

**ANNUAL STATEMENT**

OF THE

**ARKANSAS TITLE INSURANCE**

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**COMPANY**

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of **SHERIDAN**

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in the state of **ARKANSAS**

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TO THE

**Insurance Department**

OF THE

**STATE OF ARKANSAS**

**FOR THE YEAR ENDED**

**December 31, 2004**

TITLE

**2004**



50725200420100100

# ANNUAL STATEMENT

For the Year Ended December 31, 2004

OF THE CONDITION AND AFFAIRS OF THE

## Arkansas Title Insurance Company

NAIC Group Code 0340 0340 NAIC Company Code 50725 Employer's ID Number 71-0560086  
 (Current Period) (Prior Period)

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

Country of Domicile US

Incorporated: May 3, 1982 Commenced Business: May 3, 1982

Statutory Home Office: 206 N ROSE STREET SHERIDAN, AR 72150

Main Administrative Office: 206 N ROSE STREET SHERIDAN, AR 72150 870-942-7296

Mail Address: 206 N ROSE STREET SHERIDAN, AR 72150

Primary Location of Books and Records: 206 N ROSE STREET SHERIDAN, AR 72150 870-942-7296

Internet Website Address: www.arkansastitle.com

Statutory Statement Contact: CYNTHIA E KIMBRELL 479-631-6034 206  
cynthiakimbrell@stewart.com 866-804-8814  
 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: CRAIG D GILL 206 N ROSE SHERIDAN, AR 72150 800-272-2223

### OFFICERS

	Name	Title
1.	<u>CRAIG D. GILL</u>	<u>PRESIDENT</u>
2.	<u>KIMBERLY K MAJORS</u>	<u>VICE PRESIDENT/SECRETARY</u>
3.	<u>JUDITH L. CONN</u>	<u>VICE PRESIDENT/TREASURER</u>

### Vice-Presidents

Name	Title	Name	Title
<u>KIMBERLY K MAJORS</u>	<u>VICE PRESIDENT</u>	<u>JUDITH L CONN</u>	<u>VICE PRESIDENT</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### DIRECTORS OR TRUSTEES

<u>JERRY D. NIXON</u>	<u>WALTER C WHISLER</u>	<u>DON A EILBOTT</u>	<u>CRAIG D. GILL</u>
<u>SHERRY GOODNER</u>	<u>JIMMY D DILL</u>	<u>MIKE SKALKA</u>	<u>THOMAS J SAGEHORN</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State of ARKANSAS  
 County of JEFFERSON 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) CRAIG D. GILL _____ (Printed Name) 1. PRESIDENT _____ (Title)	_____ (Signature) KIMBERLY K MAJORS _____ (Printed Name) 2. VICE PRESIDENT/SECRETARY _____ (Title)	_____ (Signature) JUDITH L. CONN _____ (Printed Name) 3. VICE PRESIDENT/TREASURER _____ (Title)
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Subscribed and sworn to before me this  
24TH day of FEBRUARY, 2005

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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)				
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 (\$ 3,608,637, Schedule E-Part 1), cash equivalents (\$ 0, Schedule E-Part 2) and short-term investments (\$ 0, Schedule DA)	3,608,637		3,608,637	3,639,958
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	3,608,637		3,608,637	3,639,958
11. Investment income due and accrued	1,646		1,646	1,646
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	248,504	139,169	109,335	110,989
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset	170,143	162,589	7,554	20,211
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$ 0 )	46,291	46,291		
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates	61,052		61,052	
21. Health care (\$ 0 ) and other amounts receivable				
22. Other assets nonadmitted	20,947	20,947		
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,157,220	368,996	3,788,224	3,772,804
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,157,220	368,996	3,788,224	3,772,804

DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	351,000	349,720
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	1,608,109	1,488,852
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)	73,906	13,422
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	84,832	41,357
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	26,672	111,186
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		
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	27,278	28,455
19. Payable for securities		
20. Aggregate write-ins for other liabilities		
21. Total liabilities (Lines 1 through 20)	2,171,797	2,032,992
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	100,000	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	145,000	145,000
28. Unassigned funds (surplus)	1,371,427	1,494,812
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)	1,616,427	1,739,812
31. Totals (Page 2, Line 26, Col. 3)	3,788,224	3,772,804

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

<b>OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME</b>	1	2
	Current Year	Prior Year
<b>OPERATING INCOME</b>		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)	5,697,624	5,136,033
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)		
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)		
2. Aggregate write-ins for other operating income	15,525	46,933
3. Total Operating Income (Lines 1 through 2)	5,713,149	5,182,966
<b>DEDUCT:</b>		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	491,154	217,807
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)	5,160,258	4,556,966
6. Aggregate write-ins for other operating deductions		
7. Total Operating Deductions	5,651,412	4,774,773
8. Net operating gain or (loss) (Lines 3 minus 7)	61,737	408,193
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net investment Income, Line 17)	38,452	50,788
10. Net realized capital gains (losses)		
11. Net investment gain (loss) (Lines 9 + 10)	38,452	50,788
<b>OTHER INCOME</b>		
12. Aggregate write-ins for miscellaneous income or (loss)		
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	100,189	458,981
14. Federal and foreign income taxes incurred	64,243	120,831
15. Net income (Lines 13 minus 14)	35,946	338,150
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)	1,739,812	1,412,601
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
17. Net income (from Line 15)	35,946	338,150
18. Net unrealized capital gains or losses		
19. Change in net unrealized foreign exchange capital gain (loss)		
20. Change in net deferred income tax	(9,554)	23,117
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	9,223	15,944
22. Change in provision for unauthorized reinsurance (Page 3, Line 15, Cols. 2 minus 1)		
23. Change in supplemental reserves (Page 3, Line 4, Cols. 2 minus 1)		
24. Change in surplus notes		
25. Cumulative effect of changes in accounting principles		
26. Capital Changes:		
26.1 Paid in		
26.2 Transferred from surplus (Stock Dividend)		
26.3 Transferred to surplus		
27. Surplus Adjustments:		
27.1 Paid in		
27.2 Transferred to capital (Stock Dividend)		
27.3 Transferred from capital		
28. Dividends to stockholders	(159,000)	(50,000)
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		
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	(123,385)	327,211
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)	1,616,427	1,739,812

<b>DETAILS OF WRITE-INS</b>		
0201. OTHER OPERATING INCOME	15,525	46,933
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)	15,525	46,933
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.		
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)		

