

**ANNUAL STATEMENT**

OF THE

**STEWART**

---

**TITLE INSURANCE COMPANY**

---

**OF OREGON**

---

of \_\_\_\_\_

in the state of **OREGON** \_\_\_\_\_

TO THE

**Insurance Department**

OF THE

**STATE OF OREGON**

**FOR THE YEAR ENDED**

**December 31, 2006**

TITLE

**2006**



50036200620100100

ANNUAL STATEMENT

For the Year Ended December 31, 2006
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 of America

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

Statutory Home Office: 2020 SW 4th Street Suite 190 Portland, OR 97201

Main Administrative Office: 1980 Post Oak Boulevard Houston, TX 77056 713-625-8100

Mail Address: P. O. Box 2029 Houston, TX 77252-2029

Primary Location of Books and Records: 1980 Post Oak Boulevard Houston, TX 77056 713-625-8100

Internet Website Address: N/A

Statutory Statement Contact: Sharon Hollis 713-625-8040

SHollis@stewart.com 713-629-2330
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: Patrick Thesing Houston, TX 77056 713-625-8250

OFFICERS

Table with 2 columns: Name, Title. Rows include Craig M. Chisholm (President), Sue M. Pizzitola (Asst. Secretary), Ken Anderson, Jr. (Secretary-Treasurer)

Vice-Presidents

Table with 4 columns: Name, Title, Name, Title. Rows include Max Crisp (Vice President), Linda Kay Stoddard (Vice President), Alison R. Evers (Vice President)

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Stewart Morris, Jr., Robert P. Oakland, Craig M. Chisholm, Linda Kay Stoddard, Mark E. Pillette

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.

(Signature) Alison R. Evers (Printed Name) 1. Vice-President (Title)
(Signature) Sue M. Pizzitola (Printed Name) 2. Asst. Secretary (Title)
(Signature) Ken Anderson, Jr. (Printed Name) 3. Secretary-Treasurer (Title)

Subscribed and sworn to before me this day of , 2007

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

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	2,719,068		2,719,068	2,274,285
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,844,662, Schedule E-Part 1), cash equivalents (\$ 0, Schedule E-Part 2) and short-term investments (\$ 0, Schedule DA)	1,844,662		1,844,662	1,835,100
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,563,730		4,563,730	4,109,385
11. Title plants less \$ 0 charged off (for Title insurers only)	27,097		27,097	27,097
12. Investment income due and accrued	33,383	7,818	25,565	17,524
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	118,215	29,264	88,951	106,759
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				1,716
16.2 Net deferred tax asset	149,954	128,637	21,317	23,991
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0 )				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				15,330
22. Health care (\$ 0 ) 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)	4,892,379	165,719	4,726,660	4,301,802
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,892,379	165,719	4,726,660	4,301,802

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4)		
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1)	1,977,281	1,668,097
3. Aggregate of other reserves required by law		
4. Supplemental reserve (Part 2B, Col. 4, Line 12)		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	2,235	1,576
7. Taxes, licenses and fees (excluding federal and foreign income taxes)		
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	7,775	
8.2 Net deferred tax liability		
9. Borrowed money \$ 0 and interest thereon \$ 0		
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance		
12. Unearned interest and real estate income received in advance		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Provision for unauthorized reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	21,659	11,941
19. Payable for securities		
20. Aggregate write-ins for other liabilities	110,329	119,779
21. Total liabilities (Lines 1 through 20)	2,119,279	1,801,393
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	2,444,359	2,344,359
28. Unassigned funds (surplus)	(336,978)	(343,950)
29. Less treasury stock, at cost:		
29.1 0 shares common (value included in Line 23 \$ 0 )		
29.2 0 shares preferred (value included in Line 24 \$ 0 )		
30. Surplus as regards policyholders (Lines 22 to 28 less 29)(Page 4, Line 32)	2,607,381	2,500,409
31. Totals (Page 2, Line 26, Col. 3)	4,726,660	4,301,802

<b>DETAILS OF WRITE-INS</b>		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 3 above)		
2001. Reinsurance Payable to Parent	110,329	119,779
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)	110,329	119,779
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		

<b>OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME</b>		1	2
		Current Year	Prior Year
<b>OPERATING INCOME</b>			
1. Title insurance and related income (Part 1):			
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)		9,698,609	9,697,656
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)			
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)			
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)		9,698,609	9,697,656
<b>DEDUCT:</b>			
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)			
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)		9,811,687	9,868,388
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions		9,811,687	9,868,388
8. Net operating gain or (loss) (Lines 3 minus 7)		(113,078)	(170,732)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		133,573	88,331
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))			
11. Net investment gain (loss) (Lines 9 + 10)		133,573	88,331
<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)		20,495	(82,401)
14. Federal and foreign income taxes incurred		7,775	(1,716)
15. Net income (Lines 13 minus 14)		12,720	(80,685)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)		2,500,409	2,045,225
17. Net income (from Line 15)		12,720	(80,685)
18. Net unrealized capital gains or (losses) less capital gains tax of \$ 0			
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income tax		602	27,125
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)		(8,608)	108,744
22. Change in provision for unauthorized reinsurance (Page 3, Line 15, Cols. 2 minus 1)			
23. Change in supplemental reserves (Page 3, Line 4, Cols. 2 minus 1)			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in			
26.2 Transferred from surplus (Stock Dividend)			
26.3 Transferred to surplus			
27. Surplus Adjustments:			
27.1 Paid in		100,000	400,000
27.2 Transferred to capital (Stock Dividend)			
27.3 Transferred from capital			
28. Dividends to stockholders			
29. Change in treasury stock (Page 3, Lines (29.1) and (29.2), Cols. 2 minus 1)			
30. Aggregate write-ins for gains and losses in surplus		2,258	
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)		106,972	455,184
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)		2,607,381	2,500,409

<b>DETAILS OF WRITE-INS</b>			
0201. ....			
0202. ....			
0203. ....			
0298. Summary of remaining write-ins for Line 2 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)			
0601. ....			
0602. ....			
0603. ....			
0698. Summary of remaining write-ins for Line 6 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)			
1201. ....			
1202. ....			
1203. ....			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			
3001. NAIC instruction change on Exhibit of Net Investment Income		2,258	
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)		2,258	

## CASH FLOW

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	10,028,086	10,205,614
2. Net investment income	120,837	88,637
3. Miscellaneous income		
4. Total (Lines 1 through 3)	10,148,923	10,294,251
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	9,811,028	9,866,813
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	(1,716)	(3,419)
10. Total (Lines 5 through 9)	9,809,312	9,863,394
11. Net cash from operations (Line 4 minus Line 10)	339,611	430,857
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds	445,648	100,468
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)	445,648	100,468
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(445,648)	(100,468)
<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	400,000
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)	15,599	(258,109)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	115,599	141,891
<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)	9,562	472,280
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,835,100	1,362,820
19.2 End of year (Line 18 plus Line 19.1)	1,844,662	1,835,100

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

20.0001.		
20.0002.		
20.0003.		

## OPERATIONS AND INVESTMENT EXHIBIT

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

	1	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written		10,647,009		10,647,009	10,723,385
2. Escrow and settlement service charges		X X X	X X X		
3. Other title fees and service charges (Part 1C, Line 5)		X X X	X X X		
4. Totals (Lines 1 + 2 + 3)		10,647,009		10,647,009	10,723,385

### PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	10,647,009	10,723,385
1.2 Assumed		
1.3 Ceded	639,216	643,407
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	10,007,793	10,079,978
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	1,668,097	1,285,775
2.2 Additions during the current year	692,056	643,403
2.3 Withdrawals during the current year	382,872	261,081
2.4 Other adjustments to statutory premium reserves		
2.5 Balance at December 31 current year	1,977,281	1,668,097
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	9,698,609	9,697,656

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

	1 Current Year	2 Prior Year
1. Title examinations	<b>NONE</b>	
2. Searches and abstracts		
3. Surveys		
4. Aggregate write-ins for service charges		
5. Totals		

DETAILS OF WRITE-INS		
0401.	<b>NONE</b>	
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Total (Lines 0401 through 0403 plus 0498) (Line 4 above)		

**OPERATIONS AND INVESTMENT EXHIBIT  
PART 2A - LOSSES PAID AND INCURRED**

	1  Direct Operations	Agency Operations		4  Total Current Year (Cols. 1+2+3)	5  Total Prior Year
		2  Non-Affiliated Agency Operations	3  Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage .....	0	86,273	0	86,273	81,947
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage .....	0	0	0	0	0
3. Total (Line 1 plus Line 2) .....	0	86,273	0	86,273	81,947
4. Deduct: Recovered during year from reinsurance .....	0	86,273	0	86,273	81,947
5. Net payments (Line 3 minus Line 4) .....	0	0	0	0	0
6. Known claims reserve - current year (Page 3, Line 1, Column 1) .....	0	0	0	0	0
7. Known claims reserve - prior year (Page 3, Line 1, Column 2) .....	0	0	0	0	0
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7) .....	0	0	0	0	0
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5) .....	0	0	0	0	0
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9) .....	0	0	0	0	0



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

	1  Direct Operations	Agency Operations		4  Total Current Year (Cols. 1 + 2 + 3)	5  Total Prior Year
		2  Non-Affiliated Agency Operations	3  Affiliated Agency Operations		
1. Loss and allocated LAE reserve for title and other losses of which notice has been received:					
1.1 Direct (Schedule P, Part 1, Line 12, Col. 17)		92,963		92,963	32,967
1.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 18)					
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Col. 19)		92,963		92,963	32,967
3. Known claims reserve (Line 1.1 plus Line 1.2 minus Line 2)					
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		917,000		917,000	806,000
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)		917,000		917,000	806,000
4.4 Net incurred but not reported					
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X		X X X
6. Less discount for time value of money, if allowed (Sch. P, Part 1, Line 12, Col. 33)	X X X	X X X	X X X		X X X
7. Total Schedule P reserves (Lines 3 + 4.4 + 5 - 6)(Sch. P, Part 1, Line 12, Col. 35)	X X X	X X X	X X X		X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	1,977,281	X X X
9. Aggregate of other reserves required by law	X X X	X X X	X X X		X X X
10. Gross supplemental reserve (a) (Lines 7 - (3 + 8 + 9))	X X X	X X X	X X X		X X X
11. Unrecognized Schedule P transition obligation	X X X	X X X	X X X		X X X
12. Net recognized supplemental reserve (Lines 10 - 11)	X X X	X X X	X X X		X X X

(a) If the sum of Lines 3 + 8 + 9 is greater than Line 7, place a "0" in this Line.

