

ANNUAL STATEMENT

OF THE

Alliance Title of America, Inc.

of **Tampa**

in the state of **Florida**

TO THE

Insurance Department

OF THE

STATE OF Florida

**FOR THE YEAR ENDED
December 31, 2006**

TITLE

2006

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)				79,175
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 (\$ 683,301, Schedule E-Part 1), cash equivalents (\$ 0 Schedule E-Part 2) and short-term investments (\$ 3,037,842, Schedule DA)	3,721,143		3,721,143	3,822,542
6 Contract loans (including \$ 0 premium notes)				
7 Other invested assets (Schedule BA)				
8 Receivables for securities				
9 Aggregate write-ins for invested assets				
10 Subtotals, cash and invested assets (Lines 1 to 9)	3,721,143		3,721,143	3,901,722
11 Title plants less \$ 0 charged off (for Title insurers only)				
12 Investment income due and accrued	2,655		2,655	2,418
13 Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14 Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15 Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	29,479	24,114	5,365	5,490
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				
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)	3,753,277	24,114	3,729,163	3,910,130
25 From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26 Total (Lines 24 and 25)	3,753,277	24,114	3,729,163	3,910,130

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

LIABILITIES, SURPLUS AND OTHER FUNDS		1	2
		Current Year	Prior Year
1	Known claims reserve (Part 2B, Line 3, Col 4)	53,778	54,520
2	Statutory premium reserve (Part 1B, Line 2.5, Col 1)	337,844	407,897
3	Aggregate of other reserves required by law		
4	Supplemental reserve (Part 2B, Col 4, Line 12)	328,156	367,103
5	Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6	Other expenses (excluding taxes, licenses and fees)	8,015	3,640
7	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,037	3,037
8.1	Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	12,376	70,613
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		
19	Payable for securities		
20	Aggregate write-ins for other liabilities	375	
21	Total liabilities (Lines 1 through 20)	743,581	906,910
22	Aggregate write-ins for special surplus funds		
23	Common capital stock	15,425	15,425
24	Preferred capital stock	5,150	5,150
25	Aggregate write-ins for other than special surplus funds		
26	Surplus notes		
27	Gross paid in and contributed surplus	3,586,230	3,585,230
28	Unassigned funds (surplus)	232,020	249,658
29	Less treasury stock, at cost		
29.1	210 shares common (value included in Line 23 \$ 1,050)	137,543	137,543
29.2	470 shares preferred (value included in Line 24 \$ 2,350)	715,700	715,700
30	Surplus as regards policyholders (Lines 22 to 28 less 29)(Page 4, Line 32)	2,985,582	3,003,220
31	Totals (Page 2, Line 26, Col 3)	3,729,163	3,910,130

DETAILS OF WRITE-INS			
0301.			
0302.			
0303.			
0398	Summary of remaining write-ins for Line 3 from overflow page		
0399	Totals (Lines 0301 through 0303 plus 0398) (Line 3 above)		
2001.	Reinsurance Payable	375	
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)	375	
2201.			
2202.			
2203.			
2298	Summary of remaining write-ins for Line 22 from overflow page		
2299	Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2501.			
2502.			
2503.			
2598	Summary of remaining write-ins for Line 25 from overflow page		
2599	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		

OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME	1	2
	Current Year	Prior Year
OPERATING INCOME		
1. Title insurance and related income (Part 1).		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1)	70,829	123,684
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)	70,829	123,684
DEDUCT:		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col. 4)	60,972	(126,878)
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6)	338,055	118,510
6. Aggregate write-ins for other operating deductions		
7. Total Operating Deductions	399,027	(8,368)
8. Net operating gain or (loss) (Lines 3 minus 7)	(328,198)	132,052
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	165,971	106,008
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))	(1,150)	
11. Net investment gain (loss) (Lines 9 + 10)	165,821	106,008
OTHER INCOME		
12. Aggregate write-ins for miscellaneous income or (loss)		
13. Net income after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(162,377)	238,060
14. Federal and foreign income taxes incurred	(58,232)	70,613
15. Net income (Lines 13 minus 14)	(104,140)	167,447
CAPITAL AND SURPLUS ACCOUNT		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2)	3,093,220	2,397,177
17. Net income (from Line 15)	(104,140)	167,447
18. Net unrealized capital gains or (losses) less capital gains tax of \$ 0		
19. Change in net unrecruited foreign exchange capital gain (loss)		
20. Change in net deferred income tax	(5,966)	(10,937)
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	53,521	69,473
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)	38,947	350,060
24. Change in surplus notes		
25. Cumulative effect of changes in accounting principles		
26. Capital Changes:		
26.1 Paid in		
26.2 Transferred from surplus (Stock Dividend)		
26.3 Transferred to surplus		
27. Surplus Adjustments:		
27.1 Paid in		
27.2 Transferred to capital (Stock Dividend)		
27.3 Transferred from capital		
28. Dividends to stockholders		
29. Change in treasury stock (Page 3, Lines (29.1) and (29.2), Cols. 2 minus 1)		
30. Aggregate write-ins for gains and losses in surplus		
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	(17,635)	606,043
32. Surplus as regards policyholders, December 31 current year (Lines 16 plus 31) (Page 3, Line 30)	2,985,582	3,003,220