<b>CASH FLOW</b>	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	5,736,680	5,285,427
2. Net investment income	38,452	50,788
3. Miscellaneous income	15,524	46,933
4. Total (Lines 1 through 3)	5,790,656	5,383,148
5. Benefit and loss related payments	487,874	138,415
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,052,940	4,536,450
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	180,000	50,000
10. Total (Lines 5 through 9)	5,720,814	4,724,865
11. Net cash from operations (Line 4 minus Line 10)	69,842	658,283
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	159,000	50,000
16.6 Other cash provided (applied)	57,837	(26,119)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(101,163)	(76,119)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	(31,321)	582,164
19. Cash and short-term investments:		
19.1 Beginning of year	3,639,958	3,057,794
19.2 End of year (Line 18 plus Line 19.1)	3,608,637	3,639,958

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	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Direct Operations	3 Non-Affiliated Agency Operations		
1. Direct premiums written		5,300,430	555,481	5,855,911	5,253,369
2. Escrow and settlement service charges		X X X	X X X		
3. Other title fees and service charges (Part 1C, Line 5)		X X X	X X X		
4. Totals (Lines 1 + 2 + 3)		5,300,430	555,481	5,855,911	5,253,369

### PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	5,855,911	5,253,369
1.2 Assumed		
1.3 Ceded	39,031	13,656
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	5,816,880	5,239,713
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	1,488,853	1,385,173
2.2 Additions during the current year	234,236	210,135
2.3 Withdrawals during the current year	114,980	106,455
2.4 Other adjustments to statutory premium reserves		
2.5 Balance at December 31 current year	1,608,109	1,488,853
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	5,697,624	5,136,033

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

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

DETAILS OF WRITE-INS		
0401.		
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)		

**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 .....		487,874		487,874	138,415
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage .....					
3. Total (Line 1 plus Line 2) .....		487,874		487,874	138,415
4. Deduct: Recovered during year from reinsurance .....					
5. Net payments (Line 3 minus Line 4) .....		487,874		487,874	138,415
6. Known claims reserve - current year (Page 3, Line 1, Column 1) .....		351,000		351,000	349,720
7. Known claims reserve - prior year (Page 3, Line 1, Column 2) .....		349,720		349,720	270,328
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7) .....		489,154		489,154	217,807
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5) .....					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9) .....		489,154		489,154	217,807



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

	1  Direct Operations	Agency Operations		4  Total Current Year (Cols. 1 + 2 + 3)	5  Total Prior Year
		2  Non-Affiliated Agency Operations	3  Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received:					
1.1 Direct (Schedule P, Part 1, Line 12, Col. 17)		351,000		351,000	349,720
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)		351,000		351,000	349,720
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		839,623		839,623	648,778
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		839,623		839,623	648,778
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X		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	1,190,623	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	1,608,109	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	377,700			377,700			377,700	373,709	
1.2 Employee relations and welfare	19,305			19,305			19,305	36,537	
1.3 Payroll taxes	30,657			30,657			30,657	28,913	
1.4 Other personnel costs	10,136			10,136			10,136	6,994	
1.5 Total personnel costs	437,798			437,798			437,798	446,153	
2. Amounts paid to or retained by title agents	4,219,303			4,219,303			4,219,303	3,724,053	
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts	6,948			6,948			6,948		
3.2 Surveys									
3.3 Other									
4. Advertising	5,143			5,143			5,143		
5. Boards, bureaus and associations									
6. Title plant rent and maintenance									
7. Claim adjustment services									
8. Amounts charged off, net of recoveries	31,998			31,998			31,998	1	
9. Marketing and promotional expenses	42,547			42,547			42,547	14,910	
10. Insurance	4,155			4,155			4,155	3,588	
11. Directors' fees	5,400			5,400			5,400	5,400	
12. Travel and travel items	41,244			41,244			41,244	27,526	
13. Rent and rent items	43,039			43,039			43,039	52,071	
14. Equipment								43,416	
15. Cost or depreciation of EDP equipment and software	11,983			11,983			11,983		
16. Printing, stationery, books and periodicals	24,361			24,361			24,361	24,937	
17. Postage, telephone, messengers and express	39,481			39,481			39,481	36,522	
18. Legal and auditing	54,174			54,174			54,174	27,248	
19. Totals (Lines 1.5 to 18)	4,967,574			4,967,574			4,967,574	4,405,825	
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes	147,131			147,131			147,131	131,334	
20.2 Insurance department licenses and fees	7,270			7,270			7,270	4,010	
20.3 Gross guaranty association assessments									
20.4 All other (excluding federal income and real estate)	141			141			141		
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)	154,542			154,542			154,542	135,344	
21. Real estate expenses									
22. Real estate taxes									
23. Aggregate write-ins for miscellaneous expenses	33,607			33,607			33,607	7,105	
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	5,155,723			5,155,723			(a) 5,155,723	4,548,274	
25. Less unpaid expenses - current year	186,016			186,016			186,016	83,233	
26. Add unpaid expenses - prior year	83,233			83,233			83,233	71,409	
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	5,052,940			5,052,940			5,052,940	4,536,450	
<b>DETAILS OF WRITE-INS</b>									
2301. Contributions	6,075			6,075			6,075	7,105	
2302. Computer ASP maintenance	18,228			18,228			18,228		
2303. Misc expense	9,304			9,304			9,304		
2398. Summary of remaining write-ins for Line 23 from overflow page									
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	33,607			33,607			33,607	7,105	

(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)		5,155,445	542,179	5,697,624		5,697,624	5,136,033
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)							
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)							
2. Aggregate write-ins for other operating income							
3. Total Operating Income (Lines 1.1 through 1.3 + 2)		5,155,445	542,179	5,697,624		5,697,624	5,136,033
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		461,685	29,469	491,154		491,154	217,807
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 + 6)	5,160,258			5,160,258		5,160,258	4,548,274
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)	5,160,258	461,685	29,469	5,651,412		5,651,412	4,766,081
8. Net operating gain or (loss) (Lines 3 minus 7)	(5,160,258)	4,693,760	512,710	46,212		46,212	369,952
<b>DETAILS OF WRITE-INS</b>							
0201.							
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)							
0601.							
0602.							
0603.							
0698. Summary of remaining write-ins for Line 6 from overflow page							
0699. Totals (Lines 0601 through 0603 plus 0698)							

### EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
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) 38,452	38,452
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	38,452	38,452
11. Investment expenses		(g)
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)		
17. Net investment income (Line 10 minus Line 16)		38,452

DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
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 \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

### EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)				
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)				
10. Total capital gains (losses)				

NONE

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)				

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Investment income due and accrued			
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection	139,169	152,332	13,163
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3 Accrued retrospective premiums			
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers			
13.2 Funds held by or deposited with reinsured companies			
13.3 Other amounts receivable under reinsurance contracts			
14. Amounts receivable relating to uninsured plans			
15.1 Current federal and foreign income tax recoverable and interest thereon			
15.2 Net deferred tax asset	162,589	159,486	(3,103)
16. Guaranty funds receivable or on deposit			
17. Electronic data processing equipment and software			
18. Furniture and equipment, including health care delivery assets	46,291	54,286	7,995
19. Net adjustment in assets and liabilities due to foreign exchange rates			
20. Receivable from parent, subsidiaries and affiliates		12,815	12,815
21. Health care and other amounts receivable			
22. Other assets nonadmitted	20,947		(20,947)
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	368,996	378,919	9,923
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	368,996	378,919	9,923

<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.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

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**NOTES TO FINANCIAL STATEMENTS**


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**NOTES TO FINANCIALS**
**1. Accounting Practices**

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

The Arkansas Department of Insurance recognizes statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of a title insurance company, for determining its solvency under the Arkansas 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 Arkansas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP

	<u>12/31/2004</u>	<u>12/31/2003</u>
Net Income, Arkansas State Basis	\$ 35,946	\$ 332,006
State Prescribed Practices:	0	0
State Permitted Practices;	0	0
Net Income, NAIC SAP	\$ 35,946	\$ 332,006
Statutory Surplus, Arkansas State Basis	\$1,616,427	\$1,739,812
State Prescribed Practices:		
State Permitted Practices:		
Statutory Surplus, NAIC SAP	\$1,616,427	<u>\$1,739,812</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 of the closing of the related real estate transaction. Premiums on title insurance policies written by agents are recognized primarily when policies are reported to the Company. The Company ceded reinsurance with Stewart Title Guaranty Company, on an individual basis, utilizing standard facultative agreements provided by the American Land Title Association. Statutory Premium Reserves (SPR) are established to protect title insurance policyholders in the event of insolvency or dissolution of a title insurer. SPR is computed based on Section 23-63-610 of the Arkansas Insurance Code. Permission has been granted by the Arkansas Insurance commissioner in a letter dated February 27, 1986, to reduce the "risk premium" on which reserves are calculated by the amount retained by agents/abstractors. Provided that the total credit not exceed 60% of the premium stated in the title insurance contract. 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 effective yield interest method.-None
- (3) Common stocks are stated at market except investments in stocks that are not publicly traded, are valued at zero or cost.- None

## NOTES TO FINANCIAL STATEMENTS

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- (4) Investments in Preferred stock, excluding investments in preferred stock of subsidiary, controlled, or affiliated entities – None.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid balance- None
- (6) Loan-backed securities- None
- (7) N.A
- (8) Joint ventures and limited liability companies-None.
- (9) Derivatives – None
- (10) 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 statutory premium reserve is based on Section 23-63-610 of the Arkansas Insurance Code. Section 23-63-610 requires the Company to reserve an amount equal to 10% of the total amount of the risk premiums for title policies written or retained for the calendar year. See note 1 part C for definition of risk premium. The reserve is subsequently reduced by 5% of the addition in the first year succeeding the year of addition, and continuing for 20 years.

### 2. Accounting Changes and Corrections of Errors

- A. There was no material change in accounting principle.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. Effective January 1, 2001, the State of Arkansas required that insurance companies domiciled in the State of Arkansas 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 Arkansas 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. The Company reported no changes of as a result of change in accounting principle, for the current year.

### 3. Business Combinations and Goodwill – Not Applicable

### 4. Discontinued Operations – Not Applicable

### 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- None

## NOTES TO FINANCIAL STATEMENTS

7. Investment Income

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

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgages loans in default and all interest accrued on unsecured notes and certificates of deposits.

2. The total amount excluded was \$ 0.

8. Derivative Instruments - None

9. Income Taxes

A. The Company has adopted SSAP #10 as of January 1, 2001 and the components of the net deferred tax asset at December 31, 2004 and December 31, 2003 are as follows:

	<u>12/31/2004</u>	<u>12/31/2003</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 170,143	\$ 179,697
(2) Total of all deferred tax liabilities	\$	\$ 0
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$ 162,589	\$ 159,486
(4) Increase (decrease) in deferred tax assets nonadmitted	\$ 3,103	\$ 42,738

B. Deferred tax liabilities are not recognized for the following amounts:- Not applicable

C. The components of incurred income tax expense and the change in DTAs and DTLs are as follows:

	<u>12/31/2004</u>
(1) Current income tax expense (benefit)	\$ 64,243
(2) Change in DTAs	\$ 12,657
Change in DTLs	-0-
(3) Investment tax credits	-0-
(4) Net change in deferred taxes ((Page 4, line 20 )	(9,554)
(4) Deferred income taxes include a benefit of \$ -0- from net operating losses.	
(5) Adjustments of a DTA and DTL for enacted changes in tax laws or rates or a change in the tax status of the reporting entity. - None	

D. The Company's income tax expense and change in DTA/DTL differs from the amount obtained by applying the federal statutory rate of 35% to Net Gain from Operations After Dividends to Policyholders for the following reasons:

	<u>12/31/2004</u>
(1) Expected federal income tax expense	\$ 64,243
(2) Equity tax-not applicable	\$ -0-
(3) Tax-exempt income	\$ -0-
(4) Foreign Taxes	\$ -0-
(5) Other amounts	<u>\$ -0-</u>
(6) Total incurred income tax expense (Page 4, line 14)	\$ 64,243

E. (1) As of December 31, the Company had no operating loss carry forwards.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2004(current year)	\$ 0
2003	\$ 0
2002	\$ 0



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## NOTES TO FINANCIAL STATEMENTS

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F. (1) The Company's federal Income Tax return is consolidated with the following entities:  
Stewart Information Services Corporation, Ortem Investments, Inc., National Land Title Insurance Company, Charter Title Insurance Company and subsidiaries.

(2) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated January 1, 1999. Such Agreement was filed with the Texas Insurance Commissioner on May 7, 1999, under Holding Company Section #29626.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company paid a Common stock dividend totaling \$159,000 to the parent company as of December 31, 2004.

