

QUARTERLY STATEMENT

OF THE

STEWART TITLE

INSURANCE COMPANY

of **NEW YORK**

in the state of **NEW YORK**

TO THE

Insurance Department

OF THE

STATE OF

NEW YORK

FOR THE QUARTER ENDED

March 31, 2011

TITLE

2011



51420201120100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Stewart Title Insurance Company

| | | | | | | |
|---|---|-------------------------------|---|--|---|-------------------|
| NAIC Group Code | <u>0340</u> (Current Period) | <u>0340</u> (Prior Period) | NAIC Company Code | <u>51420</u> | Employer's ID Number | <u>76-0233294</u> |
| Organized under the Laws of | <u>New York</u> | | State of Domicile or Port of Entry <u>New York</u> | | | |
| Country of Domicile | <u>United States</u> | | | | | |
| Incorporated/Organized: | <u>October 26, 1987</u> | | | Commenced Business: <u>December 2, 1987</u> | | |
| Statutory Home Office: | <u>300 East 42nd Street 10th Floor</u> (Street and Number) | | <u>New York, NY 10017</u> (City or Town, State and Zip Code) | | | |
| Main Administrative Office: | <u>300 East 42nd Street 10th Floor</u> (Street and Number) | | <u>New York, NY 10017</u> (City or Town, State and Zip Code) | | | |
| | | | <u>212-922-0050</u> (Area Code) (Telephone Number) | | | |
| Mail Address: | <u>300 East 42nd Street 10th Floor</u> (Street and Number or P.O. Box) | | <u>New York, NY 10017</u> (City or Town, State and Zip Code) | | | |
| Primary Location of Books and Records: | <u>300 East 42nd Street 10th Floor</u> (Street and Number) | | <u>New York, NY 10017</u> (City or Town, State and Zip Code) | | <u>212-922-0050</u> (Area Code) (Telephone Number) | |
| Internet Website Address: | <u>www.stewart.com</u> | | | | | |
| Statutory Statement Contact: | <u>Emily Thai -De Rago</u> (Name) | | <u>212-922-0050</u> (Area Code) (Telephone Number) | | <u>(Extension)</u> | |
| | <u>ethai@stewart.com</u> (E-Mail Address) | | <u>212-983-1133</u> (Fax Number) | | | |

OFFICERS

Michael Skalka

| | Name | Title |
|----|---------------------------|---|
| 1. | <u>John F. Welling</u> | <u>President and Chief Operating Officer</u> |
| 2. | <u>Julie A. Curlen</u> | <u>Secretary and Executive Vice President</u> |
| 3. | <u>Emily Thai -DeRago</u> | <u>Treasurer and Vice President</u> |
| 4. | <u>Milliman</u> | <u>Actuary</u> |

VICE-PRESIDENTS

| Name | Title | Name | Title |
|--------------------------------------|-----------------------|----------------------------|------------------------------|
| <u>Kimberly Allen</u> | <u>Vice President</u> | <u>Ken Anderson</u> | <u>Vice President</u> |
| <u>Barry Balonek</u> | <u>Vice President</u> | <u>Harold Boxer</u> | <u>Vice President</u> |
| <u>Genoveva Brown</u> | <u>Vice President</u> | <u>Peter Bryant</u> | <u>Vice President</u> |
| <u>Paul Bugoni</u> | <u>Vice President</u> | <u>Christopher Burdick</u> | <u>Senior Vice President</u> |
| <u>John Caruso</u> | <u>Vice President</u> | <u>Katherine Colucci</u> | <u>Vice President</u> |
| <u>Joseph Decutiis</u> | <u>Vice President</u> | <u>Scott Deverell</u> | <u>Vice President</u> |
| <u>Neil Falcone</u> | <u>Vice President</u> | <u>John Federowicz</u> | <u>Vice President</u> |
| <u>John Foley</u> | <u>Vice President</u> | <u>John Frates</u> | <u>Senior Vice President</u> |
| <u>Gelsomina Gambardella-Terrasi</u> | <u>Vice President</u> | <u>Craig Goldenberg</u> | <u>Vice President</u> |
| <u>Richard Greiner</u> | <u>Vice President</u> | <u>Jeffrey Gurren</u> | <u>Vice President</u> |
| <u>Peter Iannini</u> | <u>Vice President</u> | <u>John Killea</u> | <u>Senior Vice President</u> |
| <u>Richard King</u> | <u>Vice President</u> | <u>Pamela Nestico</u> | <u>Vice President</u> |
| <u>Norma Redditt</u> | <u>Vice President</u> | <u>Kevin Reilly</u> | <u>Vice President</u> |
| <u>Vincent Sabia</u> | <u>Vice President</u> | <u>Henry Sillocks</u> | <u>Vice President</u> |
| <u>Norman Sloane</u> | <u>Vice President</u> | <u>Thomas Vinci</u> | <u>Vice President</u> |

DIRECTORS OR TRUSTEES

| | | | |
|------------------------------|--------------------------|------------------------|---------------------------|
| <u>Peter C. Haeffner, Jr</u> | <u>Matthew J. Leeds</u> | <u>Malcolm Morris</u> | <u>Stewart Morris Jr.</u> |
| <u>Richard A. Nardi</u> | <u>Michael B. Skalka</u> | <u>John F. Welling</u> | |

State of New York

County of New York 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>(Signature)</u> <u>John F. Welling</u> <u>(Printed Name)</u> 1. <u>President and Chief Operating Officer</u> <u>(Title)</u> | <u>(Signature)</u> <u>Julie A. Curlen</u> <u>(Printed Name)</u> 2. <u>Secretary and Executive Vice President</u> <u>(Title)</u> | <u>(Signature)</u> <u>Emily Thai -DeRago</u> <u>(Printed Name)</u> 3. <u>Treasurer and Vice President</u> <u>(Title)</u> |
|---|--|---|

Subscribed and sworn to before me this _____ day of _____, 2011

- 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 | 64,883,623 | | 64,883,623 | 64,403,971 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ 0 encumbrances) | 1,234,034 | | 1,234,034 | 1,247,179 |
| 4.2 Properties held for the production of income (less \$ 0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ 0 encumbrances) | | | | |
| 5. Cash (\$ 3,955,066), cash equivalents (\$ 0), and short-term investments (\$ 0) | 3,955,066 | | 3,955,066 | 5,015,922 |
| 6. Contract loans (including \$ 0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | 66,968 | | 66,968 | 101,244 |
| 9. Receivables for securities | | | | |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 70,139,691 | | 70,139,691 | 70,768,316 |
| 13. Title plants less \$ 0 charged off (for Title insurers only) | 1,421,689 | | 1,421,689 | 1,487,085 |
| 14. Investment income due and accrued | 936,679 | | 936,679 | 793,212 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 3,033,709 | 584,551 | 2,449,158 | 2,497,202 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | 75,690 | | 75,690 | 11,428 |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | 5,816,411 | 3,582,781 | 2,233,630 | 1,473,774 |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | 135,289 | | 135,289 | 155,161 |
| 21. Furniture and equipment, including health care delivery assets (\$ 0) | 158,064 | 158,064 | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | 23,308 | | 23,308 | 18,021 |
| 24. Health care (\$ 0) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other than invested assets | 2,546,875 | 1,802,940 | 743,935 | 819,885 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 84,287,405 | 6,128,336 | 78,159,069 | 78,024,084 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 84,287,405 | 6,128,336 | 78,159,069 | 78,024,084 |

