

QUARTERLY STATEMENT

OF THE

STEWART

Title Guaranty Company

of Houston

in the state of Texas

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

March 31, 2010

TITLE

2010



50121201020100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2010
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 713-625-8599
(City or Town, State and Zip Code) (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>Allen Berryman</u>	<u>Executive Vice-President</u>
<u>Larry Davis</u>	<u>Senior 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>Paul Sands</u>	<u>Executive Vice-President</u>	<u>John Arcidiacono</u>	<u>Senior Vice-President</u>
<u>Brian Glaze</u>	<u>Senior Vice-President</u>	<u>Ted C Jones</u>	<u>Senior Vice-President</u>
<u>Bruce Levine</u>	<u>Senior Vice-President</u>	<u>David Stutts</u>	<u>Senior Vice-President</u>
<u>Rand Zimmerman</u>	<u>Vice-President</u>	<u>Jason Nadeau</u>	<u>Assistant Vice-President</u>
<u>Lou A Ysaquirre</u>	<u>Vice-President</u>		

DIRECTORS OR TRUSTEES

<u>Bruce Belin</u>	<u>Malcolm S Morris</u>	<u>Charles F Howard</u>	<u>Michael B Skalka</u>
<u>Matthew Morris</u>	<u>Stewart Morris</u>	<u>Stewart Morris Jr</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 _____, 2010

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	359,636,768		359,636,768	367,772,586
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	443,251,477		443,251,477	438,047,931
3. Mortgage loans on real estate:				
3.1 First liens	950,476	45,006	905,470	909,226
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)	1,489,342		1,489,342	1,581,762
5. Cash (\$ 36,390,591), cash equivalents (\$ 0), and short-term investments (\$ 206,321)	36,596,912		36,596,912	50,549,775
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	1,789,080	206,125	1,582,955	1,538,891
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	843,714,055	251,131	843,462,924	860,400,171
12. Title plants less \$ 0 charged off (for Title insurers only)	7,665,612	54,063	7,611,549	7,611,549
13. Investment income due and accrued	4,452,368	8,804	4,443,564	4,724,564
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	40,827,585	13,488,227	27,339,358	28,347,273
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums				
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers				
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts	794,861	141,880	652,981	62,035
16. Amounts receivable relating to uninsured plans				
17.1 Current federal and foreign income tax recoverable and interest thereon	2,373,180		2,373,180	
17.2 Net deferred tax asset	80,725,220	80,725,220		
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	619,227	249,166	370,061	386,861
20. Furniture and equipment, including health care delivery assets (\$ 0)	4,713,362	4,534,285	179,077	210,875
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	3,201,102	141,484	3,059,618	4,042,447
23. Health care (\$ 0) and other amounts receivable	4,052,990	1,278,133	2,774,857	7,173,528
24. Aggregate write-ins for other than invested assets	4,281,541	3,727,013	554,528	554,529
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	997,421,103	104,599,406	892,821,697	913,513,832
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	997,421,103	104,599,406	892,821,697	913,513,832

DETAILS OF WRITE-IN LINES				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. Other nonadmitted assets	3,027,557	3,027,557		
2402. Other Assets & deposits	1,253,984	699,456	554,528	554,529
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	4,281,541	3,727,013	554,528	554,529

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	133,463,155	136,829,138
2. Statutory premium reserve	348,677,816	352,016,816
3. Aggregate of other reserves required by law		
4. Supplemental reserve		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	17,151,342	19,963,237
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	352,063	5,292,992
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	1,901,031	2,556,238
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	349,688	349,688
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	10,118,828	8,000,888
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	4,249,681	1,545,347
19. Derivatives		
20. Payable for securities		
21. Aggregate write-ins for other liabilities	804,084	1,139,033
22. Total liabilities (Lines 1 through 21)	517,067,688	527,693,377
23. Aggregate write-ins for special surplus funds	501,409	501,409
24. Common capital stock	8,500,000	8,500,000
25. Preferred capital stock		
26. Aggregate write-ins for other than special surplus funds		
27. Surplus notes		
28. Gross paid in and contributed surplus	182,755,994	181,568,104
29. Unassigned funds (surplus)	183,996,606	195,250,942
30. Less treasury stock, at cost:		
30.1 0 shares common (value included in Line 24 \$ 0)		
30.2 0 shares preferred (value included in Line 25 \$ 0)		
31. Surplus as regards policyholders (Lines 23 to 29 less 30)	375,754,009	385,820,455
32. Totals	892,821,697	913,513,832

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)		
2101. Reinsurance payable	804,084	1,139,033
2102.		
2103.		
2198. Summary of remaining write-ins for Line 21 from overflow page		
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	804,084	1,139,033
2301. Surplus arising from increase in book value of title plants	501,384	501,384
2302. Mineral interest-assigned value	25	25
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	501,409	501,409
2601.		
2602.		
2603.		
2698. Summary of remaining write-ins for Line 26 from overflow page		
2699. Totals (Lines 2601 through 2603 plus 2698) (Line 26 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	255,132,917	227,434,780	1,209,276,939
1.2 Escrow and settlement services	472,503	397,047	1,548,823
1.3 Other title fees and service charges	12,373,570	8,947,545	49,267,388
2. Aggregate write-ins for other operating income	385,321	181,260	1,799,658
3. Total Operating Income (Lines 1 through 2)	268,364,311	236,960,632	1,261,892,808
DEDUCT:			
4. Losses and loss adjustment expenses incurred	32,219,428	31,551,854	154,028,485
5. Operating expenses incurred	261,148,532	230,185,822	1,209,857,446
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	293,367,960	261,737,676	1,363,885,931
8. Net operating gain or (loss) (Lines 3 minus 7)	(25,003,649)	(24,777,044)	(101,993,123)
INVESTMENT INCOME			
9. Net investment income earned	3,148,724	3,771,886	15,189,391
10. Net realized capital gains (losses) less capital gains tax of \$ 372,503	599,372	(524,079)	7,433,384
11. Net investment gain (loss) (Lines 9 + 10)	3,748,096	3,247,807	22,622,775
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)	8,729	390,811	580,801
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(21,246,824)	(21,138,426)	(78,789,547)
14. Federal and foreign income taxes incurred	(2,640,325)	148,927	2,139,847
15. Net income (Lines 13 minus 14)	(18,606,499)	(21,287,353)	(80,929,394)
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	385,820,455	332,264,809	332,264,809
17. Net income (from Line 15)	(18,606,499)	(21,287,353)	(80,929,394)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	6,019,394	(2,467,636)	50,163,753
19. Change in net unrealized foreign exchange capital gain (loss)	1,901,159	(933,634)	12,888,069
20. Change in net deferred income taxes	5,186,247	(25,905,958)	6,766,327
21. Change in nonadmitted assets	(5,754,637)	21,215,398	(2,571,470)
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	1,187,890	331,611	69,971,561
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			(2,733,200)
31. Change in surplus as regards policyholders (Lines 17 through 30)	(10,066,446)	(29,047,572)	53,555,646
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	375,754,009	303,217,237	385,820,455