**OPERATIONS AND INVESTMENT EXHIBIT**  
**PART 3 - EXPENSES**

	Title and Escrow Operating Expenses				5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	Totals	
	1 Direct Operations	Agency Operations		4 Total (Cols. 1 + 2 + 3)				8 Current Year (Cols. 4 + 5 + 6 + 7)	9 Prior Year
		2 Non-affiliated Agency Operations	3 Affiliated Agency Operations						
1. Personnel costs:									
1.1 Salaries	4,219	119,572		123,791				123,791	107,586
1.2 Employee relations and welfare	3	558		561				561	
1.3 Payroll taxes	40	8,000		8,040				8,040	7,066
1.4 Other personnel costs	1	294		295				295	583
1.5 Total personnel costs	4,263	128,424		132,687				132,687	115,235
2. Amounts paid to or retained by title agents		9,581,649		9,581,649				9,581,649	9,651,040
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts									
3.2 Surveys									
3.3 Other									
4. Advertising									
5. Boards, bureaus and associations	19	3,798		3,817				3,817	8,729
6. Title plant rent and maintenance									
7. Claim adjustment services									
8. Amounts charged off, net of recoveries									350
9. Marketing and promotional expenses	43	8,428		8,471				8,471	5,427
10. Insurance	5	1,026		1,031				1,031	1,038
11. Directors' fees									
12. Travel and travel items	61	12,124		12,185				12,185	10,664
13. Rent and rent items	84	16,716		16,800				16,800	14,400
14. Equipment	13	2,592		2,605				2,605	5,437
15. Cost or depreciation of EDP equipment and software									
16. Printing, stationery, books and periodicals	92	18,300		18,392				18,392	10,688
17. Postage, telephone, messengers and express	15	2,976		2,991				2,991	3,302
18. Legal and auditing	65	12,903		12,968				12,968	9,678
19. Totals (Lines 1.5 to 18)	4,660	9,788,936		9,793,596				9,793,596	9,835,988
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes	13,425			13,425				13,425	6,168
20.2 Insurance department licenses and fees	4,666			4,666				4,666	22,611
20.3 Gross guaranty association assessments									
20.4 All other (excluding federal income and real estate)									
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)	18,091			18,091				18,091	28,779
21. Real estate expenses									
22. Real estate taxes									
23. Aggregate write-ins for miscellaneous expenses						1,671		1,671	4,871
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)	22,751	9,788,936		9,811,687		1,671	(a)	9,813,358	9,869,638
25. Less unpaid expenses - current year	11	2,224		2,235				2,235	1,576
26. Add unpaid expenses - prior year	8	1,568		1,576				1,576	
27. TOTAL EXPENSES PAID (Lines 24 - 25 + 26)	22,748	9,788,280		9,811,028		1,671		9,812,699	9,868,062
<b>DETAILS OF WRITE-INS</b>									
2301. Investment Fees						1,671		1,671	1,250
2302. Litigation									3,616
2303. Miscellaneous Fees									5
2398. Summary of remaining write-ins for Line 23 from overflow page									
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)						1,671		1,671	4,871

(a) Includes management fees of \$ 168,848. to affiliates and \$ 0. to non-affiliates.

**OPERATIONS AND INVESTMENT EXHIBIT  
PART 4 - NET OPERATING GAIN/LOSS EXHIBIT**

	1  Direct Operations	Agency Operations		4  Total (Cols. 1 + 2 + 3)	5  Other Operations	Totals	
		2  Non-affiliated Agency Operations	3  Affiliated Agency Operations			6  Current Year (Cols. 4 + 5)	7  Prior Year
1. Title insurance and related income (Part 1):							
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)		9,698,609		9,698,609		9,698,609	9,697,656
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4)							
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4)							
2. Aggregate write-ins for other operating income							
3. Total Operating Income (Lines 1.1 through 1.3 + 2)		9,698,609		9,698,609		9,698,609	9,697,656
DEDUCT:							
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)							
5. Operating expenses incurred (Part 3, Line 24, Cols. 1 to 3 + 6)	22,751	9,788,936		9,811,687		9,811,687	9,868,388
6. Aggregate write-ins for other operating deductions							
7. Total Operating Deductions (Lines 4 + 5 + 6)	22,751	9,788,936		9,811,687		9,811,687	9,868,388
8. Net operating gain or (loss) (Lines 3 minus 7)	(22,751)	(90,327)		(113,078)		(113,078)	(170,732)
<b>DETAILS OF WRITE-INS</b>							
0201.							
0202.							
0203.							
0298. Summary of remaining write-ins for Line 2 from overflow page							
0299. Totals (Lines 0201 through 0203 plus 0298)							
0601.							
0602.							
0603.							
0698. Summary of remaining write-ins for Line 6 from overflow page							
0699. Totals (Lines 0601 through 0603 plus 0698)							

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 67,593	75,634
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 54,051	59,610
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	121,644	135,244
11. Investment expenses		(g) 1,671
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		1,671
17. Net investment income (Line 10 minus Line 16)		133,573
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

- (a) Includes \$ 569 accrual of discount less \$ 1,434 amortization of premium and less \$ 1,917 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Unrealized Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)				
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)				

**NONE**

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

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants ( for Title insurers only )			
12. Investment income due and accrued	7,818		(7,818)
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	29,264	31,750	2,486
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	128,637	125,361	(3,276)
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			
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)	165,719	157,111	(8,608)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	165,719	157,111	(8,608)

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.			
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)			

---

## NOTES TO FINANCIAL STATEMENTS

---

### 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.
6. Joint Ventures, Partnerships and Limited Liability Companies - None
7. Investment Income
- A. 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.
8. Derivative Instruments – None

**NOTES TO FINANCIAL STATEMENTS**

## 9. Income Taxes

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

	12/31/06	2005	Change
(1) Total gross deferred tax assets	149,954	149,352	602
(2) Total deferred tax liabilities	0	0	0
(3) Net deferred tax asset (liability)	149,954	149,352	602
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	(128,637)	(125,361)	(3,276)
(5) Admitted deferred tax asset (liability)	21,317	23,991	(2,674)

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

	12/31/06	2005	Change
(1) Net deferred tax asset (liability)	149,954	149,352	602
(2) Tax-effect of unrealized gains and losses	0	0	0
(3) Net tax effect without unrealized gains and losses	149,954	149,352	602
(4) Change in deferred income tax			602

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:

	12/31/06	2005
(1) Current year tax expense (benefit) (exclusive of items 2 and 3 below)	7,775	(1,716)
(2) Tax credits	0	0
(3) Prior year adjustments	0	0
(4) Current income taxes incurred	7,775	(1,716)

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

	12/31/06	2005
Deferred tax assets:		
(1) SPR	149,954	122,227
(2) Other	0	27,125
(3) Total deferred tax assets	149,954	149,352
(4) Nonadmitted deferred tax assets	(128,637)	(125,361)
(5) Admitted deferred tax assets	21,317	23,991
(6) Total deferred tax liabilities	0	0
(7) Net admitted deferred tax asset (liability)	21,317	23,991

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:

	12/31/06
(1) Income before taxes	20,495
(2) Income tax expense (benefit) at 35% statutory rate	7,173
(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	0
(4) Total income tax expected	7,173
(5) Current income taxes incurred (without tax on realized gains and losses)	7,775
(6) Change in deferred income tax (without tax on unrealized gains and losses)	(602)
(7) Total income tax reported	7,173

E. Operating loss carryforward

- (1) As of December 31, 2006, the Company had \$-0- net operating loss carryforwards available for tax purposes.
- (2) No further recoupment of prior taxes is available to the company.

## NOTES TO FINANCIAL STATEMENTS

---

### 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 May 17, 2006, under Holding Company Section # 34923.

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

- A. The Company received a capital contribution from its parent company, Stewart Title Guaranty Company in December of 2006 in the amount of \$100,000.
- B. None
- C. None
- D. Amounts payable to parent company, Stewart Title Guaranty Company at December 31, 2006 and December 31, 2005 are \$131,988 and \$131,720, 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 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.

- 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
- K. 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.



