

ANNUAL STATEMENT

OF THE

ARKANSAS TITLE INSURANCE

COMPANY

of **SHERIDAN**

in the state of **ARKANSAS**

TO THE

Insurance Department

OF THE

STATE OF ARKANSAS

FOR THE YEAR ENDED

December 31, 2005

TITLE

2005



50725200520100100

ANNUAL STATEMENT

For the Year Ended December 31, 2005

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/Organized: 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: DEBRA L. KAHOUN 847-885-3000

dkahoun@stewart.com 847-885-3636
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: CRAIG D GILL 206 N ROSE SHERIDAN, AR 72150 000-000-0000

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>SUE E. DARDENNE#</u>	<u>AGENCY DIRECTOR</u>

Vice-Presidents

Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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>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) SUE E. DARDENNE# _____ (Printed Name) 3. AGENCY DIRECTOR _____ (Title)
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Subscribed and sworn to before me this _____ day of FEBRUARY, 2006

- a. Is this an original filing? YES [X] NO []
 b. If no: 1. State the amendment number _____
 2. Date filed 02/27/2006
 3. Number of pages attached 50

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)				
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 (\$ 3,984,361, Schedule E-Part 1), cash equivalents (\$ 0, Schedule E-Part 2) and short-term investments (\$ 0, Schedule DA)	3,984,361		3,984,361	3,608,637
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	3,984,361		3,984,361	3,608,637
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued				1,646
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	145,899	49,543	96,356	109,335
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	189,955	166,927	23,028	7,554
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)	25,898	25,898		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	31,534	16,762	14,772	61,052
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	63,165	63,165		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,440,812	322,295	4,118,517	3,788,224
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,440,812	322,295	4,118,517	3,788,224

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Other Assets	2,079	2,079		
2302. Policy Forms	18,701	18,701		
2303. Note receivable affiliate	42,385	42,385		
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	63,165	63,165		

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)	169,501	351,000
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	1,725,606	1,608,109
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)	36,660	73,906
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	53,009	84,832
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	209,033	26,672
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	14,355	27,278
19. Payable for securities		
20. Aggregate write-ins for other liabilities	1,184	
21. Total liabilities (Lines 1 through 20)	2,209,348	2,171,797
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)	1,664,169	1,371,427
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)	1,909,169	1,616,427
31. Totals (Page 2, Line 26, Col. 3)	4,118,517	3,788,224

DETAILS OF WRITE-INS		
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. Reinsurance payable to Affiliated Company	1,184	
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)	1,184	
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)		

OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME		1	2
		Current Year	Prior Year
OPERATING INCOME			
1. Title insurance and related income (Part 1):			
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)		5,877,907	5,697,624
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		85,682	15,525
3. Total Operating Income (Lines 1 through 2)		5,963,589	5,713,149
DEDUCT:			
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		47,348	491,154
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)		5,530,913	5,160,258
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions		5,578,261	5,651,412
8. Net operating gain or (loss) (Lines 3 minus 7)		385,328	61,737
INVESTMENT INCOME			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		71,047	38,452
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))			
11. Net investment gain (loss) (Lines 9 + 10)		71,047	38,452
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)		456,375	100,189
14. Federal and foreign income taxes incurred		180,144	64,243
15. Net income (Lines 13 minus 14)		276,231	35,946
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)		1,616,427	1,739,812
GAINS AND (LOSSES) IN SURPLUS			
17. Net income (from Line 15)		276,231	35,946
18. Net unrealized capital gains or losses			
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income tax		19,812	(9,554)
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)		46,699	9,223
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		(50,000)	(159,000)
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)		292,742	(123,385)
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)		1,909,169	1,616,427

DETAILS OF WRITE-INS			
0201. Other Operating Income		37,682	15,525
0202. Management fees		48,000	
0203.			
0298. Summary of remaining write-ins for Line 2 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)		85,682	15,525
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)			

CASH FLOW Cash from Operations	1	2
	Current Year	Prior Year
1. Premiums collected net of reinsurance	6,098,009	5,736,680
2. Net investment income	72,693	38,452
3. Miscellaneous income	85,683	15,524
4. Total (Lines 1 through 3)	6,256,385	5,790,656
5. Benefit and loss related payments	228,848	487,874
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,594,593	5,052,940
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)		180,000
10. Total (Lines 5 through 9)	5,823,441	5,720,814
11. Net cash from operations (Line 4 minus Line 10)	432,944	69,842
Cash from Investments		
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 contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	50,000	159,000
16.6 Other cash provided (applied)	(7,219)	57,837
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(57,219)	(101,163)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	375,725	(31,321)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,608,637	3,639,958
19.2 End of year (Line 18 plus Line 19.1)	3,984,362	3,608,637

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

20.0001.		
20.0002.		
20.0003.		