DETAILS OF WRITE-IN LINES			
0201. Ceded reimbursements from agents	217,376	13,764	641,023
0202. Title plant rent	167,945	167,496	1,158,635
0203.			
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)	385,321	181,260	1,799,658
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. Miscellaneous Fees	9,912	103,529	228,361
1202. Computer support fees	669	131,429	148,791
1203. Realized gains(loss) on other assets	(1,852)	155,853	203,649
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)	8,729	390,811	580,801
3001. Surplus increase due to liquidation of subsidiary			167,251
3002. Surplus change in real estate			
3003. Goodwill			(2,900,451)
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			(2,733,200)

CASH FLOW

Cash from Operations	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	251,764,830	219,503,429	1,219,220,532
2. Net investment income	4,493,764	5,109,289	18,622,427
3. Miscellaneous income	13,240,123	9,916,663	53,196,670
4. Total (Lines 1 to 3)	269,498,717	234,529,381	1,291,039,629
5. Benefit and loss related payments	35,585,411	32,956,775	134,839,903
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	266,197,021	242,791,636	1,213,768,591
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	760,565	776,103	(1,738,272)
10. Total (Lines 5 through 9)	302,542,997	276,524,514	1,346,870,222
11. Net cash from operations (Line 4 minus Line 10)	(33,044,280)	(41,995,133)	(55,830,593)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	44,658,005	34,364,977	372,769,739
12.2 Stocks			13,982,118
12.3 Mortgage loans	4,879	3,596	974,400
12.4 Real estate		440,040	971,701
12.5 Other invested assets	7,624	8,893	24,311
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	44,670,508	34,817,506	388,722,269
13. Cost of investments acquired (long-term only):			
13.1 Bonds	32,759,931	10,602,787	304,874,396
13.2 Stocks	187,919	79,147	82,534,468
13.3 Mortgage loans			384,063
13.4 Real estate		440,040	1,539,370
13.5 Other invested assets			529,160
13.6 Miscellaneous applications			200,000
13.7 Total investments acquired (Lines 13.1 to 13.6)	32,947,850	11,121,974	390,061,457
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)	11,722,658	23,695,532	(1,339,188)
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	1,187,890	331,611	69,971,561
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	6,180,869	(753,866)	(591,181)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	7,368,759	(422,255)	69,380,380
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)	(13,952,863)	(18,721,856)	12,210,599
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	50,549,775	38,339,176	38,339,176
19.2 End of period (Line 18 plus Line 19.1)	36,596,912	19,617,320	50,549,775

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

20.0001	Line 13.2 includes non-cash contribution to affiliate	187,919	79,147	61,384,497
20.0002	Line 12.3 and line 13.4 includes transfer of note foreclosed to real estate			958,800
20.0003	Line 16.2 includes non-cash capital contribution from parent	999,971	331,611	69,603,562
20.0004	Line 16.6 goodwill written off			(2,900,451)

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. (C) Texas Insurance Code, Section 2551.258 grants the Commissioner the authority to change the statutory premium reserve, based on an actuarial review. The Commissioner gave an Order to change the statutory premium reserves in 2008 and 2009. NAIC SAP statutory premium reserve is a defined formula.

	<u>3/31/2010</u>	<u>12/31/2009</u>
Net Income, Texas State Basis	(18,606,799)	(80,929,394)
State Prescribed Practices	0	0
(1) Statutory Premium Reserve reduction	0	21,684,161
State Permitted Practices:	0	0
Net Income, NAIC SAP	(18,606,799)	(59,245,233)
Statutory Surplus, Texas State Basis	375,754,009	385,820,455
State Prescribed Practices:		
(1) Furniture & Fixtures	(179,077)	(210,875)
(2) Real Estate	(4,423)	(4,423)
(3) Statutory Premium Reserve reduction	21,684,161	21,684,161
State Permitted Practices:		
Statutory Surplus, NAIC SAP	397,254,670	407,289,318

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.

NOTES TO FINANCIAL STATEMENTS

- (4) Investments in Preferred stock, excluding investments in preferred stock of subsidiary, controlled, or affiliated entities – None.
- (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, which is 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 two limited liability companies. 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 \$58 million reduction in the statutory premium reserve as allowed by Section 2551.258 of the Texas Insurance Code for 2009. The 2008 order for a \$79.7million reduction was reversed in 2009. At December

31, 2009 the total of the Company's know claims reserves and statutory premium reserve is more than to the loss reserve by \$4.1 million 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.

NOTES TO FINANCIAL STATEMENTS

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.

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 7.75% 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 112%.

	<u>Current Year</u>	<u>Prior Year</u>
4. At December 31, 2009, the Company held mortgage with interest more than 180 days past due with a recorded investment excluding accrued interest of:	316,062	316,062
Total interest due on mortgages with interest more than 180 days past due equals:		
	10,911	12,730
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 0.1% 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

A. 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.

B. The total amount excluded was \$ 8,804.

8. Derivative Instruments- None

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The net deferred tax asset/(liability) at March 31, 2010 and the change from the prior year are comprised of the following components:

	Ordinary	Capital	3/31/2010 Total	12/31/2009 Total
Total gross deferred tax assets	81,010,159	43,443	81,053,603	75,894,801
Statutory valuation allowance adjustment	(80,681,776)	(43,443)	(80,725,220)	(75,541,217)
Adjusted gross deferred tax assets	328,383	0	328,383	353,583
Total gross deferred tax liabilities	(137,950)	(190,433)	(328,383)	(353,583)
Net deferred tax assets /(liabilities)	190,433	(190,433)	0	0
Total Deferred tax assets nonadmitted	0	0	0	0
Net admitted deferred tax assets / (liabilities)	190,433	(190,433)	0	0

The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 10R:

	Ordinary	Capital	3/31/2010 Total	12/31/2009 Total
Admitted under paragraph 10.a.	0	0	0	0
Admitted under paragraph 10.b.	0	0	0	0
Admitted under paragraph 10.c.	0	0	0	0
Total admitted from the use of paragraph 10.a - 10.c.	0	0	0	0
Admitted under paragraph 10.e.i.	0	0	0	0
Admitted under paragraph 10.e.ii.	0	0	0	0
Admitted under paragraph 10.e.iii.	0	0	0	0
Total admitted from the use of paragraph 10.e.	0	0	0	0
Total admitted adjusted gross deferred tax assets	0	0	0	0

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

	Ordinary	Capital	3/31/2010 Total	12/31/2009 Total
Net deferred tax asset (liability)	190,433	(163,650)	26,783	0
Tax-effect of unrealized gains and losses	0	26,783	26,783	0
Net tax effect without unrealized gains and losses	190,433	(190,433)	0	0
Change in deferred income tax				0

B. Unrecognized deferred tax liabilities

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

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

NOTES TO FINANCIAL STATEMENTS

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

	3/31/2010	12/31/2009
Current income taxes incurred	(2,267,821)	6,572,289
Change in deferred income tax (without tax on unrealized gains and losses)	(0)	68,745,863
Total income tax reported	(2,267,821)	75,318,152
Income before taxes	(20,874,321)	(74,357,105)
	35%	35%
Expected Income tax expense (benefit) at 35% statutory rate	(7,306,012)	(26,024,987)
Increase (decrease) in actual tax reported resulting from:		
a. Dividends received deduction	(24)	(24,156)
b. Nondeductible expenses for meals, penalties, and lobbyin	180,595	576,123
c. Tax-exempt income	(81,359)	(590,707)
d. Deferred tax benefit on nonadmitted assets	0	14,311,692
e. Foreign income taxes	(2,267,822)	6,604,489
f. Federal income taxes on capital gains	372,503	4,432,442
g. Change in statutory valuation adjustment	5,184,003	75,541,217
h. Recovered federal income taxes	0	(32,200)
i. Other	1,650,294	524,240
Total income tax reported	(2,267,822)	75,318,152
	(1)	0

Due to the 2009 accounting change of SSAP 10, the change in deferred tax expense reflects a valuation allowance which was not reflected in 2008 disclosure and does not have an economic impact to our financials. 2008 deferred tax assets which we estimated may not be recoverable were not admitted in 2008 financials.

E. Operating loss carryforward

- (1) As of March 31, 2010, there are \$93,174,180 operating losses and \$9,619,582 foreign tax credit carryforwards which will expire in 2030 and 2019-2020 respectively
- (2) There are no Federal income taxes incurred that are available for recoupment in the event of future net operating losses.

F. (1) The Company's federal Income Tax return is consolidated with the following entities:
Stewart Information Services Corporation, Ortem Investments, Inc., SLJ's Holdings and subsidiaries denoted with an I on Schedule D-Part 6, Section 1 and 2 in the 2009 Annual Statement.

(2) The method of allocation is detailed in the Restated Federal Income Tax Return Settlement Agreement dated November 25, 2009. Such Agreement was filed with the Texas Insurance Commissioner on December 7, 2009, under Holding Company Section #38223.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company has not made a dividend.

During the first quarter our parent, Stewart Information Services Corporation, made a capital contribution to us in the amount of \$ 1,187,890.

B and C. –

During the first quarter, the Company made a capital contribution to Stewart Title Company in the amount of \$187,919.

D. Amounts due from and amounts payable to related parties at March 31, 2010 are \$ 3,994,983 and \$ 4,249,681, 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

NOTES TO FINANCIAL STATEMENTS

(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 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

NOTES TO FINANCIAL STATEMENTS

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.

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, as amended by Amendment No. 1 under HCS # 37726, dated July 9, 2009.

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.

NOTES TO FINANCIAL STATEMENTS

The Company has entered into a service agreement with Abstract and Title Company, an Oregon corporation, as described in the agreement dated July 1, 2009. Such agreement was filed with the Texas Insurance Department, under Holding Company Section # 37924.

- 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 12/31/2009 and 12/31/2008 was \$ 373,619,179 and \$ 250,966,179.
- J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. and L. – Not applicable

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 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, 2010 plan assets totaled \$ 205,324,670 including vested benefits of \$ 204,591,295.

- 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. The maximum amount of dividends which can be paid by a State of Texas insurance company without prior approval from the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income from prior year. Statutory surplus at December 31, 2009 is \$ 385,820,455. The maximum dividend payout that may be made without prior approval in 2010 is \$ 77,164,091.

- 5.-9. Not applicable

- 10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 167,854,056.

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

- 13. None

NOTES TO FINANCIAL STATEMENTS

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)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 claims	51-100 Claims	101-500 Claims	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 California, new 2009 regulations eliminated a previously proposed interim rate reduction and a maximum rate formula and substantially scale back the financial data requirements on the insurance companies. In New Mexico, in 2009, the Superintendent of Insurance awarded a 10.7% premium rate increase effective August 1, 2009, and an increase in the remittance rate on residential transactions from 19% to 20% from agencies to underwriters.

Due to changes observed in California and New Mexico and possible changes in other states, the Company is reviewing its premium rates in all states. Where possible, the Company is seeking to raise rates or to modify agency splits (the percent of premium paid to the underwriter compared to the amount retained by the agency) to levels necessary to achieve profitability from its agency operations. The Company believes the California and New Mexico results are indicative of other states' assessments of the title insurance industry and the need for the industry to continue to provide title protection for real property. The Company cannot predict the outcome of proposed regulations and rate changes. However, to the extent that rate changes are modified in the future, the outcome could materially affect the Company's financial condition or results of operations.

The Company is subject to administrative actions and litigation relating to the basis on which premium taxes are paid in certain states. Additionally, the Company has received various other inquiries from governmental regulators concerning practices in the insurance industry. Many of these practices do not concern title insurance and the Company does not anticipate that the outcome of these inquiries will materially affect its financial condition or results of operations.

The Company is also subject to various other administrative actions and inquiries into its conduct of business in certain of the states in which it operates. While the Company cannot predict the outcome of the various regulatory and administrative matters, it believes that it has adequately reserved for these matters referenced above and that any outcome will not materially 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, Massachusetts, Arkansas, California, Washington, West Virginia, Texas and Delaware. All the complaints make similar allegations,

NOTES TO FINANCIAL STATEMENTS

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 unspecified amounts, declaratory and injunctive relief and attorneys' fees. To date, 78 such complaints have been filed, each of which names the Company and/or one or more of its affiliates as a defendant (and have been consolidated in the aforementioned states), of which seven have been voluntarily dismissed.

