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QUARTERLY STATEMENT

AS OF MARCH 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Stewart Title Guaranty Company

NAIC Group Code 0340 (Current Period) 0340 (Prior Period) NAIC Company Code 50121 Employer's ID Number 74-0924290

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

Country of Domicile United States of America

Incorporated/Organized: February 20, 1908 Commenced Business: March 11, 1913

Statutory Home Office: 1980 Post Oak Boulevard, Houston, TX 77056
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 1980 Post Oak Boulevard (Street and Number)
Houston, TX 77056 (City or Town, State and Zip Code) 713-625-8599 (Area Code) (Telephone Number)

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

Primary Location of Books and Records: 1980 Post Oak Boulevard Houston, TX 77056 713-625-8040
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: www.stewart.com

Statutory Statement Contact: Alison R. Evers 713-625-8036
(Name) (Area Code) (Telephone Number) (Extension)
AEvers@stewart.com 713-629-2330
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>Michael B. Skalka</u>	<u>President</u>
2.	<u>Denise Carraux</u>	<u>Secretary</u>
3.	<u>Ken Anderson Jr.</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Alison R. Evers</u>	<u>Senior Vice-President</u>	<u>Glenn Clements</u>	<u>Executive Vice-President</u>
<u>Max Crisp</u>	<u>Senior Vice-President</u>	<u>Allen Berryman</u>	<u>Executive Vice-President</u>
<u>John Killea</u>	<u>Executive Vice-President</u>	<u>George Houghton</u>	<u>Executive Vice-President</u>
<u>Murshid Kahn</u>	<u>Senior Vice-President</u>	<u>Rand Zimmerman</u>	<u>Executive Vice-President</u>
<u>Robert Oakland</u>	<u>Senior Vice-President</u>	<u>Larry Davis</u>	<u>Senior Vice-President</u>
<u>Lou Ann Ysaquirre</u>	<u>Vice-President</u>		

DIRECTORS OR TRUSTEES

<u>Bruce Belin</u>	<u>Max Crisp</u>	<u>Nita Hanks</u>	<u>Charles F. Howard</u>
<u>Malcolm S. Morris</u>	<u>Stewart Morris</u>	<u>Stewart Morris Jr.</u>	<u>Matthew W. Morris Jr.</u>
<u>Michael B. Skalka</u>			

State of Texas

County of Harris ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Michael B. Skalka</u> (Signature) 1. President (Title)	<u>Denise Carraux</u> (Signature) 2. Secretary (Title)	<u>Ken Anderson Jr.</u> (Signature) 3. Treasurer (Title)
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Subscribed and sworn to before me this _____ day of _____, 2009

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	384,383,035		384,383,035	410,577,506
2. Stocks:				
2.1 Preferred stocks	9,624,355		9,624,355	9,625,943
2.2 Common stocks	306,954,782		306,954,782	311,072,240
3. Mortgage loans on real estate:				
3.1 First liens	1,983,296	622,533	1,360,763	1,363,917
3.2 Other than first liens				
4. Real estate:				
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)	1,812,387		1,812,387	1,812,387
5. Cash (\$ 17,377,117), cash equivalents (\$ 0), and short-term investments (\$ 2,240,204)	19,617,320		19,617,320	38,339,176
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	1,689,164	58,425	1,630,739	1,694,632
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	726,064,339	680,958	725,383,381	774,485,801
11. Title plants less \$ 0 charged off (for Title insurers only)	7,465,612	3,984,420	3,481,192	3,481,193
12. Investment income due and accrued	4,410,164	21,956	4,388,208	4,972,155
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	34,319,143	11,379,150	22,939,993	21,196,562
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	420,869	418,411	2,458	699,593
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	6,381,496		6,381,496	5,754,321
16.2 Net deferred tax asset	42,875,051	42,875,051		
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	864,949	522,712	342,237	417,828
19. Furniture and equipment, including health care delivery assets (\$ 0)	4,247,946	3,947,444	300,502	336,821
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	6,957,290	6,254,684	702,606	4,497,400
22. Health care (\$ 0) and other amounts receivable	4,989,657	2,192,493	2,797,164	1,985,418
23. Aggregate write-ins for other than invested assets	3,321,651	2,780,622	541,029	492,529
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	842,318,167	75,057,901	767,260,266	818,319,621
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	842,318,167	75,057,901	767,260,266	818,319,621

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Other Assets & deposits	1,047,773	506,744	541,029	492,529
2302. Other nonadmitted assets	2,273,878	2,273,878		
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	3,321,651	2,780,622	541,029	492,529

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	116,235,635	117,640,556
2. Statutory premium reserve	326,446,000	332,185,000
3. Aggregate of other reserves required by law		
4. Supplemental reserve		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	12,414,583	19,101,070
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	847,870	6,151,016
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
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	372,512	539,285
14. Amounts withheld or retained by company for account of others		
15. Provision for unauthorized reinsurance		
16. Net adjustments in assets and liabilities due to foreign exchange rates	1,678,019	3,116,959
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	4,591,616	5,460,634
19. Payable for securities	252,838	
20. Aggregate write-ins for other liabilities	1,203,956	1,860,292
21. Total liabilities (Lines 1 through 20)	464,043,029	486,054,812
22. Aggregate write-ins for special surplus funds	501,409	501,409
23. Common capital stock	8,500,000	8,500,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	111,928,154	111,596,543
28. Unassigned funds (surplus)	182,287,674	211,666,857
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)	303,217,237	332,264,809
31. Totals	767,260,266	818,319,621

DETAILS OF WRITE-INS		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 03 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)		
2001. Reinsurance payable	1,203,956	1,860,292
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)	1,203,956	1,860,292
2201. Surplus arising from increase in book value of title plants	501,384	501,384
2202. Mineral interest-assigned value	25	25
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	501,409	501,409
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		

OPERATIONS AND INVESTMENT EXHIBIT

STATEMENT OF INCOME	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	227,434,780	274,372,585	1,202,559,106
1.2 Escrow and settlement services	397,047	434,320	2,065,938
1.3 Other title fees and service charges	8,947,545	6,842,264	37,025,658
2. Aggregate write-ins for other operating income	181,260	786,173	1,948,931
3. Total Operating Income (Lines 1 through 2)	236,960,632	282,435,342	1,243,599,633
DEDUCT:			
4. Losses and loss adjustment expenses incurred	31,551,854	29,511,181	152,082,944
5. Operating expenses incurred	230,185,822	274,697,624	1,121,143,684
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	261,737,676	304,208,805	1,273,226,628
8. Net operating gain or (loss) (Lines 3 minus 7)	(24,777,044)	(21,773,463)	(29,626,995)
INVESTMENT INCOME			
9. Net investment income earned	3,771,886	6,219,758	20,540,971
10. Net realized capital gains (losses) less capital gains tax of \$ 0	(524,079)	30,381	(1,351,389)
11. Net investment gain (loss) (Lines 9 + 10)	3,247,807	6,250,139	19,189,582
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)	390,811	315,428	1,650,057
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(21,138,426)	(15,207,896)	(8,787,356)
14. Federal and foreign income taxes incurred	148,927	(6,135,356)	496,947
15. Net income (Lines 13 minus 14)	(21,287,353)	(9,072,540)	(9,284,303)
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	332,264,809	515,901,015	515,901,015
17. Net income (from Line 15)	(21,287,353)	(9,072,540)	(9,284,303)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(2,467,636)	(6,216,092)	(149,042,473)
19. Change in net unrealized foreign exchange capital gain (loss)	(933,634)	(1,873,648)	(17,586,355)
20. Change in net deferred income taxes	(25,905,958)	344,328	29,901,619
21. Change in nonadmitted assets	21,215,398	(4,893,626)	(38,263,933)
22. Change in provision for unauthorized reinsurance			
23. Change in supplemental reserves			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in			
26.2 Transferred from surplus (Stock Dividend)			
26.3 Transferred to surplus			
27. Surplus Adjustments:			
27.1 Paid in	331,611	1,000,465	644,119
27.2 Transferred to capital (Stock Dividend)			
27.3 Transferred from capital			
28. Dividends to stockholders			
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus			(4,880)
31. Change in surplus as regards policyholders (Lines 17 through 30)	(29,047,572)	(20,711,113)	(183,636,206)
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	303,217,237	495,189,902	332,264,809

DETAILS OF WRITE-IN LINES			
0201. Title plant rent	167,496	182,324	1,009,605
0202. Ceded reimbursements from agents	13,764	603,849	939,326
0203.			
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)	181,260	786,173	1,948,931
0601.			
0602.			
0603.			
0698. Summary of remaining write-ins for Line 06 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)			
1201. Computer support fees	103,529	302,826	1,846,240
1202. Miscellaneous Fees	155,853	11,246	243,483
1203. Realized gains(loss) on other assets	131,429	1,356	(439,666)
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)	390,811	315,428	1,650,057
3001. Surplus change in real estate			(4,880)
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)			(4,880)

