)			4.125	3.990	JD	1,283	28,875	12/03/2002	06/15/2012
850000-YH-7	SPRING TEX INDPT SCH DIST				1FE	273,760	104.71	261,780	250,000	267,973		(5,457)			5.000	2.605	FA	4,722	16,667	12/09/2004	02/15/2009
850000-QZ-6	SPRING TX GO				1FE	453,892	103.29	449,311	435,000	451,557		(2,335)			4.300	3.432	FA	7,066	9,353	04/14/2005	08/15/2010
882719-3A-3	TEXAS ST				1FE	823,508	105.36	790,163	750,000	807,693		(15,815)			5.125	2.581	AO	9,609	38,438	02/04/2005	10/01/2010
882720-R3-1	Texas State				1FE	563,240	105.42	527,119	500,000	541,638		(10,423)			5.000	2.670	AO	6,250	25,000	11/24/2003	10/01/2009
882720-KP-9	TEXAS STATE G.O				1FE	584,843	101.23	556,743	550,000	562,178		(15,942)			5.000	2.023	AO	6,875	27,500	07/27/2004	10/01/2006
89438V-RW-8	Travis County Texas				1FE	778,442	106.72	747,061	700,000	757,749		(10,106)			5.000	3.279	MS	11,667	35,000	12/01/2003	03/01/2011
93974A-FU-3	Washington ST G.O				1FE	544,735	103.17	515,840	500,000	517,258		(8,226)			5.000	3.230	JJ	12,500	25,000	07/11/2002	01/01/2008
969887-KS-6	WILLIAMSON COUNTY TEX				1FE	1,071,477	108.80	1,033,638	950,000	1,057,388		(14,088)			5.250	3.228	FA	18,842	70,656	02/07/2005	02/15/2012

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Annual Statement for the year 2005 of the **Stewart Title Insurance Company**