OPERATIONS AND INVESTMENT EXHIBIT

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

	1 Direct Operations	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written		5,237,621	777,661	6,015,282	5,855,911
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)		5,237,621	777,661	6,015,282	5,855,911

PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	6,015,282	5,855,911
1.2 Assumed		
1.3 Ceded	19,877	39,031
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	5,995,405	5,816,880
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	1,608,109	1,488,853
2.2 Additions during the current year	240,744	234,236
2.3 Withdrawals during the current year	123,247	114,980
2.4 Other adjustments to statutory premium reserves		
2.5 Balance at December 31 current year	1,725,606	1,608,109
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	5,877,908	5,697,624

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		189,240	39,608	228,848	487,874
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage					
3. Total (Line 1 plus Line 2)		189,240	39,608	228,848	487,874
4. Deduct: Recovered during year from reinsurance					
5. Net payments (Line 3 minus Line 4)		189,240	39,608	228,848	487,874
6. Known claims reserve - current year (Page 3, Line 1, Column 1)		125,759	43,742	169,501	351,000
7. Known claims reserve - prior year (Page 3, Line 1, Column 2)		351,000		351,000	349,720
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7)		(36,001)	83,350	47,349	489,154
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)		(36,001)	83,350	47,349	489,154

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

	1	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)		125,759	43,742	169,501	351,000
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)		125,759	43,742	169,501	351,000
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		667,000	231,000	898,000	839,623
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		667,000	231,000	898,000	839,623
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	1,067,501	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	1,725,606	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	512,816			512,816				512,816	377,700
1.2 Employee relations and welfare	35,564			35,564				35,564	19,305
1.3 Payroll taxes	38,950			38,950				38,950	30,657
1.4 Other personnel costs	1,726			1,726				1,726	10,136
1.5 Total personnel costs	589,056			589,056				589,056	437,798
2. Amounts paid to or retained by title agents		3,812,143	622,067	4,434,210				4,434,210	4,219,303
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts	343			343				343	6,948
3.2 Surveys									
3.3 Other	21,500			21,500				21,500	18,000
4. Advertising									5,143
5. Boards, bureaus and associations	3,868			3,868				3,868	
6. Title plant rent and maintenance									
7. Claim adjustment services									
8. Amounts charged off, net of recoveries	39			39				39	31,998
9. Marketing and promotional expenses	52,380			52,380				52,380	42,547
10. Insurance	4,092			4,092				4,092	4,155
11. Directors' fees	7,800			7,800				7,800	5,400
12. Travel and travel items	47,435			47,435				47,435	41,244
13. Rent and rent items	46,291			46,291				46,291	43,039
14. Equipment	6,176			6,176				6,176	
15. Cost or depreciation of EDP equipment and software	17,581			17,581				17,581	11,983
16. Printing, stationery, books and periodicals	27,737			27,737				27,737	24,361
17. Postage, telephone, messengers and express	41,854			41,854				41,854	39,481
18. Legal and auditing	11,511			11,511				11,511	36,174
19. Totals (Lines 1.5 to 18)	877,663	3,812,143	622,067	5,311,873				5,311,873	4,967,574
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes	152,424			152,424				152,424	147,131
20.2 Insurance department licenses and fees	8,220			8,220				8,220	7,270
20.3 Gross guaranty association assessments									
20.4 All other (excluding federal income and real estate)									141
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)	160,644			160,644				160,644	154,542
21. Real estate expenses									
22. Real estate taxes									
23. Aggregate write-ins for miscellaneous expenses	58,395			58,395				58,395	33,607
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	1,096,702	3,812,143	622,067	5,530,912			(a)	5,530,912	5,155,723
25. Less unpaid expenses - current year	104,025			104,025				104,025	186,016
26. Add unpaid expenses - prior year	186,016			186,016				186,016	83,233
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	1,178,693	3,812,143	622,067	5,612,903				5,612,903	5,052,940
DETAILS OF WRITE-INS									
2301. Contributions	8,331			8,331				8,331	6,075
2302. Computer ASP maintenance	39,456			39,456				39,456	18,228
2303. Misc expense	10,608			10,608				10,608	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)	58,395			58,395				58,395	33,607

(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)		5,118,068	759,839	5,877,907		5,877,907	5,697,624
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	85,683			85,683		85,683	
3. Total Operating Income (Lines 1.1 through 1.3 + 2)	85,683	5,118,068	759,839	5,963,590		5,963,590	5,697,624
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)		(1,513)	48,862	47,349		47,349	491,154
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 + 6)	1,096,702	3,812,143	622,067	5,530,912		5,530,912	5,160,258
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)	1,096,702	3,810,630	670,929	5,578,261		5,578,261	5,651,412
8. Net operating gain or (loss) (Lines 3 minus 7)	(1,011,019)	1,307,438	88,910	385,329		385,329	46,212
DETAILS OF WRITE-INS							
0201. Other Income	85,683			85,683		85,683	
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)	85,683			85,683		85,683	
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) 71,047	71,047
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	71,047	71,047
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)		71,047
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. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	49,543	139,169	89,626
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	166,927	162,589	(4,338)
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets	25,898	46,291	20,393
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates	16,762		(16,762)
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	63,165	20,947	(42,218)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	322,295	368,996	46,701
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	322,295	368,996	46,701

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Other Assets	2,079	2,246	167
2302. Policy Forms	18,701	18,701	
2303. Note receivable affiliate	42,385		(42,385)
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	63,165	20,947	(42,218)

NOTES TO FINANCIAL STATEMENTS

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, (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. Specifically, Arkansas Title Insurance Company was granted special approval by the state in 1986 regarding its reserving method.