---

## NOTES TO FINANCIAL STATEMENTS

---

2-8 Not Applicable

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 - \$ (165,719)
- c. Separate account business - \$ -0-
- d. Asset valuation reserve - \$ -0-
- e. Provision for reinsurance - \$ -0-

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

14. Contingencies

- A. Contingent Commitments - None
- B. Assessments - None
- C. All other contingencies - None
- D. Gain Contingency - 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. Not Applicable to Title Companies

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

20. September 11<sup>th</sup> Events-Not Applicable

21. Other Items

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

22. Subsequent Events - None

23. Reinsurance

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

24. Retrospectively Rated Contracts – Not applicable.

## **NOTES TO FINANCIAL STATEMENTS**

---

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

### SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	2,519,128	55.199	2,519,128	55.199
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	199,940	4.381	199,940	4.381
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	1,844,662	40.420	1,844,662	40.420
9. Other invested assets				
10. Total invested assets	4,563,730	100.000	4,563,730	100.000

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? OREGON
- 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: 12/31/2004
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2004
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/27/2006
- 3.4 By what department or departments? Oregon Department of Consumer and Business Services

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 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.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]  
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 KPMG LLP  
 700 Louisiana Street, Houston, TX 77002

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Paul J.Struzzierrri, FCAS of Milliman USA  
 1325 Franklin Ave, Garden City, NY 11530  
 No Affiliation

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]  
 11.11 Name of real estate holding company \_\_\_\_\_  
 11.12 Number of parcels involved \_\_\_\_\_ 0  
 11.13 Total book/adjusted carrying value \$ \_\_\_\_\_ 0

11.2 If yes, provide explanation \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 \_\_\_\_\_  
 \_\_\_\_\_  
 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [X]  
 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]  
 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

**BOARD OF DIRECTORS**

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]  
 14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]  
 15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

**FINANCIAL**

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 16.11 To directors or other officers \$ \_\_\_\_\_ 0  
 16.12 To stockholders not officers \$ \_\_\_\_\_ 0  
 16.13 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_ 0  
 16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 16.21 To directors or other officers \$ \_\_\_\_\_ 0  
 16.22 To stockholders not officers \$ \_\_\_\_\_ 0  
 16.23 Trustees, supreme or grand (Fraternal only) \$ \_\_\_\_\_ 0  
 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]  
 17.2 If yes, state the amount thereof at December 31 of the current year:  
 17.21 Rented from others \$ \_\_\_\_\_ 0  
 17.22 Borrowed from others \$ \_\_\_\_\_ 0  
 17.23 Leased from others \$ \_\_\_\_\_ 0  
 17.24 Other \$ \_\_\_\_\_ 0  
 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]  
 18.2 If answer is yes:  
 18.21 Amount paid as losses or risk adjustment \$ \_\_\_\_\_ 0  
 18.22 Amount paid as expenses \$ \_\_\_\_\_ 0  
 18.23 Other amounts paid \$ \_\_\_\_\_ 0  
 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]  
 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ \_\_\_\_\_ 0



## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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

25.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		0
		0
		0
		0
25.2999	Total	0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		0	
		0	
		0	

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds	2,719,068	2,663,811	(55,257)
26.2 Preferred stocks	0	0	0
26.3 Totals	2,719,068	2,663,811	(55,257)

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

The fair values are obtained from our investment advisors Vaughan Nelson Investment Management, LP

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

27.2 If no, list exceptions:

#### OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 2,996

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

1 Name	2 Amount Paid
Oregon Land Title Association	\$ 2,681
	\$ 0
	\$ 0

29.1 Amount of payments for legal expenses, if any? \$ 1,405

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

1 Name	2 Amount Paid
Stoel Rives, LLP	\$ 1,405
	\$ 0
	\$ 0

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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

1 Name	2 Amount Paid
	\$ 0
	\$ 0
	\$ 0
	\$ 0

## GENERAL INTERROGATORIES

### PART 2-TITLE INTERROGATORIES

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                            |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|------------------------|-------------|------|---------------------------|-------------|------|-------------------------|-------------|------|----------------------------------|-------------|------|-------|---------------------|--|
| <p>1. Did any persons while an officer, director, trustee, or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his/her regular compensation on account of the reinsurance transactions of the reporting entity?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>YES [ ] NO [X]</p>                                                                                                      |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>2. Largest net aggregate amount insured in any one risk.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>\$ <u>0</u></p>                                                                                                         |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>3.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk or portion thereof, reinsured?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>YES [ ] NO [X]</p>                                                                                                      |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>3.2 If yes, give full information</p> <p>.....</p> <p>.....</p> <p>.....</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                            |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>4. If the reporting entity has assumed risk from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>YES [ ] NO [X]</p>                                                                                                      |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>5.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>YES [ ] NO [X]</p>                                                                                                      |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>5.2 If yes, give full information</p> <p>.....</p> <p>.....</p> <p>.....</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                            |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>6. Uncompleted building construction loans:</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 10%;">6.1</td> <td style="width: 60%;">Amount already loaned</td> <td style="width: 30%; text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>6.2</td> <td>Balance to be advanced</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>6.3</td> <td>Total amount to be loaned</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 6.1                                                                                                                        | Amount already loaned                                                                                                      | \$ <u>0</u>         | 6.2                     | Balance to be advanced | \$ <u>0</u> | 6.3  | Total amount to be loaned | \$ <u>0</u> |      |                         |             |      |                                  |             |      |       |                     |  |
| 6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Amount already loaned                                                                                                      | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 6.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Balance to be advanced                                                                                                     | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 6.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total amount to be loaned                                                                                                  | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>7.1 Does the reporting entity issue bonds secured by certificates of participation in building construction loans prior to the completion of the buildings?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>YES [ ] NO [X]</p>                                                                                                      |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>7.2 If yes, give total amount of such bonds or certificates of participation issued and outstanding.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>\$ <u>0</u></p>                                                                                                         |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>8. What is the aggregate amount of mortgage loans owned by the reporting entity which consist of co-ordinate interest in first liens?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>\$ <u>0</u></p>                                                                                                         |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>9.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 10%;">9.11</td> <td style="width: 60%;">Bonds</td> <td style="width: 30%; text-align: right;">\$ <u>1,991,391</u></td> </tr> <tr> <td>9.12</td> <td>Short-term investments</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>9.13</td> <td>Mortgages</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>9.14</td> <td>Cash</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>9.15</td> <td>Other admissible invested assets</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>9.16</td> <td>Total</td> <td style="text-align: right;">\$ <u>1,991,391</u></td> </tr> </table>                                                                                   | 9.11                                                                                                                       | Bonds                                                                                                                      | \$ <u>1,991,391</u> | 9.12                    | Short-term investments | \$ <u>0</u> | 9.13 | Mortgages                 | \$ <u>0</u> | 9.14 | Cash                    | \$ <u>0</u> | 9.15 | Other admissible invested assets | \$ <u>0</u> | 9.16 | Total | \$ <u>1,991,391</u> |  |
| 9.11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Bonds                                                                                                                      | \$ <u>1,991,391</u>                                                                                                        |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Short-term investments                                                                                                     | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mortgages                                                                                                                  | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Cash                                                                                                                       | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Other admissible invested assets                                                                                           | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Total                                                                                                                      | \$ <u>1,991,391</u>                                                                                                        |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| <p>9.2 List below segregate funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities. (These funds are also included in Schedule E - Part 1D Summary and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers).</p> <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 10%;">9.21</td> <td style="width: 60%;">Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:</td> <td style="width: 30%; text-align: right;">\$ <u>0</u></td> </tr> <tr> <td colspan="3">These funds consist of:</td> </tr> <tr> <td>9.22</td> <td>In cash on deposit</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> <tr> <td>9.23</td> <td>Other forms of security</td> <td style="text-align: right;">\$ <u>0</u></td> </tr> </table> | 9.21                                                                                                                       | Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: | \$ <u>0</u>         | These funds consist of: |                        |             | 9.22 | In cash on deposit        | \$ <u>0</u> | 9.23 | Other forms of security | \$ <u>0</u> |      |                                  |             |      |       |                     |  |
| 9.21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| These funds consist of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                            |                                                                                                                            |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | In cash on deposit                                                                                                         | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |
| 9.23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Other forms of security                                                                                                    | \$ <u>0</u>                                                                                                                |                     |                         |                        |             |      |                           |             |      |                         |             |      |                                  |             |      |       |                     |  |