CASH FLOW

	1	2
Cash from Operations	Current Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	219,503,429	1,118,801,901
2. Net investment income	5,109,289	26,703,687
3. Miscellaneous income	9,916,663	42,690,583
4. Total (Lines 1 to 3)	234,529,381	1,188,196,171
5. Benefit and loss related payments	32,956,775	125,898,497
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	242,791,636	1,121,784,827
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	776,103	(6,270,208)
10. Total (Lines 5 through 9)	276,524,514	1,241,413,116
11. Net cash from operations (Line 4 minus Line 10)	(41,995,133)	(53,216,945)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	34,364,977	392,834,240
12.2 Stocks		36,246,360
12.3 Mortgage loans	3,596	361,757
12.4 Real estate	440,040	
12.5 Other invested assets	8,893	24,159
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		(23,814)
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	34,817,506	429,442,702
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,602,787	352,864,140
13.2 Stocks	79,147	41,077,296
13.3 Mortgage loans		477,034
13.4 Real estate	440,040	308,320
13.5 Other invested assets		
13.6 Miscellaneous applications		609,372
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,121,974	395,336,162
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	23,695,532	34,106,540
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	331,611	644,119
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		2,000,000
16.6 Other cash provided (applied)	(753,866)	(4,162,842)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(422,255)	(5,518,723)
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)	(18,721,856)	(24,629,128)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	38,339,176	62,968,304
19.2 End of period (Line 18 plus Line 19.1)	19,617,320	38,339,176

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

20.0001	Line 13.2 and line 2 includes non-cash contribution to affiliate	79,147	96,077
20.0002	Line 2 and line 13.7 included property dividend from affiliate		546,872
20.0003	Line 12.4 and line 12.3 includes transfer of note foreclosed to real estate		308,320
20.0004	Line 16.2 and line 7 includes non-cash capital contribution from parent	331,611	644,119

NOTES TO FINANCIAL STATEMENTS

1. Accounting Practices

A. The financial statements of Stewart Title Guaranty Company are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance.

The Texas Department of Insurance recognizes statutory accounting practices prescribed or permitted by the State of Texas for determining and reporting the financial condition and results of operations of a title insurance company, for determining its solvency under the Texas Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Texas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, (A) home office furniture and fixtures acquired after December 31, 2000 is an admitted asset as permitted by Texas Insurance Code 7.18 section (c)(4), depreciated in full over a period not to exceed five years. Home office fixed assets acquired prior to January 1, 2001 are an admitted asset as permitted by Texas Insurance Code Articles 3.01, 6.12, 8.07 and any other applicable laws, and shall be depreciated in full over a period not to exceed ten years. In NAIC SAP 17, furniture and fixtures are nonadmitted. (B) real estate owned prior to October 1, 1967 continue to qualify as an admitted asset per Texas Insurance Code Article 2551.151. In NAIC SAP 40, appraisals must be no more than five years old or the property will be nonadmitted.

	<u>3/31/2009</u>	<u>12/31/2008</u>
Net Income, Texas State Basis	\$ (21,287,353)	\$ (9,284,303)
State Prescribed Practices	0	0
State Permitted Practices;	0	0
Net Income, NAIC SAP	\$ (21,287,353)	\$ (9,284,303)
Statutory Surplus, Texas State Basis	\$ 303,217,237	\$ 332,264,809
State Prescribed Practices:		
(1)Furniture & Fixtures	(342,237)	(336,821)
(2)Real Estate	(4,423)	(4,423)
State Permitted Practices:		
Statutory Surplus, NAIC SAP	\$ 302,870,577	\$ 331,923,565

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 assumes and cedes reinsurance with various title companies, on an individual basis, utilizing standard facultative agreements provided by the American Land Title Association and also has in effect several excess reinsurance agreements wherein the Company assumes or may cede liability automatically under the terms of the treaty. Statutory Premium Reserves (SPR) are established to protect title insurance policyholders in the event of insolvency or dissolution of a title insurer. SPR is computed based on Article 2251.253 of the Texas Insurance Code. Expenses incurred in connection with issuing the policies are charged to operations as an expense for premiums retained by agents.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method.
- (3) Common stocks are stated at market except investments in stocks that are not publicly traded, are valued at zero or cost.
- (4) Investments in Preferred stock, excluding investments in preferred stock of subsidiary, controlled, or affiliated entities – None.

NOTES TO FINANCIAL STATEMENTS

- (5) Mortgage loans on real estate are stated at the aggregate unpaid balance.
- (6) Loan-backed securities are valued at amortized cost using the retrospective method.
- (7) The Company owns 100% of the common stock of Stewart Title Company, a non-insurance company. This stock is valued on the audited GAAP equity basis as described in the *NAIC Accounting Practices and Procedures Manual* SSAP 97, section 8(b)(iii).

The Company owns 100% of Stewart Title Insurance Company, Stewart Title Insurance Company of Oregon, and National Land Title Insurance Company, which are title insurance companies. These investments are valued based on SSAP 97, Section 8(b)(i) of the *NAIC Accounting Practices and Procedures Manual*.

The Company owns 100% of Stewart Title Limited (UK) and 99.9% of Stewart Title Guaranty de Mexico, S.A., which are foreign title insurance companies. These investments are valued based on SSAP 97, Section 8(b)(iv) of the *NAIC Accounting Practices and Procedures Manual*.

The Company owns 10.16% of Title Reinsurance Company, a reinsurance company that provides primary liability insurance, and 13.68% of stock in Alliance Title of America Corporation, a title insurance company. Both companies are valued at the Company's share of surplus as regards to policyholders per the most recent NAIC statement.

- (8) The Company has minor ownerships interest in one joint venture and one limited liability company. These investments are valued based on SSAP 48, Section 8.
- (9) Derivatives – None
- (10) Anticipated investment income used as a factor in the premium deficiency calculation. – Not applicable
- (11) Unpaid losses and loss adjustment expenses include an amount for known claims and a formula-driven statutory premium reserve. Known claim reserves consist of a reserve for payment of the loss and costs of defense of the insured and other costs expected to be paid to other parties in the defense, settlement, or processing of the claim under the terms of the title insurance policy for each specific known claim.

The statutory premium reserve is based on Section 2551.253 of the Texas Insurance Code, which was amended with an effective date of September 1, 2005. The amended Section 2551.253 requires the Company to reserve an amount equal to 6.2% of total charges for title policies written or assumed for calendar year 1997 and on or after January 1, 1998 and before January 1, 2005 to reserve 25 cents per \$1,000 in net retained liability assumed. On or after January 1, 2005, the reserve should equal 18.5 cents per \$1,000 of net retained liability assumed.

The reserve is subsequently reduced by 26% of the addition in the first year succeeding the year of addition, 20% in the second year, 10% in the third year, 9% in the fourth year, 5% in the fifth and sixth years, 3% in the seventh through the ninth year, 2% in the tenth through fourteenth year and 1% in the last six years.

The Texas Commissioner gave an Order for a Change to Statutory Premium Reserve that resulted in a \$79.7 million reduction in the statutory premium reserve as allowed by Section 2551.258 of the Texas Insurance Code. At December 31, 2008 the total of the Company's known claims reserves and statutory premium reserve is equal to the loss reserve as stated in Schedule P, column 24, which the Company's appointed actuary has provided a loss reserve opinion.

- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Not applicable to title companies.

2. Accounting Changes and Corrections of Errors

- A. There were no material changes in accounting principles.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Texas. The State of Texas requires that insurance companies domiciled in the State of Texas prepare their statutory basis financial statements in accordance with the *NAIC Accounting Practices and Procedures* manual, subject to any deviations prescribed or permitted by the State of Texas insurance commissioner.

Accounting changes adopted to conform to the provisions of the *NAIC Accounting Practices and Procedures* manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill – Not Applicable**4. Discontinued Operations** – Not Applicable**5. Investments**

A. Mortgage Loans

1. The maximum and minimum lending rates for real estate loans are 11.50% and 5.75%.
2. None
3. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 137%.

	<u>Current Year</u>	<u>Prior Year</u>
4. At March 31, 2009, the Company held mortgage with interest more than 180 days past due with a recorded investment excluding accrued interest of:	\$1,400,000	\$1,400,000
Total interest due on mortgages with interest more than 180 days past due equals:	-	-
5. Taxes, assessments and any amounts advances and not included in the mortgage loan total.	-	-
6. Current year impaired loans with related allowance for credit losses.	-	-
7. Impaired mortgage loans without an allowance for credit losses.	-	-
8. Average recorded investment in impaired loans.	-	-
9. Interest income recognized during the period on loans impaired.	-	-
10. Amount of interest income recognized on a cash basis during the period the loans were impaired.	-	-

B. Debt Restructuring- Not applicable

C. Reverse Mortgages – None

D. Loan-Backed Securities - The Company uses retrospective method and prepayment assumptions are obtained from the Public Security Association and actual data.