The Company, with the explicit permission of the Commissioner of Insurance of the state of Arkansas, records the SPR at a reduced rate. If the SPR were calculated at the regular rate, the statutory surplus would decrease by \$118,403 and \$123,424 as of December 31, 2005 and December 31, 2004, respectively. Additionally, net income would be decreased by \$118,403 and \$123,424 for December 31, 2005 and December 31, 2004, respectively.

	<u>12/31/2005</u>	<u>12/31/2004</u>
Net Income, Arkansas State Basis	\$ 276,231	\$ 35,946
State Prescribed Practices:	\$ 0	\$ 0
State Permitted Practices;	\$ (118,403)	\$ (123,424)
Net Income, NAIC SAP	\$ 157,828	\$ (87,478)
Statutory Surplus, Arkansas State Basis	\$1,909,169	\$1,616,427
State Prescribed Practices:	\$ 0	\$ 0
State Permitted Practices:	\$ (118,403)	\$ (123,424)
Statutory Surplus, NAIC SAP	\$1,790,766	\$1,493,003

- 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.

NOTES TO FINANCIAL STATEMENTS

- (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
- (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 the 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
- F. Real Estate – None

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies- None

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>12/31/2005</u>	<u>12/31/2004</u>	<u>Change</u>
(1) Total gross deferred tax asset	\$ 189,955	\$ 170,143	\$19,812
(2) Total gross deferred tax liabilities	\$ 0	\$ 0	\$ 0
(3) Net deferred tax asset (liability)	\$ 189,955	\$ 170,143	\$19,812
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10,	\$(166,927)	\$(162,589)	\$(4,338)
(5) Admitted deferred tax asset (liability)	\$ 23,028	\$ 7,554	\$ 15,474

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

	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>Change</u>
(1) Net deferred tax asset (liability)	\$ 189,955	\$ 170,143	\$19,812
(2) Tax-effect of unrealized gains and losses	\$ 0	\$ 0	\$ 0
(3) Net tax effect without unrealized gains and losses	\$ 189,955	\$ 170,143	\$19,812
(4) Change in deferred income tax			\$19,812

- B. Unrecognized deferred tax liabilities

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

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

	<u>12/31/2005</u>	<u>12/31/2004</u>
(1) Current income tax expense (benefit) (exclusive of items 2 and 3 below)	\$ 159,989	\$ 64,243
(2) Tax credits	\$ 0	\$ 0
(3) Prior year adjustments	\$ 20,155	\$ 0
(4) Current income taxes incurred	\$ 160,144	\$ 64,243

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

	<u>12/31/2005</u>	<u>12/31/2004</u>
Deferred tax assets:		
(1) SPR	\$ 183,689	\$ 181,025
(2) Other	\$ 6,266	\$ (10,882)
(3) Total deferred tax assets	\$ 189,955	\$ 170,143
(4) Nonadmitted deferred tax assets	\$(166,927)	\$(162,589)
(5) Admitted deferred tax assets	\$ 23,028	\$ 7,554
(6) Total deferred tax liabilities	\$ 0	\$ 0
(7) Net admitted deferred tax asset (liability)	\$ 23,028	\$ 7,554

NOTES TO FINANCIAL STATEMENTS

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

	<u>12/31/2005</u>
(1) Income before taxes	\$ 456,375
(2) Income tax expense (benefit) at 35% statutory rate	\$ 159,731
(3) Increase (decrease) in tax resulting from:	
(a) Dividends received deduction	\$ 0
(b) Nondeductible expenses for meals, penalties and lobbying	\$ 0
(c) Tax-exempt income	\$ 0
(d) Tax adjustment for IMR	\$ 0
(e) Deferred tax benefit on other nonadmitted assets	\$ 0
(f) Tax credits	\$ 0
(g) Other	<u>\$ 601</u>
(4) Total income tax expected	\$ 160,322
(5) Current income tax incurred	
(without tax on realized gains and losses)	\$ 180,144
(6) Change in deferred income tax	
(without tax on unrealized gains and losses)	<u>\$ (19,812)</u>
(7) Total income tax reported	\$ 160,322

- E. Operating loss carryforward

- (1) As of December 31, 2005, the Company had no net operating loss carryforwards available for tax purposes.
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are \$180,144 for 2005 and \$64,243 for 2004.

