



Texas Department of Insurance

Property & Casualty Program – Data Services

Mail Code 105-5D, 333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104

ACKNOWLEDGMENT OF RECEIPT
FOR THE
TEXAS TITLE INSURANCE COMPANY STATISTICAL REPORT
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1999

I, \_\_\_\_\_

an officer for \_\_\_\_\_

do hereby acknowledge receipt of the Texas Title Insurance Company
Call for Experience and Statistical Report.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

NEW POINT OF CONTACT (only required if changed or new
appointment required)

Name: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This acknowledgment must arrive at TDI by March 13, 2000.

Mail

The Texas Department of
Insurance
Data Services MC 105-5D
ATTN.: Julie Jones
P.O. Box 149104
Austin, TX 78714-9104

Courier

The Texas Department of
Insurance
Data Services MC 105-5D
ATTN.: Julie Jones
333 Guadalupe Street
Austin, TX 78701

Fax Number: (512) 463-6122

# 2000 TEXAS TITLE INSURANCE COMPANY STATISTICAL REPORT

## FORM 1 THE TEXAS TITLE INSURANCE INCOME EXHIBIT Calendar Year Ended December 31, 1999

### General Instructions:

1. Experience must be reported on an accrual basis.
2. Amounts reported must be in accordance with the "Instructions for Completing Title Insurance Annual Statement Blank" unless such instructions are in conflict with instructions in this call.
3. Allocation of Investment Income, Realized Capital Gains and Unrealized Capital Gains to Texas must be in accordance with the Uniform Financial Reporting Plan of the American Land Title Association.
4. Do not adjust premiums for reinsurance acquired or ceded.
5. "Agency Function" is defined to include closing and examination.
6. Amounts reported for Direct Operations and Affiliated Agents must agree with amounts reported on Aggregate Form A, as follows:

<u>FORM 1</u>		<u>AGGREGATE FORM A</u>
Line 7	Same As	Line A.1
Line 8	Same As	Line A.3
Line 9	Same As	Line A.2
Line 21	Same As	Line A.14

7. Report only premiums written for your company on Aggregate Form A, line A.1, A.2 and A.3. Report premiums retained from premiums written for other underwriters as other income on Aggregate Form A and as miscellaneous income on Form 4 and Form 1. See example on page 3 for further explanation.

### Specific Instructions:

*Line 1, Gross premiums – other than home office issue:* Report the direct premiums written by direct operations, independent agents and affiliated agents on policies other than home office issue in columns B, C and D, respectively. Do not include premiums on policies written for other underwriters.

*Line 2. Premiums allocated to agency function - other than home office issue:* Report premiums retained by direct operations, independent agents and affiliated agents on policies other than home office issue in columns B, C and D, respectively. Do not include premiums retained on policies written for other underwriters here. Report these as miscellaneous income on Form 4.

*Line 3, Premiums allocated to underwriter function - other than home office issue:* Report premiums allocated to underwriter by direct operations, independent agents and affiliated agents on policies other

**Instructions for completing FORM 1 Income Exhibit**

Texas Title Insurance Company Call For Experience

For Calendar Year Ended December 31, 1999

Page 2 of 3

than home office issue in column A. Do not include premiums allocated on policies written for other underwriters.

*Line 4, Gross premiums – home office issue:* Report 100% of the direct premiums from home office issue transactions. Report premiums on policies issued by underwriters, direct operations and affiliated agents in columns A, B and D, respectively.

*Line 5, Premiums allocated to agency function - home office issue:* Report the portion of the direct premium from home office issue transactions allocated to direct operations, independent agents, or affiliated agents for performing the agency function in columns B, C and D, respectively. Amounts paid to attorneys or other non title entities are excluded from this line but should be reported on Form 2, line 3 or 4.

*Line 6, Premiums allocated to underwriter function - home office issue:* Report premiums allocated to underwriter function by underwriters, direct operations and affiliated agents on home office issue policies in column A.

*Line 7, Gross premiums – Total:* Add line 1 and line 4. Total must agree with written premiums reported on Schedule T of the Annual Statement.

*Line 8, Total premiums allocated to agency function:* Add line 2 and line 5.

*Line 9, Total premiums allocated to underwriter function:* Add line 3 and line 6.