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F o r e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
1899999	Subtotal - Issuer Obligations					17,204,097	X X X	16,596,223	15,845,000	16,757,707		(208,702)			X X X	X X X	X X X	242,167	778,537	X X X	X X X
2499999	Subtotals - Political Subdivisions of States, Territories and Possessions					17,204,097	X X X	16,596,223	15,845,000	16,757,707		(208,702)			X X X	X X X	X X X	242,167	778,537	X X X	X X X
052414-BN-8	Austin Tex Elec Util Rev				1FE	777,641	106.36	717,950	675,000	744,742		(16,970)			5.250	2.453	MN	4,528	35,438	01/15/2004	11/15/2009
052476-HV-3	AUSTIN TEX WTR & WASTEWATER				1FE	657,624	108.51	651,078	600,000	655,582		(2,042)			5.000	3.798	MN	3,833	15,000	08/11/2005	11/15/2014
238253-LY-2	Dauphin County PA				1FE	500,000	100.44	502,185	500,000	500,000					4.000	4.040	FA	8,333	20,000	03/12/1999	08/01/2006
249015-TG-3	Denton Tex Util Sys Rev				1FE	795,894	109.44	755,136	690,000	761,312		(13,139)			5.625	3.357	JD	3,234	38,813	04/16/2003	12/01/2010
348430-MY-2	Fort Pierce Fla Util Auth				1FE	773,430	107.99	755,923	700,000	763,674		(6,992)			5.000	3.676	AO	8,750	35,000	08/05/2004	10/01/2014
469359-CE-1	Jacksonville Fla Cap Impt Rev				1FE	253,935	99.33	248,318	250,000	252,200		(546)			3.250	3.023	AO	2,031	8,125	09/18/2002	10/01/2009
495289-DY-3	King County Washington Revenue				1FE	544,735	103.07	515,355	500,000	517,258		(8,226)			5.000	3.230	JJ	12,500	25,000	07/11/2002	01/01/2008
54811B-AL-5	Lower Colo Riv Auth Tex				1FE	578,065	109.29	546,435	500,000	561,503		(8,563)			5.375	3.250	MN	3,434	26,875	01/14/2004	05/15/2014
54811B-AH-4	Lower Colo Riv Auth Tex				1FE	548,045	108.28	541,395	500,000	534,970		(5,763)			5.250	3.835	MN	3,354	26,250	09/04/2003	05/15/2011
60534P-FS-7	Mississippi Dev Bk Spl Oblig Issue				1FE	350,023	100.01	340,024	340,000	346,213		(1,216)			3.625	3.226	MS	4,108	12,325	10/02/2002	09/01/2010
626190-J5-2	Municipal Assistance Corp				1FE	745,770	100.80	755,970	750,000	749,725		530			4.875	5.011	JJ	18,281	36,563	01/03/1997	07/01/2006
646046-JU-7	New Jersey State Certificates Par				1FE	399,500	101.75	406,992	400,000	399,904		62			4.500	4.568	JD	800	18,000	07/30/1998	06/15/2007
709221-JL-0	Penn State Turnpike Common Oil				1FE	275,000	103.30	284,064	275,000	275,000					4.500	4.551	JD	1,031	12,375	08/10/1998	12/01/2008
709221-KE-4	Penn State Turnpike Common Oil				1FE	125,000	102.65	128,314	125,000	125,000					4.500	4.551	JD	469	5,625	08/10/1998	12/01/2008
790407-CE-8	ST Johns County Fla Sales Tax Rev				1FE	429,484	98.58	418,982	425,000	427,795		(538)			3.250	3.124	AO	3,453	13,813	10/01/2002	10/01/2010
882762-BR-7	TEXAS ST TPK AUTH				1FE	334,221	102.34	307,023	300,000	312,257		(8,438)			5.000	2.070	JD	1,250	15,000	05/08/2003	06/01/2007
914301-YD-2	University Houston Tex Univ Revs				1FE	741,462	107.18	696,644	650,000	721,378		(10,462)			5.000	3.045	FA	12,278	32,500	01/20/2004	02/15/2012
2599999	Subtotal - Issuer Obligations					8,829,829	X X X	8,571,788	8,180,000	8,648,513		(82,303)			X X X	X X X	X X X	91,667	376,702	X X X	X X X
3199999	Subtotals - Special Revenue					8,829,829	X X X	8,571,788	8,180,000	8,648,513		(82,303)			X X X	X X X	X X X	91,667	376,702	X X X	X X X
048825-BJ-1	Atlantic Richfield Co				1FE	648,768	103.72	622,320	600,000	635,087		(9,792)			5.900	4.026	AO	7,473	35,400	08/04/2004	04/15/2009
060505-AG-9	Bank of America Corporation				1FE	1,136,205	110.80	1,108,000	1,000,000	1,117,848		(14,258)			7.400	4.800	JJ	34,122	37,000	08/10/2005	01/15/2011
06423A-AN-3	BANK ONE CORP				1FE	604,500	102.84	617,040	600,000	601,888		(658)			6.000	5.953	FA	15,000	36,000	08/23/2001	08/01/2008
097014-AF-1	BOEING CAP CORP				1FE	749,367	101.13	738,249	730,000	742,467		(6,900)			5.750	4.221	FA	15,857	20,988	05/09/2005	02/15/2007
133131-AL-6	Camden Property Trust				2FE	1,226,088	99.92	1,199,040	1,200,000	1,221,962		(2,189)			5.375	5.157	JD	2,867	64,500	01/27/2004	12/15/2013
14911Q-EE-7	Caterpillar Financial Corp				1FE	1,000,000	100.25	1,002,469	1,000,000	1,000,000					6.000	6.136	JAJO	12,667	60,000	07/18/2001	07/15/2009
16161A-BU-1	Chase Manhattan Corp.				1FE	1,110,000	102.96	1,142,856	1,110,000	1,110,000					6.000	6.090	FA	25,160	66,600	07/24/2001	02/15/2009
125581-AD-0	CIT GROUP INC.				1FE	1,717,113	101.18	1,663,399	1,644,000	1,682,782		(16,252)			5.500	4.252	MN	7,786	75,295	08/10/2005	11/30/2007
201615-DT-5	Commercial Credit Co Nt				1FE	1,125,801	102.84	1,120,956	1,090,000	1,109,624		(7,601)			6.250	5.366	JJ	34,063	57,500	04/06/2005	01/01/2008
22541L-AB-9	Credit Suisse FB USA				1FE	511,250	105.39	526,950	500,000	507,371		(1,026)			6.125	5.910	MN	3,913	30,625	11/07/2001	11/15/2011
22541L-AF-0	Credit Suisse First Boston USA				1FE	1,193,299	99.77	1,147,355	1,150,000	1,173,530		(10,706)			4.625	3.612	JJ	24,525	43,938	04/06/2005	01/15/2008
23383F-AA-3	Daimler-Benz North America				2FE	1,004,820	101.62	1,016,208	1,000,000	1,000,691		(919)			7.375	7.405	MS	21,715	73,750	10/24/2000	09/15/2006
25179S-AC-4	DEVON FING CORP				2FE	1,077,044	109.52	1,040,440	950,000	1,061,819		(15,224)			6.875	4.578	MS	16,510	65,313	02/03/2005	09/30/2011
36962G-XS-8	General Elec Cap Corp				1FE	1,529,107	105.17	1,498,673	1,425,000	1,504,518		(10,933)			5.875	4.871	FA	31,627	83,719	07/26/2004	02/15/2012
38141G-AZ-7	Goldman Sachs Gr Inc				1FE	801,452	108.02	820,952	760,000	792,339		(4,465)			6.875	5.988	JJ	24,093	43,313	04/06/2005	01/15/2011
441812-GH-1	Household Finance Corp				1FE	1,554,920	101.18	1,517,772	1,500,000	1,510,044		(18,241)			7.200	6.039	JJ	49,800	108,000	04/22/2003	07/15/2006
459200-AQ-4	IBM CORP				1FE	996,940	102.57	1,025,700	1,000,000	999,384		358			6.450	6.597	FA	26,875	64,500	07/27/1997	08/01/2007