| DETAILS OF WRITE-IN LINES | | | | |
|---|-----------|-----------|---------|---------|
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. Prepays | 1,682,758 | 1,682,758 | | |
| 2502. Other Receivable | 567,389 | 120,182 | 447,207 | 478,418 |
| 2503. Deposits | 203,010 | | 203,010 | 244,938 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 93,718 | | 93,718 | 96,529 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 2,546,875 | 1,802,940 | 743,935 | 819,885 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 | 2 |
|---|---------------------------|---------------------------|
| | Current Statement Date | December 31 Prior Year |
| 1. Known claims reserve | 9,269,931 | 9,610,226 |
| 2. Statutory premium reserve | 37,968,956 | 37,442,741 |
| 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) | 1,289,931 | 1,712,388 |
| 7. Taxes, licenses and fees (excluding federal and foreign income taxes) | (371,821) | 102,639 |
| 8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | 2,811,974 | 2,214,193 |
| 8.2 Net deferred tax liability | | |
| 9. Borrowed money \$ 0 and interest thereon \$ 0 | | |
| 10. Dividends declared and unpaid | | |
| 11. Premiums and other consideration received in advance | | |
| 12. Unearned interest and real estate income received in advance | | |
| 13. Funds held by company under reinsurance treaties | | |
| 14. Amounts withheld or retained by company for account of others | 56 | |
| 15. Provision for unauthorized reinsurance | | |
| 16. Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 17. Drafts outstanding | | |
| 18. Payable to parent, subsidiaries and affiliates | 208,583 | 366,315 |
| 19. Derivatives | | |
| 20. Payable for securities | | |
| 21. Payable for securities lending | | |
| 22. Aggregate write-ins for other liabilities | 231,045 | 213,387 |
| 23. Total liabilities (Lines 1 through 22) | 51,408,655 | 51,661,889 |
| 24. Aggregate write-ins for special surplus funds | | |
| 25. Common capital stock | 1,100,000 | 1,100,000 |
| 26. Preferred capital stock | | |
| 27. Aggregate write-ins for other than special surplus funds | | |
| 28. Surplus notes | | |
| 29. Gross paid in and contributed surplus | 23,765,535 | 23,765,535 |
| 30. Unassigned funds (surplus) | 1,884,879 | 1,496,660 |
| 31. Less treasury stock, at cost: | | |
| 31.1 0 shares common (value included in Line 25 \$ 0) | | |
| 31.2 0 shares preferred (value included in Line 26 \$ 0) | | |
| 32. Surplus as regards policyholders (Lines 24 to 30 less 31) | 26,750,414 | 26,362,195 |
| 33. Totals (Page 2, Line 28, Col. 3) | 78,159,069 | 78,024,084 |

| 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) | | |
| 2201. Deferred Rents | 190,036 | 164,689 |
| 2202. Deferred Copiers | 41,009 | 48,698 |
| 2203. | | |
| 2298. Summary of remaining write-ins for Line 22 from overflow page | | |
| 2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above) | 231,045 | 213,387 |
| 2401. | | |
| 2402. | | |
| 2403. | | |
| 2498. Summary of remaining write-ins for Line 24 from overflow page | | |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) | | |
| 2701. | | |
| 2702. | | |
| 2703. | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | | |
| 2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 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 | 31,731,857 | 26,047,966 | 121,591,688 |
| 1.2 Escrow and settlement services | 17,670 | 13,890 | 73,345 |
| 1.3 Other title fees and service charges | 2,607,588 | 2,342,593 | 11,863,315 |
| 2. Aggregate write-ins for other operating income | 7,008 | | 28,335 |
| 3. Total Operating Income (Lines 1 through 2) | 34,364,123 | 28,404,449 | 133,556,683 |
| DEDUCT: | | | |
| 4. Losses and loss adjustment expenses incurred | 1,689,962 | 3,264,998 | 8,099,239 |
| 5. Operating expenses incurred | 31,758,821 | 26,587,501 | 124,011,312 |
| 6. Aggregate write-ins for other operating deductions | | | |
| 7. Total Operating Deductions | 33,448,783 | 29,852,499 | 132,110,551 |
| 8. Net operating gain or (loss) (Lines 3 minus 7) | 915,340 | (1,448,050) | 1,446,132 |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 565,294 | 678,217 | 2,245,633 |
| 10. Net realized capital gains (losses) less capital gains tax of \$ | 43,185 | 170,349 | 1,126,653 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 608,479 | 848,566 | 3,372,286 |
| OTHER INCOME | | | |
| 12. Aggregate write-ins for miscellaneous income or (loss) | | | |
| 13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12) | 1,523,819 | (599,484) | 4,818,418 |
| 14. Federal and foreign income taxes incurred | 721,071 | (32,722) | 2,108,757 |
| 15. Net income (Lines 13 minus 14) | 802,748 | (566,762) | 2,709,661 |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 16. Surplus as regards policyholders, December 31 prior year | 26,362,195 | 31,326,427 | 31,326,427 |
| 17. Net income (from Line 15) | 802,748 | (566,762) | 2,709,661 |
| 18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ | (34,275) | (7,116) | (36,229) |
| 19. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 20. Change in net deferred income taxes | 348,182 | (40,602) | 714,614 |
| 21. Change in nonadmitted assets | (735,607) | (365,171) | (866,557) |
| 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 | | | |
| 27.2 Transferred to capital (Stock Dividend) | | | |
| 27.3 Transferred from capital | | | |
| 28. Dividends to stockholders | | | (7,600,000) |
| 29. Change in treasury stock | | | |
| 30. Aggregate write-ins for gains and losses in surplus | 7,171 | 725 | 114,279 |
| 31. Change in surplus as regards policyholders (Lines 17 through 30) | 388,219 | (978,926) | (4,964,232) |
| 32. Surplus as regards policyholders as of statement date (Lines 16 plus 31) | 26,750,414 | 30,347,501 | 26,362,195 |

| DETAILS OF WRITE-IN LINES | | | |
|---|-------|-----|---------|
| 0201. Miscellaneous | 7,008 | | 28,335 |
| 0202. Reinsurance reimbursement from agents | | | |
| 0203. | | | |
| 0298. Summary of remaining write-ins for Line 02 from overflow page | | | |
| 0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above) | 7,008 | | 28,335 |
| 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. | | | |
| 1202. | | | |
| 1203. | | | |
| 1298. Summary of remaining write-ins for Line 12 from overflow page | | | |
| 1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above) | | | |
| 3001. Miscellaneous | 7,171 | | 36,064 |
| 3002. Prior year adjustment | | 725 | 78,215 |
| 3003. Due to Merger | | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | | | |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) | 7,171 | 725 | 114,279 |