*Line 10, Investment income - tax exempt - before expenses;*

*Line 11, Investment income – dividends - before expenses;*

*Line 12, Investment income - other – before expenses;*

*Line 13, Net realized capital gains (losses); and*

*Line 14, Net unrealized capital gains (losses):* Amounts must agree with amounts reported on the ALTA Uniform Financial Reporting Plan.

*Line 15, Total investment income:* Sum of lines 10-14.

*Line 16, Reinsurance fees (acquired):* Allocate all reinsurance fees (acquired) to Escrow, Abstract and Other Business.

*Line 17, Service charges:* For Underwriters (Column A), amounts must equal Form 4 totals. For Direct Operations (Column B) and Affiliated Agents (Column D), amounts must equal Lines A4 through A9 on the Aggregate Form A.

*Line 18, Escrow & abstract fees:* Allocate all escrow and abstract fees to Escrow, Abstract and Other Business.

*Line 19, Miscellaneous income:* Amounts must agree with Form 4 totals. Include the premium retained for other underwriters.

*Line 20, Total other income:* Sum of lines 16-19.

*Line 21, Total income:* Sum of Title Insurance Premiums, Investment Income and Other Income shown on lines 8, 9, 15 and 20.

*Line 22, Number of Title Policies Issued in Texas:* Owner policies are issued under Rate Rules R3 and R5. Basic Rate Mortgagee policies are issued under Rate Rule R4. Simultaneous issue Rate

**Instructions for completing FORM 1 Income Exhibit**

Texas Title Insurance Company Call For Experience

For Calendar Year Ended December 31, 1999

Page 3 of 3

Mortgage policies are issued under Rate Rule R5.

**Example for reporting premium when affiliated agency writes business for more than affiliated**

**underwriter:** 123 Title Agency is an affiliate of underwriter ABC for whom they wrote \$100,000 in business. They also wrote \$10,000 in business for underwriter XYZ. Agent 123 reported \$110,000 in premium on their Agent Statistical Report. For ABC's Title Company Report, they will report the entire \$100,000 premium but only the retained premium written for underwriter XYZ. The \$10,000 premium will be reported on underwriter XYZ's statistical report as premium written by independent agents. The following diagrams show how the premiums should be reported.

**123 Title Agent Statistical Report Form B**

Distribution of Title Policy Premiums

Name of Underwriting Company for which Agency Charged Premiums	Title Premiums Charged	Title Premiums Remitted	Title Premiums Retained
ABC Title Underwriters	100,000	17,750	82,250
XYZ Title Underwriters	10,000	1,775	8,225
<b>Total</b>	<b>110,000</b>	<b>19,525</b>	<b>90,475</b>

**ABC Underwriter Statistical Report Aggregate Form A**

Income	
Title Insurance Premiums	100,000
Remitted Title Premiums	17,750
Retained Title Premiums	82,250
.	.
.	.
Other Income	8,225

**ABC Underwriter Statistical Report Form 4**

Miscellaneous Income	Underwriter	Direct Operations	Affiliated Agents	Investment	Escrow, Abstract & Other
Premium retained from other UW			8,225		

**ABC Underwriter Statistical Report Form 1**

Other Income	Underwriter	Direct Operations	Affiliated Agents	Investment	Escrow, Abstract & Other
Line 19 Miscellaneous			8,225		



**FORM 2**  
**THE TEXAS TITLE INSURANCE EXPENSE EXHIBIT**  
**Calendar Year Ended December 31, 1999**

**General Instructions:**

1. Experience must be reported on an accrual basis.
2. Allocation of expenses to specific expense categories must be in accordance with the "Instructions for Completing Title Insurance Annual Statement Blank" unless such instructions are in conflict with instructions in this call.
3. Allocation of expenses to Texas (amounts in Column F, Gross Amount Per Books) must be in accordance with the Uniform Financial Reporting Plan of the American Land Title Association unless such instructions are in conflict with instructions in this call.
4. Amounts reported for Direct Operations and Affiliated Agents must agree with amounts reported on Aggregate Form A.
5. Allocate expenses on a direct basis where applicable. Otherwise, allocate to each operation on the basis of total income.

**Specific Instructions:**

*Line 1c, Salaries:* Salaries, end of year bonuses, commissions and any other forms of direct cash compensation of officers and employees only. Exclude salaries or wages, etc., of janitors, caretakers, maintenance personnel and agents paid in connection with owned real estate and premises leased for company use, retirement allowances, directors and committee fees and disability payments to or on behalf of employees under self-insurance plans.