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**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				Interest				Dates		
		3 *	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due & Accrued	20 Gross Amt. Rec. During Year	21 Acquired	22 Maturity
459745-EZ-4	INTL LEASE FINANCE CORP				1FE	876,768	103.97	831,760	800,000	857,269		(16,430)			6.375	4.015	MS	15,017	51,000	10/22/2004	03/15/2009
590188-JP-4	Merrill Lynch & Co. Inc.				1FE	1,671,345	103.25	1,703,625	1,650,000	1,671,531		(1,823)			6.000	5.626	FA	36,850	75,000	10/12/2005	02/17/2009
63534P-AC-1	NATIONAL CITY BK CLEVELAND				1FE	1,419,048	106.11	1,379,430	1,300,000	1,410,328		(8,720)			6.200	4.609	JD	3,582	63,550	07/14/2005	12/15/2011
669383-DK-4	Norwest Financial Inc				1FE	632,236	106.72	586,960	550,000	603,642		(13,882)			6.850	3.912	JJ	17,372	37,675	11/24/2003	07/15/2009
693476-AR-4	PNC FUNDING CORP				1FE	524,345	100.49	502,430	500,000	507,221		(12,057)			5.750	3.260	FA	11,979	28,750	07/26/2004	08/01/2006
887315-AK-5	TIME WARNER INC.				2FE	1,157,805	118.44	1,065,960	900,000	1,132,775		(25,030)			9.125	4.815	JJ	37,869	41,063	02/01/2005	01/15/2013
90331H-KS-1	US BANK NATL ASSN MINNEAPOLIS				1FE	850,207	98.81	844,825	855,000	851,026		820			4.125	4.395	MS	10,385	18,124	08/10/2005	03/17/2008
902905-AK-4	USX CORPORATION				2FE	829,350	123.19	769,938	625,000	789,376		(22,903)			9.375	4.474	FA	22,135	58,594	03/22/2004	02/15/2012
925524-AJ-9	VIACOM INC				2FE	816,436	108.58	760,060	700,000	789,056		(17,107)			7.700	4.643	JJ	22,608	53,900	07/07/2004	07/30/2010
949748-AF-4	Wells Fargo Bk NA				1FE	1,108,220	107.12	1,071,200	1,000,000	1,090,337		(15,101)			6.450	4.495	FA	26,875	64,500	01/19/2005	02/01/2011
3999999	Subtotal - Issuer Obligations					27,872,434	X X X	27,324,567	26,139,000	27,473,915		(251,039)			X X X	X X X	X X X	558,725	1,458,597	X X X	X X X
4599999	Subtotals - Industrial and Miscellaneous (Unaffiliated)					27,872,434	X X X	27,324,567	26,139,000	27,473,915		(251,039)			X X X	X X X	X X X	558,725	1,458,597	X X X	X X X
5499999	Total Bonds - Issuer Obligations					58,350,574	X X X	56,870,989	54,609,000	57,328,168		(540,487)			X X X	X X X	X X X	930,101	2,735,236	X X X	X X X
6099999	Total Bonds					58,350,574	X X X	56,870,989	54,609,000	57,328,168		(540,487)			X X X	X X X	X X X	930,101	2,735,236	X X X	X X X

