

**QUARTERLY STATEMENT**

**OF THE**

**STEWART**

**TITLE INSURANCE COMPANY**

**OF OREGON**

of \_\_\_\_\_

in the state of OREGON

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**March 31, 2008**

**TITLE**

**2008**



50036200820100101

**QUARTERLY STATEMENT**

**AS OF MARCH 31, 2008**  
OF THE CONDITION AND AFFAIRS OF THE  
**Stewart Title Insurance Company of Oregon**

NAIC Group Code 0340 0340 NAIC Company Code 50036 Employer's ID Number 91-1800766  
(Current Period) (Prior Period)

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

Country of Domicile United States

Incorporated/Organized: April 3, 1997 Commenced Business: July 29, 1997

Statutory Home Office: 2020 SW 4th Street Suite 190, Portland, OR 97201  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 1980 Post Oak Boulevard  
(Street and Number)  
Houston, TX 77056 713-625-8100  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: P. O. Box 2029, Houston, TX 77252-2029  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 1980 Post Oak Boulevard Houston, TX 77056 713-625-8100  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: N/A

Statutory Statement Contact: Sharon Hollis 713-625-8040-  
(Name) (Area Code) (Telephone Number) (Extension)  
SHollis@stewart.com 713-629-2330  
(E-Mail Address) (Fax Number)

**OFFICERS**

	Name	Title
1.	<u>Craig M. Chisholm</u>	<u>President</u>
2.	<u>J. Denise Carraux #</u>	<u>Asst. Secretary</u>
3.	<u>Ken Anderson Jr.</u>	<u>Secretary-Treasurer</u>

**VICE-PRESIDENTS**

Name	Title	Name	Title
<u>John B. Mitchell #</u>	<u>Senior Vice President</u>	<u>Alison R. Evers</u>	<u>Vice President</u>
<u>Linda Kay Stoddard</u>	<u>Vice President</u>		

**DIRECTORS OR TRUSTEES**

<u>Stewart Morris Jr.</u>	<u>Michael B. Skalka #</u>	<u>Robert P. Oakland</u>	<u>Craig M. Chisholm</u>
<u>Linda Kay Stoddard</u>	<u>Mark E. Pillette</u>		

State of Texas  
County of Harris 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>Alison R. Evers</u> (Printed Name) 1. Vice President (Title)	<u>(Signature)</u> <u>J. Denise Carraux</u> (Printed Name) 2. Asst. Secretary (Title)	<u>(Signature)</u> <u>Ken Anderson, Jr.</u> (Printed Name) 3. Secretary - Treasurer (Title)
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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	3,543,216		3,543,216	3,551,979
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
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 \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 1,407,890), cash equivalents (\$ ), and short-term investments (\$ )	1,407,890		1,407,890	1,538,969
6. Contract loans (including \$ premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,951,106		4,951,106	5,090,948
11. Title plants less \$ charged off (for Title insurers only)	27,097		27,097	27,097
12. Investment income due and accrued	42,187	7,030	35,157	41,550
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	267,038	107,380	159,658	117,002
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 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	162,378	125,491	36,887	30,532
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ )				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				1,000
22. Health care (\$ ) and other amounts receivable				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,449,806	239,901	5,209,905	5,308,129
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	5,449,806	239,901	5,209,905	5,308,129

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. ....				
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)				

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve		
2. Statutory premium reserve	2,318,195	2,274,776
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)	17,330	3,000
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		
8.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	2,781	93,173
8.2 Net deferred tax liability		
9. Borrowed money \$ and interest thereon \$		
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 adjustments in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	26,088	26,721
19. Payable for securities		
20. Aggregate write-ins for other liabilities	70,545	36,468
21. Total liabilities (Lines 1 through 20)	2,434,939	2,434,138
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	500,000	500,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	2,544,359	2,544,359
28. Unassigned funds (surplus)	(269,393)	(170,368)
29. Less treasury stock, at cost:		
29.1 shares common (value included in Line 23 \$ )		
29.2 shares preferred (value included in Line 24 \$ )		
30. Surplus as regards policyholders (Lines 22 to 28 less 29)	2,774,966	2,873,991
31. Totals	5,209,905	5,308,129