B. None  
C. None

D. Amounts due from or payable to related parties at December 31, 2004- \$27,278

E. None

F. The Company has agreed to provide National Land Title Insurance Company certain management and accounting services as described in the Cost Allocation Agreement with Stewart Information Services Corporation dated January 1, 1974, as amended by Amendment No. 1, dated January 1, 1980, Amendment dated January 1, 1986, Amendment No. 3, dated January 1, 1991, Amendment No. 4, dated January 1, 1996, Amendment No. 5, dated January 1, 2001.

The Company has entered into a service agreement with Mcdonald Abstract Company, Garland County LLC, Garland County Titl, Inc and First Arkansas Title Corporation for certain accounting services as described in the Service Agreement Such Agreement was filed with the Arkansas Insurance Department on October 15,2001.

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

H. None

I. None

J. None

### 11. Debt – None

### 12. Retirement Plans, Deferred Compensation, Postemployment 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 six 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 \$1,500 per year for each participant in an amount equal to 50% of the first 6% of the participant's compensation. Such percentage is subject to an annual re-determination by the Company's Board of Directors.

The Company's net contributions to the plan in 2004 and 2003 totaled approximately \$8,272 and \$14,606, respectively.

C. None

## NOTES TO FINANCIAL STATEMENTS

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D. None

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

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

The maximum amount of dividends which can be paid by a State of Arkansas insurance company without prior approval from the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income from prior year. Statutory surplus at December 31, 2003 was \$,1739,812. The maximum dividend payout which may be made without prior approval in 2003 is \$173,981.

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

- a. Unrealized gains and losses - \$0
- b. Nonadmitted assets values - \$368,996
- c. Provision for reinsurance - \$ -0-

The Company has no surplus notes or quasi-reorganizations.

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

15. Leases – The Company leases office space in an operating lease which expires March 1, 2007. Rental expense for 2004 and 2003 was \$36,000 and \$36,000, respectively

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

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. The events of September 11,2001 have not impacted out Company.

21. Other Items –

- A. None
- B. None
- C. None
- D. None
- E. None

22. Events Subsequent – None

23. Reinsurance

- (A) Unsecured Reinsurance Recoverables – None
- (B) Reinsurance Recoverable in Dispute - None
- (C) Reinsurance Assumed and Ceded – None
- (D) Uncollectible Reinsurance – None
- (E) Commutation of Ceded Reinsurance – None

## NOTES TO FINANCIAL STATEMENTS

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- (F) Retroactive Reinsurance – None
- (G) Reinsurance Counted as a Deposit - None

24. Retrospectively Rated Contracts- Not Applicable

25. Change in Incurred Losses and Loss Adjustment Expenses – Reserves for incurred losses and loss adjustment expenses has increased by \$1,280. Original estimates are increased as additional information becomes known on individual claims. Additional premiums are not accrued or received as a result of this increase.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements - Not applicable

28. Supplemental Reserve- None

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
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				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
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 (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	3,608,637	100.000	3,608,637	100.000
9. Other invested assets				
10. Total invested assets	3,608,637	100.000	3,608,637	100.000

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? TEXAS
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended. \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2001
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 01/24/2003
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/24/2003
- 3.4 By what department or departments? Arkansas Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [ X ]
- 6.2 If yes, give full information \_\_\_\_\_
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

### GENERAL INTERROGATORIES

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]  
 8.4 If response to 8.3 is yes, please provide the names and location (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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Tom Paschall, CPA  
 702 Lural Pine Bluff, AR 70601

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Steve Osborn  
 Osborn & Carreiro & Assoc. 124 W Capitol Little Rock AR 72201

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

- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No [ ]  
 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]  
 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [X] N/A [ ]

### BOARD OF DIRECTORS

12. 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 [ ]  
 13. 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 [ ]  
 14. 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 which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 15.11 To directors or other officers \$ \_\_\_\_\_  
 15.12 To stockholders not officers \$ \_\_\_\_\_  
 15.13 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_  
 15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 15.21 To directors or other officers \$ \_\_\_\_\_  
 15.22 To stockholders not officers \$ \_\_\_\_\_  
 15.23 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_  
 16.1 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]  
 16.2 If yes, state the amount thereof at December 31 of the current year:  
 16.21 Rented from others \$ \_\_\_\_\_  
 16.22 Borrowed from others \$ \_\_\_\_\_  
 16.23 Leased from others \$ \_\_\_\_\_  
 16.24 Other \$ \_\_\_\_\_  
 Disclose in Notes to Financial the nature of each obligation.  
 17.1 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]  
 17.2 If answer is yes:  
 17.21 Amount paid as losses or risk adjustment \$ \_\_\_\_\_  
 17.22 Amount paid as expenses \$ \_\_\_\_\_  
 17.23 Other amounts paid \$ \_\_\_\_\_

## GENERAL INTERROGATORIES

### INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [ ] No [X]	Yes [ ] No [X]
Common	1,000,000	100,000	1	X X X	X X X X X X	X X X X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No [ ]

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

20.1 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 16.1). Yes [ ] No [X]

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

20.21 Loaned to others	\$ _____
20.22 Subject to repurchase agreements	\$ _____
20.23 Subject to reverse repurchase agreements	\$ _____
20.24 Subject to dollar repurchase agreements	\$ _____
20.25 Subject to reverse dollar repurchase agreements	\$ _____
20.26 Pledged as collateral	\$ _____
20.27 Placed under option agreements	\$ _____
20.28 Letter stock or securities restricted as to sale	\$ _____
20.29 Other	\$ _____

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [X] N/A [ ]  
 If no, attach a description with this statement.

22.1 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]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ \_\_\_\_\_





## GENERAL INTERROGATORIES

### INVESTMENT

25. 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 (+)
25.1 Bonds			
25.2 Preferred stocks			
25.3 Totals			

25.4 Describe the sources or methods utilized in determining the fair values: .....

.....

.....

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

26.2 If no, list exceptions: .....

.....

.....

### OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 1,200

27.2 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
Arkansas Land Title Association	\$ 1,100
Arkansas Title Insurance Agents Lic Board	\$ 100
	\$
	\$
	\$

28.1 Amount of payments for legal expenses, if any? \$ 155,325

28.2 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
Eilbott Law Firm PLC	\$ 136,575
	\$
	\$
	\$
	\$

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

29.2 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 department of government during the period covered by this statement.