DETAILS OF WRITE-INS		
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. GAIN / LOSS SALE OF EQUIPMENT		
1202. MISCELLANEOUS INCOME		
1203		
1298. Summary of remaining write-ins for Line 12 from overflow page		
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)		
3001		
3002		
3003		
3098. Summary of remaining write-ins for Line 33 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	770	88,230
2. Net investment income	166,901	105,944
3. Miscellaneous income		
4. Total (Lines 1 through 3)	167,671	194,174
5. Benefit and loss related payments	61,814	148,394
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	235,560	123,364
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)		(56,018)
10. Total (Lines 5 through 9)	347,314	216,740
11. Net cash from operations (Line 4 minus Line 10)	(179,643)	(21,566)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	77,858	4,857
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)	77,858	4,857
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	77,858	4,857
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	381	(31,481)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	381	(31,481)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(101,404)	(48,190)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,822,547	3,870,737
19.2 End of year (Line 18 plus Line 19.1)	3,721,143	3,822,547
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20 0001		
20 0002		
20 0003		

OPERATIONS AND INVESTMENT EXHIBIT

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

	1 Direct Operations	Agency Operations		4 Current Year Total (Cols. 1 + 2 + 3)	5 Prior Year Total
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Direct premiums written		1,575		1,575	
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)		1,575		1,575	

PART 1B - PREMIUMS EARNED EXHIBIT

	1 Current Year	2 Prior Year
1. Title premiums written:		
1.1 Direct (Part 1A, Line 1)	1,575	
1.2 Assumed		
1.3 Ceded	805	(28,040)
1.4 Net title premiums written (Lines 1.1 + 1.2 - 1.3)	770	28,040
2. Statutory premium reserve:		
2.1 Balance at December 31 prior year	407,897	503,541
2.2 Additions during the current year	237	1,269
2.3 Withdrawals during the current year	70,295	96,943
2.4 Other adjustments to statutory premium reserves	6	
2.5 Balance at December 31 current year	337,844	407,897
3. Net title premiums earned during year (Lines 1.4 - 2.2 + 2.3)	70,829	123,684

PART 1C - OTHER TITLE FEES AND SERVICE CHARGES

	1 Current Year	2 Prior Year
1. Title examinations		
2. Searches and abstracts		
3. Surveys		
4. Aggregate write-ins for service charges		
5. Totals		
DETAILS OF WRITE-INS		
0401.		
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Total (lines 0401 through 0403 plus 0498) (Line 4 above)		

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

	1 Direct Operations	Agency Operations		4 Total Current Year (Cols. 1+2+3)	5 Total Prior Year
		2 Non-Affiliated Agency Operations	3 Affiliated Agency Operations		
1. Losses and allocated loss adjustment expenses paid - direct business, less salvage		75,538		75,538	148,394
2. Losses and allocated loss adjustment expenses paid - reinsurance assumed, less salvage					
3. Total (Line 1 plus Line 2)		75,538		75,538	148,394
4. Deduct: Recovered during year from reinsurance		13,724		13,724	
5. Net payments (Line 3 minus Line 4)		61,814		61,814	148,394
6. Known claims reserve - current year (Page 3, Line 1, Column 1)		53,778		53,778	54,620
7. Known claims reserve - prior year (Page 3, Line 1, Column 2)		54,620		54,620	329,892
8. Losses and allocated Loss Adjustment Expenses incurred (Ln 5 + Ln 6 - Ln 7)		60,972		60,972	(126,876)
9. Unallocated loss adjustment expenses incurred (Part 3, Line 24, Column 5)					
10. Losses and loss adjustment expenses incurred (Line 8 plus Line 9)		60,972		60,972	(126,876)

