

**QUARTERLY STATEMENT**

**OF THE**

**MONROE TITLE INSURANCE CORPORATION**

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**of** \_\_\_\_\_ **ROCHESTER**  
**in the state of** \_\_\_\_\_ **NEW YORK**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**NEW YORK**

**FOR THE QUARTER ENDED**

**June 30, 2008**

**TITLE**

**2008**



51063200820100102

# QUARTERLY STATEMENT

AS OF JUNE 30, 2008  
OF THE CONDITION AND AFFAIRS OF THE  
**Monroe Title Insurance Corporation**

**NAIC Group Code** 0340 0340 **NAIC Company Code** 51063 **Employer's ID Number** 16-0557455  
(Current Period) (Prior Period)

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

**Incorporated/Organized:** October 1, 1922 **Commenced Business:** April 1, 1923

**Statutory Home Office:** 47 West Main Street, Rochester, NY 14614  
(Street and Number) (City or Town, State and Zip Code)

**Main Administrative Office:** 47 West Main Street  
(Street and Number)  
Rochester, NY 14614 585-232-2070  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

**Mail Address:** 47 West Main Street, Rochester, NY 14614  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

**Primary Location of Books and Records:** 47 West Main Street Rochester, NY 14614 585-232-2070  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

**Internet Website Address:** www.monroetitle.com

**Statutory Statement Contact:** Scott D. Deverell 585-232-2070  
(Name) (Area Code) (Telephone Number) (Extension)  
sdeverell@monroetitle.com 585-232-4988  
(E-Mail Address) (Fax Number)

## OFFICERS

	Name	Title
1.	<u>Thomas A. Podsiadlo</u>	<u>President</u>
2.	<u>Barry C. Balonek</u>	<u>Secretary</u>
3.	<u>Christine F. Russell</u>	<u>Treasurer</u>

## VICE-PRESIDENTS

Name	Title	Name	Title
<u>Joseph W. Agnello</u>	<u>Vice President</u>	<u>Barry C. Balonek</u>	<u>Vice President</u>
<u>Lawrence M. Boyka</u>	<u>Vice President</u>	<u>Peter E. Bryant</u>	<u>Vice President</u>
<u>Norma E. Buck</u>	<u>Vice President</u>	<u>John P. Federowicz</u>	<u>Vice President</u>
<u>Michael P. Gorman</u>	<u>Vice President</u>	<u>Richard C. Greiner</u>	<u>Vice President</u>
<u>Katherine A. Colucci</u>	<u>Vice President</u>	<u>James B. Isaac</u>	<u>Vice President</u>
<u>Peter L. Iannini</u>	<u>Vice President</u>	<u>James J. Lacagnina</u>	<u>Vice President</u>
<u>Pamela J. Nestico</u>	<u>Vice President</u>	<u>Garrett R. Olin</u>	<u>Vice President</u>
<u>Joseph G. O'Mara</u>	<u>Vice President</u>	<u>John H. Schick</u>	<u>Vice President</u>
<u>Norma C. Redditt</u>	<u>Vice President</u>	<u>Jacquelyn I. Smith</u>	<u>Vice President</u>
<u>William C. Shelly</u>	<u>Vice President</u>	<u>Scott D. Deverell</u>	<u>Vice President</u>
<u>Ken Anderson</u>	<u>Vice President</u>		

## DIRECTORS OR TRUSTEES

<u>Barry C. Balonek</u>	<u>Thomas A. Podsiadlo</u>	<u>Malcolm Morris</u>	<u>John F. Welling</u>
<u>Julie A. Curlen</u>	<u>Michael Skalka</u>	<u>Kevin Reilly</u>	

State of New York  
County of Monroe 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.