E O B . 2

**NONE**      **Schedule D - Part 2 - Section 1**

**NONE**      **Schedule D - Part 2 - Section 2**

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3133X7-FK-5	Federal Home Loan Bank		10/05/2005	Weller Anderson & Chene		417,544	400,000.00	6,592
31359M-B2-8	Federal National Mtg Assn		12/22/2005	Lehman Brothers		744,291	750,000.00	4,097
912828-DT-4	US Treasury Note		06/07/2005	Merrill Lynch		602,039	600,000.00	1,529
912828-DR-8	US Treasury Note		06/08/2005	Merrill Lynch		506,504	500,000.00	3,060
0399999	Subtotal - Bonds - U.S. Governments				X X X	2,270,378	2,250,000.00	15,278
280515-XC-6	Edgewood Tex Indpnt Sch Dist		11/10/2005	Weller Anderson & Chene		489,929	450,000.00	5,972
575827-3X-6	Massachusetts State		05/25/2005	Deutsche Bank		846,750	750,000.00	20,625
850000-QZ-6	Spring Tx G.O		04/14/2005	What is Vendor		453,892	435,000.00	3,325
882719-3A-3	Texas State		02/04/2005	Deutsche Bank		823,508	750,000.00	13,667
969887-KS-6	Williamson County Tex		02/07/2005	Weller Anderson & Chene		1,071,477	950,000.00	45,026
2499999	Subtotal - Bonds - Political Subdivisions of States, Territories and Possessions				X X X	3,685,556	3,335,000.00	88,615
052476-HV-3	Austin Tex Wtr & Wastewater		08/11/2005	Weller Anderson & Chene		657,624	600,000.00	7,583
3199999	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	657,624	600,000.00	7,583
060505-AG-9	Bank of America Corporation		08/10/2005	First Tennessee Corporate		561,940	500,000.00	3,083
097014-AF-1	Boeing Cap Corp.		05/09/2005	JP Morgan		749,367	730,000.00	10,144
125581-AD-0	Cit Group Inc.		08/10/2005	First Tennessee Corporate		561,594	550,000.00	6,302
201615-DT-5	Commercial Credit Co Nt		04/06/2005	Jefferies		357,051	340,000.00	5,903
22541L-AF-0	Credit Suisse First Boston USA		04/06/2005	Jefferies		403,076	400,000.00	4,419
25179S-AC-4	Devon Fing Corp.		02/03/2005	Merrill Lynch		1,077,044	950,000.00	23,222
38141G-AZ-7	Goldman Sachs Gr Inc		04/06/2005	Jefferies		285,202	260,000.00	4,270
590188-JP-4	Merrill Lynch & Co. Inc.		10/12/2005	First Tennessee Corporate		676,345	650,000.00	16,333
63534P-AC-1	National City Bk Cleveland		07/14/2005	VARIOUS		1,419,048	1,300,000.00	24,662
887315-AK-5	Time Warner Inc.		02/01/2005	Jefferies		1,157,805	900,000.00	4,334
90331H-KS-1	US Bank Natl Assn Minneapolis		08/10/2005	VARIOUS		850,207	855,000.00	8,473
949748-AF-4	Wells Fargo Bk NA		01/19/2005	Spears Leeds & Kellogg		557,120	500,000.00	15,498
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	8,655,799	7,935,000.00	126,643
6099997	Subtotal - Bonds - Part 3				X X X	15,269,357	14,120,000.00	238,119
6099999	Total - Bonds				X X X	15,269,357	14,120,000.00	238,119
7499999	Totals					15,269,357	X X X	238,119