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 | 31,900,182 | 27,029,734 | 123,203,510 |
| 2. Net investment income | 596,781 | 835,232 | 3,150,841 |
| 3. Miscellaneous income | 2,655,029 | 2,352,358 | 11,906,735 |
| 4. Total (Lines 1 to 3) | 35,151,992 | 30,217,324 | 138,261,086 |
| 5. Benefit and loss related payments | 2,030,258 | 1,711,709 | 7,265,875 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 33,443,594 | 26,910,368 | 123,049,802 |
| 8. Dividends paid to policyholders | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses) | 123,290 | (1,486,800) | (1,486,800) |
| 10. Total (Lines 5 through 9) | 35,597,142 | 27,135,277 | 128,828,877 |
| 11. Net cash from operations (Line 4 minus Line 10) | (445,150) | 3,082,047 | 9,432,209 |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 4,433,698 | 6,770,869 | 34,769,034 |
| 12.2 Stocks | | | |
| 12.3 Mortgage loans | | | |
| 12.4 Real estate | | | |
| 12.5 Other invested assets | 41,441 | | 118,381 |
| 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) | 4,475,139 | 6,770,869 | 34,887,415 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 5,088,320 | 7,557,202 | 35,809,378 |
| 13.2 Stocks | | | |
| 13.3 Mortgage loans | | | |
| 13.4 Real estate | 2,525 | | |
| 13.5 Other invested assets | | | |
| 13.6 Miscellaneous applications | | | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 5,090,845 | 7,557,202 | 35,809,378 |
| 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) | (615,706) | (786,333) | (921,963) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | | | |
| 16.2 Capital and paid in surplus, less treasury stock | | | |
| 16.3 Borrowed funds | | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| 16.5 Dividends to stockholders | | | 7,600,000 |
| 16.6 Other cash provided (applied) | | | |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | | | (7,600,000) |
| 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) | (1,060,856) | 2,295,714 | 910,246 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 5,015,922 | 4,105,676 | 4,105,676 |
| 19.2 End of period (Line 18 plus Line 19.1) | 3,955,066 | 6,401,390 | 5,015,922 |

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

| | | | |
|---------|--|--|--|
| 20.0001 | | | |
| 20.0002 | | | |
| 20.0003 | | | |

NOTES TO FINANCIAL STATEMENTS

1. Accounting Practices

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

The New York Department of Insurance recognizes statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of a title insurance company, for determining its solvency under the New York Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of New York. The state has adopted certain prescribed accounting practices, which differ from those found in NAIC SAP, in accordance with Regulation 172 of the New York State Insurance Law.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New York is shown below:

| | | 3/31/2011 | 12/31/2010 |
|-----|--|----------------------|----------------------|
| 1 . | Net Income New York Basis | 802,748.00 | 2,709,661.00 |
| 2 . | State Prescribed/Permitted Practices (Income) | | |
| | Title Plant Amortization, net of tax | 42,507.00 | 170,030.00 |
| | Depreciation of EDP equipment | | - |
| | Release of statutory premium reserve, net of tax | 5,679.00 | 13,549.00 |
| 3 . | Net Income, NAIC SAP | 850,934.00 | 2,893,240.00 |
| 4 . | Statutory Surplus, New York basis | 26,750,414.00 | 26,362,195.00 |
| 5 . | State Prescribed/Permitted Practices (Surplus) | | |
| | Title Plants Amortization, net of Tax | 2,586,234.00 | 2,543,727.00 |
| | Depreciation of EDP equipment | | - |
| | Release of statutory premium reserve | 936,849.00 | 931,170.00 |
| 6 . | Statutory Surplus, NAIC SAP | 30,273,497.00 | 29,837,092.00 |

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 the policies are issued. The Company assumed and ceded reinsurance with various title companies, on an individual basis, utilizing standard facultative agreements provided by the American Land Title Association and also has one excess reinsurance agreements wherein the Company assumes 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 Section 6405(a)(1) of the New York Insurance Law. 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) Investments in Common stocks. – Common stocks, other than affiliates, are valued at market based on quoted market prices. A decline in the fair value of any investment below cost that is deemed other than temporary is charged to income, resulting in the establishment of a new cost basis for the security.
- (4) Investments in Preferred stock, excluding investments in preferred stock of subsidiary, controlled, or affiliated entities - None.
- (5) Mortgage loans. - None

NOTES TO FINANCIAL STATEMENTS

(6) Loan-backed securities- None

(7) Investments in subsidiaries controlled and affiliated companies. – The company has ownership in one subsidiary. This investment is valued based on the equity method. .

(8) Investments in joint ventures, partnerships and liability companies - None

(9) Derivatives - None

(10) Utilization of anticipated investment income used as a factor in the premium deficiency calculation.-None

(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.

A statutory premium reserve is based on Section 6405 (a)(1) of the New York Insurance Law. Section 6405(a)(1) requires the Company to reserve an amount equal to one dollar fifty cents for each risk assumed under a binder or policy of insurance or any certificate or agreement issued under either of them, plus one-eightieth of one percent of the face amount of insurance effected thereby and three percent of the gross fees and premiums received by it for guaranteed certificates of title, guaranteed searches and guaranteed abstracts of title. The reserve is subsequently reduced by 5% of the addition in the first year succeeding the year of addition, and 5% every year thereafter.

2. Accounting Changes and Corrections of Errors

A. None.

B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of New York. Effective January 1, 2001, the State of New York required that insurance companies domiciled in the State of New York 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 New York insurance commissioner.

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

3. Business Combinations and Goodwill

The Company merged with Monroe Title Insurance Corporation on May 12, 2009. The transaction was accounted for as a statutory merger. Previously, Monroe Title Insurance Corporation was a wholly-owned subsidiary of the Company and was accounted for using the statutory purchase method. The Company recognized the investment in the subsidiary in accordance with SSAP 88, section (b) (i) of the NAIC Accounting Practices and Procedures Manual. The prior years' amounts are stated as if the merger was in effect for the full calendar year 2009.

4. Discontinued Operations - None

5. Investments

A. Mortgage Loans- None

B. Debt Restructuring- Not applicable

C. Reverse Mortgages - None

D. Loan-Backed Securities - None

E. Repurchase Agreements – None

F. Real Estate – The Company has reported values of \$1,234,034 in real estate.

G. Investments in low-income housing tax credits (LIHTC) - None

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.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

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

All investment income due and accrued on certificates of Deposit.