<u>(Signature)</u>	<u>(Signature)</u>	<u>(Signature)</u>
<u>Thomas A. Podsiadlo</u>	<u>Barry C. Balonek</u>	<u>Christine F. Russell</u>
<u>(Printed Name)</u>	<u>(Printed Name)</u>	<u>(Printed Name)</u>
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>President</u>	<u>Secretary</u>	<u>Treasurer</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008

a. Is this an original filing?  Yes  No  
 b. If no: 1. State the amendment number \_\_\_\_\_  
 2. Date filed \_\_\_\_\_  
 3. Number of pages attached \_\_\_\_\_

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,162,052		9,162,052	9,262,563
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	4,659,585		4,659,585	4,625,613
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	1,371,526		1,371,526	1,359,386
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 299,121), cash equivalents (\$ 0), and short-term investments (\$ 214,770)	513,891		513,891	3,385,766
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	195,613		195,613	246,706
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	15,902,667		15,902,667	18,880,034
11. Title plants less \$ 0 charged off (for Title insurers only)	769,688		769,688	799,949
12. Investment income due and accrued	92,370		92,370	106,775
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,362,632	501,962	860,670	686,139
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	1,147,844	970,566	177,278	197,221
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	137,057	54,991	82,066	112,544
19. Furniture and equipment, including health care delivery assets (\$ 0)	197,619	197,619		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	35,822		35,822	19,759
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	115,665	115,665		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	19,761,364	1,840,803	17,920,561	20,802,421
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	19,761,364	1,840,803	17,920,561	20,802,421

DETAILS OF WRITE-IN LINES			
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. Prepaid Expenses	115,665	115,665	
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	115,665	115,665	

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	360,100	802,300
2. Statutory premium reserve	6,081,478	6,040,094
3. Aggregate of other reserves required by law		
4. Supplemental reserve		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	522,261	523,293
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,709	320
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	40,062	117,915
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	81,677	1,819,530
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 adjustments in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates		98
19. Payable for securities		
20. Aggregate write-ins for other liabilities	19,891	
21. Total liabilities (Lines 1 through 20)	7,107,178	9,303,550
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	250,000	250,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	610,139	610,139
28. Unassigned funds (surplus)	9,953,244	10,638,732
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)	10,813,383	11,498,871
31. Totals	17,920,561	20,802,421

DETAILS OF WRITE-INS		
0301. ....		
0302. ....		
0303. ....		
0398. Summary of remaining write-ins for Line 03 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)		
2001. Accrued reinsurance	19,891	
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)	19,891	
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>OPERATING INCOME</b>			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	6,625,693	6,184,331	12,853,104
1.2 Escrow and settlement services			
1.3 Other title fees and service charges	3,313,393	3,329,074	6,581,075
2. Aggregate write-ins for other operating income	186,617	177,753	366,872
3. Total Operating Income (Lines 1 through 2)	10,125,703	9,691,158	19,801,051
<b>DEDUCT:</b>			
4. Losses and loss adjustment expenses incurred	109,378	108,933	577,627
5. Operating expenses incurred	10,282,450	9,870,685	19,752,264
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	10,391,828	9,979,618	20,329,891
8. Net operating gain or (loss) (Lines 3 minus 7)	(266,125)	(288,460)	(528,840)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	260,014	408,171	503,477
10. Net realized capital gains (losses) less capital gains tax of \$ 31,106	57,768	268,083	327,125
11. Net investment gain (loss) (Lines 9 + 10)	317,782	676,254	830,602
<b>OTHER INCOME</b>			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	51,657	387,794	301,762
14. Federal and foreign income taxes incurred	(108,959)	99,112	(145,209)
15. Net income (Lines 13 minus 14)	160,616	288,682	446,971
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year	11,498,870	13,957,721	13,957,721
17. Net income (from Line 15)	160,616	288,682	446,971
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(1,291,781)	65,165	20,672
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	99,227	(66,333)	501,182
21. Change in nonadmitted assets	(19,974)	225,817	(427,676)
22. Change in provision for unauthorized reinsurance			
23. Change in supplemental reserves			
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		(3,000,000)	(3,000,000)
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus	366,425		
31. Change in surplus as regards policyholders (Lines 17 through 30)	(685,487)	(2,486,669)	(2,458,851)
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	10,813,383	11,471,052	11,498,870