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. Reinsurance Payable to Parent	70,545	36,468
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)	70,545	36,468
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	2,322,712	2,926,153	9,836,516
1.2 Escrow and settlement services			
1.3 Other title fees and service charges			
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)	2,322,712	2,926,153	9,836,516
<b>DEDUCT:</b>			
4. Losses and loss adjustment expenses incurred			
5. Operating expenses incurred	2,365,200	3,006,257	9,799,809
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	2,365,200	3,006,257	9,799,809
8. Net operating gain or (loss) (Lines 3 minus 7)	(42,488)	(80,104)	36,707
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	47,322	40,221	175,981
10. Net realized capital gains (losses) less capital gains tax of \$			
11. Net investment gain (loss) (Lines 9 + 10)	47,322	40,221	175,981
<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)	4,834	(39,883)	212,688
14. Federal and foreign income taxes incurred	2,781	(7,121)	85,398
15. Net income (Lines 13 minus 14)	2,053	(32,762)	127,290
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year	2,873,991	2,607,381	2,607,381
17. Net income (from Line 15)	2,053	(32,762)	127,290
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$			
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	2,257	6,838	10,167
21. Change in nonadmitted assets	(103,335)	(19,677)	29,153
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			100,000
27.2 Transferred to capital (Stock Dividend)			
27.3 Transferred from capital			
28. Dividends to stockholders			
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus			
31. Change in surplus as regards policyholders (Lines 17 through 30)	(99,025)	(45,601)	266,610
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	2,774,966	2,561,780	2,873,991

DETAILS OF WRITE-IN LINES			
0201. ....			
0202. ....			
0203. ....			
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)			
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. NAIC instruction change on Exhibit of Net Investment Income			
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**

	1	2
	Current Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	2,218,366	10,132,953
2. Net investment income	51,585	162,326
3. Miscellaneous income		
4. Total (Lines 1 to 3)	2,269,951	10,295,279
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,350,870	9,799,044
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	93,173	
10. Total (Lines 5 through 9)	2,444,043	9,799,044
11. Net cash from operations (Line 4 minus Line 10)	(174,092)	496,235
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	390,000	700,000
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)	390,000	700,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	381,431	1,532,129
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)	381,431	1,532,129
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)	8,569	(832,129)
<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		100,000
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	34,444	(69,799)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	34,444	30,201
<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)	(131,079)	(305,693)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,538,969	1,844,662
19.2 End of period (Line 18 plus Line 19.1)	1,407,890	1,538,969

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

20.0001		
20.0002		
20.0003		

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## NOTES TO FINANCIAL STATEMENTS

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1. Accounting Practices

- A. The financial statements of Stewart Title Insurance Company of Oregon are presented on the basis of accounting practices prescribed or permitted by the Oregon Department of Consumer & Business Services.

The Oregon Department of Consumer & Business Services recognizes statutory accounting practices prescribed or permitted for determining and reporting the financial condition and results of operations of a title insurance company, for determining its solvency under the Oregon Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the state of Oregon.

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 also accrues for unreported policies where reasonable estimates can be made based on historical reporting patterns of agents, current trends and known information about agents. The Company has a reinsurance agreement with its parent company, Stewart Title Guaranty Company, whereby all transactions from dollar one are reinsured by way of an Assumption Certificate Endorsement. Reinsurance in excess of \$25 Million shall be evidenced by a separate reinsurance agreement. Statutory Premium Reserves (SPR) are established to protect title insurance contract holders in the event of insolvency or dissolution of a title insurer. SPR is computed based on Oregon Revised Statute 733.090. Expenses incurred in connection with issuing the policies are charged to operations as an expense retained by agents.

The company uses the following accounting policies:

- a. Bonds not backed by any other loans are stated at amortized costs using the effective yield interest method.

2. Accounting Changes and Corrections of Errors - None

3. Business Combinations and Goodwill - Not Applicable

4. Discontinued Operations - Not Applicable

5. Investments – The Company does not invest at this time in any type of assets except U.S. Government bonds and U.S. agency bonds.

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

7. Investment Income

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

All investment income due and accrued with amounts that are over 90 days past due and all interest accrued on certificates of deposit.