*Line 2, Employee benefits, relations & welfare:* Group insurance (which includes life, dental and health, etc.), profit sharing and pension plans (including 401 (k), ESOP, SEP, etc.), retirement insurance (annuities), unemployment and payroll taxes, employee training costs, service awards and company parties or other functions held solely for and attended solely by bona fide company directors, officers, and employees and their families.

*Lines 3a & 3b, Fees paid for title examination & furnishing title evidence:* Amounts paid for the examination, searching, reading or rendering of title opinions to:

3a	Title Agents
3b	Outside Attorneys and Others

*Lines 4a & 4b, Closing costs paid non-employees:* Amounts paid for closing a transaction where you will be issuing the policy to:

4a	Title Agents
4b	Fee Basis Attorneys and Others

*Line 8, Advertising and Promotions:* Includes all advertising expenses, entertainment and meal expenses for the purpose of promoting the title agency. Promotional activities include furnishing or making expenditures for advertising mementos (i.e. logo inscribed memorabilia) which promote the licensee. Entertainment expense includes furnishing or making reasonable expenditures, not

**Instructions for completing FORM 2 Expense Exhibit**

Texas Title Insurance Company Call For Experience

For Calendar Year Ended December 31, 1999

Page 2 of 3

conditioned on the referral of title insurance business for entertainment, food and beverage by a title agent for a person in a position to refer title insurance business. Also include expenditures for educational activities designed to provide instruction about the business of title insurance to people in positions to refer title business.

*Line 9, Employee travel, lodging & education:* Report expenses for business travel, including meals and short-term vehicle rentals while in travel status. Includes employee training expenses. Does NOT include long-term vehicle leases which should be reported on line 19.

*Line 12, Legal expense:* Includes legal fees and retainers for corporate and administrative matters. Does NOT include costs for defending a loss. These should be reported on line 24.

*Line 13, Licenses, taxes & fees:* Includes, but is not limited to: State and local insurance taxes (i.e., premium taxes), business, corporate and agent license fees and insurance department examination fees. Exclude real estate and federal taxes.

*Line 14, Postage & freight:* Includes postage and freight expenses usual and customary to the operation of any business.

*Line 15, Courier & overnight delivery:* Includes courier and overnight delivery charges paid to third-party vendors for the benefit of title insurance customers. Does NOT include expenses paid to an employee assigned runner/courier duties, which should be reported on line 1a.

*Line 16, Telephone & facsimile:* Includes monthly telephone service charges as well as dedicated line charges, long distance charges, and other operational charged for facsimile equipment.

*Line 19, Equipment & vehicle leases:* Includes all payments for vehicles and other equipment (whether mobile or stationary) acquired through long-term lease agreements. Does NOT include any short-term vehicle rentals while in travel status. These are reported on line 9.

*Line 21, Directors fees:* Includes all amounts paid to corporate directors. Does NOT include any amounts reported under salaries on line 1b.

*Line 22, Dues, boards & associations:* Includes only those amounts paid for memberships in associations and on boards. Does NOT include any portion of dues used to support political action committees or lobbyists. Those expenses should be reported on line 38. Does not include amounts paid to trade associations or clubs. Trade association expenses should be reported on line 39 and club memberships as employee benefits on line 2, or advertising and promotions on line 8.

*Line 23, Bad debts:* Limited to obligations due to this company which were written off books during the calendar year as uncollectible.

*Line 24, Loss adjustment expenses incurred:* Legal costs, court costs, investigative costs or any other costs incurred in the defense or appeal of suits in connection with a title claim. Reported amount should include amounts paid and case basis reserves only. Do not include I.B.N.R. or bulk reserves. Do not include any LAE reported on line B-24 of the Affiliated Agent or Direct Operation Aggregate Form A.

*Line 25, Losses incurred:* Losses incurred on a title claim covered by a policy or binder. Report paid and case basis reserves only. Do not include I.B.N.R. or bulk reserves. Do not include any LOSSES reported on line B-24 of the Affiliated Agent or Direct Operation Aggregate Form A.

**Instructions for completing FORM 2 Expense Exhibit**

Texas Title Insurance Company Call For Experience

For Calendar Year Ended December 31, 1999

Page 3 of 3

*Line 26, Reinsurance charges (ceded):* All payments made to other underwriters for the transfer of risk under the applicable reinsurance agreements or contracts. Allocate all costs to Escrow, Abstract & Other Business.