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)		53,778		53,778	54,620
1.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 18)					
2. Deduct reinsurance recoverable from authorized and unauthorized companies (Schedule P, Part 1, Line 12, Col. 19)					
3. Known claims reserve (Line 1.1 plus Line 1.2 minus Line 2)		53,778		53,778	54,620
4. Incurred But Not Reported:					
4.1 Direct (Schedule P, Part 1, Line 12, Col. 20)		566,000		566,000	675,000
4.2 Reinsurance assumed (Schedule P, Part 1, Line 12, Col. 21)					
4.3 Reinsurance ceded (Schedule P, Part 1, Line 12, Col. 22)		25,000		25,000	25,000
4.4 Net incurred but not reported		541,000		541,000	650,000
5. Unallocated LAE reserve (Schedule P, Part 1, Line 12, Col. 23)	X X X	X X X	X X X	125,000	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	719,778	X X X
8. Statutory premium reserve at year end	X X X	X X X	X X X	337,844	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	328,156	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	328,156	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					Totals			
	1 Direct Operations	2 Agency Operations		4 Total (Cols. 1 + 2 + 3)	5 Unallocated Loss Adjustment Expenses	6 Other Operations	7 Investment Expenses	8 Current Year (Cols. 4 + 5 + 6 + 7)	9 Prior Year
		Non-affiliated Agency Operations	Affiliated Agency Operations						
1. Personnel costs:									
5.1 Salaries									
5.2 Employee relations and welfare									
5.3 Payroll taxes									
5.4 Other personnel costs									
5.5 Total personnel costs		1,103		1,103				1,103	
2. Amounts paid to or retained by title agents									
3. Production services (purchased outside):									
3.1 Searches, examinations and abstracts									
3.2 Surveys									
3.3 Other									
4. Advertisings:									
5. Boards, bureaus and associations									
6. Office rent and maintenance		2,306		2,306				2,306	
7. Claim adjustment services									
8. Amounts charged off, net of recoveries		42,760		42,760				42,760	
9. Marketing and promotional expenses									
10. Insurance									
11. Directors' fees									
12. Travel and travel items									
13. Rent and rent items		4,245		4,245				4,245	
14. Equipment									
15. Cost of depreciation of EDP equipment and software		2,300		2,300				2,300	
16. Printing, stationery, books and periodicals		2,091		2,091				2,091	
17. Postage, telephone, messenger and express		132		132				132	
18. Legal and auditing		63,865		63,865				63,865	
19. Totals (Lines 1.5 to 18)		118,802		118,802				118,802	
20. Taxes, licenses and fees:									
20.1 State and local insurance taxes									
20.2 Insurance equipment licenses and fees		213,447		213,447				213,447	
20.3 Gross guaranty association assessments		2,005		2,005				2,005	
20.4 All other (excluding federal income and real estate)		215,452		215,452				215,452	
20.5 Total taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)		430,909		430,909				430,909	
21. Real estate expenses									
22. Real estate taxes		3,801		3,801				3,801	
23. Aggregate write-ins for miscellaneous expenses		338,055		338,055				338,055	
24. Total expenses incurred (Lines 19 + 20.5 + 21 + 22 + 23)		8,015		8,015				8,015	
25. Less unpaid expenses - current year		3,037		3,037				3,037	
26. Add unpaid expenses - prior year		333,077		333,077				333,077	
27. TOTAL EXPENSES PAID (Lines 24 + 25 + 26)		1,719		1,719				1,719	
DETAILS OF WRITE-INS									
2301. Consulting and other professional services		2,082		2,082				2,082	
2302. Miscellaneous									
2303. Penalty									
2398. Summary of remaining write-ins for Line 23 from overflow page									
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		3,801		3,801				3,801	

