

QUARTERLY STATEMENT

OF THE

NATIONAL TITLE INSURANCE COMPANY

of _____ MIAMI _____

in the state of _____ FLORIDA _____

TO THE

Insurance Department

OF THE

STATE OF

FLORIDA

FOR THE QUARTER ENDED

June 30, 2010

TITLE

2010

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				
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)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				230,959
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 595,391), cash equivalents (\$ 195,000), and short-term investments (\$ 0)	790,391		790,391	793,029
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	790,391		790,391	1,023,988
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	1,131		1,131	16,520
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection				2,681
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				
16. Amounts receivable relating to uninsured plans				
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset				
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software				
20. Furniture and equipment, including health care delivery assets (\$ 0)				
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates				
23. Health care (\$ 0) and other amounts receivable				
24. Aggregate write-ins for other than invested assets				
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	791,522		791,522	1,043,189
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	791,522		791,522	1,043,189

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.				
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)				

NONE

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31 Prior Year
1. Known claims reserve	434,000	474,000
2. Statutory premium reserve	318,238	349,949
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)	213,554	286,964
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	4,572	3,720
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
8.2 Net deferred tax liability		
9. Borrowed money \$ 5,746 and interest thereon \$ 398	6,144	5,993
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	70,985	71,119
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		
19. Derivatives		
20. Payable for securities		
21. Aggregate write-ins for other liabilities		
22. Total liabilities (Lines 1 through 21)	1,047,493	1,191,745
23. Aggregate write-ins for special surplus funds		
24. Common capital stock	1,600,000	1,600,000
25. Preferred capital stock	215,639	215,639
26. Aggregate write-ins for other than special surplus funds		
27. Surplus notes		
28. Gross paid in and contributed surplus		
29. Unassigned funds (surplus)	(2,071,610)	(1,964,195)
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)	(255,971)	(148,556)
32. Totals	791,522	1,043,189

DETAILS OF WRITE-INS		
0301.		
0302.	NONE	
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.		
2102.	NONE	
2103.		
2198. Summary of remaining write-ins for Line 21 from overflow page		
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)		
2301.		
2302.	NONE	
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		
2601.		
2602.	NONE	
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	31,711	792,561	1,002,383
1.2 Escrow and settlement services		16,228	36,234
1.3 Other title fees and service charges		273,973	374,949
2. Aggregate write-ins for other operating income	46,567	24,483	47,259
3. Total Operating Income (Lines 1 through 2)	78,278	1,107,245	1,460,825
DEDUCT:			
4. Losses and loss adjustment expenses incurred	2,368	89,794	460,114
5. Operating expenses incurred	186,997	1,816,161	2,229,882
6. Aggregate write-ins for other operating deductions			704,331
7. Total Operating Deductions	189,365	1,905,955	3,394,327
8. Net operating gain or (loss) (Lines 3 minus 7)	(111,087)	(798,710)	(1,933,502)
INVESTMENT INCOME			
9. Net investment income earned	3,672	4,270	(10,457)
10. Net realized capital gains (losses) less capital gains tax of \$ 0			67,528
11. Net investment gain (loss) (Lines 9 + 10)	3,672	4,270	57,071
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)	(107,415)	(794,440)	(1,876,431)
14. Federal and foreign income taxes incurred			
15. Net income (Lines 13 minus 14)	(107,415)	(794,440)	(1,876,431)
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	(148,556)	1,538,622	1,538,622
17. Net income (from Line 15)	(107,415)	(794,440)	(1,876,431)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		8,087	(38,703)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes			
21. Change in nonadmitted assets		(343,548)	227,956
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			
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus			
31. Change in surplus as regards policyholders (Lines 17 through 30)	(107,415)	(1,129,901)	(1,687,178)
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	(255,971)	408,721	(148,556)

DETAILS OF WRITE-IN LINES			
0201. Bad Debt Recovery and other income	46,567	24,483	
0202. Mortgage Division Income			24,483
0203. Gain on Sale of Fixed Assets			22,776
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)	46,567	24,483	47,259
0601. Impairment Loss on Title Plant Assets			291,200
0602. Impairment Loss on Land			269,041
0603. Impairment on Other Fixed Assets			144,090
0698. Summary of remaining write-ins for Line 06 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)			704,331
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.			
3002.			
3003.			
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			