2. The total amount excluded was \$ 0.

8. Derivative Instruments - None

9. Income Taxes

A. The net deferred tax asset/(liability) at March 31, 2011 and the change from the prior year are comprised of the following components:

| | 3/31/2011 | | | 12/31/2010 | Change |
|--|-------------|---------|-------------|-------------|---------|
| | Ordinary | Capital | Total | Total | Total |
| Total gross deferred tax assets | 5,908,799 | 0 | 5,908,799 | 5,552,479 | 356,320 |
| Statutory valuation allowance adjustment | 0 | 0 | 0 | 0 | 0 |
| Adjusted gross deferred tax assets | 5,908,799 | 0 | 5,908,799 | 5,552,479 | 356,320 |
| Total gross deferred tax liabilities | (92,387) | 0 | (92,387) | (84,250) | (8,137) |
| Net deferred tax assets /(liabilities) | 5,816,411 | 0 | 5,816,411 | 5,468,229 | 348,182 |
| Total Deferred tax assets nonadmitted | (3,582,781) | 0 | (3,582,781) | (3,994,455) | 411,674 |
| Net admitted deferred tax assets / (liabilities) | 2,233,630 | 0 | 2,233,630 | 1,473,774 | 759,856 |

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

| | 3/31/2011 | | | 12/31/2010 | Change |
|---|-----------|---------|-----------|------------|---------|
| | Ordinary | Capital | Total | Total | Total |
| Admitted under paragraph 10.a. | 2,233,630 | 0 | 2,233,630 | 1,473,774 | 759,856 |
| Admitted under paragraph 10.b.i. | 0 | 0 | 0 | 0 | 0 |
| Admitted under paragraph 10.b.ii. | | | 0 | 0 | 0 |
| Admitted under paragraph 10.c. | 0 | 0 | 0 | 0 | 0 |
| Total admitted from the use of paragraph 10.a - 10.c. | 2,233,630 | 0 | 2,233,630 | 1,473,774 | 759,856 |
| Admitted under paragraph 10.e.i. | 0 | 0 | 0 | 0 | 0 |
| Admitted under paragraph 10.e.ii.a. | 0 | 0 | 0 | 0 | 0 |
| Admitted under paragraph 10.e.ii.b. | 0 | 0 | 0 | 0 | 0 |
| Admitted under paragraph 10.e.iii. | 0 | 0 | 0 | 0 | 0 |
| Total admitted from the use of paragraph 10.e. | 0 | 0 | 0 | 0 | 0 |
| Total admitted adjusted gross deferred tax assets | 2,233,630 | 0 | 2,233,630 | 1,473,774 | 759,856 |

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

| | 3/31/2011 | | | 12/31/2010 | Change |
|--|-----------|---------|-----------|------------|---------|
| | Ordinary | Capital | Total | Total | Total |
| Net deferred tax asset (liability) | 5,816,411 | 0 | 5,816,411 | 5,468,229 | 348,182 |
| Tax-effect of unrealized gains and losses | 0 | 0 | 0 | 0 | 0 |
| Net tax effect without unrealized gains and losses | 5,816,411 | 0 | 5,816,411 | 5,468,229 | 348,182 |

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:

| | 3/31/2011 | 12/31/2010 |
|---|-----------|------------|
| Current year tax expense (benefit) | 721,071 | 2,448,732 |
| Federal income tax on net capital gains | 0 | 0 |
| Prior year adjustments | 0 | (339,975) |
| Current income taxes incurred | 721,071 | 2,108,757 |

NOTES TO FINANCIAL STATEMENTS

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

| | <u>3/31/2011</u> | <u>12/31/2010</u> | Change |
|---|--------------------|--------------------|----------------|
| Deferred tax assets: | | | |
| Unearned Premium Reserve | 3,173,829 | 3,349,005 | (175,176) |
| Loss Reserve Discounting | 84,378 | 87,295 | (2,917) |
| Fixed Assets | 463,344 | 452,096 | 11,248 |
| Receivables | 122,443 | 0 | 122,443 |
| Investments in Partnerships | 0 | 0 | 0 |
| Intangible Assets | 7,467 | 10,088 | (2,620) |
| Net Operating Loss Carryforwards | 0 | 0 | 0 |
| Nonadmitted asset | 2,015,274 | 1,634,411 | 380,863 |
| Other Receivable | 42,064 | 19,585 | 22,479 |
| Valuation Allowance | 0 | 0 | 0 |
| Total adjusted gross deferred tax assets | <u>5,908,799</u> | <u>5,552,479</u> | <u>356,320</u> |
| Nonadmitted deferred tax assets | <u>(3,582,781)</u> | <u>(3,994,455)</u> | <u>411,674</u> |
| Admitted deferred tax assets | <u>2,326,017</u> | <u>1,558,024</u> | <u>767,993</u> |
| Deferred tax liabilities: | | | |
| Unrealized <Gains> Losses | 0 | 0 | 0 |
| Fixed Assets | 0 | 0 | 0 |
| Title Plant | 0 | 0 | 0 |
| Accruals | (92,387) | (84,250) | (8,137) |
| Other | 0 | 0 | 0 |
| Total deferred tax liabilities | <u>(92,387)</u> | <u>(84,250)</u> | <u>(8,137)</u> |
| Net admitted deferred tax asset (liability) | <u>2,233,630</u> | <u>1,473,774</u> | <u>759,856</u> |
| | 0 | 0 | 0 |

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

| | <u>3/31/2011</u> | <u>12/31/2010</u> |
|---|------------------|-------------------|
| Current income taxes incurred | 721,071 | 2,108,757 |
| Change in deferred income tax (without tax on unrealized gains and losses) | (348,182) | (714,614) |
| Total income tax reported | <u>372,889</u> | <u>1,394,143</u> |
| Income before taxes | 1,523,819 | 4,739,784 |
| | 35% | 35% |
| Expected Income tax expense (benefit) at 35% statutory rate | 533,337 | 1,658,924 |
| Increase (decrease) in actual tax reported resulting from: | | |
| a. Dividends received deduction | 0 | 0 |
| b. Nondeductible expenses for meals, penalties, and lobbying | 132,172 | 804,031 |
| c. Tax-exempt income | (32,329) | (141,768) |
| d. Deferred tax expense on nonadmitted assets | (452,795) | (579,401) |
| e. Federal income taxes on capital gains | 0 | 0 |
| f. Change in statutory valuation allowance | 0 | 0 |
| g. Recovered federal income taxes | 0 | (339,975) |
| h. Other | 192,504 | (7,669) |
| Total income tax reported | <u>372,889</u> | <u>1,394,143</u> |
| | (0) | 0 |
| | (0) | 0 |

E. Operating loss carryforward

- (1) As of March 31, 2011, there are no net operating loss carryforwards available for tax purposes.
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net operating losses are:

| | |
|------|-----------|
| 2010 | 2,448,732 |
| 2011 | 721,071 |

F. Consolidated federal income tax return

- (1) The Company's federal income tax return is consolidated with Stewart Information Services Corporation.