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

## GENERAL INTERROGATORIES

### PART 2-TITLE INTERROGATORIES

- 1.1 Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity? YES [ ] NO [X]
2. Largest net aggregate amount insured in any one risk. \$ 2,000,000
- 3.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk or portion thereof, reinsured? YES [ ] NO [X]
- 3.2 If yes, give full information  
 .....  
 .....  
 .....
4. If the reporting entity has assumed risk from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? YES [ ] NO [X]
- 5.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? YES [ ] NO [X]
- 5.2 If yes, give full information  
 .....  
 .....
6. Uncompleted building construction loans:
- |     |                           |          |
|-----|---------------------------|----------|
| 6.1 | Amount already loaned     | \$ _____ |
| 6.2 | Balance to be advanced    | \$ _____ |
| 6.3 | Total amount to be loaned | \$ _____ |
- 7.1 Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings? YES [ ] NO [X]
- 7.2 If yes, give total amount of such bonds or certificates of participation issued and outstanding. \$ \_\_\_\_\_
8. What is the aggregate amount of mortgage loans owned by the reporting entity which consist of co-ordinate interest in first liens? \$ \_\_\_\_\_
- 9.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:
- |      |                                  |                     |
|------|----------------------------------|---------------------|
| 9.11 | Bonds                            | \$ _____            |
| 9.12 | Short-term investments           | \$ _____            |
| 9.13 | Mortgages                        | \$ _____            |
| 9.14 | Cash                             | \$ <u>1,608,109</u> |
| 9.15 | Other admissible invested assets | \$ _____            |
| 9.16 | Total                            | \$ <u>1,608,109</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.)
- |      |   |          |
|------|---|----------|
| 9.21 | Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:<br>These funds consist of: | \$ _____ |
| 9.22 | In cash on deposit  | \$ _____ |
| 9.23 | Other forms of security   | \$ _____ |

**FIVE-YEAR HISTORICAL DATA**

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

	1 2004	2 2003	3 2002	4 2001	5 2000
<b>Source of Direct Title Premiums Written (Part 1A)</b>					
1. Direct operations (Part 1A, Line 1, Col. 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	5,300,430	4,561,380	4,254,914	3,672,856	3,788,317
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)	555,481	691,989	684,539	725,695	651,479
4. Total	5,855,911	5,253,369	4,939,453	4,398,551	4,439,796
<b>Operating Income Summary (Page 4 &amp; Part 1)</b>					
5. Premiums earned (Part 1B, Line 3)	5,697,624	5,136,033	4,823,334	4,319,135	4,323,339
6. Escrow and settlement service charges (Part 1A, Line 2)					
7. Title examinations (Part 1C, Line 1)					
8. Searches and abstracts (Part 1C, Line 2)					
9. Surveys (Part 1C, Line 3)					
10. Aggregate write-ins for service charges (Part 1C, Line 4)					
11. Aggregate write-ins for other operating income (Page 4, Line 2)	15,525	46,933	69,362	22,540	64,571
12. Total operating income (Page 4, Line 3)	5,713,149	5,182,966	4,892,696	4,341,675	4,387,910
<b>Statement of Income (Page 4)</b>					
13. Net operating gain or (loss) (Line 8)	61,737	408,193	176,631	175,557	403,480
14. Net investment gain or (loss) (Line 11)	38,452	50,788	219,522	120,505	128,070
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)	64,243	120,831	96,917	92,335	140,013
17. Net income (Line 15)	35,946	338,150	299,236	203,727	391,537
<b>Balance Sheet Items (Pages 2 and 3)</b>					
18. Title insurance premiums and fees receivable (Page 2, Line 12, Col. 3)	109,335	110,989	71,785	74,395	177,972
19. Total admitted assets excluding segregated accounts (Page 2, Line 24, Col. 3)	3,788,224	3,766,176	3,174,553	2,753,633	2,518,756
20. Known claims reserve (Page 3, Line 1)	351,000	349,236	270,328	111,778	99,236
21. Statutory premium reserve (Page 3, Line 2)	1,608,109	1,488,852	1,385,173	1,284,270	1,196,202
22. Total liabilities (Page 3, Line 21)	2,171,797	2,032,508	1,761,952	1,520,576	1,506,012
23. Capital paid up (Page 3, Lines 23 + 24)	100,000	100,000	100,000	100,000	100,000
24. Surplus as regards policyholders (Page 3, Line 30)	1,616,427	1,733,668	1,412,601	1,233,057	1,012,744
<b>Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3)</b>					
(Item divided by Page 2, Line 10, Col. 3) x 100.0					
25. Bonds (Line 1)					
26. Stocks (Lines 2.1 & 2.2)					
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)	100.0	100.0	100.0	97.4	88.8
30. Contract loans (Line 6)			X X X	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	X X X
34. Subtotals cash 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)					
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					
41. Total of above Lines 35 to 40					
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)					

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
<b>Capital and Surplus Accounts</b> (Page 4)					
43. Net unrealized capital gains or (losses) (Line 18)				67,500	(267,875)
44. Change in nonadmitted assets (Line 21)	9,223	15,944	(199,769)	(21,397)	(140,596)
45. Dividends to stockholders (Line 28)	(159,000)	(50,000)	(80,000)	(80,000)	(80,000)
46. Change in surplus as regards policyholders for the year (Line 31)	(123,385)	327,211	179,543	220,314	(96,934)
<b>Losses Paid and Incurred</b> (Part 2A)					
47. Net payments (Line 5, Col. 4)	487,874	138,415	103,408	135,883	134,819
48. Losses and allocated LAE incurred (Line 8, Col. 4)	489,154	217,807	261,958	148,425	(41,430)
49. Unallocated LAE incurred (Line 9, Col. 4)					
50. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	489,154	217,807	261,958	148,425	(41,430)
<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)	7.7	8.6	9.5	9.6	10.2
52. Amount paid to or retained by title agents (Part 3, Line 2, Col. 4)	73.9	71.9	71.0	70.7	70.4
53. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	8.7	7.3	10.6	12.1	11.1
54. Total (Lines 51 to 53)	90.2	87.8	91.0	92.5	91.7
<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)	8.6	4.4	5.3	3.4	(0.9)
56. Operating expenses incurred (Line 5)	90.3	87.8	91.1	92.5	91.8
57. Aggregate write-ins for other operating deductions (Line 6)					
58. Total operating deductions (Line 7)	98.9	92.1	96.4	96.0	90.8
59. Net operating gain or (loss) (Line 8)	1.1	7.9	3.6	4.0	9.2
<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)	8.4	4.3	5.3	3.4	(9.4)
61. Operating expenses incurred to net premiums written (Page 4, Line 5)	88.7	86.8	90.5	91.1	91.0