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**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V.	15 Total Foreign Exchange Change in B./A.C.V.						
912827-T8-5	United States Treasury Note		02/03/2005	Merrill Lynch		252,670	250,000.00	263,125	250,818		(177)		(177)		250,641		2,029	2,029	3,645	05/15/2005
0399999	Subtotal - Bonds - U.S. Governments				X X X	252,670	250,000.00	263,125	250,818		(177)		(177)		250,641		2,029	2,029	3,645	X X X
650366-2K-2	Newark New Jersey G.O.		09/30/2005	Called		252,500	250,000.00	253,530	250,747		(312)		(312)		250,436		2,064	2,064	12,750	10/01/2006
2499999	Subtotal - Bonds - Political Subdivisions of States, Territories and Possessions				X X X	252,500	250,000.00	253,530	250,747		(312)		(312)		250,436		2,064	2,064	12,750	X X X
42605M-AH-5	Henrico Cnty VA Indl Dev Auth		06/01/2005	Matured		250,000	250,000.00	252,070	250,122		(122)		(122)		250,000				6,188	06/01/2005
491513-G2-7	Kentucky State Property		11/01/2005	Called		510,000	500,000.00	499,970	499,992		3		3		499,995		10,005	10,005	26,500	05/01/2007
92812T-KH-3	Virginia State Housing Dev Auth		02/01/2005	Called		400,000	400,000.00	400,000	400,000						400,000				10,967	07/01/2007
3199999	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	1,160,000	1,150,000.00	1,152,040	1,150,114		(119)		(119)		1,149,995		10,005	10,005	43,655	X X X
073902-BS-6	Bear Stearns Co. Inc.		02/01/2005	Matured		500,000	500,000.00	506,525	500,143		(143)		(143)		500,000				19,063	02/01/2005
191219-BJ-2	Coca Cola Enterprises Inc.		12/20/2005	Tendered		228,336	215,000.00	219,300	218,235		(400)		(400)		217,835		10,501	10,501	17,778	08/15/2011
25468P-BU-9	Disney Walt Co.		03/09/2005	Advest Inc.		769,448	750,000.00	773,550	759,870		(889)		(889)		758,982		10,466	10,466	8,593	12/29/2006
25468P-BU-9	Disney Walt Co.		04/06/2005	Jefferies Fixed		255,352	250,000.00	257,848	253,290		(415)		(415)		252,875		2,477	2,477	3,896	12/29/2006
337358-AS-4	First Union Corp		07/15/2005	Matured		500,000	500,000.00	498,030	499,859		141		141		500,000				33,125	07/15/2005
345397-NJ-8	Ford Motor Credit		05/09/2005	Greenwich Capital		499,375	500,000.00	495,720	499,468		198		198		499,666		(291)	(291)	13,368	12/08/2005
345397-NK-5	Ford Motor Credit		05/09/2005	Greenwich Capital		198,250	200,000.00	196,446	199,529		160		160		199,688		(1,438)	(1,438)	10,310	01/09/2006
59156R-AD-0	MetLife Inc.		01/19/2005	First Tennessee Corporate		416,088	400,000.00	411,310	412,024		(52)		(52)		411,971		4,117	4,117	2,329	12/15/2012
931142-AT-0	Wal-Mart Stores Inc.		07/05/2005	BB&T Capital Market		754,200	750,000.00	765,645	757,270		(4,701)		(4,701)		752,569		1,631	1,631	32,190	10/15/2005
931142-AT-0	Wal-Mart Stores Inc.		10/15/2005	Matured		200,000	200,000.00	196,164	199,618		382		382		200,000				11,750	10/15/2005
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,321,049	4,265,000.00	4,320,538	4,299,306		(5,719)		(5,719)		4,293,586		27,463	27,463	152,402	X X X
6099997	Subtotal - Bonds - Part 4				X X X	5,986,219	5,915,000.00	5,989,233	5,950,985		(6,327)		(6,327)		5,944,658		41,561	41,561	212,452	X X X
6099999	Total - Bonds				X X X	5,986,219	5,915,000.00	5,989,233	5,950,985		(6,327)		(6,327)		5,944,658		41,561	41,561	212,452	X X X
7499999	Totals					5,986,219	X X X	5,989,233	5,950,985		(6,327)		(6,327)		5,944,658		41,561	41,561	212,452	X X X