As of April 15, 2010, the Company has obtained dismissals of the claims in Arkansas, California, Delaware (where plaintiffs then file an amended complaint for injunctive relief only), Florida, Massachusetts, New Jersey (where plaintiffs filed an amended complaint for injunctive relief only), New York, Ohio Pennsylvania (where plaintiffs may pursue injunctive relief only), Texas and Washington. The Company is awaiting decisions on motions to dismiss in Delaware, New Jersey, and West Virginia (where all proceedings have been stayed and the docket closed) and have moved for summary judgment on the claims for injunctive relief in Pennsylvania. The dismissals in New York and Texas have been affirmed by the United States Courts of Appeals for the Second and Fifth Circuits, respectively. 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.

In January 2009, an action was filed by individuals against Stewart Title Guaranty Company, Stewart Title of California, Inc., Cuesta Title Company and others in the Superior Court of California for the County of San Luis Obispo alleging that the plaintiffs have suffered damages relating to loans they made, through Hurst Financial Corporation, to an individual named Kelly Gearhart and entities controlled by Gearhart. Gearhart and Hurst have filed for bankruptcy. Thereafter, several other lawsuits, including a lawsuit filed by several hundred individuals, were filed in San Luis Obispo Superior Court making similar allegations. The defendants vary from case to case but Stewart Information Services Corporation, Stewart Title Company, and Stewart Title Insurance Company have been sued in at least one of the cases. Each of the complaints alleges some of the combination of the following purported causes of action: breach of contract, negligence, fraud, aiding and abetting fraud, constructive fraud, breach of fiduciary duty, breach of implied covenant of good faith and fair dealing, financial elder abuse, violation of California Business and Professions Code Section 17200, violation of Racketeer Influenced and Corrupt Organizations Act, conversion, conspiracy, alter ego, specific performance and declaratory relief. The Company has demurred to the complaints in the actions where responses to the complaints have been due, and the Court has sustained the Company's demurrers while granting plaintiffs leave to amend. The Company intends to vigorously defend itself against the allegations and does not believe that the outcome of these matters will materially affect its financial condition or results of operations.

On December 7, 2009, the Office of the Commissioner of Insurance for the state of Georgia issued a press alleging that Stewart Title Guaranty Company violated Georgia's insurance laws between January 1, 2003 and September 30, 2007. A show-cause hearing was ordered, which was eventually scheduled for April 12, 2010. Prior to commencement of the hearing, the Company entered into a settlement agreement with the Commissioner of Insurance, which will result in a Consent Order. Most of the significant charges against the Company was dropped as part of the settlement. However, the Company agreed to pay an immaterial fine, engage in a premium tax audit and enter into a corrective action plan, which essentially memorializes conduct and procedures with regard to charging for products, which the Company instituted in April 2009. Neither the settlement or fine the outcome of the premium tax audit is expected to materially affect the Company's 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 \$ 11,626,008 in 2009 and \$11,386,113 in 2008. 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

2010	11,046
2011	9,264
2012	6,867
2013	6,450
2014	6,590
2015 and after	10,684
Total	50,901

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 \$ 68,029,012 at March 31, 2010 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 \$ 142,307,402 and \$ 138,534,136 at March 31, 2010 and December 31, 2009, respectively, were on deposit with government authorities or trustees as required by law.

D. – E None or Not Applicable

F. State Transferable Tax Credits – None

G. – Hybrid Securities - None

H. – Subprime Mortgage Related Risk Exposure

We have reviewed our investment portfolio as of March 31, 2010 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, 2010, we have recorded a \$ 92,420 other-than-temporary impairments on real estate 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

NOTES TO FINANCIAL STATEMENTS

23. **Retrospectively Rated Contracts**- Not Applicable

24. **Changes in Incurred Losses and Loss Adjustment Expenses**

Known claims reserves as of December 31, 2009 were \$120.8 million. As of March 31, 2010, \$33.1 million has been paid for losses and loss adjustment expenses attributable to prior policy years. Incurred losses on prior policy years were \$31.3 million in the first quarter of 2010. 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

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, 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:

\$ 247,666

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	\$ 0	\$ 0
14.22 Preferred Stock	\$ 0	\$ 0
14.23 Common Stock	\$ 438,011,145	\$ 443,208,276
14.24 Short-Term Investments	\$ 0	\$ 0
14.25 Mortgage Loans on Real Estate	\$ 0	\$ 0
14.26 All Other	\$ 0	\$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 438,011,145	\$ 443,208,276
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

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, ON 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
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
.....
.....
.....
Total										

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>339,326,090</u>
5.12 Short-term investments	\$ _____
5.13 Mortgages	\$ _____
5.14 Cash	\$ <u>9,643,486</u>
5.15 Other admissible invested assets	\$ _____
5.16 Total	\$ <u>348,969,576</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>68,029,012</u>
These funds consist of:	
5.22 In cash on deposit	\$ <u>68,029,012</u>
5.23 Other forms of security	\$ _____

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1	2	3	4	5
NAIC Company Code	Federal ID Number	Name of Reinsurer	Location	Is Insurer Authorized? (Yes or No)
<div style="font-size: 48pt; font-weight: bold; margin: 0 auto;">NONE</div>				