2. The total amount excluded was \$7,030

8. Derivative Instruments – None

## NOTES TO FINANCIAL STATEMENTS

### 9. Income Taxes

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

	3/31/08	12/31/07	Change
(1) Total gross deferred tax assets	162,378	160,121	2,257
(2) Total deferred tax liabilities	0	0	0
(3) Net deferred tax asset (liability)	162,378	160,121	2,257
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	(125,491)	(129,589)	4,099
(5) Admitted deferred tax asset (liability)	<u>36,887</u>	<u>30,531</u>	<u>6,356</u>

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

	3/31/08	12/31/07	Change
(1) Net deferred tax asset (liability)	162,378	160,121	2,257
(2) Tax-effect of unrealized gains and losses	0	0	0
(3) Net tax effect without unrealized gains and losses	162,378	160,121	2,257
(4) Change in deferred income tax			2,257

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:

	3/31/08	12/31/07
(1) Current year tax expense (benefit) (exclusive of items 2 and 3 below)	2,781	84,608
(2) Tax credits	0	0
(3) Prior year adjustments	0	790
(4) Current income taxes incurred	<u>2,781</u>	<u>85,398</u>

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

	3/31/08	12/31/07
Deferred tax assets:		
(1) SPR	162,378	160,121
(2) Other	0	0
(3) Total deferred tax assets	162,378	160,121
(4) Nonadmitted deferred tax assets	(125,491)	(129,589)
(5) Admitted deferred tax assets	<u>36,887</u>	<u>30,531</u>
(6) Total deferred tax liabilities	0	0
(7) Net admitted deferred tax asset (liability)	<u>36,887</u>	<u>30,531</u>

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:

	3/31/08
(1) Income before taxes	4,835
(2) Income tax expense (benefit) at 35% statutory rate	1,692
(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	(1,168)
(4) Total income tax expected	<u>524</u>
(5) Current income taxes incurred (without tax on realized gains and losses)	2,781
(6) Change in deferred income tax (without tax on unrealized gains and losses)	(2,257)
(7) Total income tax reported	<u>524</u>

E. Operating loss carryforward

- (1) As of December 31, 2007, the Company had \$-0- 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 \$ 8,565 for 2006 and \$ 84,608 for 2007.



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## NOTES TO FINANCIAL STATEMENTS

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### F. Consolidated federal income tax

- (1.) The Company's federal income tax return is consolidated with the following entities: Stewart Information Services Corporation, Ortem Investments, Inc., Stewart Title Guaranty Company and subsidiaries.
- (2.) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated April 1, 2006. Such Agreement was filed with the Texas Insurance Commissioner on April 5, 2006, under Holding Company Section # 34923.

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

- A. None
- B. None
- C. None
- D. Amounts payable to parent company, Stewart Title Guaranty Company and other related parties at March 31, 2008 and December 31, 2007 are \$96,633 and \$63,188, respectively. The terms of the settlement require that these amounts are settled by the 15<sup>th</sup> of the following month.
- E. None
- F. The Company receives management services from its parent, Stewart Title Guaranty, pursuant to Management Agreement, dated January 1, 1997. Such Agreement was filed with the Insurance Division of the Department of Commerce and Business Services during the year 1997.

The Company has entered into a service agreement with PropertyInfo Corporation, formerly Ultima Corporation, for certain computer and software services as described in the Service Agreement dated August 1, 2005. Such Agreement was filed with the Oregon Insurance Division on July 28, 2005. The Agreement was amended on October 23, 2007.

The Company has entered into a service agreement with Stewart Transaction Solutions – Northwest for technology support services as described in the Service Agreement dated June 20, 2007. Such Agreement was filed with the Oregon Insurance Division on June 4, 2007.

- G. All outstanding shares of the company are owned by the Stewart Title Guaranty Company, an insurance company domiciled in the state of Texas.
- H. Not Applicable
- I. Not Applicable
- J. Not Applicable

### 11. Debt - None

### 12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and other Post-retirement Benefit Plans - Not Applicable

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

1. The Company has 10,000,000 shares of common stock authorized, 500,000 issued and outstanding. The par value per share is \$ 1.

Dividend Restrictions: A domestic insurer shall not pay an extraordinary dividend or make any other extraordinary distribution to shareholders without prior approval of the director. An extraordinary dividend or distribution includes any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distribution made within the period for 12 consecutive months ending on the date on which the proposed dividend or other distribution is scheduled to be paid or made, exceeds the greater of (1): Ten percent of the combined capital and surplus of the insurer as of the 31<sup>st</sup> day of December immediately preceding; or (2) Net income for the 12-month period ending on the 31<sup>st</sup> day of December immediately preceding. Dividends may only be paid from earned surplus (excluding unrealized capital gains or reevaluation of assets) unless the director approves prior to payment.