E. Repurchase Agreements – None

F. Real Estate - The Company has no investments in real estate that are material for disclosure.

G. Low-Income Housing Tax Credits (LIHTC) – The Company's investment in LIHTC is less than 0.2% of admitted assets and therefore is immaterial for disclosure.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

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

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgages loans in default and all interest accrued on unsecured notes and certificates of deposits.

2. The total amount excluded was \$ 21,956.

8. Derivative Instruments- None**9 Income Taxes**

NOTES TO FINANCIAL STATEMENTS

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

	3/31/2009	12/31/2008	Change
(1) Total gross deferred tax assets	42,875,051	68,809,148	(25,934,097)
(2) Total deferred tax liabilities	-		0
(3) Net deferred tax asset (liability)	42,875,051	68,809,148	(25,934,097)
(4) Deferred tax assets nonadmitted in accordance with SSAP No. 10	<u>(42,875,051)</u>	<u>(68,809,148)</u>	<u>25,934,097</u>
(5) Admitted deferred tax asset (liability)	<u>0</u>	<u>0</u>	<u>0</u>

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

	3/31/2009	12/31/2008	Change
(1) Net deferred tax asset (liability)	42,875,051	68,809,148	(25,934,097)
(2) Tax-effect of unrealized gains and losses	35,146	63,285	(28,139)
(3) Net tax effect without unrealized gains and losses	42,839,906	68,745,863	(25,905,957)
(4) Change in deferred income tax			(25,905,957)

B. Unrecognized deferred tax liabilities

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

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

	3/31/2009	12/31/2008
(1) Current year tax expenses (benefit) (exclusive of items 2 and 3 below)	148,927	(1,454,057)
(2) Tax credits		
(3) Federal income tax on net capital gains	0	(973,450)
(4) Prior year adjustments	<u>0</u>	<u>1,951,003</u>
(5) Current income taxes incurred	<u>148,927</u>	<u>(476,503)</u>

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

	3/31/2009	12/31/2008
Deferred tax assets:		
(1) Discounting of Reserves	22,137,109	49,989,295
(2) Fixed Assets	3,529,925	3,706,731
(3) Foreign Tax Credit	5,282,915	5,282,915
(4) NOL carryforward	5,431,842	0
(5) Accruals not currently deductible	2,846,819	5,107,947
(6) Other	<u>3,646,442</u>	<u>4,722,261</u>
(7) Total deferred tax assets	42,875,051	68,809,148
(8) Nonadmitted deferred tax assets	<u>(42,875,051)</u>	<u>(68,809,148)</u>
(9) Admitted deferred tax assets	<u>0</u>	<u>0</u>
Deferred tax liabilities:		
(10) Stock unrealized gains	0	0
(11) Other	<u>0</u>	<u>0</u>
(12) Total deferred tax liabilities	0	0
(13) Total deferred tax liabilities	0	0
(14) Net admitted deferred tax asset (liability)	<u>0</u>	<u>0</u>

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

	3/31/2009
(1) Income before taxes	(21,138,424)
(2) Income tax expense (benefit) at 35% statutory rate	(7,398,448)
(3) Increase (decrease) in tax resulting from:	
a. Dividends received deduction	(16,101)
b. Non-deductible expenses for meals, penalties and lobbying	129,233
c. Tax-exempt income	(173,327)
d. Deferred tax (expense) on nonadmitted assets	35,023,675
e. Foreign income taxes	(148,927)
f. Federal income taxes on capital gains	
g. Other	<u>(1,361,221)</u>
(4) Total income tax expected	<u>26,054,884</u>
(5) Current income taxes incurred (without tax on realized gains and losses)	148,927
(6) Change in deferred income tax (without tax on unrealized gains and losses)	25,905,957
(7) Total income tax reported	<u>26,054,884</u>
	0

NOTES TO FINANCIAL STATEMENTS

E. Operating loss and tax credit carryforwards-

1. As of March 31, 2009, the Company had \$25,625,116 net operating loss and \$5,431,842 foreign tax credit Carryforwards available for tax purposes. The NOL will expire in 2030 and the foreign tax credit between 2019-2020.
2. The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are \$-0-.
3. There are no deposits admitted under IRC Sec. 6603.

- F. (1) The Company's federal Income Tax return is consolidated with the following entities: Stewart Information Services Corporation, Ortem Investments, Inc., Alliance Title of America, Inc. and subsidiaries denoted with an I on Schedule D-Part 6, Section 1 and 2 in the 2008 Annual Statement.
- (2) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated April 1, 2006. Such Agreement was filed with the Texas Insurance Commissioner on April 5, 2006, under Holding Company Section #34923.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company did not pay a dividend during the first quarter.

During the year our parent, Stewart Information Services Corporation, made a capital contribution to us in the amount of \$ 331,611.

B and C. –

The Company made a capital contribution to Stewart Title Company in the first quarter of 2009 in the amount of \$79,147.

- D. Amounts due from and amounts payable to related parties at March 31, 2009 are \$ 7,377,179 and \$4,591,616, respectively.

E. None

- F. The Company has agreed to provide Stewart Information Services Corporation certain management and accounting services as described in the Cost Allocation Agreement with Stewart Information Services Corporation dated January 1, 1974, as amended by Amendment No. 1, dated January 1, 1980, Amendment No. 2, dated January 1, 1986, Amendment No. 3, dated January 1, 1991, Amendment No. 4, dated January 1, 1996, Amendment No. 5, dated January 1, 2001 and Amendment No. 6, dated June 6, 2005 (HCS # 34302).

The Company has agreed to provide Stewart Title Company certain management and accounting services as described in the Cost Allocation Agreement with Stewart Title Company dated January 1, 1980, as amended by Amendment No. 1, dated January 1, 1986, Amendment No. 2, dated January 1, 1991, Amendment No. 3, dated January 1, 1996, Amendment No. 4, dated January 1, 2001 and Amendment No. 5, Dated January 1, 2006 (HCS # 34529).

The Company has agreed to provide services to its wholly owned subsidiary, Stewart Title Insurance Company of Oregon, pursuant to Management Agreement, dated January 1, 1997. Such Agreement was filed with the Texas Insurance Department on December 18, 1996, under Holding Company Section # 27073.

The Company has entered into a service agreement with Landata Systems, Inc. for certain computer and software services as described in the Service Agreement dated January 1, 2000 which replaced the original Service Agreement, dated February 16, 1978. Such Agreement was filed with the Texas Insurance Department on February 3, 2000, under Holding Company Section # 30240. The Service Agreement was further amended effective March 12, 2004, under Holding Company Section # 33340, and effective October 1, 2004, under Holding Company Section # 33907. On September 17, 2007 the Texas Department of Insurance approved the name change from Landata Systems, Inc. to PropertyInfo Corporation.

The Company has entered into a service agreement with Arkansas Title Insurance Company as described in the agreement dated July 1, 2001. Such agreement was filed with the Texas Insurance Department on March 22, 2002, under Holding Company Section # 31773.

The Company has entered into a cost allocation agreement with Arkansas Title Insurance Company as described in the agreement dated November 27, 2006. Such agreement was filed with the Texas Insurance Department on January 26, 2007, under Holding Company Section # 35678.

The Company has entered into a service agreement with Arkansas Title Insurance Company as

NOTES TO FINANCIAL STATEMENTS

described in the agreement dated March 20, 2006. Such agreement was filed with the Texas Insurance Department, under Holding Company Section # 34911.

The Company has agreed to provide services to its wholly owned subsidiary, Stewart Title Guaranty de Mexico, pursuant to Inter-Group Service Agreement and Secondment Agreement dated January 1, 2002. Such agreements were filed with the Texas Insurance Department under Holding Company Section # 32520 and #32519.

The Company has entered into a service agreement with Ultima Corporation for certain computer and Software services as described in the Service Agreement dated April 16, 2004. Such Agreement was filed with the Texas Insurance Department on April 19, 2004, under Holding Company Section # 33342. On September 17, 2007 the Texas Department of Insurance approved the name change from Ultima Corporation to PropertyInfo Corporation.

The Company has entered into a Secondment Agreement with Stewart International Spolka Z Ograniconza dated June 30, 2004. Such agreement was filed with the Texas Insurance Department under Holding Company Section # 33570.