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - By States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Known Claim Reserve	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	L	2,162,708	2,108,160	(41,037)	(23,076)	868,393	1,128,980
2. Alaska	AK	L	2,808,793	2,543,831	210,009	43,825	62,494	145,134
3. Arizona	AZ	L	6,409,487	3,955,261	396,311	35,560	259,242	94,223
4. Arkansas	AR	L	718,509	878,816	624,541	62,423	593,063	42,077
5. California	CA	L	38,591,436	21,094,859	6,174,234	4,840,687	21,076,961	21,850,866
6. Colorado	CO	L	8,401,363	7,808,517	856,683	647,184	885,988	1,705,129
7. Connecticut	CT	L	444,734	253,053	55,832	(118,049)	205,141	272,342
8. Delaware	DE	L	1,872,493	1,424,199	32,335	112,687	446,168	792,910
9. District of Columbia	DC	L	1,120,756	1,254,807	265,236	139,097	308,172	374,515
10. Florida	FL	L	12,391,659	14,033,957	5,772,210	5,230,331	23,361,813	14,705,625
11. Georgia	GA	L	3,233,496	3,593,243	1,009,854	720,929	939,268	1,419,219
12. Hawaii	HI	L	1,109,451	862,235	26,513	69,537	315,216	112,706
13. Idaho	ID	L	1,607,991	2,483,293	320,817	74,946	2,523,158	196,334
14. Illinois	IL	L	5,465,460	6,008,492	475,096	976,553	7,458,549	2,057,623
15. Indiana	IN	L	1,754,695	2,073,407	456,684	392,460	1,987,688	904,110
16. Iowa	IA	N	100,757	78,437	8,527	64,938	17,860	41,583
17. Kansas	KS	L	612,777	2,087,671	96,526	73,447	289,645	143,041
18. Kentucky	KY	L	1,019,184	1,687,898	(14,395)	250,382	551,129	375,563
19. Louisiana	LA	L	3,906,969	3,547,743	437,823	210,048	512,896	477,537
20. Maine	ME	L	745,886	502,185	48,259	101,264	107,830	122,856
21. Maryland	MD	L	5,651,639	5,810,576	766,913	1,030,653	2,992,418	2,051,948
22. Massachusetts	MA	L	6,545,514	4,872,011	109,108	546,827	1,218,575	1,350,860
23. Michigan	MI	L	4,441,600	2,449,035	1,946,290	1,930,214	2,295,775	4,125,066
24. Minnesota	MN	L	3,608,571	2,705,412	518,310	1,490,811	4,164,359	5,533,336
25. Mississippi	MS	L	419,035	577,294	35,666	236,858	708,154	154,604
26. Missouri	MO	L	1,359,053	1,918,964	439,034	479,048	1,227,247	1,476,544
27. Montana	MT	L	1,862,660	2,097,731	72,290	(2,708)	315,895	140,097
28. Nebraska	NE	L	1,066,364	965,926	26,432	9,413	52,742	63,492
29. Nevada	NV	L	2,501,199	2,305,358	409,123	656,406	2,135,575	1,050,674
30. New Hampshire	NH	L	552,652	786,166	118,000	44,179	342,403	502,878
31. New Jersey	NJ	L	13,697,857	9,477,025	1,287,528	1,027,168	4,030,708	2,979,521
32. New Mexico	NM	L	2,299,686	3,198,837	29,819	50,325	517,360	233,660
33. New York	NY	Q						
34. North Carolina	NC	L	2,599,610	2,345,358	472,386	2,172,619	2,162,926	2,329,170
35. North Dakota	ND	L	581,788	555,901		7,163	21,635	16,335
36. Ohio	OH	L	5,114,166	5,169,993	680,648	997,392	2,993,923	3,785,726
37. Oklahoma	OK	L	1,280,118	1,396,413	444,173	78,446	335,780	365,951
38. Oregon	OR	L	2,895,098	2,094,338	3,258	(2,500)	1,244,377	110,616
39. Pennsylvania	PA	L	5,058,096	4,027,660	906,936	1,466,637	2,080,052	4,128,928
40. Rhode Island	RI	L	337,463	547,707	159,590	442,566	285,713	321,975
41. South Carolina	SC	L	2,168,066	3,405,551	173,644	240,954	1,005,654	522,513
42. South Dakota	SD	L	1,840,360	712,672	32,619	5,523	109,719	65,997
43. Tennessee	TN	L	2,346,758	2,698,388	139,619	(2,434,194)	722,735	1,334,407
44. Texas	TX	L	39,862,319	43,960,732	686,121	1,053,668	5,550,060	7,144,800
45. Utah	UT	L	8,737,465	8,194,634	377,297	288,689	2,833,264	901,862
46. Vermont	VT	L	247,949	287,289	3,282	369	23,856	1,984,874
47. Virginia	VA	L	10,585,649	7,409,332	494,766	533,780	1,316,640	1,757,545
48. Washington	WA	L	8,206,497	5,213,707	382,854	361,651	1,788,039	1,406,475
49. West Virginia	WV	L	553,242	638,285	32,144	36,693	188,756	612,841
50. Wisconsin	WI	L	2,933,175	3,070,552	29,073	(431,180)	180,651	1,139,082
51. Wyoming	WY	L	1,050,262	1,374,396	227,701	11,174	53,110	48,355
52. American Samoa	AS	N						
53. Guam	GU	L	626,675	838,854	3,257	12,811	379,479	363,302
54. Puerto Rico	PR	L	1,881,889	2,085,352	308,616	260,736	1,591,633	1,145,321
55. U.S. Virgin Islands	VI	L	65,017	41,566				19,222
56. Northern Mariana Islands	MP	L	5,935	75,334			500	
57. Canada	CN	L	13,505,594	8,239,460	4,284,465	4,415,832	7,788,917	5,492,594
58. Aggregate Other Alien	OT	X X X	(104,524)	535,837	(2,116)	27,064	18,033,851	14,612,679
59. Totals		(a) 53	250,863,101	220,363,710	32,810,904	30,950,260	133,463,155	116,235,623

DETAILS OF WRITE-INS								
5801. Mexico	X X X	8,500				(1,147)	7,332,934	3,581,877
5802. Costa Rica	X X X		266,646		(2,116)	13,783		300,136
5803. Dominican Republic	X X X					14,428	16,917	46,666
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	(113,024)	269,191				10,684,000	10,684,000
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	(104,524)	535,837		(2,116)	27,064	18,033,851	14,612,679

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
0000		00000	DE	74-1677330	Stewart Information Services Corporation-SISCO
0340	Stewart	50121	TX	74-0924290	Stewart Title Guaranty Company-STG(SISCO)
0340	Stewart	50156	IL	34-0805709	National Land Title Insurance Company-NLTIC(STG)
0340	Stewart	50725	AR	71-0560086	Arkansas Title Insurance Company(NLTIC)
0340	Stewart	51420	NY	76-0233294	Stewart Title Insurance Company-STIC(STG)
0340	Stewart	50036	OR	91-1800766	Stewart Title Insurance Co. of Oregon(STG)
0340	Stewart	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 (United Kingdom)(STG)
0000		00000	TX	74-0923770	Stewart Title Co. of Galveston-STC(STG)
0000		00000	OK	73-1093494	Stewart Abstract of Oklahoma(STC)
0000		00000	NM	85-0446018	Stewart Title LLC(STC)
0000		00000	DE	76-0570062	Electronic Closing Services, Inc. (STC)
0000		00000	AZ	86-0223200	Stewart Title & Trust of Phoenix(STC)
0000		00000	CA	95-4607898	Stewart Title of California (STC)
0000		00000	CA	77-0354503	Asset Preservation, Inc.(STC)
0000		00000	TX	74-2823956	Gracy Title(STC)
0000		00000	FL	59-3138251	Tampa Cypress Partners(STC)
0000		00000	NV	20-8217543	Stewart Title Nevada Holdings, Inc.(STC)
0000		00000	PL	99-9999999	Stewart International Spolka Z Organizona(STC)
0000		00000	TX	76-0450977	Stewart Lender Services(STC)
0000		00000	TX	20-5764898	Property Information Corporation
0000		00000	TX	47-0941826	Home Retention Services, Inc.
0000		00000	CO	84-1517419	Stewart Water Information, LLC(STC)
0000		00000	TX	27-1283880	Startex Title Company, LLC (STC)
0000		00000	UT	46-0467452	Bonneville Superior Title Co. (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	24,403,626	7,834,979	9,114,527	28.30	15.40
2. Agency operations:					
2.1 Non-affiliated agency operations	161,061,072	5,256,069	17,117,097	10.30	17.40
2.2 Affiliated agency operations	65,398,403	140,348	5,987,804	9.10	6.90
3. Totals	250,863,101	13,231,396	32,219,428	12.20	13.70