NONE

NONE

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	2,681	814,332	1,093,949
2. Net investment income	19,061	3,216	(13,136)
3. Miscellaneous income	46,567	314,684	525,970
4. Total (Lines 1 to 3)	68,309	1,132,232	1,606,783
5. Benefit and loss related payments	42,368	79,154	32,810
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	259,555	1,335,075	2,156,602
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	301,923	1,414,229	2,189,412
11. Net cash from operations (Line 4 minus Line 10)	(233,614)	(281,997)	(582,629)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			104,060
12.3 Mortgage loans		1,411,151	1,411,151
12.4 Real estate	230,959		
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			101,930
12.8 Total investment proceeds (Lines 12.1 to 12.7)	230,959	1,411,151	1,617,141
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans		1,399,500	1,399,500
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		11,651	
13.7 Total investments acquired (Lines 13.1 to 13.6)		1,411,151	1,399,500
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)	230,959		217,641
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	151	(42,916)	(42,916)
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(134)	(19,010)	
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	17	(61,926)	(42,916)
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)	(2,638)	(343,923)	(407,904)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	793,029	1,200,933	1,200,933
19.2 End of period (Line 18 plus Line 19.1)	790,391	857,010	793,029

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

- A. The accompanying financial statements of National Title Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the State of Florida.

The Florida Office of Insurance Regulation recognizes only statutory accounting practices prescribed or permitted by the State of Florida, for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Florida Insurance Statutes. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("SAP") has been adopted as a component of prescribed or permitted practices by the State of Florida to the extent it is not contradicted by Florida Statutes. Under NAIC SAP, rates for amounts set-aside as statutory premium reserves differ from those prescribed by laws of the State of Florida.

- B. 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. The insurance premiums, net of agent's fees, are recognized as revenue when the policies become effective. Title information revenue is recognized as the information is delivered.

In addition, the Company uses the following accounting policies:

- 1) Common stocks at fair value.
- 2) Investment real estate is valued at fair value, net of selling expenses.
- 3) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of, or less than the amount provided. The methods for making such estimates, and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Correction of Errors:

Not Applicable.

3. Business Combinations and Goodwill:

Not Applicable.

4. Discontinued Operations and Receivership:

On July 6, 2009, the Company was ordered into receivership for purposes of rehabilitation by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed receiver of the Company.

5. Investments:

A. Mortgage Loans:

1. The Company did not hold any mortgages at June 30, 2010.

B. Debt Restructuring:

The Company did not have any debt restructuring during the six months ended June 30, 2010.

C. Reverse Mortgages:

The Company did not have any investments in reverse mortgages during the six months ended June 30, 2010.

D. Loan Back Securities:

The Company did not have any investments in loan back securities during the six months ended June 30, 2010.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements:

The Company did not have any investments in repurchase agreements securities requiring collateral during the six months ended June 30, 2010.

F. Real Estate:

The Company did not have any investment in real estate property. In March 2010, the Company sold its investment in real estate for \$230,958. The Company did not recognize any gain or loss on the sale, as the value of the land was adjusted to reflect the net proceeds of the sale during 2009.

6. Joint Ventures, Partnerships and Limited Liability Companies:

Not Applicable

7. Investment Income:

Investment income receivable was recognized on unpaid interest pertaining to certificates of deposits held as of June 30, 2010.

8. Derivative Instruments:

The Company does not invest in derivative type investments.

9. Income Taxes:

- A. The Company did not have any deferred tax asset or deferred tax liability recorded as of June 30, 2010. The Company does not believe it will be able to realize any tax benefits from net operating losses.
- B. At June 30, 2010, the Company had available net operating losses of approximately \$3.6 million. If unused, the net operating losses will begin to expire in the year 2016.
- C. The Company's federal income tax return is not combined with those of any other entity.