NOTES TO FINANCIAL STATEMENTS

- (2) The method of allocation is detailed in the Seventh Restated Federal Income Tax Return Settlement Agreement dated July 2, 2010. Such Agreement was filed with the New York Insurance Department.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company paid a common stock dividend totaling \$7,600,000 to the parent company, Stewart Title Guaranty Company on June 29, 2010.

Amounts due from and amounts payable to related parties at March 31, 2011 is \$89,998 and \$208,583 - respectively. The terms of the settlement require that these amounts are settled within 30 or 60 days.

On February 3, 2006, the Company owned 100% interest in Monroe Title Insurance Corporation, whose carrying value exceeded 10% of the admitted assets of the Company. On May 12, 2009, Monroe Title Insurance Corporation merged into Stewart Title Insurance Company.

The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated companies during the statement period.

All outstanding shares of the Company are owned by Stewart Title Guaranty Company, an insurance company domiciled in the State of Texas.

11. Debt - None

12. Retirement Plans, Deferred Compensation, Post employment 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 three months 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.

At March 31, 2011 plan assets totaled \$12,247,685 including vested benefits of \$12,243,556.

C. None

D. None

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

1. The Company has 100,000 shares of common stock authorized, issued and outstanding. The par value per share is \$2.

The company has 90,000 shares of Class B common stock authorized issued and outstanding. The par value per share is \$10.

2. Preferred Stock - None

3. Under New York law, the company cannot pay a dividend to shareholders in excess of certain limits without the approval from the New York State Insurance Commissioner. The company shall not declare or pay any cash or property dividend to shareholders which, together with all such dividends declared or paid by it during the next preceding twelve months, exceeds 10% of its then outstanding capital shares unless, after deducting such dividends, it has surplus to policyholders at least equal to 50% of its reinsurance reserve (statutory premium reserve) or a surplus at least equal to 50% of the minimum capital required of such insurer to transact the business of title insurance, whichever shall be greater. In addition, dividends may be paid only out of earned surplus, surplus not attributable to contributions made to surplus within five years next proceeding or to appreciation in value of investments not sold or otherwise disposed of. Surplus as regards policyholders as of March 31, 2011 was \$26,750,414.

4 - 8 Not Applicable

9. The portion of unassigned funds (Surplus) represented or reduced by each of the following items:

| | |
|----------------------------------|--------------|
| a. Unrealized gains and losses - | \$ (34,275) |
| b. Nonadmitted assets values - | \$ 6,128,336 |
| c. Separate account business - | \$ -0- |
| d. Asset valuation reserve - | \$ -0- |
| e. Provision for reinsurance | \$ -0- |

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

14. A. Contingent Commitments – None

NOTES TO FINANCIAL STATEMENTS

- B. Assessments - None
- C. Gain Contingencies - None
- D. All other Contingencies - None

15. Leases

The Company is obligated under various noncancelable leases (with initial or remaining lease terms in excess of one year). The future minimum lease payments under such leases are (in thousands):

| Year ending December 31: | <u>Amount</u> |
|--------------------------|---------------|
| 2011 | 1,016 |
| 2012 | 769 |
| 2013 | 768 |
| 2014 | 701 |
| 2015 and After | <u>1,951</u> |
| | 5,205 |

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. Fair Value Measurement - None

21. Other Items -

- A. On May 12, 2009, Monroe Title Insurance Company, a wholly-owned subsidiary, merged into Stewart Title Insurance Company.
- B. None
- C. The company holds \$72,103,202 at March 31, 2011 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 regard to policyholders.
- D. - H - Not applicable
- I Subprime Mortgage Related Risk Exposure – We have reviewed our investment portfolio as of March 31, 2011 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 quarter ended March 31, 2011, we have not recorded any material other –than -temporary impairments of our investments.

22. Events Subsequent - None

23. Reinsurance

- (A) Unsecured Reinsurance Recoverable - None
- (B) Reinsurance Recoverable in Dispute - None
- (C) Reinsurance Assumed and Ceded - Not applicable
- (D) Uncollectible Reinsurance - None
- (E) Commutation of Ceded Reinsurance - None
- (F) Retroactive Reinsurance - None

24. Retrospectively Rated Contracts- None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of March 31, 2011 were \$9.3 million. As of March 31, 2011 \$1.6 million has been paid for incurred losses and loss adjustment expenses as attributable to insured events of prior years. Incurred losses on prior policy years were \$1.3 million as of March 31, 2011. Incurred losses on prior policy years are a result of re-estimation of unpaid claims and claim adjustment expenses and prior year policy claims reported in the current year. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements - None

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements - None

28. Supplemental Reserve - The Company does not use discounting in the calculation of its 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. _____ 05/28/2010 _____

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. _____ 12/31/2008 _____

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). _____ 06/29/2010 _____

6.4 By what department or departments?
New York State Insurance Department
.....
.....
.....

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 [] No [] N/A [X]

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

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

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

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

GENERAL INTERROGATORIES

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

.....

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

Yes [] No [X]

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

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

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

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

Yes [X] No []

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

.....

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

Yes [] No [X]

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

.....

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

Yes [] No [X]

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

.....

FINANCIAL

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

Yes [X] No []

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

\$ 2,590

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:

\$ _____

GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

| | 1 | 2 |
|--|---|--|
| | Prior Year-End Book/Adjusted Carrying Value | Current Quarter Book/Adjusted Carrying Value |
| 14.21 Bonds | \$ _____ | \$ _____ |
| 14.22 Preferred Stock | \$ _____ | \$ _____ |
| 14.23 Common Stock | \$ _____ | \$ _____ |
| 14.24 Short-Term Investments | \$ _____ | \$ _____ |
| 14.25 Mortgage Loans on Real Estate | \$ _____ | \$ _____ |
| 14.26 All Other | \$ <u>101,244</u> | \$ <u>66,968</u> |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ <u>101,244</u> | \$ <u>66,968</u> |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ _____ | \$ _____ |

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?
If no, attach a description with this statement. Yes No

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 |
|---------------------------|--|
| State Street Bank | 120 Crown Colony Drive, Quincy, MA 02169 |
| | |