- NONE**      **Schedule A, B, and BA Verification**
- NONE**      **Schedule D - Summary and Verification**
- NONE**      **Schedule D - Part 1A - Sect 1 (3 pgs)**
- NONE**      **Schedule D - Part 1A - Sect 2 (3 pgs)**
- NONE**      **Schedule DA - Part 2**
- 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**
- NONE**      **Schedule E - Part 1A**
- NONE**      **Schedule E - Part 1B**
- NONE**      **Schedule E - Part 1C**

**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			
2. Suspended depositories			
3. Total segregated cash funds held for others (General Interrogatories-Part 2, Line 9.22)			
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)			
<b>Company Funds on Hand and on Deposit</b>			
<b>General Funds</b>			
6. Open depositories			3,608,637
7. Suspended depositories			
8. Total general funds			3,608,637
<b>Reinsurance Reserve Funds</b>			
9. Open depositories			
10. Suspended depositories			
11. Total reinsurance reserve funds			
<b>Total Company Funds</b>			
12. Open depositories			3,608,637
13. Suspended depositories			
14. Total company funds on deposit (Lines 8 & 11)			3,608,637
15. Company funds on hand			
16. Total company funds on hand and on deposit			3,608,637

**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			
18. Suspended depositories			
19. Total segregated funds held for others			
<b>Company Funds on Deposit</b>			
20. Open depositories	38,452	62,491	3,517,514
21. Suspended depositories			
22. Total company funds on deposit	38,452	62,491	3,517,514
<b>Total All Funds on Deposit</b>			
23. Open depositories		62,491	3,517,514
24. Suspended depositories			
25. Total all funds on deposit		62,491	3,517,514

## 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

**NONE**      **Schedule F - Part 1**



**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		120	39						
0299999		Total Authorized - Affiliates - U.S. Non-Pool			120	39						
0499999		Total Authorized - Affiliates			120	39						
0999999		Total Authorized			120	39						
9999999		Totals			120	39						

- NONE**      **Schedule F - Part 3**
  
- NONE**      **Schedule H - Part 1**
  
- NONE**      **Schedule H - Part 2**
  
- NONE**      **Schedule H - Part 3 and Verification**
  
- NONE**      **Schedule H - Part 4**

**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	17,067	29		962	16,134	771				122		
2. 1995	1,347	2,954	5		135	2,824	67				20		
3. 1996	1,537	3,352	8		167	3,193	77				46		
4. 1997	1,564	3,378	8		75	3,311	37				31		
5. 1998	1,763	3,634	6		35	3,605	56				70		
6. 1999	2,136	4,379			14	4,365	248				109		
7. 2000	2,180	4,440			18	4,422	121				66		
8. 2001	2,214	4,399			(9)	4,408	3				33		
9. 2002	2,554	4,940			15	4,925	36				36		
10. 2003	2,904	5,253			14	5,239	12				17		
11. 2004	3,184	5,856			39	5,817					41		
12. Totals	X X X	59,652	56		1,465	58,243	1,428				591		

	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			893	61	51				42		
2. 1995			87	27	4				22		
3. 1996			123	22	5				28		
4. 1997	3		68	20					31		
5. 1998			126	29	8				34		
6. 1999			357	30	5				62		
7. 2000	21		187	20	16				67		
8. 2001			36	15	24				74		
9. 2002			72	16	79				108		
10. 2003	67		29	13	75				143		
11. 2004			41	5	84				229		
12. Total	91		2,019	258	351				840		

	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	93	5	986			986	0.058	0.061	X X X		93	
2. 1995	26	1	113			113	0.038	0.040	0.084		26	
3. 1996	33	1	156			156	0.047	0.049	0.101		33	
4. 1997	31	(1)	99			99	0.029	0.030	0.063		31	
5. 1998	42	1	168			168	0.046	0.047	0.095		42	
6. 1999	67		424			424	0.097	0.097	0.199		67	
7. 2000	83	3	270			270	0.061	0.061	0.124		83	
8. 2001	98	2	134			134	0.030	0.030	0.061		98	
9. 2002	187	6	259			259	0.052	0.053	0.101		187	
10. 2003	218	7	247			247	0.047	0.047	0.085		218	
11. 2004	313	5	354			354	0.060	0.061	0.111		313	
12. Total	1,191	30	3,210			3,210	X X X	X X X	X X X		1,191	

**NONE**      **Schedule P - Part 1A**

**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	17,067	29		962	16,134	771				122		
2. 1995	1,347	2,954	5		135	2,824	67				20		
3. 1996	1,537	3,352	8		167	3,193	77				46		
4. 1997	1,564	3,378	8		75	3,311	37				31		
5. 1998	1,763	3,634	6		35	3,605	56				70		
6. 1999	2,136	4,379			14	4,365	248				109		
7. 2000	2,180	4,440			18	4,422	121				66		
8. 2001	2,214	4,399			(9)	4,408	3				33		
9. 2002	2,554	4,940			15	4,925	36				36		
10. 2003	2,904	5,253			14	5,239	12				17		
11. 2004	3,184	5,856			39	5,817					41		
12. Totals	X X X	59,652	56		1,465	58,243	1,428				591		

	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			893	61	51				42		
2. 1995			87	27	4				22		
3. 1996			123	22	5				28		
4. 1997	3		68	20					31		
5. 1998			126	29	8				34		
6. 1999			357	30	5				62		
7. 2000	21		187	20	16				67		
8. 2001			36	15	24				74		
9. 2002			72	16	79				108		
10. 2003	67		29	13	75				143		
11. 2004			41	5	84				229		
12. Total	91		2,019	258	351				840		

	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	93	5	986			986	0.058	0.061	X X X		93	
2. 1995	26	1	113			113	0.038	0.040	0.084		26	
3. 1996	33	1	156			156	0.047	0.049	0.101		33	
4. 1997	31	(1)	99			99	0.029	0.030	0.063		31	
5. 1998	42	1	168			168	0.046	0.047	0.095		42	
6. 1999	67		424			424	0.097	0.097	0.199		67	
7. 2000	83	3	270			270	0.061	0.061	0.124		83	
8. 2001	98	2	134			134	0.030	0.030	0.061		98	
9. 2002	187	6	259			259	0.052	0.053	0.101		187	
10. 2003	218	7	247			247	0.047	0.047	0.085		218	
11. 2004	313	5	354			354	0.060	0.061	0.111		313	
12. Total	1,191	30	3,210			3,210	X X X	X X X	X X X		1,191	