*Line 27, Other:* Appropriate expense not included in any other expense category in this report.

*Line 32, Net addition to unearned premium reserve:* See Article 9.16, Texas Insurance Code.

*Line 33, Abstract costs:* Amounts paid to non-employees for miscellaneous searches, reports, certificates, abstracts, surveys, and maps pertaining to record proof required in the examination of title.

*Line 34, Real estate expenses:* Salaries, wages and other compensation, including payroll taxes of janitors, caretakers, maintenance people, agents paid in conjunction with owned real estate. Also includes insurance, advertising, maintenance and operation costs in conjunction with owned real estate.

*Line 36, Damages paid for bad faith suits:* Include any amount paid by the insurer for damages in a bad faith suit against the insurer in Texas.

*Line 37, Fines or penalties for violation of law:* Enter all amounts paid to any Texas governmental entity for violation of law.

*Line 38, Donations/lobbying:* "Donations" means charitable contributions. "Lobbying expenses" includes amounts paid to political action committees (whether directly or indirectly through other organizations) and individual lobbyists (whether directly or indirectly through other organizations). Does not include amounts paid to trade associations. Those expenses should be reported on line 39.

*Line 39, Trade association fees:* Report amounts paid to organizations providing professional services as well as lobbying.

*Line 40, Total expenses:* Sum of lines 1 – 39.

*Line 41, Profit or (loss) before federal income tax:* Total income (Form 1, line 21) minus Total expenses (Form 2, line 40).



**FORM 2**  
**TITLE INSURANCE EXPENSE EXHIBIT**  
**Calendar Year Ended December 31, 1999**  
**Texas Experience Only**

Name of Company: \_\_\_\_\_

Expenses		(A)	(B)	(C)	(D)	(E)	(F)
		Title Insurance			Investment	Escrow, Abstract & Other Business	Gross Amount Per Books (Sum of Columns A - E)
		Underwriters	Direct Operations	Affiliated Agents			
1a	Salaries – employees						
1b	Salaries - owners & partners						
1c	Salaries – Total						
2	Employee benefits, relations & welfare						
3a	Fees paid for title examination & furnishing title evidence - Title Agents						
3b	Fees paid for title examination & furnishing title evidence – Others						
4a	Closing costs paid non-employees - Title Agents						
4b	Closing costs paid non-employees - Others						
5	Rent						
6	Utilities						
7	Accounting & auditing						
8	Advertising & promotions						
9	Employee travel, lodging and education						
10	Insurance						
11	Interest expense						
12	Legal expense						
13	Licenses, taxes & fees						
14	Postage & freight						
15	Courier & overnight delivery						
16	Telephone & facsimile						
17	Printing & photocopying						
18	Office supplies						
19	Equipment & vehicle leases						
20	Depreciation						

**FORM 2 (Continued)**  
**TITLE INSURANCE EXPENSE EXHIBIT**  
**Calendar Year Ended December 31, 1999**  
**Texas Experience Only**

Name of Company: \_\_\_\_\_

Expenses		(A)	(B)	(C)	(D)	(E)	(F)
		Title Insurance			Investment	Escrow Abstract & Other Business	Gross Amount Per Books (Sum of Columns A - E)
		Underwriters	Direct Operations	Affiliated Agents			
21	Directors fees						
22	Dues, boards & associations						
23	Bad debts						
24	Loss adjustment expenses incurred						
25	Losses incurred						
26	Reinsurance charges (ceded)						
27	Other						
28	Tax certificates						
29	Recording fees						
30	Plant lease/update costs						
31	Allowances to managers & agents						
32	Net addition to unearned premium reserve						
33	Abstract costs						
34	Real estate expenses						
35	Real estate taxes						
36	Damages paid for bad faith suits						
37	Fines or penalties for violation of law						
38	Donations/lobbying						
39	Trade association fees						
40	<b>Total Expenses</b> (Sum of lines 1 through 39)						
41	Profit or (Loss) before federal income tax (Form 1, line 21) minus (Form 2, line 40)						

**FORM 3**  
**DETERMINATION OF STATUTORY PREMIUM RESERVE**  
**Calendar Year Ended December 31, 1999**  
**(Article 9.16, Texas Insurance Code, 1967, as amended)**