10. Information Concerning Parent, Subsidiaries and Affiliates:

- A. The Company is not directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual.
- B. At June 30, 2010, the Company did not have any material amounts due to or from its affiliates, or related parties.
- C. The Company has no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that would result in a material contingent exposure of the reporting entity's assets or liabilities.
- D. The Company does not have any management or service contracts with its affiliates.
- E. The Company has no control relationship with any other entity.
- F. The Company owns no shares in an intermediate or ultimate parent.
- G. The Company owns no shares of stock of affiliated or related entities.
- H. The Company has no investments in foreign insurance entities.
- I. The Company has no investments in downstream noinsurance holding companies.

11. Debt:

- A. The Company does not have any Capital Notes outstanding.
- B. At June 30, 2010, the balance sheet caption "Borrowed Money" was comprised of loans from officers for \$4,288 and loans from directors and shareholders for \$1,457. These loans bore interest at 5% per annum. Interest accrued through June 30, 2010 was \$398.
- C. The Company does not have any reverse repurchase agreements.

NOTES TO FINANCIAL STATEMENTS

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

- A. The Company does not have a defined benefit plan.
- B. The Company had a defined contribution plan. The Board of Directors of the Company had the authority to declare a percentage of the profits to be contributed to a defined profit sharing plan. No contributions to this plan have been made in recent years. The Company was under no obligation to contribute to this plan. Contributions were at the Company's discretion. The Plan was terminated effective November 21, 2008.
- C. Multiemployer Plans – None.
- D. Consolidated / Holding Company Plans – None.
- E. Postemployment Benefits and Compensation Absences – Not applicable.
- F. Impact of Medical Modernization Act on Postretirement Benefits – Not applicable.

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

- A. At June 30, 2010, the Company has 16,000 shares of common stock authorized with no par value, of which 12,521 were issued and outstanding.
- B. At June 30, 2010, The Company has 4,000 shares of preferred stock authorized with no par value and a stated value of \$86.46, of which 2,494.08 shares were issued and outstanding.
- C. Dividends on the preferred stock are set at 12 percent per annum, cumulative if not paid. Preferred stock dividend should be payable before any dividend on common stock are paid. All Dividends, which can be paid by State of Florida domiciled insurance companies, are restricted by Florida Stature 628.371. A domestic stock insurer shall not pay any dividend from surplus funds, except if derived from realized net operating profits on its business and net realized capital gains.
- D. Dividend payments shall not exceed 10 percent of unassigned funds (surplus), less 25 percent of unrealized capital gains; unless, it receives prior written approval from the Florida Department of Financial Services.
- E. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- F. Advances to surplus not repaid – Not applicable.
- G. The Company holds no stock designated for any special purpose.
- H. Changes in the balances of any special surplus funds – Not applicable.
- I. The Company had no surplus debentures outstanding as of June 30, 2010.
- J. The Company has not had quasi-reorganization during the past 10 years.

14. Contingencies:

None

15. Leases:

The Company leased its office facilities under noncancellable operating leases, with terms extending through 2010. This lease was terminated in September 2009.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instrument With Concentrations of Credit Risk:

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:

- A. Transfer of Receivables Reported as Sales – None.
- B. Transfer and Servicing of Financial Assets – None.
- C. Wash Sales – None.

NOTES TO FINANCIAL STATEMENTS

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 Administrator:

Not Applicable.

20. Other Items:

A. Extraordinary Items - None.

B. Troubled Debt Restructuring - None.

C. Other Disclosures:

The Company has elected to use rounding in reporting amounts in its Financial Statements.

As of June 30, 2010, the Company's surplus was below the minimum surplus requirements of the State of Florida.

Effective May 13th, 2009, the Company has stopped issuing title insurance policies.

D. Uncollectible Assets under SSAP No. 6 - None.

E. Business Interruption Insurance Recoveries - None.

F. State Transferable Tax Credits - None.

G. Hybrid Securities - None.

H. Subprime Mortgage Exposure - None.

I. Federal Home Loan Bank Agreements - None.

21. Subsequent Events:

None.

22. Reinsurance:

Since 1991, all policy amounts in excess of \$250,000 have been reinsured by the Company with Old Republic National Title Insurance Company. All policies written with a closing date on or after November 27, 2008, have been 100% reinsured through a quota share agreement with Old Republic National Title Insurance Company.