The Company has entered into a service agreement with Stewart Imaging Services covering issued title policies which require conversion from paper documents to computer image for storage and retrieval. Such agreement was filed with the Texas Insurance Department on May 1, 1998 under Holding Company Section # 28563, as amended by Amendment No. 2 under HCS # 32547, dated December 21, 2002, and Amendment No. 3 under HCS# 33616 dated July 24, 2004.

The Company has entered into a service agreement with First Data Systems, Inc. for computer related services as described in the Service Agreement dated April 13, 2004. Such agreement was filed with the Texas Insurance Department on April 16, 2004, under Holding Company Section # 33343. On September 17, 2007 the Texas Department of Insurance approved the name change from First Data Systems, Inc. to PropertyInfo Corporation.

The Company has entered into a service agreement with Stewart Transaction Solutions, Inc. for computer related services as described in the Service Agreement dated March 12, 2004. Such agreement was filed with the Texas Insurance Department on April 16, 2004, under Holding Company Section # 33341. On September 17, 2007 the Texas Department of Insurance approved the name change from Stewart Transaction Solutions, Inc. to PropertyInfo Corporation.

The Company has entered into a hosted services agreement with Stewart Transactions Solutions, Inc. for hosted tech related services as described in the Service Agreement dated September 15, 2006. Such agreement was filed with the Texas Insurance Department on September 15, 2006, under Holding Company Section # 35343. On September 17, 2007 the Texas Department of Insurance approved the name change from Stewart Transaction Solutions, Inc. to PropertyInfo Corporation.

The Company has entered into a Cost Allocation Agreement and Administrative Agreement with Alliance Title of America, Inc. effective January 1, 2005 and filed with the Texas Insurance Department, under Holding Company Section #34336.

The Company has entered into a service agreement with REI Data, Inc. for converting title policies from paper documents into computer image as described in the Service Agreement dated July 13, 2005. Such Agreement was filed with the Texas Insurance Department on July 15, 2005, under Holding Company Section # 34337. On September 17, 2007 the Texas Department of Insurance approved the name change from REI Data, Inc. to PropertyInfo Corporation.

The Company has entered into a service agreement with REI Data, Inc. for computer related services as described in the Service Agreement dated May 6, 2005. Such agreement was filed with the Texas Insurance Department on May 11, 2005, under Holding Company Section # 34216, as amended by Amendment No. 1 and 2, dated August 2, 2006 (HCS # 35205). On September 17, 2007 the Texas Department of Insurance approved the name change from REI Data, Inc. to PropertyInfo Corporation.

The Company has entered into a service agreement with REI Data, Inc. for a subscription service as described in the Service Agreement dated October 4, 2006. Such agreement was filed with the Texas Insurance Department on October 10, 2006 under Holding Company Section # 35368 as amended February 22, 2008 (HCS # 36551). On September 17, 2007 the Texas Department of Insurance approved the name change from REI Data, Inc. to PropertyInfo Corporation.

The Company has entered into a title plant conveyance agreement with PropertyInfo Corporation for title plant service as described in the Agreement dated February 12, 2008. Such agreement was filed with the Texas Insurance Department on February 28, 2008 under Holding Company Section # 36550.

The Company has entered into a service agreement with Real Property Information for scanning and indexing services as described in the Service Agreement dated July 24, 2006. Such agreement was filed with the Texas Insurance Department on July 27, 2006, under Holding Company Section # 35152.

NOTES TO FINANCIAL STATEMENTS

The Company has entered into an agreement with Stewart Title Limited, a United Kingdom insurance corporation as described in the Net Worth Maintenance Agreement dated March 13, 2006. Such agreement was filed with the Texas Insurance Department on July 19, 2006, under Holding Company Section # 35118.

The Company has entered into a cost allocation agreement with National Land Title Insurance Company as described in the agreement dated July 1, 2006. Such agreement was filed with the Texas Insurance Department on September 6, 2006, under Holding Company Section # 35238.

The Company has entered into a sublease agreement with Stewart Lender Services, Inc. Such agreement was filed with the Texas Insurance Department on April 4, 2007, under Holding Company Section # 35818.

The Company has entered into an audit services agreement with Monroe Title Insurance Corporation as described in the agreement dated October 11, 2007 and filed with the Texas Insurance Department on July 18, 2007, under Holding Company Section # 36049.

The Company has entered into a service agreement with Stewart Water Information, LLC. for title related services as described in the agreement dated August 31, 2007. Such agreement was filed with the Texas Insurance Department on September 17, 2007, under Holding Company Section # 36179.

The Company has entered into a cost allocation agreement with Electronic Closing Services, Inc. for vendor management services as described in the agreement dated August 7, 2007. Such agreement was filed with the Texas Insurance Department on August 14, 2007, under Holding Company Section # 36126.

The Company has entered into a service agreement with PropertyInfo Corporation for computer related services as described in the agreement dated August 27, 2007. Such agreement was filed with the Texas Insurance Department on September 1, 2007, under Holding Company Section # 36180.

The Company has entered into a title plant agreement and service agreement with PropertyInfo Corporation for computer services and sale of copies of back title plants in Bexar County, Texas as described in the agreement dated February 11, 2008. Such agreement was approved with the Texas Insurance Department on February 28, 2008, under Holding Company Section # 36550.

The Company has entered into a service agreement with Stewart Title of Arkansas, Inc. for title plant related services as described in the agreement dated November 3, 2008. Such agreement was approved with the Texas Insurance Department on November 21, 2008, under Holding Company Section # 37194.

The Company has entered into a service agreement with Stewart Title of Tennessee, Inc. for title plant related services as described in the agreement dated November 3, 2008. Such agreement was approved with the Texas Insurance Department on November 21, 2008, under Holding Company Section # 37195.

- G. All outstanding shares of the Company are owned by Stewart Information Services Corporation, an insurance holding company domiciled in the State of Delaware.
- H. None
- I. The Company owns a 100% interest in Stewart Title Company, a non-insurance company, whose carrying value exceeds 10% of the admitted assets of the Company. The Company carries Stewart Title Company at GAAP equity adjusted for the elimination of parent company stock. The statement value and GAAP equity value of Stewart Title Company as of 12/31/2008 and 12/31/2007 was \$ 250,966,179 and \$373,033,179.
- J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.

11. **Debt** – None

12. **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. None
- B. The Company sponsors a defined contribution benefit plan in which all employees and its participating subsidiaries who have completed 90 days of service are eligible to participate.

In general, a participant in the defined contribution plan may elect to defer on a tax-free basis, in accordance with Section 401(k) of the Internal Revenue Code, a specified percentage of their compensation. Contribution by participants whose compensation is in the highly compensated group of all employees are

NOTES TO FINANCIAL STATEMENTS

subject to certain additional limitations under Section 401(k) of the Internal Revenue Code. Deferred compensation is contributed to a trust managed for the benefit of the participants. The Plan also offers a Roth 401(k) feature where the participant can choose to make after-tax contributions.

At March 31, 2009 plan assets totaled \$ 166,213,225 including vested benefits of \$ 165,174,854.

C. None

D. None

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

1. The Company has 2,000 shares of common stock authorized, issued and outstanding. The par value per share is \$3,500.

The Company has 750,000 shares of Class B common stock authorized, issued and outstanding. The par value per is \$2.

2.-3. None

4. As of December 31, 2008, under Texas insurance law, the Company could pay dividends or make distributions of up to \$66.5 million in 2009 after approval of the Texas Insurance Commissioner. However, the Company voluntarily restricts dividends so that it can grow its statutory surplus, maintain liquidity at competitive levels and maintain its high ratings.

5.-8. Not applicable

9. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses for the three months period ending March 31, 2009 is \$ (3,401,270).

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

13. None

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims related extra contractual and bad faith losses stemming from lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$0

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

The claim count information is on a per claim basis.

The above amounts were accumulated by reviewing all settled claims with loss and loss adjustment expenses totaling more than \$400,000.

E. All other Contingencies-

Regulatory developments – In June 2008, the California Department of Insurance released for public notice and comment revised regulations that place certain limits on payments by title insurance marketing representatives to agents and brokers, eliminate a previously proposed interim rate reduction and a maximum rate formula, and substantially scale back the proposed financial data requirements on title insurance companies. The final regulations are expected to be approved by August 1, 2009.

NOTES TO FINANCIAL STATEMENTS

The Company cannot predict the outcome of proposed regulations. However, to the extent that rate decreases are mandated in the future; the outcome could materially affect our financial condition and results of operations.