DETAILS OF WRITE-IN LINES			
0201. Miscellaneous Income	43,163	54,017	114,775
0202. Other Abstract Fees	128,127	123,736	233,370
0203. Reinsurance fees reimbursed from agents	15,327		18,727
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)	186,617	177,753	366,872
0601. ....			
0602. ....			
0603. ....			
0698. Summary of remaining write-ins for Line 06 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)			
1201. ....			
1202. ....			
1203. ....			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			
3001. Prior period error in deferred tax calculation	366,425		
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)	366,425		

**CASH FLOW**

	1	2
	Current Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	8,068,085	19,372,530
2. Net investment income	215,818	431,127
3. Miscellaneous income	170,456	358,213
4. Total (Lines 1 to 3)	8,454,359	20,161,870
5. Benefit and loss related payments	551,578	306,827
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	10,232,489	20,142,243
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		(27,890)
10. Total (Lines 5 through 9)	10,784,067	20,421,180
11. Net cash from operations (Line 4 minus Line 10)	(2,329,708)	(259,310)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	625,590	1,980,281
12.2 Stocks	2,047,029	2,305,430
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	150,000	132,000
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)	2,822,619	4,417,711
13. Cost of investments acquired (long-term only):		
13.1 Bonds	528,056	1,747,677
13.2 Stocks	2,917,010	1,283,994
13.3 Mortgage loans		
13.4 Real estate	49,940	32,395
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,495,006	3,064,066
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(672,387)	1,353,645
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		(4,316)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		3,000,000
16.6 Other cash provided (applied)	130,220	92,561
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	130,220	(2,911,755)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,871,875)	(1,817,420)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,385,766	5,203,186
19.2 End of period (Line 18 plus Line 19.1)	513,891	3,385,766

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

20.0001		
20.0002		
20.0003		

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Accounting Practices

The accompanying financial statements of Monroe Title Insurance Corporation (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of New York (the Department).

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York (the State) for determining and reporting the financial condition and results of operations of a title insurance company and for determining its solvency under the New York State Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted, with certain exceptions, as a component of prescribed or permitted practices by the State. The accounting practices not adopted by the State include, but are not limited to, those described in certain paragraphs of the Statements of Statutory Accounting Principles' (SSAP) No. 10 *Income Taxes*, SSAP No. 16 *Electronic Data Processing Equipment and Software* and SSAP No. 57 *Title Insurance*. The New York State Superintendent of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income/(loss) and capital and surplus between the NAIC SAP and practices prescribed and permitted by the State as of and for the six months ended June 30, 2008 is shown below:

	Net <u>Income</u>	Capital <u>And Surplus</u>
Balance, NYS Basis	\$ 160,616	\$ 10,813,383
Amortization of title plant	49,605	1,700,702
Depreciation of EDP Equipment	(1,621)	13,990
Release of statutory premium reserve	57,281	835,233
Balance, NAIC SAP Basis	<u>\$ 265,881</u>	<u>\$ 13,363,308</u>

#### Use of Estimates in the Preparation of the Financial Statements and Significant Accounting Policies – NO MATERIAL CHANGES

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS – NOT APPLICABLE
3. BUSINESS COMBINATIONS AND GOODWILL - NOT APPLICABLE
4. DISCONTINUED OPERATIONS - NOT APPLICABLE
5. INVESTMENTS – NO MATERIAL CHANGES
6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES – NO MATERIAL CHANGES
7. INVESTMENT INCOME – NO MATERIAL CHANGES
8. DERIVATIVE INSTRUMENTS - NOT APPLICABLE
9. INCOME TAXES – NO MATERIAL CHANGES

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

A. The net deferred tax asset/(liability) at June 30, 2008 and the change from the prior year are comprised of the following components:

	6/30/08	2007	Change
(1) Total gross deferred tax assets	1,345,151	1,569,797	(224,646)
(2) Total deferred tax liabilities	197,307	521,181	323,874
(3) Net deferred tax asset	1,147,844	1,048,617	99,227
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	(970,566)	(851,395)	(119,171)
(5) Admitted deferred tax asset	177,278	197,221	(19,944)

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

	6/30/08	2007	Change
(1) Net deferred tax asset	1,147,844	1,048,617	99,227
(2) Tax effect of unrealized gains and losses	(197,307)	(1,489,088)	1,291,781
(3) Net tax effect without unrealized gains and losses	1,345,151	2,537,705	(1,192,554)
(4) Change in deferred income tax			(1,192,554)