2-8 Not Applicable

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## NOTES TO FINANCIAL STATEMENTS

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9. 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 - \$ (239,901)
  - c. Separate account business - \$ -0-
  - d. Asset valuation reserve - \$ -0-
  - e. Provision for reinsurance - \$ -0-
- 10 - 12 The Company has no surplus notes or quasi-reorganizations.
14. Contingencies
- A. Contingent Commitments - None
  - B. Assessments - None
  - C. Gain Contingencies - None
  - D. Claim related extra contractual and bad faith stemming from lawsuits - None
  - E. All other contingencies - None
15. Leases - None
16. Financial Instruments with Off-Balance Sheet Risk - None
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
- A. Transfers of Receivables Reported as Sales – None
  - B. Transfer and Servicing of Financial Assets – None
  - C. Wash Sales – None
18. Gain or loss to the reporting entity from uninsured A & H plans and the uninsured portion of partially insured plans - Not Applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable
20. Other Items
- A. None
  - B. None
  - C. None
  - D – I None
21. Events Subsequent - None
22. 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 accounted for as a deposit - None

## **NOTES TO FINANCIAL STATEMENTS**

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23. Retrospectively Rated Contracts – Not applicable.
24. Change in Incurred Losses and Loss Adjustment Expenses - Not applicable
25. Intercompany Pooling Arrangements - None
26. Structured Settlements – None
27. Supplemental Reserve – The Company does not use discounting in the calculation of its supplemental reserves.

## 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 [ ]
- 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 [ ] No [ X ]  
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. \_\_\_\_\_ 12/31/2007
- 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. \_\_\_\_\_ 12/31/2004
- 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). \_\_\_\_\_ 01/27/2006
- 6.4 By what department or departments?  
Oregon Department of Consumer and Business Services \_\_\_\_\_
- 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 .....	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ _____	\$ _____
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
U.S. National Bank Association	P.O. Box A-16745, Minneapolis, MN 55480

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
106975	Vaughan Nelson Investment Managem	600 Travis, Suite 6300, Houston, TX 77002-3071
	Michael B. Skalka	1980 Post Oak Blvd., Houston, TX 77056
	Craig M. Chisholm	2020 S.W. 4th Avenue, Portland, OR 97201
	Robert P. Oakland	18000 International Blvd., Sea Tac, WA 98188

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	\$ 2,322,114
5.12 Short-term investments	\$ _____
5.13 Mortgages	\$ _____
5.14 Cash	\$ _____
5.15 Other admissible invested assets	\$ _____
5.16 Total	\$ 2,322,114

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: These funds consist of:	\$ _____
5.22 In cash on deposit	\$ _____
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
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					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	L	2,517,160	3,231,529	37,688	43,585	
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) 1		2,517,160	3,231,529	37,688	43,585	

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 Corp-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty CO.-STG(SISCO)
0340	Stewart	50035	FL	65-0685696	Alliance Title of America(SISCO)(STG)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance-NLTIC(STG)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company(NLTIC)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance-STIC(STG)
0340	Stewart	51063	NY	16-0557455	Monroe Title Insurance Corporation(STIC)
0340	Stewart	50036	OR	91-1800766	Stewart Title Ins Co. of Oregon(STG)
0000		32336	VT	03-0311175	Title Reinsurance Company(STG)
0000		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico(STG)
0000		00000	EN	AA-1124112	Stewart Title Limited (UK)(STG)
0000		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC(STG)
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	CO	84-1517419	Stewart Water Information LLC(STC)
0000		00000	WA	68-0304246	Real Property Information(STC)
0000		00000	DE	74-2803466	Landata Group Inc(STC)
0000		00000	FL	59-3138251	Tampa Cypress Partners(STC)
0000		00000	DE	76-0570062	Electronic Closing Services Inc.(STC)
0000		00000	MT	81-0529591	Stewart Title of Montana(STC)
0000		00000	PL	99-9999999	Stewart Intl Spolka Z Organizon(STC)
0000		00000	TN	62-0947657	First Data Systems(STC)
0000		00000	TN	20-1624648	Stewart Title of Tennessee(STC)
0000		00000	TX	76-0450977	Stewart Lender Services(STC)
0000		00000	TX	65-1223122	Stewart Transaction Solutions(STC)
0000		00000	TX	20-5764898	Property Information Corp(STC)
0000		00000	TX	03-0575225	Stewart REI Group Inc.(STC)
0000		00000	TX	20-1820620	StarTex(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)

## 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. Agency operations:					
2.1 Non-affiliated agency operations	2,517,160				
2.2 Affiliated agency operations					
3. Totals	2,517,160				

## PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations			
2. Agency operations:			
2.1 Non-affiliated agency operations	2,517,160	2,517,160	3,231,529
2.2 Affiliated agency operations			
3. Totals	2,517,160	2,517,160	3,231,529

**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		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
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		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

### 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)		
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)		

NONE

### 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		
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)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

### 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	3,551,979	2,719,068
2. Cost of bonds and stocks acquired	381,431	1,532,129
3. Accrual of discount	1,021	2,742
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	390,000	700,000
7. Deduct amortization of premium	1,215	1,960
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)	3,543,216	3,551,979
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,543,216	3,551,979

## 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a)	3,551,979	381,431	390,000	(194)	3,543,216			3,551,979
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	3,551,979	381,431	390,000	(194)	3,543,216			3,551,979
<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	3,551,979	381,431	390,000	(194)	3,543,216			3,551,979

S102

(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 \$ ..... ; NAIC 2 \$ ..... ; NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

- NONE      Schedule DA - Part 1 and Verification**
- NONE      Schedule DB - Part F - Section 1**
- NONE      Schedule DB - Part F - Section 2**
- NONE      Schedule E Verification**
- NONE      Schedule A - Part 2 and 3**
- 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)
3128X0-P6-0	FEDERAL HOME LOAN MORTGAGE CORP		01/14/2008	First Tennessee Corp		381,431	375,000.00	4,917	1FE
0399999	Total Bonds U. S. Government				X X X	381,431	375,000.00	4,917	X X X
6099997	Total Bonds Part 3				X X X	381,431	375,000.00	4,917	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	381,431	375,000.00	4,917	X X X
7499999	Totals				X X X	381,431	X X X	4,917	X X X

E04

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



### SCHEDULE D - PART 4

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

1 CUSIP Identification	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 Designation 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.							
3128X5-XA-1	Federal Home Loan Mortgage Corp		01/11/2008	Called		390,000	390,000.00	388,903	389,887		113		113		390,000				10,238	01/11/2010	1FE
0399999	Total - Bonds - U.S. Governments				X X X	390,000	390,000.00	388,903	389,887		113		113		390,000				10,238	X X X	X X X
6099997	Total - Bonds - Part 4				X X X	390,000	390,000.00	388,903	389,887		113		113		390,000				10,238	X X X	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	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
6099999	Total Bonds				X X X	390,000	390,000.00	388,903	389,887		113		113		390,000				10,238	X X X	X X X
7499999	Totals					390,000	X X X	388,903	389,887		113		113		390,000				10,238	X X X	X X X

EOS

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

**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								
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						X
Open Depositories - Section (B) - General Funds								
US Bank Portland, OR					258,426	138,039	107,690	
Bank of the West Portland, OR		4.980	1,254	450	100,000	100,000	100,000	
Banner Bank Hillsboro, OR		4.170		1,257	100,000	100,000	100,000	
Capital Pacific Portland, OR		3.000	997	164	100,000	100,000	100,000	
Frontier Bank Portland, OR		5.200	1,293	71	100,000	100,000	100,000	
IronStone Bank Portland, OR		3.200	1,143	193	100,000	100,000	100,000	
Pacific Continental Beaverton, OR		3.600	858	197	100,000	100,000	100,000	
Pinnacle Bank Beaverton, OR		3.318	1,435	18	100,000	100,000	100,000	
Riverview Community Bank Portland, OR		4.600	404	1,172	100,000	100,000	100,000	
Sterling Savings Bank Portland, OR		2.960	1,188	73	100,000	100,000	100,000	
Umpqua Bank Portland, OR		5.150		3,147	100,000	100,000	100,000	
Washington Mutual Portland, OR		5.180	1,288	57	100,000	100,000	100,000	
Wells Fargo Bank Portland, OR		4.310	1,074	47	100,000	100,000	100,000	
West Coast Bank Tualatin, OR		1.600	818	184	100,000	100,000	100,000	
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	11,752	7,030	1,558,426	1,438,039	1,407,690	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	11,752	7,030	1,558,426	1,438,039	1,407,690	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	11,752	7,030	1,558,426	1,438,039	1,407,690	X
1099999 Cash in Company's Office	X X X	X X X	X X X	X X X	200	200	200	X
1199999 Total Cash	X X X	X X X	11,752	7,030	1,558,626	1,438,239	1,407,890	X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							