



Stewart Title Guaranty Company

*Michael B. Skalka,  
President*

*Malcolm S. Morris,  
Chairman & CEO*

*Stewart Morris, Jr.,  
Senior Chairman*

Unless otherwise noted, the amounts used in this brochure were taken from the unconsolidated, statutory annual statements of the seven largest title insurers in the United States (based on premiums written).

It is important that you, as a prospective policyholder, know the financial strength of the insurer issuing your policy. Consolidated, or "family," financials have not been used, as only your individual insurer has legal liability under your policy. The other members of the consolidated group do not.

The names of the title insurers used in this brochure are abbreviated:

<b>Stewart</b>	<b>Stewart Title Guaranty Company</b>
Chicago	Chicago Title Insurance Company
Commonwealth	Commonwealth Land Title Insurance Company
Fidelity	Fidelity National Title Insurance Company
First American	First American Title Insurance Company
Lawyers	Lawyers Title Insurance Corporation
Old Republic	Old Republic National Title Insurance Company

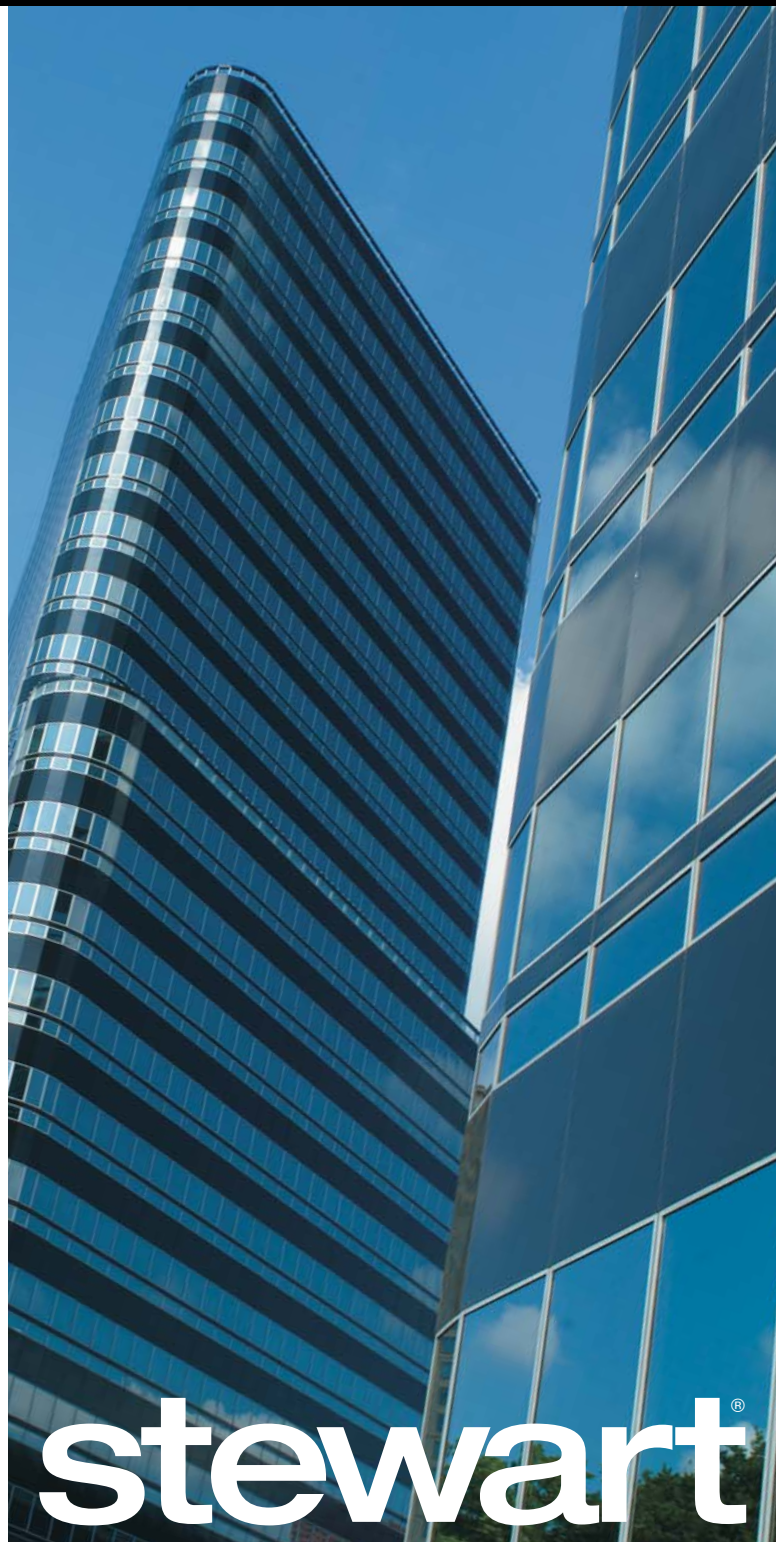
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Stewart Information Services Corporation:



Stewart Title Guaranty Company is a wholly owned subsidiary of Stewart Information Services Corporation.





## Aligning our strengths.

2007 was a year of change – both for our industry and, more importantly, for Stewart. We are especially proud of the way our company has dedicated itself to not just react to the current market, but to be proactive in determining a new direction for our company – a direction that allows us to thrive in the days to come.

The financial sector had a tough year in 2007, but Stewart had some bright spots. Our international and commercial businesses *grew* in revenues and profits in 2007 and for the 33rd consecutive year we experienced growth in statutory policyholders’ surplus – a feat unmatched in the title industry. And as we align our strengths in 2008, we are sure to see many more positives for our company.

This year, we will complete the consolidation of data centers, conversion from our legacy systems to new web-based production and continue market penetration for SureClose®, our customer-oriented transaction management platform. Expansion of our international business offers a bright future. As we progress in our shared-services initiative for cross-sector functions, we set the stage for reduced operating expenses in future years. Our company’s strengths are being aligned to take advantage of opportunities arising out of the changing environment.



“We know, if there are underwriting issues, our Stewart NTS representatives in Dallas will go to the national underwriting staff to get those issues resolved. This is a key service. We deal with complex multi-site transactions, and we can rely on Stewart to find a way to get the deal done.”

**Tom Owens, Vice President, Real Estate  
Cinemark**

## Taking the lead in surplus.

2007 saw a momentous change in the industry as Stewart surpassed all competitors to have the largest policyholders’ surplus. Stewart posted a gain in surplus for the 33rd consecutive year. In fact, we were the only major title insurance company to increase policyholders’ surplus from 2006 to 2007.

### LARGEST TITLE INSURERS POLICYHOLDERS’ SURPLUS (UNITED STATES) (\$ Millions)

	2007	2006	2005
Stewart	516	509	488
First American	427	754	878
Chicago	274	429	386
Commonwealth	254	314	197*
Fidelity	238	274	293
Lawyers	129	218	226
Old Republic	116	119	116

\* Restated in 2006 by Commonwealth from \$198 million.

### CONSECUTIVE YEARS’ GROWTH IN SURPLUS

Stewart		33
First American		0
Chicago		0
Commonwealth		0
Fidelity		0
Lawyers		0
Old Republic		0

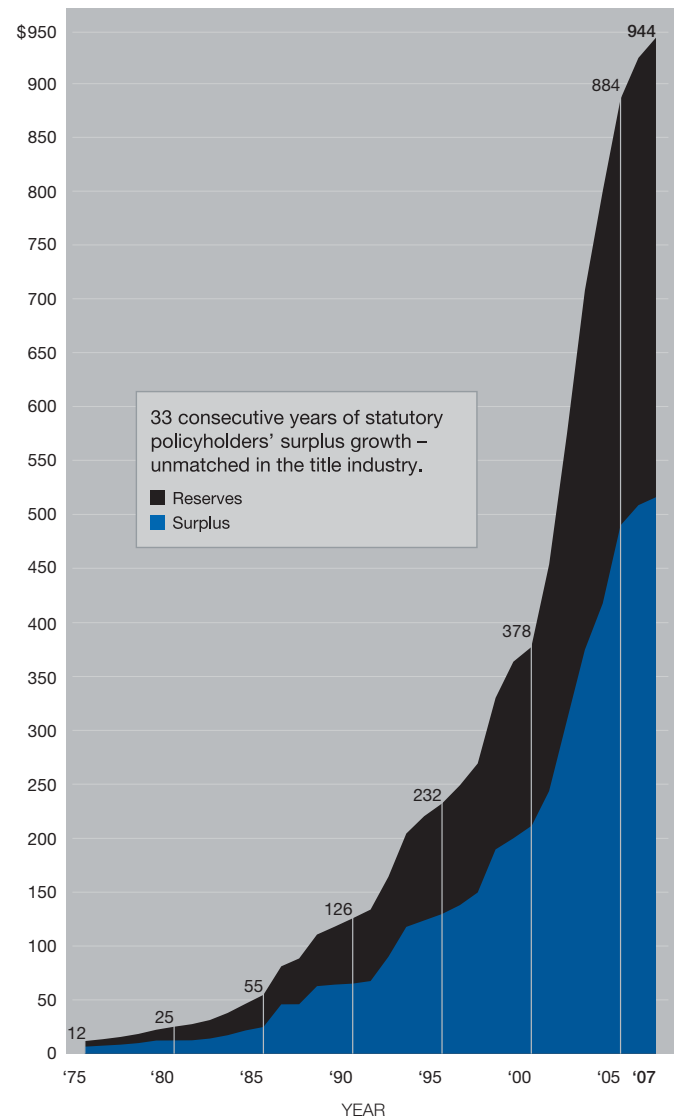
## Creating opportunities with technology.