### FIVE-YEAR HISTORICAL DATA

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

	1 2006	2 2005	3 2004	4 2003	5 2002
<b>Source of Direct Title Premiums Written (Part 1A)</b>					
1. Direct operations (Part 1A, Line 1, Col. 1)					
2. Non-affiliated agency operations (Part 1A, Line 1, Col. 2)	10,647,009	10,723,385	9,240,752	11,064,761	7,328,749
3. Affiliated agency operations (Part 1A, Line 1, Col. 3)					
4. Total	10,647,009	10,723,385	9,240,752	11,064,761	7,328,749
<b>Operating Income Summary (Page 4 &amp; Part 1)</b>					
5. Premiums earned (Part 1B, Line 3)	9,698,609	9,697,656	8,412,144	10,035,229	6,659,511
6. Escrow and settlement service charges (Part 1A, Line 2)					
7. Title examinations (Part 1C, Line 1)					
8. Searches and abstracts (Part 1C, Line 2)					
9. Surveys (Part 1C, Line 3)					
10. Aggregate write-ins for service charges (Part 1C, Line 4)					
11. Aggregate write-ins for other operating income (Page 4, Line 2)					
12. Total operating income (Page 4, Line 3)	9,698,609	9,697,656	8,412,144	10,035,229	6,659,511
<b>Statement of Income (Page 4)</b>					
13. Net operating gain or (loss) (Line 8)	(113,078)	(170,732)	(94,614)	(115,971)	(129,108)
14. Net investment gain or (loss) (Line 11)	133,573	88,331	81,739	79,939	71,999
15. Total other income (Line 12)					
16. Federal and foreign income taxes incurred (Line 14)	7,775	(1,716)	1,716		
17. Net income (Line 15)	12,720	(80,685)	(14,591)	(36,032)	(57,109)
<b>Balance Sheet (Pages 2 and 3)</b>					
18. Title insurance premiums and fees receivable (Page 2, Line 13, Col. 3)	88,951	106,759	103,016	78,545	48,991
19. Total admitted assets excluding segregated accounts (Page 2, Line 24, Col. 3)	4,726,660	4,301,802	3,705,499	3,294,050	2,502,216
20. Known claims reserve (Page 3, Line 1)					
21. Statutory premium reserve (Page 3, Line 2)	1,977,281	1,668,097	1,285,775	1,011,624	645,985
22. Total liabilities (Page 3, Line 21)	2,119,279	1,801,393	1,660,274	1,461,722	923,943
23. Capital paid up (Page 3, Lines 23 + 24)	500,000	500,000	500,000	500,000	500,000
24. Surplus as regards policyholders (Page 3, Line 30)	2,607,381	2,500,409	2,045,225	1,832,328	1,578,273
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)</b>					
(Item divided by Page 2, Line 10, Col. 3) x 100.0					
25. Bonds (Line 1)	59.6	55.3	61.5	68.9	74.1
26. Stocks (Lines 2.1 & 2.2)					
27. Mortgage loans on real estate (Line 3.1 and 3.2)					
28. Real estate (Lines 4.1, 4.2 & 4.3)					
29. Cash, cash equivalents and short-term investments (Line 5)	40.4	44.7	38.5	31.1	25.9
30. Contract loans (Line 6)					X X X
31. Other invested assets (Line 7)					
32. Receivable for securities (Line 8)					
33. Aggregate write-ins for invested assets (Line 9)					X X X
34. Subtotals cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
35. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
36. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
37. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
38. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
39. Affiliated mortgage loans on real estate					
40. All other affiliated					
41. Total of above Lines 35 to 40					
42. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 41 above divided by Page 3, Line 30, Col. 1 x 100.0)					

**FIVE-YEAR HISTORICAL DATA**  
(Continued)

	1 2006	2 2005	3 2004	4 2003	5 2002
<b>Capital and Surplus Accounts</b> (Page 4)					
43. Net unrealized capital gains or (losses) (Line 18)					
44. Change in nonadmitted assets (Line 21)	(8,608)	108,744	(128,733)	(22,525)	1,824
45. Dividends to stockholders (Line 28)					
46. Change in surplus as regards policyholders for the year (Line 31)	106,972	455,184	212,897	254,055	261,883
<b>Losses Paid and Incurred</b> (Part 2A)					
47. Net payments (Line 5, Col. 4)					
48. Losses and allocated LAE incurred (Line 8, Col. 4)					
49. Unallocated LAE incurred (Line 9, Col. 4)					
50. Losses and loss adjustment expenses incurred (Line 10, Col. 4)					
<b>Operating Expenses to Total Operating Income</b> (Part 3)(%) (Line item divided by Page 4, Line 3 x 100.0)					
51. Personnel costs (Part 3, Line 1.5, Col. 4)	1.4	1.2	1.1	1.0	1.4
52. Amount paid to or retained by title agents (Part 3, Line 2, Col. 4)	98.8	99.5	98.9	99.2	99.0
53. All other operating expenses (Part 3, Lines 24 minus 1.5 minus 2, Col. 4)	1.0	1.1	1.1	1.0	1.5
54. Total (Lines 51 to 53)	101.2	101.8	101.1	101.2	101.9
<b>Operating Percentages</b> (Page 4) (Line item divided by Page 4, Line 3 x 100.0)					
55. Losses and loss adjustment expenses incurred (Line 4)					
56. Operating expenses incurred (Line 5)	101.2	101.8	101.1	101.2	101.9
57. Aggregate write-ins for other operating deductions (Line 6)					
58. Total operating deductions (Line 7)	101.2	101.8	101.1	101.2	101.9
59. Net operating gain or (loss) (Line 8)	(1.2)	(1.8)	(1.1)	(1.2)	(1.9)
<b>Other Percentages</b> (Line item divided by Part 1B, Line 1.4 x 100.0)					
60. Losses and loss expenses incurred to net premiums written (Page 4, Line 4)					
61. Operating expenses incurred to net premiums written (Page 4, Line 5)	98.0	97.9	97.9	97.6	98.7

**NONE**      **Schedule A, B, and BA Verification**

**SCHEDULE D - SUMMARY BY COUNTRY**  
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
<b>BONDS</b> Governments (Including all obligations guaranteed by governments)	1. United States .....	2,719,068	2,663,811	2,721,860	2,717,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals	2,719,068	2,663,811	2,721,860	2,717,000
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....				
	14. Canada .....				
	15. Other Countries .....				
	16. Totals				
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....				
	22. Canada .....				
	23. Other Countries .....				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	<b>26. Total Bonds</b>	2,719,068	2,663,811	2,721,860	2,717,000
<b>PREFERRED STOCKS</b> Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States .....				
	36. Canada .....				
	37. Other Countries .....				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	<b>40. Total Preferred Stocks</b>				
<b>COMMON STOCKS</b> Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	<b>54. Total Common Stocks</b>				
	55. Total Stocks				
	56. Total Bonds and Stocks	2,719,068	2,663,811	2,721,860	

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

1. Book/adjusted carrying value of bonds and stocks, prior year .....	<u>2,274,285</u>	7. Amortization of premium .....	1,434
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	<u>445,648</u>	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....	<u>569</u>	8.1 Column 15, Part 1 .....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2 Section 1 .....	
4.1 Columns 12 - 14, Part 1 .....		8.3 Column 16, Part 2, Section 2 .....	
4.2 Column 15 - 17, Part 2, Section 1 .....		8.4 Column 15, Part 4 .....	
4.3 Column 15, Part 2, Section 2 .....		9. Book/adjusted carrying value at end of current period .....	<u>2,719,068</u>
4.4 Column 11 - 13, Part 4 .....		10. Total valuation allowance .....	
5. Total gain (loss), Column 19, Part 4 .....		11. Subtotal (Lines 9 plus 10) .....	<u>2,719,068</u>
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....		12. Total nonadmitted amounts .....	
		13. Statement value of bonds and stocks, current period .....	<u>2,719,068</u>

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6) 6.1 Class 1 6.2 Class 2 6.3 Class 3 6.4 Class 4 6.5 Class 5 6.6 Class 6 6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7) 7.1 Class 1 7.2 Class 2 7.3 Class 3 7.4 Class 4 7.5 Class 5 7.6 Class 6 7.7 Totals											
8. Credit Tenant Loans, Schedules D & DA (Group 8) 8.1 Class 1 8.2 Class 2 8.3 Class 3 8.4 Class 4 8.5 Class 5 8.6 Class 6 8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9) 9.1 Class 1 9.2 Class 2 9.3 Class 3 9.4 Class 4 9.5 Class 5 9.6 Class 6 9.7 Totals											

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	700,424	2,018,644				2,719,068	100.000	X X X	X X X	2,719,068	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 Totals	700,424	2,018,644				(b) 2,719,068	100.000	X X X	X X X	2,719,068	
10.8 Line 10.7 as a % of Col. 6	25.760	74.240				100.000	X X X	X X X	X X X	100.000	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1		2,274,285				X X X	X X X	2,274,285	100.000	2,274,285	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 Totals		2,274,285				X X X	X X X	(b) 2,274,285	100.000	2,274,285	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 Totals	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	X X X
12.8 Line 12.7 as a % of Col. 6	25.760	74.240				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	25.760	74.240				100.000	X X X	X X X	X X X	100.000	X X X
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

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

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

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

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

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

Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
1.	U.S. Governments, Schedules D & DA (Group 1)											
	1.1 Issuer Obligations	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	
	1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	1.7 Totals	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	
2.	All Other Governments, Schedules D & DA (Group 2)											
	2.1 Issuer Obligations											
	2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	2.3 Defined											
	2.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	2.5 Defined											
	2.6 Other											
	2.7 Totals											
3.	States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
	3.1 Issuer Obligations											
	3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	3.3 Defined											
	3.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	3.5 Defined											
	3.6 Other											
	3.7 Totals											
4.	Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
	4.1 Issuer Obligations											
	4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	4.3 Defined											
	4.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	4.5 Defined											
	4.6 Other											
	4.7 Totals											
5.	Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)											
	5.1 Issuer Obligations											
	5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
	5.3 Defined											
	5.4 Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
	5.5 Defined											
	5.6 Other											
	5.7 Totals											





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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	700,424	2,018,644				2,719,068	100.000	X X X	X X X	2,719,068	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 Totals	700,424	2,018,644				2,719,068	100.000	X X X	X X X	2,719,068	
10.8 Line 10.7 as a % of Col. 6	25.760	74.240				100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Issuer Obligations		2,274,285				X X X	X X X	2,274,285	100.000	2,274,285	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						X X X	X X X				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 Totals		2,274,285				X X X	X X X	2,274,285	100.000	2,274,285	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined											X X X
12.6 Other											X X X
12.7 Totals	700,424	2,018,644				2,719,068	100.000	2,274,285	100.000	2,719,068	X X X
12.8 Line 12.7 as a % of Col. 6	25.760	74.240				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	25.760	74.240				100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

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

**Short - Term Investments**

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	0	0	0	0	0
2. Cost of short-term investments acquired	2,435	0	0	2,435	0
3. Increase (decrease) by adjustment	0	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	2,435	0	0	2,435	0
7. Book/adjusted carrying value, current year	0	0	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	0	0	0	0	0
10. Total nonadmitted amounts	0	0	0	0	0
11. Statement value (Lines 9 minus 10)	0	0	0	0	0
12. Income collected during year	132	0	0	132	0
13. Income earned during year	132	0	0	132	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: MM U.S. Direct Obligation