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 |
|--|--------------------------------------|---|
| No. 106975 | Vaughan Nelson Investment Management | 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 [] N/A [X]
 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>40,579,464</u> |
| 5.12 Short-term investments | \$ _____ |
| 5.13 Mortgages | \$ _____ |
| 5.14 Cash | \$ <u>259,986</u> |
| 5.15 Other admissible invested assets | \$ _____ |
| 5.16 Total | \$ <u>40,839,450</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>72,103,202</u> |
| These funds consist of: | |
| 5.22 In cash on deposit | \$ <u>72,103,202</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 | Domiciliary Jurisdiction | 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

| States, Etc. | 1 | Direct Premiums Written | | Direct Losses Paid (Deducting Salvage) | | Direct Known Claim Reserve | |
|------------------------------|-------|-------------------------|---------------------------|--|---------------------------|----------------------------|---------------------------|
| | | Active Status | 2 Current Year to Date | 3 Prior Year to Date | 4 Current Year to Date | 5 Prior Year to Date | 6 Current Year to Date |
| 1. Alabama | AL | N | | | | | |
| 2. Alaska | AK | N | | | | | |
| 3. Arizona | AZ | N | | | | | |
| 4. Arkansas | AR | N | | | | | |
| 5. California | CA | L | | | 42 | 7,916 | 15,000 |
| 6. Colorado | CO | N | | | | | |
| 7. Connecticut | CT | N | | | | | |
| 8. Delaware | DE | N | | | | | |
| 9. District of Columbia | DC | N | | | | | |
| 10. Florida | FL | N | | | | | |
| 11. Georgia | GA | N | | | | | |
| 12. Hawaii | HI | N | | | | | |
| 13. Idaho | ID | N | | | | | |
| 14. Illinois | IL | N | | | | | |
| 15. Indiana | IN | N | | | | | |
| 16. Iowa | IA | N | | | | | |
| 17. Kansas | KS | N | | | | | |
| 18. Kentucky | KY | N | | | | | |
| 19. Louisiana | LA | N | | | | | |
| 20. Maine | ME | N | | | | | |
| 21. Maryland | MD | N | | | | | |
| 22. Massachusetts | MA | N | | | | | |
| 23. Michigan | MI | N | | | | | |
| 24. Minnesota | MN | N | | | | | |
| 25. Mississippi | MS | N | | | | | |
| 26. Missouri | MO | N | | | | | |
| 27. Montana | MT | N | | | | | |
| 28. Nebraska | NE | N | | | | | |
| 29. Nevada | NV | N | | | | | |
| 30. New Hampshire | NH | N | | | | | |
| 31. New Jersey | NJ | N | | | | | |
| 32. New Mexico | NM | N | | | | | |
| 33. New York | NY | L | 32,620,004 | 26,741,442 | 1,636,938 | 1,381,436 | 9,262,015 |
| 34. North Carolina | NC | N | | | | | |
| 35. North Dakota | ND | N | | | | | |
| 36. Ohio | OH | N | | | | | |
| 37. Oklahoma | OK | N | | | | | |
| 38. Oregon | OR | N | | | | | |
| 39. Pennsylvania | PA | N | | | | | |
| 40. Rhode Island | RI | N | | | | | |
| 41. South Carolina | SC | N | | | | | |
| 42. South Dakota | SD | N | | | | | |
| 43. Tennessee | TN | N | | | | | |
| 44. Texas | TX | N | | | | | |
| 45. Utah | UT | N | | | | | |
| 46. Vermont | VT | N | | | | | |
| 47. Virginia | VA | N | | | | | |
| 48. Washington | WA | N | | | | | |
| 49. West Virginia | WV | N | | | | | |
| 50. Wisconsin | WI | N | | | | | |
| 51. Wyoming | WY | N | | | | | |
| 52. American Samoa | AS | N | | | | | |
| 53. Guam | GU | N | | | | | |
| 54. Puerto Rico | PR | N | | | | | |
| 55. U.S. Virgin Islands | VI | N | | | | | |
| 56. Northern Mariana Islands | MP | N | | | | | |
| 57. Canada | CN | N | | | | | |
| 58. Aggregate Other Alien | OT | X X X | | | | | |
| 59. Totals | (a) 2 | | 32,620,004 | 26,741,442 | 1,636,980 | 1,381,436 | 9,269,931 |
| | | | | | | 10,330,151 | |

| DETAILS OF WRITE-INS | | | | | | | |
|----------------------|---|-------|--|--|--|--|--|
| 5801. | | X X X | | | | | |
| 5802. | | X X X | | | | | |
| 5803. | | X X X | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | |
| 5899. | Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) | X X X | | | | | |

(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 |
| 0340 | Stewart | 50121 | TX | 74-0924290 | Stewart Title Guaranty Company-STG(SISCO) |
| 0340 | Stewart | 51420 | NY | 76-0233294 | Stewart Title Insurance Company-STIC(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)(S) |
| 0000 | | 00000 | TX | 74-0923770 | Stewart Title Co. of Galveston-STC(STG) |
| 0000 | | 00000 | OK | 73-1093494 | Stewart Abstract of Oklahoma(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 | NM | 85-0046018 | Stewart Title of Albuquerque, LLC |
| 0000 | | 00000 | TX | 74-2823956 | Gracy Title(STC) |
| 0000 | | 00000 | FL | 59-3138251 | Tampa Cypress Partners(STC) |
| 0000 | | 00000 | PL | 99-9999999 | Stewart International Spolka Z Organizon |
| 0000 | | 00000 | TX | 76-0450977 | Stewart Lender Services(STC) |
| 0000 | | 00000 | TX | 20-5764898 | Property Information Corporation(STC) |
| 0000 | | 00000 | IL | 43-1978488 | Information Services of Illinois(STC) |
| 0000 | | 00000 | TX | 47-0941826 | Home Retention Services, Inc.(STC) |
| 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 | 6,889,096 | 2,622,693 | 21,942 | 0.20 | 1.30 |
| 2. Agency operations: | | | | | |
| 2.1 Non-affiliated agency operations | 25,686,940 | 9,573 | 1,668,020 | 6.50 | 15.90 |
| 2.2 Affiliated agency operations | 43,968 | | | | 95.90 |
| 3. Totals | 32,620,004 | 2,632,266 | 1,689,962 | 4.80 | 11.20 |

PART 2 – DIRECT PREMIUMS WRITTEN

| | 1 Current Quarter | 2 Current Year to Date | 3 Prior Year Year to Date |
|--------------------------------------|-------------------------|------------------------------|---------------------------------|
| 1. Direct operations | 6,889,096 | 6,889,096 | 7,236,320 |
| 2. Agency operations: | | | |
| 2.1 Non-affiliated agency operations | 25,686,940 | 25,686,940 | 19,452,098 |
| 2.2 Affiliated agency operations | 43,968 | 43,968 | 53,024 |
| 3. Totals | 32,620,004 | 32,620,004 | 26,741,442 |

OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

| | Current Year | | | Prior Year |
|---|--------------|-------------|---------------|--------------|
| | 1 | 2 | 3 | 4 |
| | | Nonadmitted | Net Admitted | Net Admitted |
| | Assets | Assets | Assets | Assets |
| | | | (Cols. 1 - 2) | |
| REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS | | | | |
| 2504. Goodwill | 93,718 | | 93,718 | 96,529 |
| 2597. Totals (Lines 2501 through 2596) (Page 2, Line 2598) | 93,718 | | 93,718 | 96,529 |

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 | 1,247,179 | 1,310,347 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | 2,525 | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other than temporary impairment recognized | | |
| 8. Deduct current year's depreciation | 15,670 | 63,168 |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | 1,234,034 | 1,247,179 |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 1,234,034 | 1,247,179 |