Technology continues to shape the future of the real estate industry, and Stewart continues its leadership role with the 2008 introduction of our eClosingRoom™ initiative, which includes both electronic closings and electronic signatures.

Lenders, builders and real estate professionals want to move toward e-closings for a variety of reasons, including operational efficiency, a desire to go green or take advantage of competitive opportunities. Fannie Mae reported in March 2007 that nearly 44 percent of all lenders expect to implement e-mortgages, with 72 percent indicating they will implement e-signature technology.

Home buyers and sellers can take advantage of Stewart's eClosingRoom solution to close their real estate transaction in a matter of minutes. Through an intuitive borrower experience and the ability to click and sign and electronically notarize documents, Stewart is transforming the closing process from a laborious experience into one that is simplified and streamlined to less than 20 minutes. Stewart is in a strong position to participate with our customers' commitments to go green as we work together.

**RESERVES & SURPLUS 1975-2007** (\$ Millions)



## Financial picture.

In 2007, Stewart Information Services Corporation recorded revenues of \$2.1 billion, with assets of \$1.4 billion and \$41.82 book value per share. We remain on the Standard & Poor's SmallCap 600 Index, on the Fortune 1000, the Russell 2000, 2500 and 3000 Indexes, as well as the Russell 2000, 2500 and 3000 Value Indexes.

As Stewart's primary underwriter, Stewart Title Guaranty Company (STG) has continued its goal of increasing policyholders' surplus. We have posted 33 consecutive years of statutory policyholders' surplus growth, which is unmatched in the title industry. STG's financial strength has again earned the company an A+ rating from Fitch, recognized globally as one of the foremost ratings companies.



"We have always received responsive, top-flight service from Stewart Title on the many healthcare facility transactions we've completed together over the years. We couldn't be more pleased with the work the NTS Dallas office has done."

**Jean-Claude Saada, Chairman and CEO  
Cambridge Holdings Inc.**

A measure of a title insurer's claims-paying ability is its liquidity. STG's assets as of December 31, 2007 exceeded \$1 billion. Its quick ratio (cash and cash-like assets divided by total liabilities, including statutory premium reserve) was 100 percent for 2007. For every dollar of liability, STG had \$1.00 of liquid assets.

### BALANCE SHEETS

Statutory (\$ Millions)	2007	2006
<b>Cash and Investments*</b>	<b>566</b>	<b>531</b>
Other Assets	516	509
Total Assets	1,082	1,040
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Reserve for Title Losses**	92	68
Statutory Premium Reserve**	428	417
Other Liabilities	46	46
<b>Total Liabilities</b>	<b>566</b>	<b>531</b>
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<b>Policyholders' Surplus</b>	<b>516</b>	<b>509</b>

\*Excluding subsidiaries.

\*\*Reserves calculated based on input from third-party actuaries.

Note: GAAP consolidated net worth is **\$702** Million.



"Stewart Title is at the top of our list when searching for a national title and escrow company to handle a multi-site, multi-state portfolio transaction. The service and professionalism of the NTS Dallas office is exemplary. The team continues to provide assistance and service far beyond the closing of a deal. We know we can always count on Stewart to deliver the best product at a competitive price."

**Nicole R. Ament, Shareholder  
Brownstein | Hyatt | Farber | Schreck, LLP**