## NOTES TO FINANCIAL STATEMENTS

## 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:

	6/30/08	2007
(1) Current year tax expense (benefit) (exclusive of items 2 and 3 below)	(77,853)	53,138
(2) Tax credits	-	-
(3) Federal income tax on net capital gains	(31,106)	(176,144)
(4) Prior year adjustment	-	(22,203)
(5) Current income taxes incurred	(108,959)	(145,209)

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

	6/30/08	2007
Deferred tax assets:		
(1) Discounting of Reserves	535,820	571,803
(2) Fixed Assets	(7,416)	140,258
(3) Other	816,747	857,736
(4) Total deferred tax assets	1,345,151	1,569,797
(5) Nonadmitted deferred tax assets	(970,556)	(851,395)
(6) Admitted deferred tax assets	374,584	718,402
Deferred tax liabilities:		
(7) Stock Unrealized gains	(197,307)	(521,181)
(8) Other	-	-
(9) Total deferred tax liabilities	(197,307)	(521,181)
(10) Net admitted deferred tax asset (liability)	177,278	197,221

- 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:

	2008
(1) Income before taxes	110,044
(2) Income tax expense (benefit) at 35% statutory rate	38,515
(3) Increase (decrease) in tax resulting from:	
a. Dividends received deduction	(15,534)
b. Nondeductible expenses for meals, penalties and lobbying	10,942
c. Tax-exempt income	(55,261)
d. Deferred tax benefit on nonadmitted assets	(25,170)
e. Foreign income taxes	-
f. Federal income taxes on capital gains	(31,106)
g. Other	1,161,209
(4) Total income tax expected	1,083,596
(5) Current income taxes incurred (without tax on realized gains and losses)	(108,959)
(6) Change in deferred income tax (without tax on unrealized gains and losses)	1,192,554
(7) Total income tax reported	1,083,596

## E. Operating loss carryforward:

- (1) As of December 31, 2007, the Company had no operating loss carryforwards.  
(2) The amount of federal income taxes incurred and available for recoupment in the event of future net losses is \$53,138 for 2007 and \$32,636 for 2006 and \$142,918 for 2005.

## F. Consolidated federal income tax return.

Effective with the merger date, February 3, 2006, the Company's federal income tax return is consolidated with Stewart Information Services Corporation and other subsidiaries listed on the attached schedule.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES – NO MATERIAL CHANGES
11. DEBT – NO MATERIAL CHANGES
12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS – NOT APPLICABLE
13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS – NO MATERIAL CHANGES



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## NOTES TO FINANCIAL STATEMENTS

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14. CONTINGENCIES – NO MATERIAL CHANGES
15. LEASES – NO MATERIAL CHANGES
16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK - NOT APPLICABLE
17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES – NOT APPLICABLE
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 PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS - NOT APPLICABLE
20. SEPTEMBER 11 EVENTS – NOT APPLICABLE
21. OTHER ITEMS – NOT APPLICABLE
22. EVENTS SUBSEQUENT - NOT APPLICABLE
23. REINSURANCE - NOT APPLICABLE
24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION - NOT APPLICABLE
25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES – NO MATERIAL CHANGES
26. INTERCOMPANY POOLING ARRANGEMENTS - NOT APPLICABLE
27. STRUCTURED SETTLEMENTS - NOT APPLICABLE
28. SUPPLEMENTAL RESERVE – NOT APPLICABLE

## GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

### PART 1 – COMMON INTERROGATORIES

#### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ X ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]

2.2 If yes, date of change: \_\_\_\_\_

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ X ] No [ ]  
If yes, complete the Schedule Y – Part 1 – organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

4.2 If yes, provide the name of 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2006

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. \_\_\_\_\_ 12/31/2001

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). \_\_\_\_\_ 05/15/2003

6.4 By what department or departments?  
State of New York Insurance Department  
.....  
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [ X ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]

7.2 If yes, give full information  
.....  
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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

## GENERAL INTERROGATORIES (Continued)

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules, and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code. Yes  No

9.11 If the response to 9.1 is No, please explain:  
 .....  
 .....

9.2 Has the code of ethics for senior managers been amended? Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....  
 .....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....  
 .....

### FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ \_\_\_\_\_

### INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No

11.2 If yes, give full and complete information relating thereto:  
 .....  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ \_\_\_\_\_

13. Amount of real estate and mortgages held in short-term investments: \$ \_\_\_\_\_

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ 246,706	\$ 195,613
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 246,706	\$ 195,613
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No

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

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes  No

## GENERAL INTERROGATORIES (Continued)

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America	1 East Avenue, Rochester, New York 14604
HSBC Bank	1 HSBC Plaza, Rochester, New York 14639

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [ ] No [X]

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

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

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/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	2 Name(s)	3 Address
DTC 913	Bank of America	1 East Avenue, Rochester, New York 14604
DTC 2165	HSBC Bank	1 HSBC Plaza, Rochester, New York 14639

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No [ ]

17.2 If no, list exceptions:

.....  
 .....

## GENERAL INTERROGATORIES

### PART 2 - TITLE

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [ X ]  
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting 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 ]  
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [ X ]

3.2 If yes, give full and complete information thereto:

.....  
 .....  
 .....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero? Yes [ ] No [ X ]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total</b>										

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

5.11 Bonds	\$	6,109,952
5.12 Short-term investments	\$	
5.13 Mortgages	\$	
5.14 Cash	\$	124,429
5.15 Other admissible invested assets	\$	
5.16 Total	\$	6,234,381

5.2 List below segregated 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 1 and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers)

5.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:	\$	1,568,872
These funds consist of:		
5.22 In cash on deposit	\$	1,568,872
5.23 Other forms of security	\$	

**NONE      Schedule F**

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N	6,728,711	6,234,631	524,011	58,185	360,100	527,050
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a)		6,728,711	6,234,631	524,011	58,185	360,100	527,050

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

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

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
0000		00000	DE	74-1677330	Stewart Information Services Corporation
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty Company-STG
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company-NLTIC
0340	Stewart	50035	FL	65-0685696	Alliance Title of America-SISCO,STG
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance Company
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Company-STIC
0340	Stewart	51063	NY	16-0557455	Monroe Title Insurance Corporation-STIC
0340	Stewart	50036	OR	91-1800766	Stewart Title Insurance Co. of Oregon
0000		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico-STG
0000		00000	EN	AA-1124112	Stewart Title Limited (United Kingdom)
0340	Stewart	32336	VT	03-0311175	Title Reinsurance Company-STG
0000		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC
0000		00000	TX	74-2327609	Stewart Title of Austin-STC
0000		00000	TX	74-2783918	Stewart Title Corpus Christi-STC
0000		00000	TX	75-2258899	Stewart Title Dallas Inc.-STC
0000		00000	OK	73-1093494	Stewart Abstract of Oklahoma-STC
0000		00000	FL	59-1285458	Stewart Title of Jacksonville Inc.-STC
0000		00000	NM	85-0446018	Stewart Title LLC-STC
0000		00000	NM	85-0432768	Santa Fe Abstract-STC
0000		00000	AR	71-0798379	Stewart Title of Arkansas-STC
0000		00000	WA	91-1918234	Stewart Title of Washington-STC
0000		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix-STC
0000		00000	CA	95-4607898	Stewart Title of California-STC
0000		00000	CA	94-1311451	California Land Title of Marin-STC
0000		00000	CA	94-2812125	Consolidated Title-STC
0000		00000	FL	59-3138251	Tampa Cypress Partners-STC
0000		00000	MT	81-0529591	Stewart Title of Montana-STC
0000		00000	PL	99-9999999	Stewart International Spolka Z Organizon
0000		00000	TN	20-1624648	Stewart Title of Tennessee-STC
0000		00000	TX	76-0450977	Stewart Lenders Services-STC
0000		00000	TX	20-5764898	Property Information Corporation
0000		00000	TX	20-1820620	StarTex-STC
0000		00000	TX	03-0575225	Stewart REI Group, Inc.
0000		00000	VG	98-0371673	Stewart Latin America Inc.-STC
0000		00000	TX	20-5795343	Stewart Border Title LLC-STC
0000		00000	CO	20-2815427	Stewart Title of Colorado-STC
0000		00000	TX	75-1551938	Central Texas Title Corp.-STC
0000		00000	CO	84-1517419	Stewart Water Information LLC-STC
0000		00000	DE	76-0570062	Electronic Closing Services Inc.-STC
0000		00000	WA	68-0304246	Real Property Information-STC