In March 2009, an action was filed against Stewart Title Guaranty Company, its parent, Stewart Information Services Corporation, Stewart Title Californias, Inc., Cuesta Title Company and other individuals and companies by Stinchfield Financial Services, Inc. and Cas Rio Atascadero Homeowners Association in the Superior Court of California for the County of San Luis Obispo, captioned *Stinchfield Financial Services, Inc. et al. v. Stewart Information Services Corporation et al.*, Case No. CV 098107. The plaintiffs allege that they have suffered damages relating to loans that they made to Gearhart. The plaintiffs purport to assert causes of action for (1) breach of contract; (2) breach of covenant of good faith and fair dealing; (3) declaratory relief; (4) fraud; (5) negligent misrepresentation; (6) alter ego; (7) negligence; (8) California Business & Professions Code Section 17200 and (9) conversion. The Company's responses to the complaint are not yet due. The Company intends to vigorously defend itself against the allegations. The Company does not believe that the outcomes will materially affect its financial conditions or result of operations.

On January 12, 2009, a lawsuit was filed by several individuals against Stewart Title Guaranty Company, Stewart Title of California, Inc., and Cuesta Title Company and an individual in the Superior Court of California for the County of San Luis Obispo, captioned *Wooldridge, et al v. Stewart Title Guaranty Co., et al.*, Case No. CV 09008. The plaintiffs allege that they suffered damages relating to loans they made, through Hurst Financial Corporation, to an individual named Kelly Gearhart, who has filed for bankruptcy, and entities controlled by Gearhart. The plaintiffs purport to assert causes of action for (1) breach of contract; (2) negligence and (3) "failure to conduct timely investigation and violation of fair claims settlement practices and breach of covenant and good faith and fair dealings." The Company has demurred to the complaint; the demurrer hearing is currently scheduled for May 2009. The Company intends to vigorously defend itself against the allegations. The company does not believe that the outcomes will materially affect its financial conditions or results of operations.

The Company also is subject to other administrative actions and inquiries into its conduct of business in certain of the states in which we operate. While the Company cannot predict the outcome of these matters, we believe that it has adequately reserved for these matters and that the outcome will not material affect its financial condition or results of operations.

In February 2008, an antitrust class action was filed in the United States District Court for the Eastern District of New York against Stewart Title Guaranty Company, its parent, Stewart Information Services Corporation (SISCO), Stewart Title Insurance Company, Monroe Title Insurance Corporation, several other unaffiliated title insurance companies, and the Title Insurance Rate Service Associations, Inc. (TIRSA). The complaint alleges that the defendants violated Section 1 of the Sherman Act by collectively filing proposed rates for title insurance in New York through TIRSA, a state-authorized and licensed rate service organization.

Complaints were subsequently filed in the federal district courts for the Eastern and Southern Districts of New York and federal district courts in Pennsylvania, New Jersey, Ohio, Florida (since dismissed), Massachusetts, Arkansas, California, Washington, West Virginia, Texas and Delaware. All the complaints make similar allegations, except that certain of the complaints also allege violations of RESPA statutes and various state consumer protection laws. The complaints generally request treble damages in an unspecified amounts, declaratory and injunctive relief, and attorneys' fees. At least 71 such complaints are currently pending (and have been consolidated in the aforementioned jurisdictions), each of which names SISCO and /or one or more of its affiliates as defendant. Although the Company cannot predict the outcome of these actions, it intends to vigorously defend itself against the allegations and does not believe that the outcome will materially affect its financial condition or results of operations.

The Company is also subject to lawsuits incidental to its business, most of which involve disputed policy claims. In many of these lawsuits, the plaintiff seeks exemplary or treble damages in excess of policy limits based on the alleged malfeasance of an issuing agency. The Company does not expect that any of these proceedings will have a material adverse effect on its financial condition or results of operations. Along with other major title insurance companies, the Company is party to a number of class action lawsuits concerning the title insurance industry. The Company believes that it has adequate reserves for the various litigation matters and contingencies discussed above and that the likely resolution of these matters will not materially affect its financial condition or results of operations.

15. Leases

The Company's expense for leased offices was \$ 11,386,113 in 2008 and \$11,121,000 in 2007. These are noncancelable, operating leases expiring over the next nine years. The future minimum lease payments are summarized as follows (stated in thousands of dollars).

NOTES TO FINANCIAL STATEMENTS

2009	7,935
2010	7,099
2011	6,153
2012	4,840
2013	4,402
2014 and after	2,378
Total	32,807

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans – Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

Not Applicable

20. Other Items

A. Extraordinary Items - None

B. Troubled Debt Restructuring – None

C. The Company holds \$ 61,491,911 at March 31, 2009 in segregated escrow bank accounts pending the closing of real estate transactions. This results in a contingent liability to the Company. These accounts are excluded from the financial statements of admitted assets, liabilities and surplus as regards policyholders.

Assets in the amount of \$ 107,005,043 and \$ 108,627,997 at March 31, 2009 and December 31, 2008, respectively, were on deposit with government authorities or trustees as required by law.

D. – E None or Not Applicable

F. State Transferable Tax Credits – The Company has \$42,441 in Massachusetts state tax credits which will be utilized in 2010.

G. – Hybrid Securities - None

H. – Subprime Mortgage Related Risk Exposure

We have reviewed our investment portfolio as of March 31, 2009 and determined that we do not hold any investments that we believe will be materially impaired as a result of the decline in financing activity related to the subprime lending market or being backed by subprime loans. In addition, for the three months ended March 31, 2009, we have recorded a \$796,876 other-than-temporary impairments on equity securities held for investments.

I. None

21. Events Subsequent - None

22. Reinsurance

(A) Unsecured Reinsurance Recoverables – None

(B) Reinsurance Recoverable in Dispute - None

(C) Reinsurance Assumed and Ceded – None

(D) Uncollectible Reinsurance – None

(E) Commutation of Ceded Reinsurance – None

(F) Retroactive Reinsurance – None

(G) Reinsurance Accounted for as a Deposit - None

23. Retrospectively Rated Contracts- Not Applicable

NOTES TO FINANCIAL STATEMENTS

24. Changes in Incurred Losses and Loss Adjustment Expenses

Known claims reserves as of December 31, 2008 were \$117.6 million. As of March 31, 2009, \$30.4 million has been paid for incurred losses and loss adjustment expenses attributable to prior policy years. Incurred losses on prior policy years were \$26.8 million in 2009. Incurred losses on prior policy years are the result of prior policy year claims that were reported in the current year, as well as increases and decreases made to original estimates that result from additional information as it becomes known regarding the individual claims.

Incurred losses have increased in recent policy years as a result of the current real estate market/financial crisis. Typically, a higher frequency of losses, including agency defalcations, is experienced soon after policy issuance in real estate markets where transaction volumes and prices are decreasing.

25. Intercompany Pooling Arrangements – Not Applicable

26. Structured Settlements – None

27. Supplemental Reserve – The Company is not required to carry a supplemental reserve.

GENERAL INTERROGATORIES

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

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

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

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

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2005 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2005 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 06/11/2007 _____

6.4 By what department or departments?
Texas, California and Ohio
.....
.....
.....

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

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

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

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

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

GENERAL INTERROGATORIES

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

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

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

.....

9.2 Has the code of ethics for senior managers been amended?

Yes [] No [X]

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

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

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

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []

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

\$ 4,300,358

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

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

.....

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

\$ 0

GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$ 0

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ <u>201,443</u>	\$ <u>199,855</u>
14.23 Common Stock	\$ <u>307,742,565</u>	\$ <u>304,341,587</u>
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ <u>307,944,008</u>	\$ <u>304,541,442</u>
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ <u> 0</u>	\$ <u> 0</u>

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Compass Bank	P. O. Box 4886, Houston, TX 77210-4886
Trust Company of Montreal	1 First Canadian Place, P. O. Box 150, Toronto, CN M5X

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes No

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

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

GENERAL INTERROGATORIES

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

1 Central Registration Depository	2 Name(s)	3 Address
16100	Wells Fargo	1000 Louisiana, 6th Floor, Houston, TX 77002
1069875	Vaughan, Nelson, Scarborough	600 Travis, Suite 6300, Houston, TX 77002

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

Yes No

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - TITLE

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

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto:

.....