**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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior			5							
2. 1985	3	11	7	6	5	4	2	2	1	10
3. 1986	9	24	18	17	16	15	13	12	12	104
4. 1987	103	124	118	116	114	112	109	108	106	73
5. 1988	72	102	90	87	85	83	79	78	76	73
6. 1989	71	112	95	92	88	86	81	80	78	115
7. 1990	80	135	119	114	112	114	109	115	115	110
8. 1991	151	159	138	137	132	127	118	116	109	180
9. 1992	63	178	137	182	256	179	170	187	182	107
10. 1993	119	253	137	184	185	162	143	132	125	173
11. 1994	84	258	243	204	200	179	158	156	163	90
12. 1995	48	122	137	141	120	127	114	112	107	128
13. 1996	X X X	89	125	177	161	146	178	159	151	68
14. 1997	X X X	X X X	92	165	114	128	119	108	99	134
15. 1998	X X X	X X X	X X X	184	141	170	160	139	133	362
16. 1999	X X X	X X X	X X X	X X X	300	195	169	280	388	204
17. 2000	X X X	X X X	X X X	X X X	X X X	190	172	165	200	60
18. 2001	X X X	X X X	X X X	X X X	X X X	X X X	135	128	91	151
19. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	167	181	104
20. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	176	126
21. 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	X X X	

**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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												1
2. 1985					10	10	10	10	10	10		1
3. 1986	9	9	9	9	10	10	10	10	10	10		1
4. 1987	98	100	104	104	104	104	104	104	104	104	1	1
5. 1988	72	73	73	73	73	73	73	73	73	73		
6. 1989	71	71	71	72	72	72	72	73	73	73		1
7. 1990	80	85	90	90	92	98	99	100	100	101	4	3
8. 1991	87	90	99	104	105	105	105	105	105	106	2	4
9. 1992	60	69	75	102	127	144	150	170	170	174	3	12
10. 1993	93	99	109	112	112	112	114	106	107	107	2	12
11. 1994	36	84	106	110	124	124	124	126	136	145	5	5
12. 1995	19	24	44	61	65	79	80	85	85	87	13	13
13. 1996	X X X	6	25	58	70	79	113	123	123	123	7	14
14. 1997	X X X	X X X	1	17	23	46	59	67	68	68	9	12
15. 1998	X X X	X X X	X X X	5	20	65	83	85	99	126	7	21
16. 1999	X X X	X X X	X X X	X X X	26	37	68	95	134	357	13	17
17. 2000	X X X	X X X	X X X	X X X	X X X	9	35	53	109	187	12	5
18. 2001	X X X	X X X	X X X	X X X	X X X	X X X	1	14	17	36	2	11
19. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4	16	72	3	7
20. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4	29	2	4
21. 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	X X X	41		

### 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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior			5							
2. 1985	3	4	3	3						
3. 1986					5	2				
4. 1987	5									
5. 1988										
6. 1989			8					4		
7. 1990		14					4	15	15	14
8. 1991	64		3	8						3
9. 1992	3	32	22	80	125	2	15		5	6
10. 1993	26	72	40	48			1	2		
11. 1994	48	40	49					3	28	28
12. 1995	29	67	25	37	20			2		4
13. 1996	X X X	45	40	14	12	35	24			5
14. 1997	X X X	X X X	10	4	20	11	14	4		
15. 1998	X X X	X X X	X X X	34	67	5	5	4		8
16. 1999	X X X	X X X	X X X	X X X	27	38	10	186	192	5
17. 2000	X X X	X X X	X X X	X X X	X X X	7	30	21	25	16
18. 2001	X X X	X X X	X X X	X X X	X X X	X X X	9	6		24
19. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	24	57	79
20. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	29	75
21. 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	X X X	84

### 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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior										
2. 1985										
3. 1986										
4. 1987										
5. 1988										
6. 1989										
7. 1990										
8. 1991										
9. 1992										
10. 1993										
11. 1994										
12. 1995										
13. 1996	X X X									
14. 1997	X X X	X X X								
15. 1998	X X X	X X X	X X X							
16. 1999	X X X	X X X	X X X	X X X						
17. 2000	X X X	X X X	X X X	X X X	X X X					
18. 2001	X X X	X X X	X X X	X X X	X X X	X X X				
19. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
20. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
21. 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	X X X	

NONE

**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 1995	2 1996	3 1997	4 1998	5 1999	6 2000	7 2001	8 2002	9 2003	10 2004
1. Prior										
2. 1985		7	3	2	5	4	2	2	1	1
3. 1986		15	9	8	1	3	3	2	2	2
4. 1987		24	14	12	10	8	5	4	3	2
5. 1988		29	17	14	12	10	6	5	4	3
6. 1989		41	16	20	16	14	9	3	6	5
7. 1990		36	29	24	20	16	6			
8. 1991		69	36	25	27	22	13	11	10	4
9. 1992		77	41		4	33	6	17	10	7
10. 1993		82	48	24	73	50	28	23	20	18
11. 1994		134	87	94	76	55	34	27	1	
12. 1995		31	67	43	35	48	34	25	26	22
13. 1996	X X X	38	61	105	79	32	40	36	32	28
14. 1997	X X X	X X X	81	144	71	71	47	37	35	31
15. 1998	X X X	X X X	X X X	145	54	100	72	50	45	34
16. 1999	X X X	X X X	X X X	X X X	248	120	91			62
17. 2000	X X X	X X X	X X X	X X X	X X X	174	107	91	73	67
18. 2001	X X X	X X X	X X X	X X X	X X X	X X X	125	108	107	74
19. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	140	112	108
20. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	163	143
21. 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	X X X	229



**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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior	196	236	238	238	219	219	219	211	211	211
2. 1995	251	149	144	126	126	126	126	126	126	126
3. 1996	X X X	240	158	114	82	82	82	82	82	82
4. 1997	X X X	X X X	112	117	107	102	102	102	102	102
5. 1998	X X X	X X X	X X X	191	233	96	96	96	96	96
6. 1999	X X X	X X X	X X X	X X X	172	167	197	402	448	454
7. 2000	X X X	X X X	X X X	X X X	X X X	105	120	92	92	92
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	100	84	129	192
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	110	137	162
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	100	93
11. 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	X X X	403