**PART 1 – LOSS EXPERIENCE**

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Lines 1.2 + 1.3 + 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Cols. 3 / (1 + 2)	
1. Direct operations	2,534,052	3,466,973	71,836	1.20	0.39
2. Agency operations:					
2.1 Non-affiliated agency operations	4,034,062	32,912	(35,167)	(0.87)	0.31
2.2 Affiliated agency operations	160,597	125	1,648	1.02	(7.02)
3. Totals	6,728,711	3,500,010	38,317	0.38	0.24

**PART 2 – DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	1,411,703	2,534,052	2,627,007
2. Agency operations:			
2.1 Non-affiliated agency operations	1,909,284	4,034,062	3,449,656
2.2 Affiliated agency operations	96,390	160,597	157,968
3. Totals	3,417,377	6,728,711	6,234,631

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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,359,386	1,404,390
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions	49,940	32,395
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	37,800	77,399
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	1,371,526	1,359,386
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)	1,371,526	1,359,386

**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	<b>NONE</b>	
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+ 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted accounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	246,706	224,126
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	98,907	154,580
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	150,000	132,000
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	195,613	246,706
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	195,613	246,706

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	13,888,177	14,622,976
2. Cost of bonds and stocks acquired	3,445,066	3,031,671
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	(925,354)	20,675
5. Total gain (loss) on disposals	88,874	503,267
6. Deduct consideration for bonds and stocks disposed of	2,672,619	4,285,711
7. Deduct amortization of premium	2,507	4,701
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	13,821,637	13,888,177
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	13,821,637	13,888,177

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a)	8,812,000	351,314		(1,262)	8,812,000	9,162,052		9,262,564
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	8,812,000	351,314		(1,262)	8,812,000	9,162,052		9,262,564
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	8,812,000	351,314		(1,262)	8,812,000	9,162,052		9,262,564

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

**SCHEDULE DA - PART 1**

## Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	214,770	X X X	214,770	20,963	17,810

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,100,885	410,578
2. Cost of short-term investments acquired	3,014,036	4,726,235
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	20,963	38,352
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	3,921,114	4,074,280
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	214,770	1,100,885
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	214,770	1,100,885

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

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

**NONE      Schedule E Verification**



### SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Security System	Rochester	NY	04/03/2008	Armored Access, Inc.	32,575		32,575	
Electrical Service & System	Buffalo	NY	04/17/2008	Electrical Service & Systems Inst., Inc.	8,265		8,265	
Replacement Roof	Ballston Spa	NY	06/25/2008	Racman Industries, Inc.	9,100		9,100	
0199999 Acquired by Purchase					49,940		49,940	
0399999 Totals					49,940		49,940	