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

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

	Agency Operations			Totals			
	1 Direct Operations	2 Non-affiliated Agency Operations	3 Affiliated Agency Operations	4 Total (Cols. 1 + 2 + 3)	5 Other 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 2, Col. 1)		70,823		70,823		70,823	123,684
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)		70,823		70,823		70,823	123,684
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)		60,972		60,972		60,972	(126,878)
6. Aggregate write-ins for other operating deductions		338,049		338,049		338,049	110,510
7. Total Operating Deductions (Lines 4 + 5 + 6)		399,021		399,021		399,021	88,368
8. Net operating gain or (loss) (Lines 3 minus 7)		(328,198)		(328,198)		(328,198)	132,052
DETAILS OF WRITE-INS							
0601.							
0602.							
0203.							
C296. Summary of remaining write-ins for Line 2 from overflow page							
C299. Totals (Lines 0203 through 0203 plus C296)							
0601.							
0602.							
0603.							
0696. Summary of remaining write-ins for Line 6 from overflow page							
0699. Totals (Lines 0601 through 0603 plus 0696)							

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 6,307	6,139
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) 161,212	161,449
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	28	28
10. Total gross investment income	167,547	167,616
11. Investment expenses		(g) 645
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)		645
17. Net investment income (Line 10 minus Line 16)		166,971

DETAILS OF WRITE-INS		
0901. Miscellaneous	28	28
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)	28	28

1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 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)	(1,150)			(1,150)
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)	(1,150)			(1,150)

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection		48,180	48,180
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	24,114	29,455	5,341
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)	24,114	77,635	53,521
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	24,114	77,635	53,521

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0999. 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.			
2399. 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

I. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Alliance Title of America, Inc. are presented on the basis of accounting practices prescribed or permitted by the Florida Department of Insurance ("the Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the State of Florida for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Florida Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual, effective January 1, 2001, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Florida. The state adopted the NAIC SAP without modification or exceptions to the best of the Company's knowledge or belief.

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 Policy

Cash on Deposit and Short-term Investments - For purposes of the statement of cash flows, statutory accounting principles consider all debt instruments with a maturity of one year or less at the date of purchase to be short-term investments. Short-term investments are stated at cost.

Debt securities (Bonds) - Investments in loan-backed securities (collateralized mortgage obligations) are stated at the lower of amortized cost using the interest method or fair value.

Basis of Valuation of Invested Assets - None

Equipment - None

Policy Acquisition Costs - Commissions and other costs of acquiring title insurance are expensed when incurred. The Department promulgates a commission rate of no more than 70% to producing agents.

Insurance Liabilities - The liability for known claim reserves includes amounts determined from loss reports and individual cases. The supplemental reserve is established for incurred but not reported losses. The Company utilizes the findings of an independent actuary. Such liabilities are necessarily based on estimates, and while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in the statutory financial statements in accordance with NAIC SAP.

Reinsurance - Reinsurance premiums, expense reimbursements, and reserves related to reinsured policies are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded to other companies have been reported as a reduction of premium income. Amounts applicable to reinsurance ceded for loss and loss adjustment expense reserves have been reported as reductions of those items.

Recognition of Premium Revenues - Premium revenue is recognized on the effective date of the policy. The Department requires insurers domiciled in Florida to maintain a statutory premium reserve equal to 30 cents per \$1,000 of retained net liability on each title policy. The reserve is amortized over a period of 20 subsequent years using a predefined percentage of amortization for each year.

Income Taxes - Income tax provisions are based on net income reported for statutory accounting purposes. Income taxes vary from statutory rates due to the discounting of the statutory premium reserve.

2. Accounting Changes and Correction of Errors

A. None

B. Initial Implementation of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Florida. Effective January 1, 2001, the State of Florida required that insurance companies domiciled in the State of Florida prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual effective January 1, 2000 subject to any deviations prescribed or permitted by the State of Florida insurance commissioner.

3. Business Combinations and Goodwill - N/A

4. Discontinued Operations - N/A

NOTES TO FINANCIAL STATEMENTS

5. Investments
 - A. Mortgage Loans – N/A
 - B. Debt Restructuring – N/A
 - C. Reverse Mortgages – N/A
 - D. Loan-backed Securities
 - (1) The election to use cost or book value for securities as of January 1, 1994 is not applicable.
 - (2) Prepayment assumptions for single class and multi-class mortgaged backed securities were obtained from a broker or from the Company's investment advisor.
 - (3) The Company made no changes in its methodologies for pricing securities.
 - E. Repurchase Agreements – N/A
6. Joint Ventures, Partnerships, and Limited Liability Companies – N/A
7. Investment Income – No due and accrued income was excluded from surplus.
8. Derivative Instruments – N/A
9. Income Taxes: See following pages.