<b>NONE</b>	<b>Schedule DB - Part A and B Verification</b>
<b>NONE</b>	<b>Schedule DB - Part C, D and E Verification</b>
<b>NONE</b>	<b>Schedule DB - Part F - Section 1</b>
<b>NONE</b>	<b>Schedule DB - Part F - Section 2</b>
<b>NONE</b>	<b>Schedule E - Part 1A</b>
<b>NONE</b>	<b>Schedule E - Part 1B</b>
<b>NONE</b>	<b>Schedule E - Part 1C</b>

**SCHEDULE E - PART 1D - SUMMARY**

<b>Segregated Funds Held for Others</b>			
Type	1 Non-Interest Earning	2 Interest Earning	3 Total (Cols. 1 + 2)
1. Open depositories	0	0	0
2. Suspended depositories	0	0	0
3. Total segregated cash funds held for others (General Interrogatories-Part 2, Line 9.22)	0	0	0
4. Other forms of security held for others (General Interrogatories-Part 2, Line 9.23)	0	0	0
5. Total all segregated funds held for others (General Interrogatories-Part 2, Line 9.21)	0	0	0
<b>Company Funds on Hand and on Deposit</b>			
<b>General Funds</b>			
6. Open depositories			1,844,462
7. Suspended depositories			0
8. Total general funds			1,844,462
<b>Reinsurance Reserve Funds</b>			
9. Open depositories			0
10. Suspended depositories			0
11. Total reinsurance reserve funds			0
<b>Total Company Funds</b>			
12. Open depositories			1,844,462
13. Suspended depositories			0
14. Total company funds on deposit (Lines 8 & 11)			1,844,462
15. Company funds on hand			200
16. Total company funds on hand and on deposit			1,844,662

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

Interest Earned On	1 Interest Earned by Company	2 Average Monthly Balance of Non-Earning Deposits	3 Average Monthly Balance of Earning Deposits
<b>Segregated Funds Held for Others</b>			
17. Open depositories	0	0	0
18. Suspended depositories	0	0	0
19. Total segregated funds held for others	0	0	0
<b>Company Funds on Deposit</b>			
20. Open depositories	59,610	391,441	1,508,333
21. Suspended depositories	0	0	0
22. Total company funds on deposit	59,610	391,441	1,508,333
<b>Total All Funds on Deposit</b>			
23. Open depositories	0	0	0
24. Suspended depositories	0	0	0
25. Total all funds on deposit	0	0	0

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

1. Does the reporting entity require, at least annually, letters of representation from its directors and officers concerning conflicts of interest in relation to:

1.1 The supply of goods or paid provision of personal services to a reporting entity depository listed in Schedule E-Part 1, or its parent, subsidiaries, or any of its affiliates? YES  NO

1.2 Real estate agreements, including, but not limited to lease, rental, mortgage, or purchase agreements with the reporting entity depository listed in Schedule E-Part 1, or its parent, subsidiaries, or any of its affiliates? YES  NO

2.1 Is the reporting entity aware of any real estate agreements, including, but not limited to lease, rental, mortgage, or purchase agreements, existing between the reporting entity, its Parent, Subsidiaries, or any of its Affiliates, and any depository listed in Schedule E-Part 1, or its parent, subsidiaries or any of its affiliates? YES  NO

2.2 If yes, give details below.

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

3. Does the reporting entity maintain sufficient records of funds held as escrow or security deposits and reported in Exhibit Capital Gains (Losses) and Schedule E - Part 1A that will enable it to identify the funds on an individual basis? YES  NO

**NONE**

**Schedule F - Part 1**

**SCHEDULE F - PART 2**

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Ceded Liability	7 Ceded Reinsurance Premiums Paid	8 Reinsurance Recoverable on Paid Losses and Loss Adjustment Expenses	9 Reinsurance Recoverable on Known Case Losses and LAE Reserves	Reinsurance Payable		12 Net Amount Recoverable From Reinsurers (Cols. 8 + 9 - 10 - 11)	13 Funds Held By Company Under Reinsurance Treaties
									10 Ceded Balances Payable	11 Other Amounts Due to Reinsurers		
74-0924290	50121	Stewart Title Guaranty Company	TX		3,361,287	639						
0199999	Total Authorized - Affiliates - U.S. Intercompany Pooling				3,361,287	639						
0499999	Total Authorized - Affiliates				3,361,287	639						
0999999	Total Authorized				3,361,287	639						
9999999	Totals				3,361,287	639						



**NONE**      **Schedule F - Part 3**

**SCHEDULE H - PART 1**

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

1 Permanent Identification Number	2 Form of Ownership	Title Plant Covering Period		5 Date Acquired	6 Actual Cost	7 Book Value	8 Book Value Valuation Basis (a)	9 Increase by Adjustment in Book Value	10 Decrease by Adjustment in Book Value
		3 From	4 To						
28	Wholly owned	01/03/1978	12/31/2006	09/10/1999	27,096	27,096	Construction costs Cost		
29	Wholly owned	02/16/1885	07/19/1984	12/19/2005	1	1			
9999999 Totals					27,097	27,097	X X X		

40

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

**SCHEDULE H - PART 2**

Showing All Title Plants Acquired During the Year

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

**SCHEDULE H - PART 3**

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

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

4 2

**SCHEDULE H - Verification Between Years**

1. Book value, December 31, prior year	27,097	5. Decrease by adjustment in book value:	
2. Total increase by adjustment in book value:		5.2 Totals, Part 3, Col. 9	
2.1 Totals, Part 1, Col. 9		6. Consideration received on sales, Part 3, Col. 11	
2.2 Totals, Part 3, Col. 8		7. Net profit (loss) on sales, Part 3, Col. 12	
3. Cost of acquisition, Part 2, Col. 8		8. Book value, December 31, current year	27,097
4. Totals	27,097		

## SCHEDULE H - PART 4

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

Type of Title Plant Ownership	1 Title Plant Value Current Year	2 Title Plant Value Prior Year
1. Direct investment in title plant assets .....	27,097	27,097
2. Title plant assets held by subsidiaries (proportionate to ownership) .....		
3. Total (Line 1 plus Line 2)	27,097	27,097

### SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years In Which Policies Were Written	1 Amount of Insurance Written in Millions	Premiums Written and Other Income					Loss and Allocated Loss Adjustment Expenses Payments						
		2 Direct Premium	3 Assumed Premium	4 Other Income	5 Ceded Premium	6 Net	Loss Payments			Allocated LAE Payments			
							7 Direct	8 Assumed	9 Ceded	10 Direct	11 Assumed	12 Ceded	
1. Prior	X X X	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	16	81	0	0	7	74	0	0	0	0	0	0	0
4. 1999	1,698	7,027	0	0	541	6,486	24	0	24	76	0	76	0
5. 2000	647	2,617	0	0	96	2,521	70	0	70	161	0	161	0
6. 2001	1,022	4,473	0	0	268	4,205	15	0	15	25	0	25	0
7. 2002	1,641	7,329	0	0	449	6,880	22	0	22	17	0	17	0
8. 2003	2,464	11,065	0	0	664	10,401	18	0	18	3	0	3	0
9. 2004	2,113	9,241	0	0	554	8,687	19	0	19	1	0	1	0
10. 2005	2,631	10,723	0	0	643	10,080	22	0	22	0	0	0	0
11. 2006	3,361	10,647	0	0	639	10,008	0	0	0	20	0	20	0
12. Totals	X X X	63,203	0	0	3,861	59,342	190	0	190	303	0	303	0

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid	
					Known Claim Reserves			IBNR Reserves				
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded		
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	0	0	0	1	0	0	0	0	0	0	0	0
4. 1999	0	0	0	6	7	0	7	34	0	34	0	0
5. 2000	0	0	0	4	10	0	10	17	0	17	0	0
6. 2001	0	0	0	6	0	0	0	40	0	40	0	0
7. 2002	0	0	0	6	0	0	0	70	0	70	0	0
8. 2003	0	0	0	4	5	0	5	120	0	120	0	0
9. 2004	0	0	0	3	1	0	1	150	0	150	0	0
10. 2005	0	0	0	3	20	0	20	216	0	216	0	0
11. 2006	0	0	0	3	50	0	50	270	0	270	0	0
12. Total	0	0	0	36	93	0	93	917	0	917	0	0

	24 Total Net Loss and LAE Unpaid (Cols. 17+18+20+21-19-22+23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss & LAE Per \$1000 Of Coverage ((Cols. 29+14+23)/Col. 1)	33 Discount For Time Value of Money	34 Inter-company Pooling Participation Percentage	35 Net Reserves After Discount (Cols. 24-33)
			26 Direct (Cols. 7+10+17+20)	27 Assumed (Cols. 8+11+18+21)	28 Ceded (Cols. 9+12+19+22)	29 Net	30 Direct Basis ((Cols. 14+23+26)/[Cols. 2+4])	31 Net Basis ((Cols. 14+23+29)/Col.6)				
1. Prior	0	0	0	0	0	0	0.000	0.000	X X X	0	0.0	0
2. 1997	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
3. 1998	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
4. 1999	0	1	141	0	141	0	0.020	0.000	0.000	0	0.0	0
5. 2000	0	1	258	0	258	0	0.099	0.000	0.000	0	0.0	0
6. 2001	0	0	80	0	80	0	0.018	0.000	0.000	0	0.0	0
7. 2002	0	0	109	0	109	0	0.015	0.000	0.000	0	0.0	0
8. 2003	0	1	146	0	146	0	0.013	0.000	0.000	0	0.0	0
9. 2004	0	1	171	0	171	0	0.019	0.000	0.000	0	0.0	0
10. 2005	0	1	258	0	258	0	0.024	0.000	0.000	0	0.0	0
11. 2006	0	3	340	0	340	0	0.032	0.000	0.000	0	0.0	0
12. Total	0	8	1,503	0	1,503	0	X X X	X X X	X X X	0	X X X	0