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	0	.....	.....	.....	0
.....	0	.....	.....	.....	0
.....	0	.....	.....	.....	0
.....	0	.....	.....	.....	0
Total			0	0	0	0	0	0	0	0

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

5.11 Bonds	\$ <u>318,013,009</u>
5.12 Short-term investments	\$ _____
5.13 Mortgages	\$ _____
5.14 Cash	\$ <u>6,058,320</u>
5.15 Other admissible invested assets	\$ <u>2,606,106</u>
5.16 Total	\$ <u>326,677,435</u>

5.2 List below segregated funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities. (These funds are also included in Schedule E - Part 1 and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers)

5.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of:	\$ <u>61,491,911</u>
These funds consist of:	
5.22 In cash on deposit	\$ <u>61,491,911</u>
5.23 Other forms of security	\$ _____

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L	2,108,160	2,462,567	(23,076)	495,902	1,128,980	1,257,446
2. Alaska	AK	L	2,543,831	1,863,191	43,825	11,048	145,134	158,355
3. Arizona	AZ	L	3,955,261	4,122,116	35,560	115,097	94,223	148,227
4. Arkansas	AR	L	878,816	662,696	62,423	6,652	42,077	228,219
5. California	CA	L	21,094,859	26,867,920	4,840,687	3,686,667	21,850,866	14,415,336
6. Colorado	CO	L	7,808,517	6,967,510	647,184	223,233	1,705,129	1,431,018
7. Connecticut	CT	L	253,053	918,384	(118,049)	(57,398)	272,342	300,028
8. Delaware	DE	L	1,424,199	1,230,557	112,687	51,654	792,910	208,785
9. District of Columbia	DC	L	1,254,807	860,242	139,097	50,245	374,515	96,225
10. Florida	FL	L	14,033,957	24,827,912	5,230,331	2,790,367	14,705,625	14,221,575
11. Georgia	GA	L	3,593,243	4,648,692	720,929	478,140	1,419,219	1,066,977
12. Hawaii	HI	L	862,235	1,264,495	69,537	34,981	112,706	73,311
13. Idaho	ID	L	2,483,293	3,139,528	74,946	144,354	196,334	151,946
14. Illinois	IL	L	6,008,492	4,902,654	976,553	533,312	2,057,623	1,655,120
15. Indiana	IN	L	2,073,407	2,558,115	392,460	1,047,697	904,110	1,170,497
16. Iowa	IA	N	78,437	104,779	64,938	2,336	41,583	21,646
17. Kansas	KS	L	2,087,671	1,542,105	73,447	59,550	143,041	63,526
18. Kentucky	KY	L	1,687,898	1,670,056	250,382	265,646	375,563	741,579
19. Louisiana	LA	L	3,547,743	3,604,182	210,048	38,278	477,537	239,402
20. Maine	ME	L	502,185	385,843	101,264	85,057	122,856	391,743
21. Maryland	MD	L	5,810,576	7,946,404	1,030,653	1,614,425	2,051,948	1,416,850
22. Massachusetts	MA	L	4,872,011	5,118,676	546,827	(180,769)	1,350,860	2,432,105
23. Michigan	MI	L	2,449,035	3,295,783	1,930,214	136,123	4,125,066	2,605,141
24. Minnesota	MN	L	2,705,412	3,070,004	1,490,811	1,577,567	5,533,336	2,187,558
25. Mississippi	MS	L	577,294	931,645	236,858	158,890	154,604	238,985
26. Missouri	MO	L	1,918,964	2,683,094	479,048	406,029	1,476,544	973,291
27. Montana	MT	L	2,097,731	2,305,565	(2,708)	(2,511)	140,097	111,488
28. Nebraska	NE	L	965,926	550,963	9,413	8,239	63,492	106,322
29. Nevada	NV	L	2,305,358	3,597,180	656,406	116,113	1,050,674	346,132
30. New Hampshire	NH	L	786,166	594,041	44,179	40,198	502,878	237,208
31. New Jersey	NJ	L	9,477,025	13,275,880	1,027,168	2,037,363	2,979,521	3,632,971
32. New Mexico	NM	L	3,198,837	2,361,607	50,325	20,646	233,660	229,400
33. New York	NY	Q						
34. North Carolina	NC	L	2,345,358	1,866,880	2,172,619	833,590	2,329,170	1,805,936
35. North Dakota	ND	L	555,901	296,317	7,163		16,335	
36. Ohio	OH	L	5,169,993	8,335,124	997,392	492,638	3,785,726	2,547,824
37. Oklahoma	OK	L	1,396,413	1,516,444	78,446	45,995	365,951	193,670
38. Oregon	OR	L	2,094,338	5,276	(2,500)		110,616	111,951
39. Pennsylvania	PA	L	4,027,660	5,947,228	1,466,637	1,769,895	4,128,928	2,888,912
40. Rhode Island	RI	L	547,707	590,396	442,566	21,154	321,975	515,817
41. South Carolina	SC	L	3,405,551	2,900,239	240,954	159,303	522,513	1,320,159
42. South Dakota	SD	L	712,672	412,751	5,523	44,487	65,997	8,080
43. Tennessee	TN	L	2,698,388	3,107,387	(2,434,194)	420,189	1,334,407	1,009,526
44. Texas	TX	L	43,960,732	54,347,878	1,053,668	1,030,265	7,144,800	3,340,830
45. Utah	UT	L	8,194,634	8,175,066	288,689	269,224	901,862	715,776
46. Vermont	VT	L	287,289	314,476	369	(158,543)	1,984,874	2,015,605
47. Virginia	VA	L	7,409,332	12,207,863	533,780	616,107	1,757,545	1,756,926
48. Washington	WA	L	5,213,707	6,301,767	361,651	181,389	1,406,475	469,828
49. West Virginia	WV	L	638,285	619,770	36,693	8,668	612,841	194,415
50. Wisconsin	WI	L	3,070,552	3,120,805	(431,180)	2,125,082	1,139,082	1,966,817
51. Wyoming	WY	L	1,374,396	1,666,567	11,174	10,574	48,355	228,985
52. American Samoa	AS	N						
53. Guam	GU	L	838,854	963,396	12,811	55,495	363,302	40,554
54. Puerto Rico	PR	L	2,085,352	2,320,819	260,736	134,477	1,145,321	905,370
55. U.S. Virgin Islands	VI	L	41,566	68,339		2,060	19,222	4,389
56. Northern Mariana Islands	MP	L	75,334	26,437				
57. Canada	CN	L	8,239,460	13,554,074	4,415,832	2,759,813	5,492,594	6,442,598
58. Aggregate Other Alien	OT	X X X	535,837	724,416	27,064	3,487	14,612,679	11,387,995
59. Totals	(a)	53	220,363,710	269,724,101	30,950,260	26,820,480	116,235,623	92,430,375

DETAILS OF WRITE-INS							
5801. Mexico	X X X		8,675	(1,147)		3,581,877	390,899
5802. Costa Rica	X X X	266,646	692,867	13,783	3,487	300,136	313,096
5803. Bahamas	X X X	269,191	15,374				
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X		7,500	14,428		10,730,666	10,684,000
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	535,837	724,416	27,064	3,487	14,612,679	11,387,995

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

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

PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
0000	Stewart	00000	DE	74-1677330	Stewart Information Services Corp-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty CO.-STG(SISCO)
0340	Stewart	50035	FL	65-0685696	Alliance Title of America(SISCO)(STG)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance-NLTIC(STG)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company(NLTIC)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Co.-STIC(STG)
0340	Stewart	51063	NY	16-0557455	Monroe Title Insurance Corporation(STIC)
0340	Stewart	50036	OR	91-1800766	Stewart Title In Co. of Oregon(STG)
0000		32336	VT	03-0311175	Title Reinsurance Company(STG)
0000		00000	MX	AA-2734105	Stewart Title Guaranty De Mexico(STG)
0000		00000	EN	AA-1124112	Stewart Title Limited (UK)(STG)
0000		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC(STG)
0000		00000	TX	74-2823956	Gracy Title (STC)
0000		00000	OK	73-1093494	Stewart Abstract of Oklahoma(STC)
0000		00000	NM	85-0446018	Stewart Title LLC(STC)
0000		00000	NM	85-0432768	Santa Fe Abstract(STC)
0000		00000	AR	71-0798379	Stewart Title of Arkansas(STC)
0000		00000	WA	91-1918234	Stewart Title of Washington(STC)
0000		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix(STC)
0000		00000	CA	77-0354503	Asset Preservation, Inc.(STC)
0000		00000	CA	95-4607898	Stewart Title of California (STC)
0000		00000	UT	46-0467452	Bonneville Superior Title Co.(STC)
0000		00000	MT	20-0352045	Stewart Title of Billings, LLC(STC)
0000		00000	CO	84-1517419	Stewart Water Information LLC(STC)
0000		00000	WA	68-0304246	Stewart Transaction Solutions, NW (STC)
0000		00000	FL	59-3138251	Tampa Cypress Partners(STC)
0000		00000	MT	81-0529591	Stewart Title of Montana(STC)
0000		00000	NV	20-8217543	Stewart Title Nevada Holdings, Inc.(STC)
0000		00000	PL	99-9999999	Stewart Intl Spolka Z Organizon(STC)
0000		00000	TN	20-1624648	Stewart Title of Tennessee(STC)
0000		00000	TX	76-0450977	Stewart Lender Services(STC)
0000		00000	TX	20-5764898	Property Information Corporation(STC)
0000		00000	TX	03-0575225	Stewart REI Group Inc.(STC)
0000		00000	MO	43-1622646	Stewart Title Midwest, Inc(STC)
0000		00000	TX	20-8586758	SLJ Holdings(STC)
0000		00000	CO	20-2815427	Stewart Title of Colorado(STC)
0000		00000	CR	99-9999999	Stewart Costa Rica(STC)
0000		00000	VG	98-0371673	Stewart Latin America Inc.(STC)