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	24,403,626	24,403,626	16,117,906
2. Agency operations:			
2.1 Non-affiliated agency operations	161,061,072	161,061,072	127,488,941
2.2 Affiliated agency operations	65,398,403	65,398,403	76,756,863
3. Totals	250,863,101	250,863,101	220,363,710

OVERFLOW PAGE FOR WRITE-INS**Page 10 - Continuation**

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Known Claim Reserve	
		2	3	4	5	6	7
States, Etc.	Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
5804. Australia	X X X						
5805. Bulk Reserves	X X X					10,684,000	10,684,000
5806. Panama	X X X	(8,906)					
5807. Bahamas	X X X	(104,118)	269,191				
5897. Totals (Lines 5804 through 5896) (Page 10, Line 5898)	X X X	(113,024)	269,191			10,684,000	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	1,581,762	1,812,387
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		1,539,370
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		(113,339)
5. Deduct amounts received on disposals		971,701
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized	92,420	684,955
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)	1,489,342	1,581,762
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	1,489,342	1,581,762

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	955,355	1,986,892
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		353,000
2.2 Additional investment made after acquisition		31,063
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		(441,200)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	4,879	974,400
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)	950,476	955,355
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	950,476	955,355
14. Deduct total nonadmitted amounts	45,006	46,129
15. Statement value at end of current period (Line 13 minus Line 14)	905,470	909,226

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	1,748,092	1,756,132
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		340,000
2.2 Additional investment made after acquisition		189,160
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	106,687	(280,589)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	7,624	24,311
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)	1,789,080	1,748,092
12. Deduct total nonadmitted amounts	206,125	209,200
13. Statement value at end of current period (Line 11 minus Line 12)	1,582,955	1,538,892

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	805,820,517	731,275,689
2. Cost of bonds and stocks acquired	32,947,850	387,408,864
3. Accrual of discount	12,575	73,733
4. Unrealized valuation increase (decrease)	5,015,624	48,618,167
5. Total gain (loss) on disposals	1,064,295	13,474,775
6. Deduct consideration for bonds and stocks disposed of	44,658,005	386,751,857
7. Deduct amortization of premium	1,017,845	3,014,817
8. Total foreign exchange change in book/adjusted carrying value	3,703,234	15,532,843
9. Deduct current year's other than temporary impairment recognized		796,880
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	802,888,245	805,820,517
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	802,888,245	805,820,517

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)	325,171,887	24,686,773	37,182,489	2,861,721	315,537,892			325,171,887
2. Class 2 (a)	42,600,699	8,073,158	6,411,219	(163,762)	44,098,876			42,600,699
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	367,772,586	32,759,931	43,593,708	2,697,959	359,636,768			367,772,586
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	367,772,586	32,759,931	43,593,708	2,697,959	359,636,768			367,772,586

(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 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

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	206,321	X X X	206,321	5	

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	377,330	3,404,367
2. Cost of short-term investments acquired	5	6,006,019
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	171,014	9,033,056
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)	206,321	377,330
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	206,321	377,330

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
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)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE

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						
NONE								
0399999 Totals								

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.							
NONE																			
0399999 Total																			

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Loan Number	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
	2 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	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	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
	2 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					
280002	Fernley	NV		06/14/2009		166,172							165,606	566			
210040	Norwell	MA		12/06/1994		35,091							33,205	1,887			
300080	Plainfield	NJ		10/28/2008		119,012							117,057	1,955			
310001	Ruidoso	NM		12/28/2007		134,017							133,546	471			
0299999 Mortgages with partial repayments						454,292							449,414	4,879			
0599999 Totals						454,292							449,414	4,879			

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
NONE												
4199999 Totals												
												XXX

E03

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	Aslan II Realty Partners	Chicago	IL	Aslan II Realty Partners	05/09/2002	03/31/2010	88,572	106,687				106,687		195,259						
1999999	Other - Joint Venture/Partnership Interests - Unaffiliated						88,572	106,687				106,687		195,259						
000000-00-0	New England Title, LLC	Portland	ME	New England Title, LLC	11/22/2006	03/31/2010	192,113							188,561	3,552				2,515	
2399999	Collateral Loans - Unaffiliated						192,113							188,561	3,552				2,515	
000000-00-0	ST Georgia Fund IV LLC	Atlanta	GA	SunTrust Community Dev	08/10/2004	03/31/2010	49,200		(3,075)			(3,075)		46,125						
3399999	State Low Income Housing Tax Credit - Unaffiliated						49,200		(3,075)			(3,075)		46,125						
000000-00-0	ST Georgia Fund V LLC	Atlanta	GA	SunTrust Community Dev	11/02/2005	03/31/2010	1,100,000		(55,000)			(55,000)		1,045,000						
3499999	State Low Income Housing Tax Credit - Affiliated						1,100,000		(55,000)			(55,000)		1,045,000						
000000-00-0	Jefferson Pilot Annuity	Houston	TX	Fresondale, Inc.	08/25/2004	01/27/2010	8,206							4,135	4,071					
3799999	Any Other Class of Admitted Assets - Unaffiliated						8,206							4,135	4,071					
3999999	Total Unaffiliated						338,091	106,687	(3,075)			103,612		434,080	7,623				2,515	
4099999	Total Affiliated						1,100,000		(55,000)			(55,000)		1,045,000						
4199999	Totals						1,438,091	106,687	(58,075)			48,612		1,479,080	7,623				2,515	