**SCHEDULE P - PART 1A - POLICIES WRITTEN DIRECTLY**  
(\$000 Omitted)

Years In Which Policies Were Written	1 Amount of Insurance Written in Millions	Premiums Written and Other Income					Loss and Allocated Loss Adjustment Expenses Payments						
		2 Direct Premium	3 Assumed Premium	4 Other Income	5 Ceded Premium	6 Net	Loss Payments			Allocated LAE Payments			
							7 Direct	8 Assumed	9 Ceded	10 Direct	11 Assumed	12 Ceded	
1. Prior	X X X	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	0	0	0	0	0	0	0	0	0	0	0	0	0
4. 1999	0	0	0	0	0	0	0	0	0	0	0	0	0
5. 2000	0	0	0	0	0	0	0	0	0	0	0	0	0
6. 2001	0	0	0	0	0	0	0	0	0	0	0	0	0
7. 2002	0	0	0	0	0	0	0	0	0	0	0	0	0
8. 2003	0	0	0	0	0	0	0	0	0	0	0	0	0
9. 2004	0	0	0	0	0	0	0	0	0	0	0	0	0
10. 2005	0	0	0	0	0	0	0	0	0	0	0	0	0
11. 2006	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals	X X X	0	0	0	0	0	0	0	0	0	0	0	0

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid	
					Known Claim Reserves			IBNR Reserves				
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded		
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	0	0	0	0	0	0	0	0	0	0	0	0
4. 1999	0	0	0	0	0	0	0	0	0	0	0	0
5. 2000	0	0	0	0	0	0	0	0	0	0	0	0
6. 2001	0	0	0	0	0	0	0	0	0	0	0	0
7. 2002	0	0	0	0	0	0	0	0	0	0	0	0
8. 2003	0	0	0	0	0	0	0	0	0	0	0	0
9. 2004	0	0	0	0	0	0	0	0	0	0	0	0
10. 2005	0	0	0	0	0	0	0	0	0	0	0	0
11. 2006	0	0	0	0	0	0	0	0	0	0	0	0
12. Total	0	0	0	0	0	0	0	0	0	0	0	0

	24 Total Net Loss and LAE Unpaid (Cols. 17+18+20-22+23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss & LAE Per \$1000 Of Coverage ((Cols.29+14+23)/Col. 1)	33 Discount For Time Value of Money	34 Inter-company Pooling Participation Percentage	35 Net Reserves After Discount (Cols. 24-33)
			26 Direct (Cols. 7+10+17+20)	27 Assumed (Cols. 8+11+18+21)	28 Ceded (Cols. 9+12+19+22)	29 Net	30 Direct Basis ((Cols. 14+23+26)/[Cols. 2+4])	31 Net Basis ((Cols. 14+23+29)/Col.6)				
1. Prior	0	0	0	0	0	0	0.000	0.000	X X X	0	0.0	0
2. 1997	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
3. 1998	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
4. 1999	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
5. 2000	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
6. 2001	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
7. 2002	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
8. 2003	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
9. 2004	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
10. 2005	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
11. 2006	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
12. Total	0	0	0	0	0	0	X X X	X X X	X X X	0	X X X	0

**SCHEDULE P - PART 1B - POLICIES WRITTEN THROUGH AGENTS**  
(\$000 Omitted)

Years In Which Policies Were Written	1 Amount of Insurance Written in Millions	Premiums Written and Other Income					Loss and Allocated Loss Adjustment Expenses Payments						
		2 Direct Premium	3 Assumed Premium	4 Other Income	5 Ceded Premium	6 Net	Loss Payments			Allocated LAE Payments			
							7 Direct	8 Assumed	9 Ceded	10 Direct	11 Assumed	12 Ceded	
1. Prior	X X X	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	16	81	0	0	7	74	0	0	0	0	0	0	0
4. 1999	1,698	7,027	0	0	541	6,486	24	0	24	76	0	76	0
5. 2000	647	2,617	0	0	96	2,521	70	0	70	161	0	161	0
6. 2001	1,022	4,473	0	0	268	4,205	15	0	15	25	0	25	0
7. 2002	1,641	7,329	0	0	449	6,880	22	0	22	17	0	17	0
8. 2003	2,464	11,065	0	0	664	10,401	18	0	18	3	0	3	0
9. 2004	2,113	9,241	0	0	554	8,687	19	0	19	1	0	1	0
10. 2005	2,631	10,723	0	0	643	10,080	22	0	22	0	0	0	0
11. 2006	3,361	10,647	0	0	639	10,008	0	0	0	20	0	20	0
12. Totals	X X X	63,203	0	0	3,861	59,342	190	0	190	303	0	303	0

	13 Salvage and Subrogation Received	14 Unallocated Loss Expense Payments	15 Total Net Loss and Expense Paid (Cols. 7+8+10+11-9-12+14)	16 Number of Claims Reported (Direct)	Loss and Allocated Loss Adjustment Expenses Unpaid						23 Unallocated Loss Expense Unpaid
					Known Claim Reserves			IBNR Reserves			
					17 Direct	18 Assumed	19 Ceded	20 Direct	21 Assumed	22 Ceded	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	0	0	0	1	0	0	0	0	0	0	0
4. 1999	0	0	0	6	7	0	7	34	0	34	0
5. 2000	0	0	0	4	10	0	10	17	0	17	0
6. 2001	0	0	0	6	0	0	0	40	0	40	0
7. 2002	0	0	0	6	0	0	0	70	0	70	0
8. 2003	0	0	0	4	5	0	5	120	0	120	0
9. 2004	0	0	0	3	1	0	1	150	0	150	0
10. 2005	0	0	0	3	20	0	20	216	0	216	0
11. 2006	0	0	0	3	50	0	50	270	0	270	0
12. Total	0	0	0	36	93	0	93	917	0	917	0

	24 Total Net Loss and LAE Unpaid (Cols. 17+18+20+21-19-22+23)	25 Number of Claims Outstanding (Direct)	Losses and Allocated Loss Expenses Incurred				Loss and LAE Ratio		32 Net Loss & LAE Per \$1000 Of Coverage ((Cols. 29+14+23)/Col. 1)	33 Discount For Time Value of Money	34 Inter-company Pooling Participation Percentage	35 Net Reserves After Discount (Cols. 24-33)
			26 Direct (Cols. 7+10+17+20)	27 Assumed (Cols. 8+11+18+21)	28 Ceded (Cols. 9+12+19+22)	29 Net	30 Direct Basis ((Cols. 14+23+26)/[Cols. 2+4])	31 Net Basis ((Cols. 14+23+29)/Col.6)				
1. Prior	0	0	0	0	0	0	0.000	0.000	X X X	0	0.0	0
2. 1997	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
3. 1998	0	0	0	0	0	0	0.000	0.000	0.000	0	0.0	0
4. 1999	0	1	141	0	141	0	0.020	0.000	0.000	0	0.0	0
5. 2000	0	1	258	0	258	0	0.099	0.000	0.000	0	0.0	0
6. 2001	0	0	80	0	80	0	0.018	0.000	0.000	0	0.0	0
7. 2002	0	0	109	0	109	0	0.015	0.000	0.000	0	0.0	0
8. 2003	0	1	146	0	146	0	0.013	0.000	0.000	0	0.0	0
9. 2004	0	1	171	0	171	0	0.019	0.000	0.000	0	0.0	0
10. 2005	0	1	258	0	258	0	0.024	0.000	0.000	0	0.0	0
11. 2006	0	3	340	0	340	0	0.032	0.000	0.000	0	0.0	0
12. Total	0	8	1,503	0	1,503	0	X X X	X X X	X X X	0	X X X	0



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

Years in Which Policies Were Written	Incurred Losses and Allocated Expenses at Year End (\$000 omitted) Including Known Claims and IBNR on Unreported Claims									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1987	0	0	0	0	0	0	0	0	0	0
3. 1988	0	0	0	0	0	0	0	0	0	0
4. 1989	0	0	0	0	0	0	0	0	0	0
5. 1990	0	0	0	0	0	0	0	0	0	0
6. 1991	0	0	0	0	0	0	0	0	0	0
7. 1992	0	0	0	0	0	0	0	0	0	0
8. 1993	0	0	0	0	0	0	0	0	0	0
9. 1994	0	0	0	0	0	0	0	0	0	0
10. 1995	0	0	0	0	0	0	0	0	0	0
11. 1996	0	0	0	0	0	0	0	0	0	0
12. 1997	0	0	0	0	0	0	0	0	0	0
13. 1998	X X X	0	1	1	1	0	1	0	0	0
14. 1999	X X X	X X X	0	123	95	68	83	93	116	141
15. 2000	X X X	X X X	X X X	61	132	236	231	234	250	258
16. 2001	X X X	X X X	X X X	X X X	103	153	114	99	87	80
17. 2002	X X X	X X X	X X X	X X X	X X X	163	197	138	125	109
18. 2003	X X X	X X X	X X X	X X X	X X X	X X X	215	196	169	145
19. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	199	196	172
20. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	302	258
21. 2006	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	340