NOTES TO FINANCIAL STATEMENTS

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

	<u>12/31/2006</u>	<u>2005</u>	<u>Change</u>
(1) Total gross deferred tax assets	29,479	35,445	(5,966)
(2) Total deferred tax liabilities	0	0	0
(3) Net deferred tax asset (liability)	29,479	35,445	(5,966)
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	(24,114)	(29,455)	5,341
(5) Admitted deferred tax asset (liability)	<u>5,364</u>	<u>5,990</u>	<u>(626)</u>

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

	<u>12/31/2006</u>	<u>2005</u>	<u>Change</u>
(1) Net deferred tax asset (liability)	29,479	35,445	(5,966)
(2) Tax effect of unrealized gains and losses	0	0	0
(3) Net tax effect without unrealized gains and losses	<u>29,479</u>	<u>35,445</u>	<u>(5,966)</u>
(4) Change in deferred income tax			<u>(5,966)</u>

B. Unrecognized deferred tax liabilities

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

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

	<u>12/31/2006</u>	<u>2005</u>
(1) Current year tax expense (benefit) (exclusive of items 2 and 3 below)	(62,798)	72,385
(2) Tax credits	0	0
(3) Prior year adjustments	4,561	(1,772)
(4) Current income taxes incurred	<u>(58,237)</u>	<u>70,613</u>

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

	<u>12/31/2006</u>	<u>2005</u>
Deferred tax assets:		
(1) Statutory premium reserves	28,951	34,897
(2) Known Claim reserves	528	548
Other	0	0
(3) Total deferred tax assets	<u>29,479</u>	<u>35,445</u>
(4) Nonadmitted deferred tax assets	<u>(24,114)</u>	<u>(29,455)</u>
(5) Admitted deferred tax assets	5,364	5,990
(6) Total deferred tax liabilities	<u>0</u>	<u>0</u>
(7) Net admitted deferred tax asset (liability)	<u>5,364</u>	<u>5,990</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>12-31-2006</u>
(1) Income before taxes	(162,377)
(2) Income tax expense (benefit) at 35% statutory rate	<u>(56,832)</u>
(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 nonadmitted assets	0
f. Tax credits	0
g. Other	4,561
(4) Total income tax expected	<u>(52,271)</u>
(5) Current income taxes incurred (without tax on realized gains and losses)	(58,237)
(6) Change in deferred income tax (without tax on unrealized gains and losses)	5,966
(7) Total income tax reported	<u>(52,271)</u>

E. Operating loss carryforward

- (1) As of December 31, 2006, the Company had \$-0- net operating loss carryforwards available for tax purposes.
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are \$ 75,174 for 2005 and \$ -0- for 2004.

F. Consolidated federal income tax return

- (1) The Company's federal income tax return is consolidated with the following entities: Stewart Information Services Corporation, Ortem Investments, Inc., National Land Title Insurance Company, Charter Title Insurance Company, Stewart Title Guaranty Company and subsidiaries.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, and Affiliates

- A. Effective February 1, 2003, the outstanding shares of the Company are owned 14% by Stewart Title Guaranty Company (STG) and 86% by Stewart Information Services Corp (SISCO). Currently, the Company is being considered for sale to a third party or merger by SISCO into STG, a wholly owned subsidiary of SISCO, domiciled in Texas.
- B. No transactions excluding reinsurance transaction that are above the 1/2 of 1% of admitted assets.
- C. None.
- D. None.
- E. None.
- F. The Company has entered into a Cost Allocation Agreement and Administrative Agreement with Stewart Title Guaranty Company effective January 1, 2005 and filed with the Texas Insurance Department, under Holding Company Section #34336 and filed with the State of Florida's Office of Insurance Regulation on August 6, 2005 pursuant to Rule 690-143.047, Florida Administrative Code.
- G. Effective February 1, 2003, the outstanding shares of the Company are owned 14% by Stewart Title Guaranty Company (STG) and 86% by Stewart Information Services Corp (SISCO). SISCO owns all the outstanding shares of STG. SISCO is domiciled in Delaware and STG is domiciled in Texas.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