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-LT-5	U S Treasury Note Lot:1		03/02/2010	Bank of America		2,234,048	2,220,000.00	7,666	1
912828-LT-5	U S Treasury Note Lot:2		03/04/2010	JP Morgan		1,090,849	1,085,000.00	3,836	1
912828-LG-3	U S Treasury Note Lot:2		02/01/2010	JP Morgan		85,545	85,000.00	5	1
912828-LT-5	U S Treasury Note Lot:3		03/11/2010	Bank of America		3,045,907	3,035,000.00	11,318	1
0399999	Total Bonds U. S. Government				X X X	6,456,349	6,425,000.00	22,825	X X X
135087-YU-2	Canadian Govt bond	C	01/01/2010	HSBC Securities		2,867,219	2,968,750.00	6,018	1FE
135087-XX-7	Canadian Govt bond	C	02/01/2010	HSBC Securities		1,919,494	1,752,563.00	14,045	1FE
1099999	Total Bonds All Other Governments				X X X	4,786,713	4,721,313.00	20,063	X X X
14040E-HG-0	Capital One Bank USA NA Lot:1		03/10/2010	Morgan Stanley		5,667,090	5,165,000.00	85,796	2FE
36962G-4C-5	General Electric Cap Lot:1		03/03/2010	JP Morgan		3,742,108	3,400,000.00	64,081	1FE
38141G-DQ-4	GOLDMAN SACHS GROUP Lot:3		03/01/2010	JP Morgan		2,525,960	2,340,000.00	47,434	1FE
635405-AM-5	NATIONAL CITY CORP Lot:4		03/02/2010	JP Morgan		2,406,068	2,162,000.00	45,417	2FE
64952W-AA-1	NEW YORK LIFE GLOBAL Lot:2		02/04/2010	Jefferies		3,106,813	2,801,000.00	60,222	1FE
90331H-KP-7	US BANK NA Lot:3		01/19/2010	JP Morgan		2,484,851	2,300,000.00	25,933	1FE
90331H-KP-7	US BANK NA Lot:4		02/10/2010	JP Morgan		1,583,979	1,467,000.00	21,382	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	21,516,869	19,635,000.00	350,265	X X X
8399997	Total Bonds Part 3				X X X	32,759,931	30,781,313.00	393,153	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	32,759,931	30,781,313.00	393,153	X X X
86046#-10-1	Stewart Title Company		03/31/2010	Capital Contribution		187,919			K
9199999	Total Common Stock Parent, Subsidiaries and Affiliates				X X X	187,919	X X X		X X X
9799997	Total Common Stock Part 3				X X X	187,919	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	187,919	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	187,919	X X X		X X X
9999999	Totals				X X X	32,947,850	X X X	393,153	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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
912828-LT-5	U S Treasury Note Lot:1		03/15/2010	JP Morgan		2,227,805	2,220,000.00	2,234,048			(302)		(302)		2,233,746		(5,942)	(5,942)	8,279	10/31/2011	1
912828-LT-5	U S Treasury Note Lot:2		03/15/2010	JP Morgan		782,742	780,000.00	784,205			(77)		(77)		784,128		(1,386)	(1,386)	2,909	10/31/2011	1
912828-LT-5	U S Treasury Note Lot:2		03/26/2010	Bank of America		305,858	305,000.00	306,644			(60)		(60)		306,584		(726)	(726)	1,255	10/31/2011	1
912828-LT-5	U S Treasury Note Lot:3		03/26/2010	Bank of America		3,043,536	3,035,000.00	3,045,907			(274)		(274)		3,045,633		(2,097)	(2,097)	12,492	10/31/2011	1
912828-LG-3	US Treasury Note Lot:1		02/24/2010	JP Morgan		4,163,105	4,135,000.00	4,156,483	4,156,086		(1,961)		(1,961)		4,154,124		8,981	8,981	23,416	07/31/2011	1
912828-LG-3	US Treasury Note Lot:2		02/24/2010	JP Morgan		85,578	85,000.00	85,545			(23)		(23)		85,522		56	56	56	07/31/2011	1
0399999	Total - Bonds - U.S. Governments				X X X	10,608,624	10,560,000.0	10,612,832	4,156,086		(2,697)		(2,697)		10,609,737		(1,114)	(1,114)	48,407	X X X	X X X
52	052404-HJ-2		02/01/2010	CALLED @ 100.00		90,000	90,000.00	91,800	90,037		(37)		(37)		90,000				2,340	02/01/2013	1FE
	220245-LJ-1		03/10/2010	Weller, Anderson, & Ch		2,095,313	1,875,000.00	2,059,856	2,023,498		(3,237)		(3,237)		2,020,260		75,052	75,052	65,625	07/15/2019	1FE
	249015-QQ-4		02/04/2010	Weller, Anderson, & Ch		515,500	500,000.00	562,825	508,282		(814)		(814)		507,468		8,032	8,032	4,722	12/01/2010	1FE
	31371Q-7K-8		03/25/2010	PRINCIPAL RECEIPT		390	390.00	464	464		(74)		(74)		390					10/01/2031	1
	674504-EX-9		03/03/2010	Weller, Anderson, & Ch		1,096,000	1,000,000.00	1,126,330	1,042,791		(2,565)		(2,565)		1,040,226		55,774	55,774	22,896	10/01/2012	1FE
	914301-VM-5		02/15/2010	MATURITY		595,000	595,000.00	714,143	597,312		(2,312)		(2,312)		595,000				20,825	02/15/2010	1FE
914729-DS-4		03/02/2010	Weller, Anderson, & Ch		2,247,935	2,095,000.00	2,261,343	2,144,931		(3,551)		(3,551)		2,141,380		106,555	106,555	40,736	04/15/2015	1FE	
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	6,640,138	6,155,390.00	6,816,761	6,407,315		(12,590)		(12,590)		6,394,724		245,413	245,413	157,144	X X X	X X X
78387G-AD-5	AT & T INC. Lot:1		03/30/2010	JP Morgan		5,046,576	4,800,000.00	5,122,992	5,102,884		(61,858)		(61,858)		5,041,025		5,551	5,551	163,333	03/15/2011	1FE
06406H-BK-4	BANK OF NEW YORK Lot:2		02/10/2010	Jefferies		1,609,723	1,470,000.00	1,609,150	1,606,959		(3,900)		(3,900)		1,603,060		6,664	6,664	35,367	08/27/2013	1FE
05565Q-BH-0	BP CAPITAL MARKETS PLC Lot:1	R	03/01/2010	Jefferies		2,577,267	2,475,000.00	2,509,774	2,506,442		(926)		(926)		2,505,517		71,750	71,750	46,355	03/10/2015	1FE
14040H-AQ-8	CAPITAL ONE FINL CORP Lot:1		03/10/2010	Morgan Stanley		6,720,021	6,385,000.00	6,459,321	6,414,413		(3,194)		(3,194)		6,411,219		308,802	308,802	181,972	09/15/2011	2FE