- F. Consolidated federal income tax return

- (1) The Company's federal Income Tax return is consolidated with the following entities: Stewart Information Services Corporation, Ortem Investments, Inc., Stewart Solutions, LLC and Stewart Title Guaranty Company and subsidiaries.
- (2) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated June 1, 2004. Such Agreement was filed with the Texas Insurance Commissioner on May 26, 2004, under Holding Company Section #33532.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company paid a Common stock dividend totaling \$50,000 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, 2005 is \$31,534 and \$15,539, respectively.
- 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 Title, 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 as of December 31, 2005 are owned by Stewart Title Guaranty Company, domiciled in the State of Texas.
- H. None
- I. None
- J. None

NOTES TO FINANCIAL STATEMENTS

11. Debt – None
12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. None
- B. The Company sponsors a defined contribution benefit plan in which all employees and its participating subsidiaries who have completed 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 2005 and 2004 totaled approximately \$11,571 and \$8,272, respectively.
- C. None
- 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, 2004 was \$1,616,427. The maximum dividend payout which may be made without prior approval in 2005 is \$161,643.
- 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 - | \$ | 322,295 |
| 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 2005 and 2004 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

NOTES TO FINANCIAL STATEMENTS

20. The events of September 11,2001 have not impacted the 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
 - 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 – Not Applicable

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 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 (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	3,984,361	100.000	3,984,361	100.000
9. Other invested assets				
10. Total invested assets	3,984,361	100.000	3,984,361	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 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 No N/A
- 1.3 State Regulating? ARKANSAS
- 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
- 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. 04/04/2003
- 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). 04/04/2003
- 3.4 By what department or departments? Arkansas Department of Insurance
.....
.....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 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
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 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
- 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
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Steve Osborn Osborn, Carreiro & Assoc, Inc.
 1 Union Nat Plaza, Su. 1690, 124 W. Capital Avenue, Little Rock, AR 72201
 No Affiliation

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

11.11 Name of real estate holding company _____

11.12 Number of parcels involved _____

11.13 Total book/adjusted carrying value \$ _____

11.2 If yes, provide explanation _____

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

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

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

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

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

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

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

FINANCIAL

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

16.11 To directors or other officers \$ _____

16.12 To stockholders not officers \$ _____

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

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

16.21 To directors or other officers \$ _____

16.22 To stockholders not officers \$ _____

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

17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

17.21 Rented from others \$ _____

17.22 Borrowed from others \$ _____

17.23 Leased from others \$ _____

17.24 Other \$ _____

18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment \$ _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

18.22 Amount paid as expenses \$ _____
 18.23 Other amounts paid \$ _____

19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____ 11,676

INVESTMENT

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

20.2 If no, give full and complete information, relating thereto
 CD's held in Safety Deposit Box at Malvern National Bank

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1). Yes [] No [X]

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

21.21 Loaned to others	\$ _____
21.22 Subject to repurchase agreements	\$ _____
21.23 Subject to reverse repurchase agreements	\$ _____
21.24 Subject to dollar repurchase agreements	\$ _____
21.25 Subject to reverse dollar repurchase agreements	\$ _____
21.26 Pledged as collateral	\$ _____
21.27 Placed under option agreements	\$ _____
21.28 Letter stock or securities restricted as to sale	\$ _____
21.29 Other	\$ _____

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
 23.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

25.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds			
26.2 Preferred stocks			
26.3 Totals			

26.4 Describe the sources or methods utilized in determining the fair values:

.....

.....

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

27.2 If no, list exceptions:

.....

.....

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 3,868

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

1 Name	2 Amount Paid
Arkansas Land Title Association	\$ 1,000
Demotech, Inc.	\$ 2,000
	\$

29.1 Amount of payments for legal expenses, if any? \$ 3,461

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

1 Name	2 Amount Paid
Eilbott Law Firm	\$ 2,695
	\$
	\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ _____
- 30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES

PART 2-TITLE INTERROGATORIES

1. Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity? YES [] 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>1,725,607</u> |
| 9.15 | Other admissible invested assets | \$ _____ |
| 9.16 | Total | \$ <u>1,725,607</u> |
- 9.2 List below segregate funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities. (These funds are also included in Schedule E - Part 1D Summary and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers).
- | | | |
|------|---|----------|
| 9.21 | Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:
These funds consist of: | \$ _____ |
| 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 2005	2 2004	3 2003	4 2002	5 2001
Source of Direct Title Premiums Written (Part 1A)					
1. Direct operations (Part 1A, Line 1, Col. 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	5,237,621	5,300,430	4,561,380	4,254,914	3,672,856
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)	777,661	555,481	691,989	684,539	725,695
4. Total	6,015,282	5,855,911	5,253,369	4,939,453	4,398,551
Operating Income Summary (Page 4 & Part 1)					
5. Premiums earned (Part 1B, Line 3)	5,877,908	5,697,624	5,136,033	4,823,334	4,319,135
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)	85,682	15,525	46,933	69,362	22,540
12. Total operating income (Page 4, Line 3)	5,963,590	5,713,149	5,182,966	4,892,696	4,341,675
Statement of Income (Page 4)					
13. Net operating gain or (loss) (Line 8)	385,328	61,737	408,193	176,631	175,557
14. Net investment gain or (loss) (Line 11)	71,047	38,452	50,788	219,522	120,505
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)	180,144	64,243	120,831	96,917	92,335
17. Net income (Line 15)	276,231	35,946	338,150	299,236	203,727
Balance Sheet (Pages 2 and 3)					
18. Title insurance premiums and fees receivable (Page 2, Line 13, Col. 3)	96,356	109,335	110,989	71,785	74,395
19. Total admitted assets excluding segregated accounts (Page 2, Line 24, Col. 3)	4,118,517	3,788,224	3,766,176	3,174,553	2,753,633
20. Known claims reserve (Page 3, Line 1)	169,501	351,000	349,236	270,328	111,778
21. Statutory premium reserve (Page 3, Line 2)	1,725,606	1,608,109	1,488,852	1,385,173	1,284,270
22. Total liabilities (Page 3, Line 21)	2,209,348	2,171,797	2,032,508	1,761,952	1,520,576
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)	1,909,169	1,616,427	1,733,668	1,412,601	1,233,057
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)					
(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	100.0	97.4
30. Contract loans (Line 6)				X X X	X X X
31. Other invested assets (Line 7)					
32. Receivable for securities (Line 8)					
33. Aggregate write-ins for invested assets (Line 9)				X X X	X X X
34. Subtotals cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
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 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
43. Net unrealized capital gains or (losses) (Line 18)					67,500
44. Change in nonadmitted assets (Line 21)	46,669	9,223	15,944	(199,769)	(21,397)
45. Dividends to stockholders (Line 28)	(50,000)	(159,000)	(50,000)	(80,000)	(80,000)
46. Change in surplus as regards policyholders for the year (Line 31)	292,742	(123,385)	327,211	179,543	220,314
Losses Paid and Incurred (Part 2A)					
47. Net payments (Line 5, Col. 4)	228,848	487,874	138,415	103,408	135,883
48. Losses and allocated LAE incurred (Line 8, Col. 4)	47,348	489,154	217,807	261,958	148,425
49. Unallocated LAE incurred (Line 9, Col. 4)					
50. Losses and loss adjustment expenses incurred (Line 10, Col. 4)	47,348	489,154	217,807	261,958	148,425
Operating Expenses to Total Operating Income (Part 3)(%) (Line item divided by Page 4, Line 3 x 100.0)					
51. Personnel costs (Part 3, Line 1.5, Col. 4)	9.9	7.7	8.6	9.5	9.6
52. Amount paid to or retained by title agents (Part 3, Line 2, Col. 4)	74.4	73.9	71.9	71.0	70.7
53. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	8.5	8.7	7.3	10.6	12.1
54. Total (Lines 51 to 53)	92.8	90.2	87.8	91.0	92.5
Operating Percentages (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
55. Losses and loss adjustment expenses incurred (Line 4)	0.8	8.6	4.4	5.3	3.4
56. Operating expenses incurred (Line 5)	92.7	90.3	87.8	91.1	92.5
57. Aggregate write-ins for other operating deductions (Line 6)					
58. Total operating deductions (Line 7)	93.5	98.9	92.1	96.4	96.0
59. Net operating gain or (loss) (Line 8)	6.5	1.1	7.9	3.6	4.0
Other Percentages (Line item divided by Part 1B, Line 1.4)					
60. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)	0.8	8.4	4.3	5.3	3.4
61. Operating expenses incurred to net premiums written (Page 4, Line 5)	92.3	88.7	86.8	90.5	91.1

- 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

Segregated Funds Held for Others			
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)			
Company Funds on Hand and on Deposit			
General Funds			
6. Open depositories			3,984,361
7. Suspended depositories			
8. Total general funds			3,984,361
Reinsurance Reserve Funds			
9. Open depositories			
10. Suspended depositories			
11. Total reinsurance reserve funds			
Total Company Funds			
12. Open depositories			3,984,361
13. Suspended depositories			
14. Total company funds on deposit (Lines 8 & 11)			3,984,361
15. Company funds on hand			
16. Total company funds on hand and on deposit			3,984,361

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
Segregated Funds Held for Others			
17. Open depositories			
18. Suspended depositories			
19. Total segregated funds held for others			
Company Funds on Deposit			
20. Open depositories	71,047	217,642	3,551,133
21. Suspended depositories			
22. Total company funds on deposit	71,047	217,642	3,551,133
Total All Funds on Deposit			
23. Open depositories			
24. Suspended depositories			
25. Total all funds on deposit			

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		56,786	20						
0299999		Total Authorized - Affiliates - U.S. Non-Pool			56,786	20						
0499999		Total Authorized - Affiliates			56,786	20						
0999999		Total Authorized			56,786	20						
9999999		Totals			56,786	20						

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	20,021	34		1,097	18,958	887				157		
2. 1996	1,537	3,352	8		167	3,193	78				46		
3. 1997	1,564	3,378	8		75	3,311	36				32		
4. 1998	1,763	3,634	6		35	3,605	56				74		
5. 1999	2,136	4,379			14	4,365	248				121		
6. 2000	2,180	4,440			18	4,422	122				67		
7. 2001	2,214	4,399			(9)	4,408	6				39		
8. 2002	2,554	4,940			15	4,925	66				48		
9. 2003	2,904	5,253			14	5,239	15				49		
10. 2004	3,184	5,856			39	5,817	44				56		
11. 2005	3,283	6,015			20	5,995					2		
12. Totals	X X X	65,667	56		1,485	64,238	1,558				691		