EOI

### SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
<b>NONE</b>																			

**NONE      Schedule B - Part 2 and 3**

**NONE      Schedule BA - Part 2 and 3**

### SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2  Description	3  Foreign	4  Date Acquired	5  Name of Vendor	6  Number of Shares of Stock	7  Actual Cost	8  Par Value	9  Paid for Accrued Interest and Dividends	10  NAIC Designation or Market Indicator (a)
116405-DC-2 91523N-EX-0	Brownsville Texas CTFS Oblig Tax University of Washington Rev		04/24/2008 05/06/2008	Bank of America Bank of America		173,392 177,923	175,000.00 175,000.00	503	1FE 1FE
1799999	Total Bonds States, Territories and Possessions				X X X	351,315	350,000.00	503	X X X
6099997	Total Bonds Part 3				X X X	351,315	350,000.00	503	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	351,315	350,000.00	503	X X X
060505-10-4 064058-10-0 172967-10-1 172967-10-1 46625H-10-0 46625H-10-0 939322-10-3	Bank of America Corp Bank of New York Mellon Citigroup Inc Citigroup Inc JP Morgan Chase JP Morgan Chase & Co Washington Mutual Inc		04/23/2008 06/17/2008 04/23/2008 04/29/2008 06/20/2008 04/10/2008 05/20/2008	HSBC HSBC HSBC HSBC HSBC HSBC HSBC	1,070.000 988.000 1,665.000 740.000 986.000 1,000.000 3,911.000	42,265 40,065 42,707 19,173 39,596 46,330 39,025			L L L L L L L
6799999	Total Common Stock Banks, Trust and Insurance Companies (Unaffiliated)				X X X	269,161	X X X		X X X
026874-10-7 026874-10-7 09253U-10-8 149123-10-1 17275R-10-2 189754-10-4 254687-10-6 316773-10-0 313586-10-9 313586-10-9 313586-10-9 450911-10-2 466367-10-9 478366-10-7 482480-10-0 46625H-10-0 548661-10-7 589331-10-7 589331-10-7 617446-44-8 655844-10-8 656568-50-8 747525-10-3 74144T-10-8 87612E-10-6	American International Group Inc. American International Group Inc. Blackstone Group Caterpillar Inc. Cisco Systems Inc. Coach Inc Disney Walt Co New Fifth Third Bancorp FNMA FNMA FNMA ITT Corporation Jack In The Box Inc Johnson Ctlis Inc KLA-Tencor Corp Laboratory Corp Lowe's Cos Inc Merck & Co Inc Merck & Co Inc Morgan Stanley Norfolk Southern Corp Nortel Networks Corp Qualcomm inc. T. Rowe Price Group Inc Target Corp		04/10/2008 05/19/2008 04/23/2008 04/29/2008 04/10/2008 04/23/2008 04/10/2008 04/23/2008 04/10/2008 04/23/2008 04/29/2008 06/18/2008 05/09/2008 04/23/2008 04/23/2008 04/10/2008 04/23/2008 04/23/2008 04/29/2008 04/10/2008 04/10/2008 04/23/2008 04/29/2008 04/10/2008 06/04/2008 04/29/2008 04/10/2008 04/10/2008	HSBC HSBC	1,000.000 723.000 2,150.000 140.000 2,050.000 1,400.000 800.000 1,950.000 1,650.000 1,415.000 650.000 450.000 1,546.000 1,030.000 950.000 400.000 1,835.000 1,150.000 400.000 1,050.000 425.000 47.000 350.000 920.000 475.000	48,050 28,501 41,001 11,388 50,389 45,836 25,212 42,686 51,597 41,983 18,766 28,476 42,669 35,854 41,097 29,800 46,059 45,759 16,216 50,747 24,386 25,079			L L

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### SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2  Description	3  Foreign	4  Date Acquired	5  Name of Vendor	6  Number of Shares of Stock	7  Actual Cost	8  Par Value	9  Paid for Accrued Interest and Dividends	10  NAIC Designation or Market Indicator (a)
6899999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	857,511	X X X		X X X
464287-50-7	Ishares Inc S&P Midcap 400		04/23/2008	HSBC	1,220,000	101,626			L
464287-46-5	Ishares Inc.-MSCI-EAFE Index		04/23/2008	HSBC	2,000,000	150,660			L
464287-46-5	Ishares Inc.-MSCI-EAFE Index		06/18/2008	HSBC	280,000	20,222			L
464287-65-5	Ishares Inc.-Russell 2000 Index		04/23/2008	HSBC	1,400,000	100,800			L
7099999	Total Common Stock Mutual Funds				X X X	373,308	X X X		X X X
7299997	Total Common Stock Part 3				X X X	1,499,980	X X X		X X X
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stock				X X X	1,499,980	X X X		X X X
7399999	Total Preferred and Common Stock				X X X	1,499,980	X X X		X X X
7499999	Totals				X X X	1,851,295	X X X	503	X X X

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(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

### SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
126650-10-0	CVS Caremark Corp		06/18/2008	HSBC	500.00	21,164		7,135	19,875	(12,740)			(12,740)		7,135		14,029	14,029	60		L	
30231G-10-2	Exxon Mobil Corporation		06/18/2008	HSBC	500.00	43,915		17,714	46,845	(29,131)			(29,131)		17,714		26,200	26,200	400		L	
30231G-10-2	Exxon Mobil Corporation		05/29/2008	HSBC	680.00	60,540		24,453	63,709	(39,257)			(39,257)		24,453		36,088	36,088	544		L	
313586-10-9	FNMA		04/15/2008	HSBC	1,650.00	43,546		51,597		51,597			51,597		51,597		(8,052)	(8,052)			L	
589331-10-7	Merck & Co Inc		04/03/2008	HSBC	700.00	27,330		32,529		32,529			32,529		32,529		(5,199)	(5,199)	266		L	
656568-50-8	Nortel Networks Corp		06/12/2008	HSBC	47.00	358											358	358			L	
806605-10-1	Schering Plough Corp		04/03/2008	HSBC	1,000.00	14,050		20,180		20,180			20,180		20,180		(6,130)	(6,130)			L	
6899999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	210,903	X X X	153,608	130,429	23,178			23,178		153,608		57,294	57,294	1,270	X X X	X X X	
7299997	Total - Common Stock - Part 4				X X X	210,903	X X X	153,608	130,429	23,178			23,178		153,608		57,294	57,294	1,270	X X X	X X X	
7299998	Summary Item from Part 5 for Common Stocks				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	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
7299999	Total Common Stocks				X X X	210,903	X X X	153,608	130,429	23,178			23,178		153,608		57,294	57,294	1,270	X X X	X X X	
7399999	Total Preferred and Common Stocks				X X X	210,903	X X X	153,608	130,429	23,178			23,178		153,608		57,294	57,294	1,270	X X X	X X X	
7499999	Totals					210,903	X X X	153,608	130,429	23,178			23,178		153,608		57,294	57,294	1,270	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

**NONE      Schedule DB - Part A and B - Section 1**

**NONE      Schedule DB - Part C and D - Section 1**



## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories - Section (A) - Segregated Funds Held for Others								
HSBC Bank USA Rochester, NY					115		(3,374)	
HSBC Bank USA Rochester, NY							142,633	
Bank of America Rochester, NY					4,939,962	1,855,122	1,429,613	
0199998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X
0199999 Total - Segregated Funds Held for Others	X X X	X X X			4,940,077	1,855,122	1,568,872	X
Open Depositories - Section (B) - General Funds								
HSBC Bank USA Rochester, NY					561,766	(22,452)	121,228	
HSBC Bank USA Rochester, NY					9,177	9,177	9,177	
HSBC Bank USA Rochester, NY			2,002		184,906	215,530	165,566	
0299998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X
0299999 Total - General Funds	X X X	X X X	2,002		755,849	202,255	295,971	X
Open Depositories - Section (C) - Reinsurance Reserve Funds								
0399998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X
0399999 Total - Reinsurance Reserve Funds	X X X	X X X						X
0499999 Total - Open Depositories	X X X	X X X	2,002		5,695,926	2,057,377	1,864,843	X
Suspended Depositories - Section (A) - Seg. Funds Held for Others								
0599998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X
0599999 Total - Segregated Funds Held for Others	X X X	X X X						X
Suspended Depositories - Section (B) - General Funds								
0699998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X
0699999 Total - General Funds	X X X	X X X						X
Suspended Depositories - Section (C) - Reinsurance Reserve Funds								
0799998 Deposits in ( ) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X
0799999 Total - Reinsurance Reserve Funds	X X X	X X X						X
0899999 Total Suspended Depositories	X X X	X X X						X
0999999 Total Cash on Deposit	X X X	X X X	2,002		5,695,926	2,057,377	1,864,843	X
1099999 Cash in Company's Office	X X X	X X X	X X X	X X X	3,150	3,150	3,150	X
1199999 Total Cash	X X X	X X X	2,002		5,699,076	2,060,527	1,867,993	X

**NONE      Schedule E - Part 2**