Included in Other Expenses payable at June 30, 2010 for \$213,554 are accrued reinsurance premiums payable to Old Republic National Title Insurance for \$190,752.

A. Unsecured Reinsurance Recoverable - None.

B. Reinsurance Recoverable in Dispute - None.

C. Reinsurance Assumed and Ceded - Not applicable.

D. Uncollected Reinsurance - None.

E. Commutation of Ceded Reinsurance - None.

F. Retroactive Reinsurance - None.

G. Reinsurance Accounted for as Deposit - None.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

24. Loss Adjustment Expenses:

During the six months ended June 30, 2010, incurred losses and loss adjustment expenses were \$2,368.

In addition, at June 30, 2010, the Company computed its statutory premium reserve arriving at approximately \$318,000.

25. Intercompany Pooling Arrangement:

Not Applicable.

26. Structured Settlements:

None.

27. 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

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

2.2 If yes, date of change: 11/11/2008

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
 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

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
 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). 03/30/2007

6.4 By what department or departments?
Florida Department of Financial Services - Office of Insurance Regulation

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

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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

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

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:

\$ _____

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 [X]

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	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
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 [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]
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 [X] 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
.....
.....

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 [X]

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
.....
.....

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

Yes [X] 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	\$ _____
5.12 Short-term investments	\$ _____
5.13 Mortgages	\$ _____
5.14 Cash	\$ _____
5.15 Other admissible invested assets	\$ _____
5.16 Total	\$ _____

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:	\$ _____
These funds consist of:	
5.22 In cash on deposit	\$ _____
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: 48px; font-weight: bold; margin: 0;">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	L		41,979			
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	L		662,791	40,000	27,539	113,754
11. Georgia	GA	L		92,636			
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	L					
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	L					
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	N					
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	L					
42. South Dakota	SD	N					
43. Tennessee	TN	L		5,762			
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) 7		803,168	40,000	27,539		113,754

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						

NONE

(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

NONE

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		46,566	40,000	85.90	
2. Agency operations:					
2.1 Non-affiliated agency operations					12.00
2.2 Affiliated agency operations					
3. Totals		46,566	40,000	85.90	8.00

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations			23,628
2. Agency operations:			
2.1 Non-affiliated agency operations			748,029
2.2 Affiliated agency operations			31,511
3. Totals			803,168

OVERFLOW PAGE FOR WRITE-INS

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	230,959	500,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals	230,959	
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		269,041
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)		230,959
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		230,959

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		1,399,500
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		11,651
7. Deduct amounts received on disposals		1,411,151
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		
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 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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

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		75,235
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		(38,703)
5. Total gain (loss) on disposals		67,528
6. Deduct consideration for bonds and stocks disposed of		104,060
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 D - Part 1B

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

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	370,000	370,000
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	175,000	
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)	195,000	370,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	195,000	370,000

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

NONE Schedule D - Part 3

NONE Schedule D - Part 4

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								
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						X
Open Depositories - Section (B) - General Funds SunTrust Bank Miami, Florida					621,201	620,831	595,391	
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						X
0299999 Total - General Funds	X X X	X X X			621,201	620,831	595,391	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			621,201	620,831	595,391	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			621,201	620,831	595,391	X
1099999 Cash in Company's Office	X X X	X X X	X X X	X X X				X
1199999 Total Cash	X X X	X X X			621,201	620,831	595,391	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
Certificate of Deposit Florida Dept. of Financial - Tallahassee, Florida		01/01/2006	2.460	01/01/2011	100,000	1,214	
Certificate of Deposit - Regions Bank - Birminham, Alabama		01/01/2006	2.370	01/01/2011	50,000	584	
Certificate of Deposit U.S. Bank - Winston - Salem, North Carolina		01/01/2006	2.040	01/01/2011	25,000	252	
Certificate of Deposit Evangeline Bank and Trust Co. - Ville Platee, Louisiana		01/01/2006	2.150	01/01/2011	20,000	212	
8599999 Other Cash Equivalents					195,000	2,262	
					195,000	2,262	
8699999 Total Cash Equivalents					195,000	2,262	

E10