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**NONE**      **Schedule D - Part 5**

**NONE**      **Schedule D - Part 6 - Section 1 and 2**

**SCHEDULE DA - PART 1**

Showing all **SHORT-TERM INVESTMENTS** Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest					20 Paid for Accrued Interest	
	2 Code	3 F o r e i g n					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amort- ization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in B./A.C.V.			14 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 How Paid		19 Gross Amount Received
United States Treasury Note			10/27/2005	Merrill Lynch	04/30/2006	1,987,877		6,393			2,000,000	1,981,484	7,625		2.250	4.151	AO		
0199999 Subtotal - Issuer Obligations						1,987,877		6,393			2,000,000	1,981,484	7,625		X X X	X X X	X X X		
0399999 Subtotals - U.S. Governments Bonds						1,987,877		6,393			2,000,000	1,981,484	7,625		X X X	X X X	X X X		
5499999 Subtotal - Bonds - Issuer Obligations						1,987,877		6,393			2,000,000	1,981,484	7,625		X X X	X X X	X X X		
6099999 Subtotal - Bonds						1,987,877		6,393			2,000,000	1,981,484	7,625		X X X	X X X	X X X		
8299999 Totals						1,987,877		6,393			X X X	1,981,484	7,625		X X X	X X X	X X X		

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- NONE**      **Schedule DB - Part A - Section 1 and 2**
- NONE**      **Schedule DB - Part A - Section 3 and Part B - Section 1**
- NONE**      **Schedule DB - Part B - Section 2 and 3**
- NONE**      **Schedule DB - Part C - Section 1 and 2**
- NONE**      **Schedule DB - Part C - Section 3 and Part D - Section 1**
- NONE**      **Schedule DB - Part D - Section 2 and 3**
- NONE**      **Schedule DB - Part E - Section 1**

**SCHEDULE E - PART 1 - CASH**

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
OPEN DEPOSITORIES						
InvestorsBank&Trust		New York New York	39,781		10,518,712	
Citibank N.A		New York New York	33,438		2,836,862	
JP Morgan Chase		New York New York			6,273	
JP Morgan Chase		New York New York			6,934	
0199998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories.	X X X	X X X	23,444	1,723	606,163	X X X
0199999 Totals-Open Depositories	X X X	X X X	96,663	1,723	13,974,944	X X X
SUSPENDED DEPOSITORIES						
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories.	X X X	X X X				X X X
0299999 Totals - Suspended Depositories	X X X	X X X				X X X
0399999 Total Cash on Deposit	X X X	X X X	96,663	1,723	13,974,944	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X	4,025	X X X
0599999 Total Cash	X X X	X X X	96,663	1,723	13,978,969	X X X

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

1. January	5,099,405	4. April	2,694,165	7. July	4,082,573	10. October	1,795,953
2. February	923,782	5. May	2,886,529	8. August	2,033,757	11. November	2,524,671
3. March	2,973,803	6. June	5,056,082	9. September	2,795,052	12. December	13,978,970

**NONE**      **Schedule E - Part 2**

**NONE**      **Schedule E - Part 3**