PART 1 – LOSS EXPERIENCE

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Lines 1.2 + 1.3 + 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Cols. 3 / (1 + 2)	
1. Direct operations	16,117,906	5,076,656	3,262,997	15.40	15.67
2. Agency operations:					
2.1 Non-affiliated agency operations	127,488,941	4,438,048	22,972,310	17.40	11.66
2.2 Affiliated agency operations	76,756,863	11,149	5,316,547	6.90	7.26
3. Totals	220,363,710	9,525,853	31,551,854	13.70	10.62

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	16,117,906	16,117,906	29,179,242
2. Agency operations:			
2.1 Non-affiliated agency operations	127,488,941	127,488,941	143,983,486
2.2 Affiliated agency operations	76,756,863	76,756,863	96,561,373
3. Totals	220,363,710	220,363,710	269,724,101

OVERFLOW PAGE FOR WRITE-INS

Page 10 - Continuation

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN

5804. Dominican Republic	X X X		7,500	14,428		46,666	
5805. Panama	X X X						
5806. Australia	X X X						
5807. Bulk Reserves	X X X					10,684,000	10,684,000
5808.	X X X						
5809.	X X X						
5810.	X X X						
5811.	X X X						
5812.	X X X						
5813.	X X X						
5814.	X X X						
5815.	X X X						
5816.	X X X						
5817.	X X X						
5818.	X X X						
5819.	X X X						
5820.	X X X						
5821.	X X X						
5822.	X X X						
5823.	X X X						
5824.	X X X						
5825.	X X X						
5897. Totals (Lines 5804 through 5825) (Page 10, Line 5898)	X X X		7,500	14,428		10,730,666	10,684,000

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,812,387	1,504,067
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	440,040	308,320
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals	440,040	
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	1,812,387	1,812,387
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	1,812,387	1,812,387

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	1,986,892	1,871,615
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		477,034
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	3,596	361,757
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	1,983,296	1,986,892
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	1,983,296	1,986,892
14. Deduct total nonadmitted amounts	622,533	622,975
15. Statement value at end of current period (Line 13 minus Line 14)	1,360,763	1,363,917

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,756,132	2,012,591
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	8,893	24,159
8. Deduct amortization of premium and depreciation	58,075	232,300
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	1,689,164	1,756,132
12. Deduct total nonadmitted amounts	58,425	61,500
13. Statement value at end of current period (Line 11 minus Line 12)	1,630,739	1,694,632

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	731,275,689	944,994,446
2. Cost of bonds and stocks acquired	10,681,934	393,941,436
3. Accrual of discount	29,902	189,297
4. Unrealized valuation increase (decrease)	(3,401,316)	(151,596,109)
5. Total gain (loss) on disposals	272,797	1,544,997
6. Deduct consideration for bonds and stocks disposed of	34,364,977	429,080,600
7. Deduct amortization of premium	725,680	3,623,859
8. Total foreign exchange change in book/adjusted carrying value	(2,009,301)	(21,045,585)
9. Deduct current year's other than temporary impairment recognized	796,876	4,048,334
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	700,962,172	731,275,689
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	700,962,172	731,275,689

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	376,251,888	10,602,787	34,092,180	(2,569,209)	350,193,286			376,251,888
2. Class 2 (a)	34,325,618			(135,869)	34,189,749			34,325,618
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	410,577,506	10,602,787	34,092,180	(2,705,078)	384,383,035			410,577,506
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	410,577,506	10,602,787	34,092,180	(2,705,078)	384,383,035			410,577,506

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

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

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	2,240,204	X X X	2,240,204	4,831	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,404,367	14,698,606
2. Cost of short-term investments acquired	2,240,204	3,428,181
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(23,814)
6. Deduct consideration received on disposals	3,404,367	14,698,606
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,240,204	3,404,367
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,240,204	3,404,367

NONE Schedule DB - Part F - Section 1

NONE Schedule DB - Part F - Section 2

NONE Schedule E Verification

SCHEDULE A - PART 2

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

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
29209 Perdido Beach Blvd., Condo 303	Orange Beach	AL	02/18/2009	acquired through claim	440,040		440,040	
0199999 Acquired by Purchase					440,040		440,040	
0399999 Totals					440,040		440,040	

EO1

SCHEDULE A - PART 3

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

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
29209 Perdido Beach Blvd	Orange Beach	AL	03/30/2009	Harold Wallace	440,040		440,040						440,040	440,040					873
0199999 Property Sold					440,040		440,040						440,040	440,040					873
0399999 Total					440,040		440,040						440,040	440,040					873

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisitions	9 Value of Land and Buildings
	City	3 State						
NONE								
3399999 Totals				XXX	XXX			

EO2

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	8 Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
210040	Norwell	MA	03/31/2009	12/06/1994	03/31/2009	42,375							40,593	1,782			
300080	Plainfield	NJ	03/31/2009	10/28/2008	03/31/2009	123,688							122,316	1,372			
310001	Ruidoso	NM	03/31/2009	12/28/2007	03/31/2009	135,829							135,387	442			
0299999 Mortgages with partial repayments						301,892							298,296	3,596			
0599999 Totals						301,892							298,296	3,596			

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
000000-00-0	New England Title, LLC	Portland	ME	New England Title, LLC	11/22/2006	03/31/2009	212,472							207,531	4,941			4,149	
2399999	Collateral Loans - Unaffiliated						212,472							207,531	4,941			4,149	
000000-00-0	ST Georgia Fund IV LLC	Atlanta	GA	SunTrust Community Dev	08/10/2004	03/31/2009	61,500		(3,075)			(3,075)		58,425					
3399999	State Low Income Housing Tax Credit - Unaffiliated						61,500		(3,075)			(3,075)		58,425					
000000-00-0	ST Georgia Fund V LLC	Atlanta	GA	SunTrust Community Dev	11/02/2005	03/31/2009	1,320,000		(55,000)			(55,000)		1,265,000					
3499999	State Low Income Housing Tax Credit - Affiliated						1,320,000		(55,000)			(55,000)		1,265,000					
000000-00-0	Jefferson Pilot Annuity	Houston	TX	Fresdondale, Inc.	08/25/2004	01/22/2009	12,159							8,206	3,952				
3799999	Any Other Class of Admitted Assets - Unaffiliated						12,159							8,206	3,952				
3999999	Total Unaffiliated						286,131		(3,075)			(3,075)		274,162	8,893			4,149	
4099999	Total Affiliated						1,320,000		(55,000)			(55,000)		1,265,000					
4199999	Totals						1,606,131		(58,075)			(58,075)		1,539,162	8,893			4,149	

E03.1

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
912828-DV-9	U S TREASURY NOTE Co:2 Lot:3		01/08/2009	JP Morgan		125,379	110,000.00	727	1FE
912828-HU-7	U S Treasury Note Co:2 Lot:2		02/02/2009	First Tennessee Corporate		3,715,966	3,665,000.00	22,201	1FE
912828-JW-1	US Treasury Note-NM Co:2 Lot:1		01/07/2009	First Tennessee Corporate		49,582	50,000.00	15	1FE
0399999	Total Bonds U. S. Government				X X X	3,890,927	3,825,000.00	22,943	X X X
135087-XX-7	Canadian Govt, Lot 6	C	01/02/2009	Merrill Lynch		1,640,205	1,435,000.00	654,596	1FE
1099999	Total Bonds All Other Governments				X X X	1,640,205	1,435,000.00	654,596	X X X
487694-DY-4	Keller TX ISD Co:2 Lot:1		03/20/2009	Morgan Keegan		251,838	250,000.00	1,000	1FE
2499999	U.S. Total Bonds Political Subdivisions of States, Territories and Possessions				X X X	251,838	250,000.00	1,000	X X X
00440E-AL-1	ACE INA HOLDINGS Co:2 Lot:1		02/19/2009	Citigroup		871,461	925,000.00	14,245	1FE
59156R-AC-2	METLIFE INC Co:2 Lot:1		02/04/2009	First Tennessee Corporate		3,948,356	3,825,000.00	44,253	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	4,819,817	4,750,000.00	58,498	X X X
8399997	Total Bonds Part 3				X X X	10,602,787	10,260,000.00	737,037	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	10,602,787	10,260,000.00	737,037	X X X
86046#-10-1	Stewart Title Company of Galveston		03/31/2009	Capital Contribution		79,147			K
9199999	Total Common Stock Parent, Subsidiaries and Affiliates				X X X	79,147	X X X		X X X
9799997	Total Common Stock Part 3				X X X	79,147	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	79,147	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	79,147	X X X		X X X
9999999	Totals				X X X	10,681,934	X X X	737,037	X X X