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid
					Known Claim Reserves			IBNR Reserves			
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded	
1. Prior			1,044	91	24				60		
2. 1996			124	22					28		
3. 1997	3		68	22					30		
4. 1998			130	32	1				35		
5. 1999			369	32	8				47		
6. 2000	21		189	23	35				45		
7. 2001			45	18					67		
8. 2002			114	23	45				88		
9. 2003	67		64	25	24				124		
10. 2004			100	10	24				185		
11. 2005			2	3	9				189		
12. Total	91		2,249	301	170				898		

	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	84	3	1,128			1,128	0.056	0.059	X X X		84	
2. 1996	28		152			152	0.045	0.048	0.099		28	
3. 1997	30		98			98	0.029	0.030	0.063		30	
4. 1998	36	1	166			166	0.046	0.046	0.094		36	
5. 1999	55	2	424			424	0.097	0.097	0.199		55	
6. 2000	80	1	269			269	0.061	0.061	0.123		80	
7. 2001	67		112			112	0.025	0.025	0.051		67	
8. 2002	133	5	247			247	0.050	0.050	0.097		133	
9. 2003	148	5	212			212	0.040	0.040	0.073		148	
10. 2004	209	3	309			309	0.053	0.053	0.097		209	
11. 2005	198	2	200			200	0.033	0.033	0.061		198	
12. Total	1,068	22	3,317			3,317	X X X	X X X	X X X		1,068	

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	20,021	34		1,097	18,958	887				157		
2. 1996	1,537	3,352	8		167	3,193	78				46		
3. 1997	1,564	3,378	8		75	3,311	36				32		
4. 1998	1,763	3,634	6		35	3,605	56				74		
5. 1999	2,136	4,379			14	4,365	248				121		
6. 2000	2,180	4,440			18	4,422	122				67		
7. 2001	2,214	4,399			(9)	4,408	6				39		
8. 2002	2,554	4,940			15	4,925	66				48		
9. 2003	2,904	5,253			14	5,239	15				49		
10. 2004	3,184	5,856			39	5,817	44				56		
11. 2005	3,283	6,015			20	5,995					2		
12. Totals	X X X	65,667	56		1,485	64,238	1,558				691		

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid
					Known Claim Reserves			IBNR Reserves			
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded	
1. Prior			1,044	91	24				60		
2. 1996			124	22					28		
3. 1997	3		68	22					30		
4. 1998			130	32	1				35		
5. 1999			369	32	8				47		
6. 2000	21		189	23	35				45		
7. 2001			45	18					67		
8. 2002			114	23	45				88		
9. 2003	67		64	25	24				124		
10. 2004			100	10	24				185		
11. 2005			2	3	8				189		
12. Total	91		2,249	301	169				898		

	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	84	3	1,128			1,128	0.056	0.059	X X X			84
2. 1996	28		152			152	0.045	0.048	0.099			28
3. 1997	30		98			98	0.029	0.030	0.063			30
4. 1998	36	1	166			166	0.046	0.046	0.094			36
5. 1999	55	2	424			424	0.097	0.097	0.199			55
6. 2000	80	1	269			269	0.061	0.061	0.123			80
7. 2001	67		112			112	0.025	0.025	0.051			67
8. 2002	133	5	247			247	0.050	0.050	0.097			133
9. 2003	148	5	212			212	0.040	0.040	0.073			148
10. 2004	209	3	309			309	0.053	0.053	0.097			209
11. 2005	197	2	199			199	0.033	0.033	0.061			197
12. Total	1,067	22	3,316			3,316	X X X	X X X	X X X		X X X	1,067

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

Years in Which Policies Were Written	Incurred Losses and Allocated Expenses at Year End (\$000 omitted) Including Known Claims and IBNR on Unreported Claims									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	4	11	8							
2. 1986	24	18	17	16	15	13	12	12	12	11
3. 1987	124	118	116	114	112	109	108	107	106	106
4. 1988	102	90	87	85	83	79	78	77	76	75
5. 1989	112	95	92	88	86	81	80	79	78	77
6. 1990	135	119	114	112	114	109	115	115	115	106
7. 1991	159	138	137	132	127	118	116	115	114	113
8. 1992	178	137	182	256	179	170	187	185	187	186
9. 1993	253	197	184	185	162	143	132	127	125	122
10. 1994	258	243	204	200	179	158	156	164	173	225
11. 1995	122	137	141	120	127	114	112	111	112	108
12. 1996	89	125	177	161	146	178	159	155	156	152
13. 1997	X X X	92	165	114	128	119	108	103	99	98
14. 1998	X X X	X X X	184	141	170	160	139	144	168	165
15. 1999	X X X	X X X	X X X	300	195	169	280	326	424	424
16. 2000	X X X	X X X	X X X	X X X	190	172	165	206	271	269
17. 2001	X X X	X X X	X X X	X X X	X X X	135	128	124	134	112
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	167	185	259	247
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	196	247	211
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	355	309
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	200