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

Years in Which Policies Were Written	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1987	0	0	0	0	0	0	0	0	0	0	0	0
3. 1988	0	0	0	0	0	0	0	0	0	0	0	0
4. 1989	0	0	0	0	0	0	0	0	0	0	0	0
5. 1990	0	0	0	0	0	0	0	0	0	0	0	0
6. 1991	0	0	0	0	0	0	0	0	0	0	0	0
7. 1992	0	0	0	0	0	0	0	0	0	0	0	0
8. 1993	0	0	0	0	0	0	0	0	0	0	0	0
9. 1994	0	0	0	0	0	0	0	0	0	0	0	0
10. 1995	0	0	0	0	0	0	0	0	0	0	0	0
11. 1996	0	0	0	0	0	0	0	0	0	0	0	0
12. 1997	0	0	0	0	0	0	0	0	0	0	0	0
13. 1998	X X X	0	0	0	0	0	0	0	0	0	0	1
14. 1999	X X X	X X X	0	8	8	8	16	30	67	100	3	2
15. 2000	X X X	X X X	X X X	2	74	177	187	193	216	231	3	0
16. 2001	X X X	X X X	X X X	X X X	0	21	33	42	40	40	3	3
17. 2002	X X X	X X X	X X X	X X X	X X X	0	63	38	39	39	5	1
18. 2003	X X X	X X X	X X X	X X X	X X X	X X X	0	22	22	20	3	0
19. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0	12	21	2	0
20. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11	22	2	0
21. 2006	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	20	0	0

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

Years in Which Policies Were Written	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1987	0	0	0	0	0	0	0	0	0	0
3. 1988	0	0	0	0	0	0	0	0	0	0
4. 1989	0	0	0	0	0	0	0	0	0	0
5. 1990	0	0	0	0	0	0	0	0	0	0
6. 1991	0	0	0	0	0	0	0	0	0	0
7. 1992	0	0	0	0	0	0	0	0	0	0
8. 1993	0	0	0	0	0	0	0	0	0	0
9. 1994	0	0	0	0	0	0	0	0	0	0
10. 1995	0	0	0	0	0	0	0	0	0	0
11. 1996	0	0	0	0	0	0	0	0	0	0
12. 1997	0	0	0	0	0	0	0	0	0	0
13. 1998	XXX	0	0	0	0	0	0	0	0	0
14. 1999	XXX	XXX	1	6	1	0	0	20	8	7
15. 2000	XXX	XXX	XXX	3	8	23	7	18	14	10
16. 2001	XXX	XXX	XXX	XXX	0	57	14	0	0	0
17. 2002	XXX	XXX	XXX	XXX	XXX	24	7	0	1	0
18. 2003	XXX	XXX	XXX	XXX	XXX	XXX	7	6	9	5
19. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1
20. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	20
21. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50

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

Years in Which Policies Were Written	Bulk Reserves on Known Claims at Year End (\$000 omitted) Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1987	0	0	0	0	0	0	0	0	0	0
3. 1988	0	0	0	0	0	0	0	0	0	0
4. 1989	0	0	0	0	0	0	0	0	0	0
5. 1990	0	0	0	0	0	0	0	0	0	0
6. 1991	0	0	0	0	0	0	0	0	0	0
7. 1992	0	0	0	0	0	0	0	0	0	0
8. 1993	0	0	0	0	0	0	0	0	0	0
9. 1994	0	0	0	0	0	0	0	0	0	0
10. 1995	0	0	0	0	0	0	0	0	0	0
11. 1996	0	0	0	0	0	0	0	0	0	0
12. 1997	0	0	0	0	0	0	0	0	0	0
13. 1998	XXX	0	0	0	0	0	0	0	0	0
14. 1999	XXX	XXX	0	0	0	0	0	0	0	0
15. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
16. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
17. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
18. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
19. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
20. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
21. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

Years in Which Policies Were Written	IBNR Reserves on Unreported Claims at Year End (\$000 omitted)									
	Loss and Allocated Loss Expense									
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1987	0	0	0	0	0	0	0	0	0	0
3. 1988	0	0	0	0	0	0	0	0	0	0
4. 1989	0	0	0	0	0	0	0	0	0	0
5. 1990	0	0	0	0	0	0	0	0	0	0
6. 1991	0	0	0	0	0	0	0	0	0	0
7. 1992	0	0	0	0	0	0	0	0	0	0
8. 1993	0	0	0	0	0	0	0	0	0	0
9. 1994	0	0	0	0	0	0	0	0	0	0
10. 1995	0	0	0	0	0	0	0	0	0	0
11. 1996	0	0	0	0	0	0	0	0	0	0
12. 1997	0	0	0	0	0	0	0	0	0	0
13. 1998	X X X	0	0	1	1	0	1	0	0	0
14. 1999	X X X	X X X	0	109	86	60	67	43	42	34
15. 2000	X X X	X X X	X X X	56	50	36	37	23	20	17
16. 2001	X X X	X X X	X X X	X X X	103	74	67	57	48	40
17. 2002	X X X	X X X	X X X	X X X	X X X	139	127	100	84	70
18. 2003	X X X	X X X	X X X	X X X	X X X	X X X	208	168	138	120
19. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	198	183	150
20. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	291	216
21. 2006	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	270

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

Years in Which Claims Were First Reported	Losses and Allocated Expenses at Year End (\$000 omitted)									
	Incurred Loss and ALAE on Known Claims and Bulk Reserves on Known Claims									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	1	1	1	0	0	0	0	0
5. 2000	XXX	XXX	XXX	18	8	8	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	82	86	80	80	81	80
7. 2002	XXX	XXX	XXX	XXX	XXX	216	172	189	206	216
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	82	45	45	46
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	56	79	79
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29	21
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	145

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

Years in Which Claims Were First Reported	Cumulative Paid Losses and Allocated Expenses at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	10	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	82	86	80	80	81	80	2	2
7. 2002	XXX	XXX	XXX	XXX	XXX	120	166	171	192	206	5	3
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	53	39	40	41	5	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35	71	70	3	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24	21	3	1
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	75	3	1

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

Years in Which Claims Were First Reported	Case Basis Losses and Allocated Expenses Reserves at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	1	1	1	0	0	0	0	0
5. 2000	XXX	XXX	XXX	8	8	8	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	96	6	18	14	10
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	29	6	6	6
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21	8	8
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	70

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

Years in Which Claims Were First Reported	Bulk Reserves on Known Claims at Year End (\$000 omitted)									
	Loss and Allocated Loss Expense									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

### SCHEDULE P INTERROGATORIES

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

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**  
**Allocated by States and Territories**

States, Etc.	1 Is Insurer Licensed ? (Yes or No)	2 Premium Rate (b)	Direct Premiums Written			6 Other Income	7 Direct Premiums Earned	8 Direct Losses Paid	9 Direct Losses Incurred	10 Direct Losses Unpaid
			3 Direct Operations	Agency Operations						
				4 Non-affiliated Agencies	5 Affiliated Agencies					
1. Alabama	AL	NO								
2. Alaska	AK	NO								
3. Arizona	AZ	NO								
4. Arkansas	AR	NO								
5. California	CA	NO								
6. Colorado	CO	NO								
7. Connecticut	CT	NO								
8. Delaware	DE	NO								
9. Dist. Columbia	DC	NO								
10. Florida	FL	NO								
11. Georgia	GA	NO								
12. Hawaii	HI	NO								
13. Idaho	ID	NO								
14. Illinois	IL	NO								
15. Indiana	IN	NO								
16. Iowa	IA	NO								
17. Kansas	KS	NO								
18. Kentucky	KY	NO								
19. Louisiana	LA	NO								
20. Maine	ME	NO								
21. Maryland	MD	NO								
22. Massachusetts	MA	NO								
23. Michigan	MI	NO								
24. Minnesota	MN	NO								
25. Mississippi	MS	NO								
26. Missouri	MO	NO								
27. Montana	MT	NO								
28. Nebraska	NE	NO								
29. Nevada	NV	NO								
30. New Hampshire	NH	NO								
31. New Jersey	NJ	NO								
32. New Mexico	NM	NO								
33. New York	NY	NO								
34. No. Carolina	NC	NO								
35. No. Dakota	ND	NO								
36. Ohio	OH	NO								
37. Oklahoma	OK	NO								
38. Oregon	OR	YES	AI	10,647,009		9,698,609	86,273			
39. Pennsylvania	PA	NO								
40. Rhode Island	RI	NO								
41. So. Carolina	SC	NO								
42. So. Dakota	SD	NO								
43. Tennessee	TN	NO								
44. Texas	TX	NO								
45. Utah	UT	NO								
46. Vermont	VT	NO								
47. Virginia	VA	NO								
48. Washington	WA	NO								
49. West Virginia	WV	NO								
50. Wisconsin	WI	NO								
51. Wyoming	WY	NO								
52. American Samoa	AS	NO								
53. Guam	GU	NO								
54. Puerto Rico	PR	NO								
55. U.S. Virgin Islands	VI	NO								
56. Northern Mariana Islands	MP	NO								
57. Canada	CN	NO								
58. Aggregate Other Alien	OT	X X X	X X X							
59. Totals	(a) 1	X X X		10,647,009		9,698,609	86,273			

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	X X X							
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		X X X	X X X							

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

(b) Insert "AI" if gross all-inclusive rate; "R" if gross risk rate; "O" if other and indicate rate type utilized:

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

0340	Stewart	00000	DE	74-1677330	Stewart Information Services Corporation-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty Company-STG(SISCO)
0340	Stewart	50035	FL	65-0685696	Alliance Title of America(SISCO-86%)(STG-14%)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance Company-NLTIC(STG)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company(NLTIC)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Company-STIC(STG)
0340	Stewart	51063	NY	16-0557455	Monroe Title Insurance Corporation(STIC)
0340	Stewart	50036	OR	91-1800766	Stewart Title Insurance Co. of Oregon(STG)
		32336	VT	03-0311175	Title Reinsurance Company(STG)
		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico(STG)
		00000	EN	AA-1124112	Stewart Title Limited (United Kingdom)(STG)
		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC(STG)
		00000	AR	71-0798379	Stewart Title of Arkansas(STC)
		00000	AR	71-0858758	Ultima Corp.(STC)
		00000	AZ	57-1140281	AirPhoto (STC)
		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix(STC)
		00000	CA	77-0354503	Asset Preservation, Inc.(STC)
		00000	CA	94-1311451	California Land Title of Marin(STC)
		00000	CA	94-2812125	Consolidated Title (STC)
		00000	CA	57-1140281	GlobeExplorer(STC)
		00000	CA	68-0166273	OnLine Documents, Inc.(STC)
		00000	CA	95-4607898	Stewart Title of California (STC)
		00000	CO	20-2815427	Stewart Title of Colorado(STC)
		00000	DE	74-1959294	Stewart Transaction Solutions, Inc.(STC)
		00000	FL	65-0093460	Executive Title Insurance(STC)
		00000	FL	59-3667114	Southern Title Holding(STC)
		00000	FL	59-1285458	Stewart Title of Jacksonville Inc.(STC)
		00000	FL	59-3138251	Tampa Cypress Partners(STC)
		00000	MT	81-0529591	Stewart Title of Montana(STC)
		00000	NM	85-0432768	Santa Fe Abstract(STC)
		00000	NM	85-0446018	Stewart Title LLC(STC)
		00000	OK	73-1093494	Stewart Abstract of Oklahoma(STC)
		00000	TN	62-0947657	First Data Systems(STC)
		00000	TN	20-1624648	Stewart Title of Tennessee(STC)
		00000	TX	74-2334790	REI Data(STC)
		00000	TX	20-1820620	StarTex(STC)
		00000	TX	20-5795343	Stewart Border Title(STC)
		00000	TX	76-0450977	Stewart Lenders Services(STC)
		00000	TX	65-1223112	Stewart Realty Solutions(STC)

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

00000	TX	74-2783918	Stewart Title Corpus Christi(STC)
00000	TX	75-2258899	Stewart Title Dallas Inc.(STC)
00000	TX	74-2327609	Stewart Title of Austin(STC)
00000	WA	91-1202822	Stewart Title of Washington(STC)
00000	PL	99-9999999	Stewart International Spolka Z Organizona(STC)
00000	CN	99-9999999	Lawyers Mortgage Network, Inc.(STC)
00000			



**SCHEDULE Y**

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

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
50036	91-1800766	Stewart Title Insurance Company of Oregon		100,000			(168,290)	(639,216)			(707,506)	
50121	74-0924290	Stewart Title Guaranty Company		(100,000)			167,130	639,216			706,346	
00000	71-0858758	Ultima Corporation					1,160				1,160	
9999999	Control Totals								X X X			

5 4

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

### MARCH FILING

### Response

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

### APRIL FILING

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

### JUNE FILING

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

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

### MARCH FILING

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

**Explanation:**

1. The salary expense is incurred through a management agreement .....
- .....
7. Not Applicable .....
- .....
- .....

**Bar code:**



5003620064600000



5003620064200000

<b>NONE</b>	<b>Schedule A - Part 1</b>
<b>NONE</b>	<b>Schedule A - Part 2</b>
<b>NONE</b>	<b>Schedule A - Part 3</b>
<b>NONE</b>	<b>Schedule B - Part 1</b>
<b>NONE</b>	<b>Schedule B - Part 2</b>
<b>NONE</b>	<b>Schedule BA - Part 1</b>
<b>NONE</b>	<b>Schedule BA - Part 2</b>

**SCHEDULE D - PART 1**

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

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				Interest				Dates		
		3 *	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due & Accrued	20 Gross Amt. Rec. During Year	21 Acquired	22 Maturity
912828-AN-0	UNITED STATES TREASURY NOTE				1	202,125	98.06	196,570	200,000	200,461		(425)			3.000	2.794	MN	767	6,000	12/26/2002	11/15/2007
912828-BG-4	UNITED STATES TREASURY NOTE				1	200,450	97.45	195,062	200,000	200,175		(80)			3.250	3.212	FA	2,456	6,500	09/05/2003	08/15/2008
912828-BK-5	UNITED STATES TREASURY NOTE				1	200,625	97.09	194,437	200,000	200,265		(121)			3.125	3.066	MS	1,840	6,250	12/30/2003	09/15/2008
912828-BM-1	UNITED STATES TREASURY NOTE				1	947,189	96.99	916,860	944,000	945,353		(618)			3.125	3.066	AO	6,228	29,500	11/14/2003	10/15/2008
912828-CE-8	UNITED STATES TREASURY NOTE				1	125,760	97.29	123,480	128,000	126,915		390			3.125	3.419	AO	844	4,000	05/26/2004	04/15/2009
912828-CR-9	UNITED STATES TREASURY NOTE				1	499,594	98.63	493,125	500,000	499,963		170			2.750	2.756	FA	5,194	13,750	11/15/2004	08/15/2007
912828-EQ-9	UNITED STATES TREASURY NOTE				1	100,469	98.47	98,844	100,000	100,382		(87)			4.375	4.269	JD	194	4,375	12/28/2005	12/15/2010
912828-FM-7	UNITED STATES TREASURY NOTE				1	245,718	99.91	245,402	245,000	245,614		(104)			5.000	4.830	JJ	5,138		09/22/2006	07/31/2008
31359M-X4-0	FEDERAL NATIONAL MORTGAGE ASSOCIATION				1	99,930	99.94	99,875	100,000	99,940		10			5.000	5.037	MS	1,472		09/20/2006	09/15/2008
3133XG-NJ-9	FEDERAL HOME LOAN BANK				1	100,000	100.16	100,156	100,000	100,000					5.000	5.000	MS	1,431		09/20/2006	09/18/2009
0199999	Subtotal - Issuer Obligations					2,721,860	X X X	2,663,811	2,717,000	2,719,068		(865)			X X X	X X X	X X X	25,564	70,375	X X X	X X X
0399999	Subtotals - U.S. Governments					2,721,860	X X X	2,663,811	2,717,000	2,719,068		(865)			X X X	X X X	X X X	25,564	70,375	X X X	X X X
5499999	Total Bonds - Issuer Obligations					2,721,860	X X X	2,663,811	2,717,000	2,719,068		(865)			X X X	X X X	X X X	25,564	70,375	X X X	X X X
6099999	Total Bonds					2,721,860	X X X	2,663,811	2,717,000	2,719,068		(865)			X X X	X X X	X X X	25,564	70,375	X X X	X X X

807

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

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

**SCHEDULE D - PART 3**

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
912828-FM-7	UNITED STATES TREASURY NOTE		09/22/2006	Merrill Lynch		245,718	245,000.00	1,764
31359M-X4-0	FEDERAL NATIONAL MORTGAGE ASSOCIATION		09/20/2006	Merrill Lynch		99,930	100,000.00	97
3133XG-NJ-9	FEDERAL HOME LOAN BANK		09/20/2006	Merrill Lynch		100,000	100,000.00	56
0399999	Subtotal - Bonds - U.S. Governments				X X X	445,648	445,000.00	1,917
6099997	Subtotal - Bonds - Part 3				X X X	445,648	445,000.00	1,917
6099999	Total - Bonds				X X X	445,648	445,000.00	1,917
7499999	Totals					445,648	X X X	1,917

E 1 1

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

**SCHEDULE E - PART 1 - CASH**

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
OPEN DEPOSITORIES						
US Bank					244,462	
Albina Community Bank		3.930	3,396	75	100,000	
Bank of Salem		3.780	4,159	52	100,000	
Bank of the West		5.130	859	450	100,000	
Banner Bank		4.350	4,058	226	100,000	
Capital Pacific		4.000	3,755	219	100,000	
IronStone Bank		5.120	4,146	225	100,000	
Merchants Bank		3.940	3,195	356	100,000	
Pacific Continental		4.300	3,154	259	100,000	
Pinnacle Bank		5.450	3,183	1,717	100,000	
Riverview Community Bank		5.020	4,397	440	100,000	
Sterling Savings Bank		5.100	4,765	196	100,000	
Umpqua Bank		4.960	2,708	1,821	100,000	
US Bank				41	100,000	
Washington Mutual Bank		4.890	1,233	67	100,000	
Wells Fargo Bank		4.880	1,964	1,605	100,000	
West Coast Bank		4.210	4,008	69	100,000	
0199998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories.	X X X	X X X	4,939			X X X
0199999 Totals-Open Depositories	X X X	X X X	53,919	7,818	1,844,462	X X X
SUSPENDED DEPOSITORIES						
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories.	X X X	X X X				X X X
0299999 Totals - Suspended Depositories	X X X	X X X				X X X
0399999 Total Cash on Deposit	X X X	X X X	53,919	7,818	1,844,462	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X	200	X X X
0599999 Total Cash	X X X	X X X	53,919	7,818	1,844,662	X X X

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

1. January	1,883,090	4. April	1,926,158	7. July	2,014,607	10. October	1,817,175
2. February	1,794,831	5. May	1,953,548	8. August	2,141,473	11. November	1,769,699
3. March	1,874,492	6. June	2,034,434	9. September	1,743,321	12. December	1,844,462



**NONE**      **Schedule E - Part 2**

**NONE**      **Schedule E - Part 3**