36962G-XS-8	General Elec Cap Corp Lot:3		03/03/2010	JP Morgan		1,856,014	1,725,000.00	1,807,024	1,791,167		(5,178)		(5,178)		1,785,989		70,024	70,024	57,147	02/15/2012	1FE
36962G-YY-4	GENERAL ELECTRIC CAP CORP Lot:1		03/03/2010	JP Morgan		1,949,202	1,800,000.00	1,957,770	1,954,894		(10,543)		(10,543)		1,944,351		4,851	4,851	24,900	06/15/2012	1FE
64952W-AJ-2	NEW YORK LIFE GLOBAL Lot:1		02/04/2010	Jefferies		2,677,164	2,450,000.00	2,632,109	2,607,177		(4,966)		(4,966)		2,602,211		74,953	74,953	40,374	10/16/2012	1FE
69349L-AA-6	PNC BANK NA Lot:1		01/19/2010	BB& T Capital Markets		2,518,796	2,450,000.00	2,352,343	2,371,149		459		459		2,371,608		147,188	147,188	66,814	01/15/2017	1FE
69349L-AA-6	PNC BANK NA Lot:1		03/02/2010	JP Morgan		2,454,480	2,400,000.00	2,304,336	2,322,758		1,509		1,509		2,324,267		130,213	130,213	80,500	01/15/2017	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	27,409,243	25,955,000.00	26,754,819	26,677,843		(88,597)		(88,597)		26,589,247		819,996	819,996	696,762	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	44,658,005	42,670,390.00	44,184,412	37,241,244		(103,884)		(103,884)		43,593,708		1,064,295	1,064,295	902,313	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	44,658,005	42,670,390.00	44,184,412	37,241,244		(103,884)		(103,884)		43,593,708		1,064,295	1,064,295	902,313	X X X	X X X
9999999	Totals					44,658,005	X X X	44,184,412	37,241,244		(103,884)		(103,884)		43,593,708		1,064,295	1,064,295	902,313	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 - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories - Section (A) - Segregated Funds Held for Others								
Wells Fargo Bank					10,970,666	15,288,468	14,689,631	
JP Morgan Chase					9,593,209	13,740,502	13,410,048	
Wells Fargo Bank					7,754,135	11,017,570	11,941,605	
Wells Fargo Bank					4,841,947	3,324,990	4,165,256	
Wachovia Bank					3,298,505	7,124,323	3,801,008	
JP Morgan Chase					2,835,047	2,842,373	3,630,967	
Bank of America					3,403,889	3,404,275	2,880,704	
TD Bank					2,956,818	2,622,211	2,667,028	
Wells Fargo Bank					107,357	3,616	2,056,927	
Wells Fargo Bank					2,350,391	4,503,158	1,778,254	
Wells Fargo Bank					1,319,667	1,704,964	1,682,438	
JP Morgan Chase					416,977	281,154	724,729	
Wells Fargo Bank					1,111,571	876,294	667,171	
Commerce National Bank					665,119	663,011	663,011	
Wells Fargo Bank					1,188,454	773,369	556,339	
JP Morgan Chase					112,425	1,205,369	264,637	
Bank of America					492,446	324,920	244,442	
JP Morgan Chase					259,424	241,167	226,249	
SunTrust Bank					225,195	208,614	225,215	
JP Morgan Chase					229,003	229,003	220,503	
Wells Fargo Bank					260,295	183,609	182,399	
Bank of America					1,167,232	158,409	173,105	
Wells Fargo Bank					177,922	179,270	159,328	
First Republic Bank					159,000	159,000	159,000	
0199998 Deposits in (38) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X			3,171,136	6,624,566	859,018	X
0199999 Total - Segregated Funds Held for Others	X X X	X X X			59,067,830	77,684,205	68,029,012	X
Open Depositories - Section (B) - General Funds								
Bank of America					934,700	951,200	981,500	
Bank of America					73,903	94,893	197,244	
Bank of Montreal					5,627,755	4,733,180	5,580,063	
Bank of Montreal					2,001,803	1,764,086	1,253,479	
Bank of Montreal					408,617	796,381	1,207,770	
Bank of Montreal		0.010	32		1,946,530	13,228	292,593	
Bank of Montreal					167,996	309,451	136,711	
Bank of Montreal					128,711	214,442	107,398	
Bankcorp South					105,724	122,021	122,152	
Compass Bank-Prime Investme		0.499	152		195,058	195,135	195,210	
Heritage Bank		0.800	279		223,345	223,487	223,624	
J.P. Morgan Chase		0.150	2,658		6,325,649	7,215,747	8,098,847	
J.P. Morgan Chase					3,099,962	938,845	2,410,812	
Republic Bank		0.750	2,491		2,054,474	2,055,783	2,056,966	
Union Bank		0.500	6,821		5,000,000	5,003,942	1,006,811	
Wells Fargo Bank					4,137,489	3,544,504	4,788,319	
First National Bk Anchorage		0.800		335	100,000	100,000	100,000	
First National Bk Anchorage		0.950	120	72	50,000	50,000	50,000	
Peoples Bank & Trust		1.640		1,617	250,000	250,000	250,000	
US Bank of Oregon		2.050		1,563	110,000	110,000	110,000	
Wells Fargo		1.650	9,972	967	3,564,351	3,564,351	3,564,351	
Wells Fargo		0.250	841		1,365,000	1,365,000	1,365,000	
0299998 Deposits in (71) depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X	5,860	3,409	2,488,316	1,976,542	1,937,715	X
0299999 Total - General Funds	X X X	X X X	29,226	7,963	40,359,383	35,592,218	36,036,565	X
Open Depositories - Section (C) - Reinsurance Reserve Funds								
Amegy Bank					349,688	349,688	349,688	
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			349,688	349,688	349,688	X
0499999 Total - Open Depositories	X X X	X X X	29,226	7,963	99,776,901	113,626,111	104,415,265	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	X X X	X X X						X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
			NONE				
<div style="display: flex; justify-content: space-between;"> E10 8699999 Total Cash Equivalents </div>							