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

Years in Which Policies Were Written	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior												2
2. 1986	9	9	9	10	10	10	10	10	10	10		1
3. 1987	100	104	104	104	104	104	104	104	104	104	1	1
4. 1988	73	73	73	73	73	73	73	73	73	73		
5. 1989	71	71	72	72	72	72	73	73	73	73		1
6. 1990	85	90	90	92	98	99	100	100	101	101	4	4
7. 1991	90	99	104	105	105	105	105	105	106	107	2	4
8. 1992	69	75	102	127	144	150	170	170	174	176	3	14
9. 1993	99	109	112	112	112	114	106	107	107	107	2	12
10. 1994	84	106	110	124	124	124	126	136	145	205	5	7
11. 1995	24	44	61	65	79	80	85	85	87	88	13	14
12. 1996	6	25	58	70	79	113	123	123	123	124	7	15
13. 1997	X X X	1	17	23	46	59	67	68	68	68	9	13
14. 1998	X X X	X X X	5	20	65	83	85	99	126	130	7	24
15. 1999	X X X	X X X	X X X	26	37	68	95	134	357	369	13	17
16. 2000	X X X	X X X	X X X	X X X	9	35	53	109	187	189	13	9
17. 2001	X X X	X X X	X X X	X X X	X X X	1	14	17	36	45	3	15
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	4	16	72	114	5	13
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4	29	64	6	14
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	41	100	2	5
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2		1

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

Years in Which Policies Were Written	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	4	11	8							
2. 1986				5	2					
3. 1987										
4. 1988										
5. 1989		8					4			
6. 1990	14					4	15	15	14	
7. 1991		3	8						3	3
8. 1992	32	22	80	125	2	15		5	6	6
9. 1993	72	40	48			1	2			
10. 1994	40	49					3	28	28	15
11. 1995	67	25	37	20			2		4	
12. 1996	45	40	14	12	35	24			5	
13. 1997	X X X	10	4	20	11	14	4			
14. 1998	X X X	X X X	34	67	5	5	4		8	1
15. 1999	X X X	X X X	X X X	27	38	10	186	192	5	8
16. 2000	X X X	X X X	X X X	X X X	7	30	21	25	16	35
17. 2001	X X X	X X X	X X X	X X X	X X X	9	6		24	
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	24		79	45
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	29	75	23
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	84	24
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	8

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

Years in Which Policies Were Written	Bulk Reserves on Known Claims at Year End (\$000 omitted) Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1986										
3. 1987										
4. 1988										
5. 1989										
6. 1990										
7. 1991										
8. 1992										
9. 1993										
10. 1994										
11. 1995										
12. 1996										
13. 1997	X X X									
14. 1998	X X X	X X X								
15. 1999	X X X	X X X	X X X							
16. 2000	X X X	X X X	X X X	X X X						
17. 2001	X X X	X X X	X X X	X X X	X X X					
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X				
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	

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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior	7	3	2	5	4	2	2	1	1	
2. 1986	15	9	8	1	3	3	2	2	2	1
3. 1987	24	14	12	10	8	5	4	3	2	2
4. 1988	29	17	14	12	10	6	5	4	3	2
5. 1989	41	16	20	16	14	9	3	6	5	4
6. 1990	36	29	24	20	16	6				5
7. 1991	69	36	25	27	22	13	11	10	4	3
8. 1992	77	41		4	33	6	17	10	7	4
9. 1993	82	48	24	73	50	28	23	20	18	15
10. 1994	134	87	94	76	55	34	27	1		4
11. 1995	31	67	43	35	48	34	25	26	22	20
12. 1996	38	61	105	79	32	40	36	32	28	28
13. 1997	X X X	81	144	71	71	47	37	35	31	30
14. 1998	X X X	X X X	145	54	100	72	50	45	34	35
15. 1999	X X X	X X X	X X X	248	120	91			62	47
16. 2000	X X X	X X X	X X X	X X X	174	107	91	73	67	45
17. 2001	X X X	X X X	X X X	X X X	X X X	125	108	107	74	67
18. 2002	X X X	X X X	X X X	X X X	X X X	X X X	140	112	108	88
19. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	163	143	124
20. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	229	185
21. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	189

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

Years in Which Claims Were First Reported	Losses and Allocated Expenses at Year End (\$000 omitted)									
	Incurred Loss and ALAE on Known Claims and Bulk Reserves on Known Claims									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	385	382	364	345	345	345	337	337	337	337
2. 1996	240	158	114	82	82	82	82	82	82	82
3. 1997	X X X	112	117	107	102	102	102	102	102	102
4. 1998	X X X	X X X	191	233	96	96	96	96	96	96
5. 1999	X X X	X X X	X X X	172	167	197	402	448	454	459
6. 2000	X X X	X X X	X X X	X X X	105	120	92	92	92	92
7. 2001	X X X	X X X	X X X	X X X	X X X	100	84	129	192	187
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	110	137	162	198
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	100	93	53
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	403	278
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	174