**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		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior	196	212	216	217	219	219	219	211	211	211	2	
2. 1995	68	102	122	126	126	126	126	126	126	126	6	
3. 1996	X X X	35	59	82	82	82	82	82	82	82	8	
4. 1997	X X X	X X X	49	86	92	102	102	102	102	102	11	
5. 1998	X X X	X X X	X X X	47	85	96	96	96	96	96	8	
6. 1999	X X X	X X X	X X X	X X X	59	137	181	218	256	454	13	
7. 2000	X X X	X X X	X X X	X X X	X X X	35	79	92	92	92	9	
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	45	65	116	187	8	
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	41	70	124	10	
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	23	40	7	
11. 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	X X X	148	6	

**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		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior		23	22	21								
2. 1995	183	47	22									
3. 1996	X X X	205	99	32								
4. 1997	X X X	X X X	63	31	15							
5. 1998	X X X	X X X	X X X	144	148							
6. 1999	X X X	X X X	X X X	X X X	112	29						
7. 2000	X X X	X X X	X X X	X X X	X X X	70	41					
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	55	18				
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	68	13			
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	68	5		
11. 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	77	38		

**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		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior												
2. 1995												
3. 1996	X X X											
4. 1997	X X X	X X X										
5. 1998	X X X	X X X	X X X									
6. 1999	X X X	X X X	X X X	X X X								
7. 2000	X X X	X X X	X X X	X X X	X X X							
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X						
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				
11. 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	X X X			

## 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. 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	YES	R	5,300,430	555,481	5,697,624	487,884	248,932	351,000	
5. California	CA	NO								
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	NO								
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) 1	X X X		5,300,430	555,481	5,697,624	487,884	248,932	351,000	

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 Corp-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty Company-STG (SISCO)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance Company (SISCO)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company (STG)
0340	Stewart	50035	FL	65-0685696	Alliance Title of America Corporation (SISCO)
0340	Stewart	32336	VT	03-0311175	Title Reinsurance Company (STG)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Company (STG)
		00000	EN	AA-1124112	Stewart Title Limited - UK (STG)
0340	Stewart	50036	OR	91-1800766	Stewart Title Insurance Co of Oregon (STG)
		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico S.A.(STG)
		00000	TX	74-0923770	Stewart Title Company Galveston TX - STC
		00000	TX	74-2327609	Stewart Title of Austin (STC)
		00000	TX	74-2783918	Stewart Title Corpus Christi Inc. (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 of 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	CA	95-4607898	Stewart Title of California (STC)
		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix Inc (STG)
		00000	MO	43-1622646	Stewart Title Inc. (STC)
		00000	TX	76-0450977	Stewart Mortgage Information Co. (STC)
		00000	TX	74-1959294	Landata Inc. (STC)
		00000	BZ	52-2028987	Landata of Belize (STC)
		00000	DE	74-2803466	Landata Group Inc. (STC)
		00000	FL	59-3667114	Southern Title Holding (STC)
		00000	CA	68-0166273	OnLine Documents Inc. (STC)
		00000	WA	91-2097383	Stewart Title of Washington (STC)
		00000	CA	57-1140281	GlobeXplore (STC)
		00000	MT	81-0529591	Stewart Title of Montana (STG)
		00000	CA	94-1311451	California Land Title of Marin (STC)
		00000	TX	74-2334790	REI Data (STC)
		00000	TX	65-1223112	Stewart Realty Solutions (STC)
		00000	TN	62-0947657	First Data Systems (STC)
		00000	AR	71-0858758	Ultima Corporation (STC)
		00000	PL	99-9999999	Stewart International Spolka Z Organizczona (STC)
		00000	TX	20-1820620	Startex (STC)

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



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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.

	<u>Response</u>
<b>MARCH FILING</b>	
1. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? .....	NO
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....	YES
3. Will an actuarial opinion be filed by March 1? .....	YES
<b>APRIL FILING</b>	
4. Will Management's Discussion and Analysis be filed by April 1? .....	NO
5. Will the Supplemental Schedule of Business Written by Agency be filed by April 1? .....	NO
6. Will the Investment Risks Interrogatories be filed by April 1? .....	NO
<b>JUNE FILING</b>	
7. Will an audited financial report be filed by June 1? .....	NO

**Explanation:**

Company has only 1 Stockholder .....

.....

.....

**Bar code:**



5072520044200000



5072520043500000



5072520044800000



5072520042850000



5072520042200000

<b>NONE</b>	<b>Schedule A - Part 1</b>
<b>NONE</b>	<b>Schedule A - Part 2</b>
<b>NONE</b>	<b>Schedule A - Part 3</b>
<b>NONE</b>	<b>Schedule B - Part 1</b>
<b>NONE</b>	<b>Schedule B - Part 2</b>
<b>NONE</b>	<b>Schedule BA - Part 1</b>
<b>NONE</b>	<b>Schedule BA - Part 2</b>
<b>NONE</b>	<b>Schedule D - Part 1</b>
<b>NONE</b>	<b>Schedule D - Part 2 - Section 1</b>
<b>NONE</b>	<b>Schedule D - Part 2 - Section 2</b>
<b>NONE</b>	<b>Schedule D - Part 3</b>
<b>NONE</b>	<b>Schedule D - Part 4</b>
<b>NONE</b>	<b>Schedule D - Part 5</b>
<b>NONE</b>	<b>Schedule D - Part 6 - Section 1 and 2</b>
<b>NONE</b>	<b>Schedule DA - Part 1</b>
<b>NONE</b>	<b>Schedule DB - Part A - Section 1 and 2</b>
<b>NONE</b>	<b>Schedule DB - Part A - Section 3 and Part B - Section 1</b>
<b>NONE</b>	<b>Schedule DB - Part B - Section 2 and 3</b>
<b>NONE</b>	<b>Schedule DB - Part C - Section 1 and 2</b>
<b>NONE</b>	<b>Schedule DB - Part C - Section 3 and Part D - Section 1</b>
<b>NONE</b>	<b>Schedule DB - Part D - Section 2 and 3</b>
<b>NONE</b>	<b>Schedule DB - Part E - Section 1</b>





**NONE**

**Schedule E - Part 2**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
AR99999	C	Simmons First Natl Bank Pine Bluff AR matures 06/13/2005 1.6% ARKANSAS	Bank of America Little Rock AR AR RSD for Qualification	100,000 100,000	100,000 100,000	100,000 100,000
9999997		Total - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company		100,000	100,000	100,000
9999999		Totals		100,000	100,000	100,000

E 2 5

(a) Including \$ 0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.