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 | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. 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) | | |
| 12. Total valuation allowance | | |
| 13. Subtotal (Line 11 plus Line 12) | | |
| 14. Deduct total nonadmitted amounts | | |
| 15. Statement value at end of current period (Line 13 minus Line 14) | | |

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 | 101,243 | 137,472 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | 7,166 | 82,152 |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | 41,441 | 118,381 |
| 8. Deduct amortization of premium and depreciation | | |
| 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) | 66,968 | 101,243 |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 66,968 | 101,243 |

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 | 64,403,971 | 63,119,059 |
| 2. Cost of bonds and stocks acquired | 5,088,320 | 35,809,378 |
| 3. Accrual of discount | 2,683 | 6,933 |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | 41,425 | 1,117,251 |
| 6. Deduct consideration for bonds and stocks disposed of | 4,433,698 | 34,769,034 |
| 7. Deduct amortization of premium | 219,078 | 879,616 |
| 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) | 64,883,623 | 64,403,971 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 64,883,623 | 64,403,971 |

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) | 55,290,903 | 3,819,801 | 4,392,272 | (183,696) | 54,534,736 | | | 55,290,903 |
| 2. Class 2 (a) | 9,113,066 | 1,268,520 | | (32,699) | 10,348,887 | | | 9,113,066 |
| 3. Class 3 (a) | | | | | | | | |
| 4. Class 4 (a) | | | | | | | | |
| 5. Class 5 (a) | | | | | | | | |
| 6. Class 6 (a) | | | | | | | | |
| 7. Total Bonds | 64,403,969 | 5,088,321 | 4,392,272 | (216,395) | 64,883,623 | | | 64,403,969 |
| 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 | 64,403,969 | 5,088,321 | 4,392,272 | (216,395) | 64,883,623 | | | 64,403,969 |

(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

NONE Schedule DA - Part 1 and Verification

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

NONE Schedule E Verification

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 Description of Property | Location | | 4 Date Acquired | 5 Name of Vendor | 6 Actual Cost at Time of Acquisition | 7 Amount of Encumbrances | 8 Book/Adjusted Carrying Value Less Encumbrances | 9 Additional Investment Made After Acquisition |
|------------------------------|-----------|------------|--------------------|-----------------------------------|---|-----------------------------|---|---|
| | 2 City | 3 State | | | | | | |
| Heat & Cool P-Tac unit | Syracuse | New York | 04/01/2011 | Potter Heating & Air Conditioning | | | | 2,525 |
| 0199999 Acquired by Purchase | | | | | | | | 2,525 |
| 0399999 Totals | | | | | | | | 2,525 |

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. | | | | | | | |
| 0399999 Total | | | | | | | | | | | | | | | | | | | |

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

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) |
|-----------------------------------|--|--------------|--------------------|--------------------------------|--------------------------------------|------------------|----------------|--|--|
| 882135-3X-2 | TX A&M UNIV B Fing SY Co:1 Lot:1 | | 03/04/2011 | Hutchinson,Shockey,Erley & Co. | | 835,695 | 700,000.00 | 963 | 1FE |
| 2499999 | U.S. Total Bonds Political Subdivisions of States, Territories and Possessions | | | | X X X | 835,695 | 700,000.00 | 963 | X X X |
| 20030N-BA-8 | COMCAST CORP Co:1 Lot:1 | | 03/15/2011 | Cantor Fitzgerald | | 1,268,520 | 1,200,000.00 | 2,918 | 2FE |
| 22546Q-AA-5 | CREDIT SUISSE NEW YORK Co:1 Lot:1 | | 02/02/2011 | Credit Suisse/1st Boston | | 550,925 | 500,000.00 | 7,333 | 1FE |
| 22546Q-AA-5 | CREDIT SUISSE NEW YORK Co:1 Lot:2 | | 02/02/2011 | Credit Suisse/1st Boston | | 550,925 | 500,000.00 | 7,333 | 1FE |
| 38141E-A5-8 | Goldman - Sachs Co:1 Lot:1 | | 02/09/2011 | Weller, Anderson, & Chene | | 920,007 | 900,000.00 | 20,022 | 1FE |
| 38141G-DQ-4 | GOLDMAN SACHS GROUP Co:1 Lot:3 | | 02/09/2011 | Citigroup | | 324,342 | 300,000.00 | 5,206 | 1FE |
| 38141G-DQ-4 | GOLDMAN SACHS GROUP Co:1 Lot:4 | | 02/09/2011 | Citigroup | | 243,257 | 225,000.00 | 3,905 | 1FE |
| 695114-CH-9 | PACIFICORP Co:1 Lot:4 | | 02/02/2011 | Jefferies | | 225,514 | 200,000.00 | 691 | 1FE |
| 695114-CH-9 | PACIFICORP Co:1 Lot:5 | | 02/02/2011 | Jefferies | | 169,136 | 150,000.00 | 518 | 1FE |
| 3899999 | Total Bonds Industrial and Miscellaneous (Unaffiliated) | | | | X X X | 4,252,626 | 3,975,000.00 | 47,926 | X X X |
| 8399997 | Total Bonds Part 3 | | | | X X X | 5,088,321 | 4,675,000.00 | 48,889 | 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 | 5,088,321 | 4,675,000.00 | 48,889 | X X X |
| 9999999 | Totals | | | | X X X | 5,088,321 | X X X | 48,889 | X X X |