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

Years in Which Claims Were First Reported	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	314	338	343	345	345	345	337	337	337	337	8	10
2. 1996	35	59	82	82	82	82	82	82	82	82	8	18
3. 1997	X X X	49	86	92	102	102	102	102	102	102	11	20
4. 1998	X X X	X X X	47	85	96	96	96	96	96	96	8	16
5. 1999	X X X	X X X	X X X	59	137	181	218	256	454	459	13	18
6. 2000	X X X	X X X	X X X	X X X	35	79	92	92	92	92	9	12
7. 2001	X X X	X X X	X X X	X X X	X X X	45	65	116	187	187	9	18
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	41	70	124	183	10	20
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	23	40	44	8	18
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	148	253	12	24
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	55	2	26

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

Years in Which Claims Were First Reported	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior	70	44	21							
2. 1996	205	99	32							
3. 1997	X X X	63	31	15						
4. 1998	X X X	X X X	144	148						
5. 1999	X X X	X X X	X X X	112	29	16	184	192		
6. 2000	X X X	X X X	X X X	X X X	70	41				
7. 2001	X X X	X X X	X X X	X X X	X X X	55	18	13	5	
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	68	68	38	15
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	77	53	9
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	255	26
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	120

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

Years in Which Claims Were First Reported	Bulk Reserves on Known Claims at Year End (\$000 omitted)									
	Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1996										
3. 1997	X X X									
4. 1998	X X X	X X X								
5. 1999	X X X	X X X	X X X							
6. 2000	X X X	X X X	X X X	X X X						
7. 2001	X X X	X X X	X X X	X X X	X X X					
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X				
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	

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 [X] 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 [X] 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 [X] 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 [X] 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 [X]
- 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 [X] No []
- 6.2 If not, please explain.

- 7.1 Are allocated loss adjustment expenses recorded in accordance with the instructions? Yes [X] 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 [X] 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 [X] No []
- 9.2 Are claims closed without payment removed from the claim count? Yes [] No [X]
- 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 [X]
- 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 [X]
- 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 [X]
- 12.2 If so, please explain.

- 13.1 Were any estimates or allocations used to complete this data request? Yes [] No [X]
- 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 [X]

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	5,237,621	777,661	5,877,907	228,848	(47,348)	169,501	
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		5,237,621	777,661	5,877,907	228,848	(47,348)	169,501	

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

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

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

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
50121	74-0924290	Stewart Title Guaranty Company	50,000				(56,425)	19,877			13,452	
50156	34-0805709	National Land Title Insurance Company					(22,500)				(22,500)	
50725	71-0560086	Arkansas Title Insurance Company	(50,000)				78,925	(19,877)			9,048	
9999999	Control Totals								XXX			

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

MARCH FILING

Response

- | | |
|---|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | Yes |
| 2. Will an actuarial opinion be filed by March 1? | Yes |

APRIL FILING

- | | |
|--|-----|
| 3. Will Management's Discussion and Analysis be filed by April 1? | Yes |
| 4. Will the Supplemental Schedule of Business Written by Agency be filed by April 1? | Yes |
| 5. Will the Investment Risks Interrogatories be filed by April 1? | Yes |

JUNE FILING

- | | |
|---|-----|
| 6. Will an audited financial report be filed by June 1? | Yes |
|---|-----|

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

MARCH FILING

- | | |
|---|-----------------|
| 7. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | See Explanation |
|---|-----------------|

Explanation:

7. Company has only 1 Stockholder
-
-

Bar code:



5072520054200000

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

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
OPEN DEPOSITORIES						
Peoples Bank Sheridan AR	Sheridan AR	3.250	4,976		271,051	
0199998 Deposits in 56 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories.	XXX	XXX	66,071		3,713,311	XXX
0199999 Totals-Open Depositories	XXX	XXX	71,047		3,984,362	XXX
SUSPENDED DEPOSITORIES						
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories.	XXX	XXX				XXX
0299999 Totals - Suspended Depositories	XXX	XXX				XXX
0399999 Total Cash on Deposit	XXX	XXX	71,047		3,984,362	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX		XXX
0599999 Total Cash	XXX	XXX	71,047		3,984,362	XXX

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

1. January	3,595,631	4. April	3,658,376	7. July	3,827,967	10. October	3,868,828
2. February	3,531,723	5. May	3,721,939	8. August	3,804,990	11. November	3,988,853
3. March	3,624,243	6. June	3,762,464	9. September	3,855,933	12. December	3,984,361

NONE

Schedule E - Part 2

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits with the State of Domicile For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR	C AR RSD for Qualification	100,000	100,000		
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. US Virgin Islands	VI					
56. Canada	CN					
57. Aggregate Alien and Other	OT	X X X	X X X			
58. Total		X X X	X X X	100,000	100,000	

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