11. Debt – None

12. Retirement Plans, Deferred Compensation, etc. – N/A

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

- (1) The Company's Class A shares (votes on sale of substantially all assets only) have 8,550 shares authorized, 2,665 shares issued and 2,455 shares outstanding. The Company's Class B shares (regular voting shares) have 420 shares authorized, issued, and outstanding. The Company's Class C shares (voting on sale of substantially all assets only) have 1,030 shares authorized and issued and 560 shares outstanding. The par value for each of the above classes of stock is \$5.
- (2) The Company's preferred stock, Class C has a redemption value of \$1,140 plus \$10 per month for length outstanding. It does not accrue dividends.
- (3) The Company must obtain Department approval before paying any dividends until surplus from net income is positive.
- (4) Approximately \$0 from profits through December 31, 2006 could be paid as a dividend as of December 31, 2006. (Department approval is required.)
- (5) None.
- (6) Not applicable.
- (7) None.
- (8) Not applicable.
- (9) The portion of unassigned funds (surplus) represented or reduced by each of the following:
- | | | |
|------------------------------|----|--------|
| a. Unrealized losses | \$ | -- |
| b. Non-admitted assets | \$ | 24,114 |
| c. Separate Account Business | \$ | -- |
| d. Asset Valuation Reserve | \$ | -- |
| e. Provision for reinsurance | \$ | -- |
- (10) None.
- (11) Not applicable.
- (12) Not applicable.

14. Contingencies – None.

15. Leases

- A. The Company leased its office facilities under an operating lease that expired in April 2004. Rental expense was \$0 for the years ended December 31, 2005 and 2006.

The Company is not involved in any sale lease-back transactions.

- B. Not applicable.

16. Information About Financial Instruments with Off-Balance Sheet Risk – None.

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities – None.

18. Not applicable.

19. Direct Written Premium / Produced by Managing General Agents – Not Applicable.

NOTES TO FINANCIAL STATEMENTS

20. September 11, 2001 Events – None
21. Other Items – An “Application to the Florida Office of Insurance Regulation for the Acquisition Of Controlling Interest Of A Domestic Insurer” has been submitted to the Florida OIR and is awaiting approval.
22. Events Subsequent
Type I – None.
Type II – None.
23. Reinsurance
- A. The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company’s surplus.
- B. None
C. None
D. None
E. None
F. None
G. None
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – Not Applicable.
25. Change in Incurred Losses and Loss Adjustment Expenses-Not Applicable
26. Inter-company Pooling Arrangements – Not Applicable.
27. Structured Settlements – Not Applicable.
28. Supplemental Reserves – The Company does not use discounting in the calculation of its supplemental reserve.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	3,721,143	100.000	3,721,143	100.000
9. Other invested assets				
10. Total invested assets	3,721,143	100.000	3,721,143	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? FLORIDA
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: 12/31/2003
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003
- 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. 03/31/2005
- 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). 03/31/2005
- 3.4 By what department or departments? FLORIDA OFFICE OF INSURANCE REGULATION
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 HEVIA REAGLES & CO, CPAS
 9400 4TH ST. N, SUITE 120, ST. PETERSBURG, FL 33702
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? JOHN PIERCE, CONSULTING ACTUARY
 1420 RENAISSANCE DRIVE, SUITE 104, PARK RIDGE, IL 60068
- 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: N/A
 11.12 Number of parcels involved: _____
 11.13 Total book/adjusted carrying value: \$ _____
- 11.2 If yes, provide explanation: _____
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

BOARD OF DIRECTORS

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

FINANCIAL

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount \$ _____

INVESTMENT

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

20.2 If no, give full and complete information, relating thereto: _____

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

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

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

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

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

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

1 Name of Custodian(s)	2 Custodian's Address
Marshall & Sely Trust Company	770 N. Water Street, Milwaukee, WI 53202

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

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

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
GOLD BANK	MARSHALL & SEELY TRUST COMPANY	09/01/2006	GOLD BANK ACQUIRED BY M&S

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

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