E04

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

SCHEDULE D - PART 4

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

| 1 CUSIP Ident- ification | 2 Description | 3 F o r e i g n | 4 Disposal Date | 5 Name of Purchaser | 6 Number of Shares of Stock | 7 Consid- eration | 8 Par Value | 9 Actual Cost | 10 Prior Year Book/ Adjusted Carrying Value | Change in Book/Adjusted Carrying Value | | | | | 16 Book/ Adjusted Carrying Value at Disposal Date | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Bond Interest/ Stock Dividends Received During Year | 21 Maturity Date | 22 NAIC Desig- nation or Market Indicator (a) |
|-----------------------------------|--|--------------------------------------|-----------------------|---------------------------|--|-------------------------|-------------------|---------------------|---|--|--|---|--|--|---|--|---|--|---|------------------------|--|
| | | | | | | | | | | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year's (Amort- ization)/ Accretion | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B./A.C.V. (11+12-13) | 15 Total Foreign Exchange Change in B./A.C.V. | | | | | | | |
| 89438V-RW-8 | Travis County Texas Co:1 Lot:1 | | 03/01/2011 | MATURITY | | 700,000 | 700,000.00 | 778,442 | 702,028 | | (2,028) | | (2,028) | | 700,000 | | | | 17,500 | 03/01/2011 | 1FE |
| 2499999 | U.S. Total - Bonds - Political Subdivisions of States, Territories and Possessions | | | | X X X | 700,000 | 700,000.00 | 778,442 | 702,028 | | (2,028) | | (2,028) | | 700,000 | | | | 17,500 | X X X | X X X |
| 78387G-AD-5 | AT & T INC. Co:1 Lot:1 | | 03/15/2011 | MATURITY | | 1,200,000 | 1,200,000.00 | 1,280,748 | 1,212,989 | | (12,989) | | (12,989) | | 1,200,000 | | | | 37,500 | 03/15/2011 | 1FE |
| 22541L-AB-9 | Credit Suisse FB USA Co:1 Lot:1 | | 02/02/2011 | Jefferies | | 521,580 | 500,000.00 | 511,250 | 501,260 | | (121) | | (121) | | 501,139 | | 20,441 | 20,441 | 6,976 | 11/15/2011 | 1FE |
| 22541L-AB-9 | Credit Suisse FB USA Co:1 Lot:2 | | 02/02/2011 | Jefferies | | 521,580 | 500,000.00 | 542,545 | 516,969 | | (1,657) | | (1,657) | | 515,312 | | 6,268 | 6,268 | 6,976 | 11/15/2011 | 1FE |
| 38141G-CG-7 | GOLDMAN SACHS GROUP INC Co:1 L | | 02/09/2011 | Jefferies | | 319,401 | 300,000.00 | 328,263 | 317,329 | | (1,082) | | (1,082) | | 316,247 | | 3,154 | 3,154 | 7,743 | 09/01/2012 | 1FE |
| 38141G-CG-7 | GOLDMAN SACHS GROUP INC Co:1 L | | 02/09/2011 | Citigroup | | 1,171,137 | 1,100,000.00 | 1,203,631 | 1,163,541 | | (3,967) | | (3,967) | | 1,159,574 | | 11,563 | 11,563 | 28,389 | 09/01/2012 | 1FE |
| 3899999 | Total - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | X X X | 3,733,698 | 3,600,000.00 | 3,866,437 | 3,712,088 | | (19,816) | | (19,816) | | 3,692,272 | | 41,426 | 41,426 | 87,584 | X X X | X X X |
| 8399997 | Total - Bonds - Part 4 | | | | X X X | 4,433,698 | 4,300,000.00 | 4,644,879 | 4,414,116 | | (21,844) | | (21,844) | | 4,392,272 | | 41,426 | 41,426 | 105,084 | 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 | 4,433,698 | 4,300,000.00 | 4,644,879 | 4,414,116 | | (21,844) | | (21,844) | | 4,392,272 | | 41,426 | 41,426 | 105,084 | X X X | X X X |
| 9999999 | Totals | | | | | 4,433,698 | X X X | 4,644,879 | 4,414,116 | | (21,844) | | (21,844) | | 4,392,272 | | 41,426 | 41,426 | 105,084 | 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

NONE Schedule DL - Part 1

NONE Schedule DL - Part 2

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|--|-------|------------------|--|--|--|--------------|-------------|---|
| | | | | | 6 | 7 | 8 | |
| Depository | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| Open Depositories - Section (A) - Segregated Funds Held for Others | | | | | | | | |
| JP Morgan Chase | | | | | 14,347 | 14,347 | 64,347 | |
| JP Morgan Chase | | | | | 10,002,189 | 10,004,104 | | |
| Citibank, N.A | | | | | 955,257 | 955,257 | 950,127 | |
| Citibank, N.A | | | | | 30,957,206 | 26,749,382 | 19,776,613 | |
| JP Morgan Chase | | | | | 403,412 | | | |
| JP Morgan Chase | | | | | 38,481,532 | 39,807,471 | 29,433,709 | |
| JP Morgan Chase | | | | | 14,124,714 | 8,724,702 | 4,284,110 | |
| JP Morgan Chase | | | | | 331,844 | 445,388 | 2,633,313 | |
| JP Morgan Chase | | | | | 4,213,203 | 1,920,513 | 304,178 | |
| JP Morgan Chase | | | | | 3,043,978 | 2,737,201 | 2,671,391 | |
| JP Morgan Chase | | | | | 77,756 | 93,668 | 107,643 | |
| JP Morgan Chase | | | | | 679,716 | 679,716 | 679,716 | |
| Citibank, N.A | | | | | 33,182 | 10,522 | 2,611 | |
| Citibank, N.A | | | | | 5,125,842 | 14,988,823 | 7,424,099 | |
| Citibank, N.A | | | | | 102,801 | 100,934 | 239,832 | |
| Citibank, N.A | | | | | 1,232,659 | 1,178,782 | 1,318,040 | |
| HSBC Bank, USA | | | | | 123,972 | 123,465 | 121,596 | |
| Bank of America | | | | | 2,331,998 | 1,842,844 | 2,091,877 | |
| 0199998 Deposits in () depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | X X X | X X X | | | | | | X |
| 0199999 Total - Segregated Funds Held for Others | X X X | X X X | | | 112,235,608 | 110,377,119 | 72,103,202 | X |
| Open Depositories - Section (B) - General Funds | | | | | | | | |
| State Street Bank | | | | | 597,436 | 505,848 | 584,334 | |
| Citibank, N.A | | | 2,514 | | 4,067,849 | 2,985,685 | 1,723,939 | |
| JP Morgan Chase | | | | | 12,027 | 12,027 | 12,027 | |
| HSBC Bank, USA | | | | | 1,343,343 | 1,998,317 | 1,424,226 | |
| 0299998 Deposits in () depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | X X X | X X X | | 117 | 203,490 | 203,490 | 203,490 | X |
| 0299999 Total - General Funds | X X X | X X X | 2,514 | 117 | 6,224,145 | 5,705,367 | 3,948,016 | X |
| Open Depositories - Section (C) - Reinsurance Reserve Funds | | | | | | | | |
| 0399998 Deposits in () 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 | | | | | | X |
| 0499999 Total - Open Depositories | X X X | X X X | 2,514 | 117 | 118,459,753 | 116,082,486 | 76,051,218 | X |
| Suspended Depositories - Section (A) - Seg. Funds Held for Others | | | | | | | | |
| 0599998 Deposits in () 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 () depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | X X X | X X X | | | | | | X |
| 0699999 Total - General Funds | X X X | X X X | | | | | | X |
| Suspended Depositories - Section (C) - Reinsurance Reserve Funds | | | | | | | | |
| 0799998 Deposits in () depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | X X X | X X X | | | | | | X |
| 0799999 Total - Reinsurance Reserve Funds | X X X | X X X | | | | | | X |
| 0899999 Total Suspended Depositories | X X X | X X X | | | | | | X |
| 0999999 Total Cash on Deposit | X X X | X X X | 2,514 | 117 | 118,459,753 | 116,082,486 | 76,051,218 | X |
| 1099999 Cash in Company's Office | X X X | X X X | X X X | X X X | 7,050 | 7,050 | 7,050 | X |
| 1199999 Total Cash | X X X | X X X | 2,514 | 117 | 118,466,803 | 116,089,536 | 76,058,268 | 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;"> E12 8699999 Total Cash Equivalents </div> | | | | | | | |