E04

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
912828-HU-7	U S Treasury Note Co:2 Lot:1		01/28/2009	JP Morgan		5,069,531	5,000,000.00	5,008,594	5,007,174		(424)		(424)		5,006,750		62,781	62,781	29,087	03/31/2010	1
912828-HU-7	U S Treasury Note Co:2 Lot:1		02/12/2009	Weller, Anderson		5,060,156	5,000,000.00	5,008,594	5,007,174		(659)		(659)		5,006,514		53,642	53,642	32,692	03/31/2010	1
912828-HU-7	U S Treasury Note Co:2 Lot:1		02/17/2009	Bank of America		5,059,375	5,000,000.00	5,008,594	5,007,174		(738)		(738)		5,006,435		52,940	52,940	33,894	03/31/2010	1
912828-HU-7	U S Treasury Note Co:2 Lot:1		02/25/2009	First Tennessee		5,050,391	5,000,000.00	5,008,594	5,007,174		(864)		(864)		5,006,310		44,081	44,081	35,817	03/31/2010	1
912828-HU-7	U S Treasury Note Co:2 Lot:1		03/16/2009	JP Morgan		5,051,367	5,000,000.00	5,008,594	5,007,174		(1,163)		(1,163)		5,006,010		45,357	45,357	40,385	03/31/2010	1
912828-BV-1	U.S. TREASURY NOTE Co:2 Lot:1		01/15/2009	MATURITY		50,000	50,000.00	50,352	50,003		(3)		(3)		50,000				813	01/15/2009	1
912828-BV-1	U.S. TREASURY NOTE Co:2 Lot:2		01/15/2009	MATURITY		110,000	110,000.00	110,026	110,000						110,000				1,788	01/15/2009	1
0399999	Total - Bonds - U.S. Governments				X X X	25,450,820	25,160,000.0	25,203,348	25,195,873		(3,851)		(3,851)		25,192,019		258,801	258,801	174,476	X X X	X X X
463777-GF-3	IRVING TEXAS Co:2 Lot:1		03/15/2009	CALLED		276,375	275,000.00	294,998	280,755		(516)		(516)		280,239		(3,864)	(3,864)	7,563	03/15/2011	1FE
2499999	U.S. Total - Bonds - Political Subdivisions of States, Territories and Possessions				X X X	276,375	275,000.00	294,998	280,755		(516)		(516)		280,239		(3,864)	(3,864)	7,563	X X X	X X X
31371Q-7K-8	FNMA Pool #259298 Co:2 Lot:2		03/25/2009	PRINCIPAL RECEIPT		364	363.57	483	483		(119)		(119)		364				4	10/01/2031	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	364	363.57	483	483		(119)		(119)		364				4	X X X	X X X
172967-CH-2	CITIGROUP INC Co:2 Lot:1		02/09/2009	MATURITY		4,000,000	4,000,000.00	3,988,560	3,993,286		6,714		6,714		4,000,000				72,500	02/09/2009	1FE
481247-AA-2	JPMORGAN CHASE & CO Co:2 Lot:1		02/19/2009	First Tennessee Corpor		897,418	875,000.00	879,891	879,766		(209)		(209)		879,558		17,860	17,860	6,228	12/01/2011	1FE
760719-AM-6	REPUBLIC NY CORP. Co:2 Lot:1		02/01/2009	MATURITY		925,000	925,000.00	1,102,656	926,852		(1,852)		(1,852)		925,000				44,863	02/01/2009	1FE
929771-AC-7	WACHOVIA CORP Co:2 Lot:1		02/01/2009	MATURITY		2,815,000	2,815,000.00	2,952,119	2,818,784		(3,784)		(3,784)		2,815,000				89,728	02/01/2009	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	8,637,418	8,615,000.00	8,923,226	8,618,688		869		869		8,619,558		17,860	17,860	213,319	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	34,364,977	34,050,363.5	34,422,055	34,095,799		(3,617)		(3,617)		34,092,180		272,797	272,797	395,362	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	34,364,977	34,050,363.5	34,422,055	34,095,799		(3,617)		(3,617)		34,092,180		272,797	272,797	395,362	X X X	X X X
9999999	Totals					34,364,977	X X X	34,422,055	34,095,799		(3,617)		(3,617)		34,092,180		272,797	272,797	395,362	X X X	X X X

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

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories - Section (A) - Segregated Funds Held for Others								
Wells Fargo Bank					17,985,254	13,027,706	17,085,983	
Wells Fargo Bank					10,211,054	10,013,632	12,152,396	
Bank of America					6,778,585	6,744,866	6,695,076	
JP Morgan Chase					2,835,177	3,331,328	5,841,922	
Wachovia Bank					2,887,947	3,636,447	4,448,363	
JP Morgan Chase					2,315,852	2,273,260	3,656,758	
Wells Fargo Bank					2,193,462	1,836,602	1,965,728	
Wells Fargo Bank					2,556,521	1,977,578	1,743,961	
Bank of America					1,668,789	1,609,051	1,232,983	
JP Morgan Chase					515,533	743,243	983,096	
Wells Fargo Bank					1,129,609	1,235,889	940,532	
Wells Fargo Bank					1,104,470	1,120,519	867,472	
Commerce National Bank					702,152	702,152	699,840	
Wells Fargo Bank					800,513	401,405	553,969	
Commerce Bank					478,049	508,272	425,238	
Jefferson Bank					175,934	3,561,305	329,631	
Wells Fargo Bank					151,625	400,268	270,028	
JP Morgan Chase					239,970	489,970	239,970	
Wells Fargo Bank					1,283,217	1,224,019	212,432	
Wachovia Bank					14,792	15,742	165,758	
First Republic Bank					159,000	159,000	159,000	
Bank of America					162,555	173,313	145,465	
Wachovia Bank					17,105	67,105	122,105	
0199998 Deposits in (37) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X			1,219,714	930,696	554,205	X
0199999 Total - Segregated Funds Held for Others	X X X	X X X			57,586,879	56,183,368	61,491,911	X
Open Depositories - Section (B) - General Funds								
Bank of Montreal			18,012		4,821,344	3,145,964	2,890,385	
Bank of Montreal					575,123	561,178	705,387	
Bank of Montreal					281,876	332,490	416,928	
Bank of Montreal					1,469,415	844,758	370,019	
Bank of Montreal					2,213	59,855	194,197	
Compass Bank-Custody Accou		0.060	727		895,028	2,198,493	1,055,986	
Compass Bank-Prime Investme		1.144	1,860		1,191,923	193,256	193,783	
Heritage Bank		1.000	352		221,344	221,526	221,696	
J.P. Morgan Chase		0.140	257		496,170	630,041	898,820	
J.P. Morgan Chase		0.052	11,430	446	254,652	(4,791,206)	(1,079,460)	
Jefferson State Bank					87,384	94,049	115,588	
Republic Bank		0.750	2,473		2,039,128	2,040,427	2,041,601	
Trust Company of Montreal		0.010	8		48,269	47,142	498,828	
Wells Fargo Bank		0.100	310		2,964,756	4,326,000	4,803,545	
Citizens Savings (CDARS)		2.750	2,376	817	350,000	350,000	350,000	
First National Bk Anchorage		2.400		1,006	100,000	100,000	100,000	
First National Bk Anchorage		2.250	284	170	50,000	50,000	50,000	
Peoples Bank & Trust		2.730		2,693	250,000	250,000	250,000	
US Bank of Oregon		2.960		2,198	110,000	110,000	110,000	
0299998 Deposits in (86) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X	17,943	15,072	3,265,954	3,130,296	2,813,082	X
0299999 Total - General Funds	X X X	X X X	56,032	22,402	19,474,579	13,894,269	17,000,385	X
Open Depositories - Section (C) - Reinsurance Reserve Funds								
Amegy Bank					539,286	539,286	372,512	
0399998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X
0399999 Total - Reinsurance Reserve Funds	X X X	X X X			539,286	539,286	372,512	X
0499999 Total - Open Depositories	X X X	X X X	56,032	22,402	77,600,744	70,616,923	78,864,808	X
Suspended Depositories - Section (A) - Seg. Funds Held for Others								
0599998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X
0599999 Total - Segregated Funds Held for Others	X X X	X X X						X
Suspended Depositories - Section (B) - General Funds								
0699998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X
0699999 Total - General Funds	X X X	X X X						X
Suspended Depositories - Section (C) - Reinsurance Reserve Funds								