**I. Determination of Statutory Premium Reserve Required Calendar Year 1999**

*LINES 1 THROUGH 4 are to be reported as set forth in the title insurer's annual statement (See Article 9.16, Section 3(a)) for domestic insurers. Foreign insurers should utilize the same formulas for comparison purposes.*

Line 1 - *Net Retained Liability (in millions)*

Line 2 - *Direct Premium Written for Calendar Year 1999 (Countrywide)*

Line 3 - *If Line 2 is  $\geq$  \$250,000, then enter .25, if  $<$  \$250,000 enter .30*

Line 4 - *Statutory Premium Reserve*

**II. Determination of Statutory Premium Reserve Balance**

Column A - *Reserves (1979-1998)* - Taken from Form 3, Column A from 1999 call. Copy the 1998 Reserve amount from Form 3, Line 4 of the 1999 call.

Column B - *Statutory % Release* - These figures are set in Article 9.16, Sec. 2(c).

Column C - *Reduction* - This is calculated by multiplying the Reserves (Col A) by the Statutory Percentage Release (Col B). Line 25 is the Total SPR Reduction for Calendar Year 1999.

Line 26 - *Statutory Premium Reserve Balance as of 12/31/1998* - Copy this number from Title Insurance Company Statistical Report for 1998 experience, Form 3, Line 29.

Line 27 - *One-tenth of Transitional Charge (Release) as calculated for years '97 and prior* - Copy this number from 1999 Title Insurance Company Statistical Report for 1998 experience, Form 3, Line 27.

Line 28 - *Supplemental Reserve, if applicable* - See Texas Insurance Code, Article 9.16, Section 7 to determine if applicable. An amount should be shown here if Part 3B, Line 11 on your Annual Statement has a balance.

Line 29 - *Statutory Premium Reserve Balance as of 12/31/99* - Add the Total SPR Reduction (Line 25), Statutory Premium Reserve Balance as of 12/31/98 (Line 26), One-tenth of Transitional Charge (Release) as calculated for years '97 and prior (Line 27) and Supplemental Reserve, if applicable (Line 28). Subtract this subtotal from Statutory Premium Reserve (Line 4).

**FORM 3  
DETERMINATION OF STATUTORY PREMIUM RESERVE**

**Calendar Year Ended December 31, 1999  
Texas Experience Only (\$000 omitted)  
(Article 9.16, Texas Insurance Code, 1967, as amended)**

Name of Company:

---

<b>Determination of Statutory Premium Reserve Required Calendar Year 1999</b>	
1.	Net Retained Liability (in millions)
2.	Direct Premium Written for Calendar Year 1999 (Countrywide)
3.	If Line 2 is >= \$250,000 enter .25, if < \$250,000 enter .30 here.
4.	Statutory Premium Reserve (Line 1 x Line 3)

<b>Determination of Statutory Premium Reserve Balance</b>				
	Year	A	B	C
		Reserves	(Statutory)	(A x B)
		(Col A from '99 call)	% Release	SPR Reduction
5.	1979		1%	
6.	1980		1%	
7.	1981		1%	
8.	1982		1%	
9.	1983		1%	
10.	1984		1%	
11.	1985		2%	
12.	1986		2%	
13.	1987		2%	
14.	1988		2%	
15.	1989		2%	
16.	1990		3%	
17.	1991		3%	
18.	1992		3%	
19.	1993		5%	
20.	1994		5%	
21.	1995		9%	
22.	1996		10%	
23.	1997		20%	
24.	1998		26%	
25.	Total			

*Note: Column A = Line 4, from '99 call*

26.	Statutory Premium Reserve Balance as of 12/31/98 (Line 29 from '99 call)
27.	One-tenth of Transitional Charge (Release) as calculated for years '97 and prior (Line 27 of '99 call)
28.	Supplemental Reserve, if applicable TIC, Art. 9.16 Sec. 7
29.	Statutory Premium Reserve Balance as of 12/31/99 (Line 4-Line 25 Col C+Line26+Line 27+Line 28)

**FORM 4**  
**ANALYSIS OF INCOME ITEMS REPORTED AS SERVICE CHARGES AND MISCELLANEOUS INCOME**  
**Calendar Year Ended December 31, 1999**  
**Texas Experience Only**

Name of Company: \_\_\_\_\_

	Title Insurance			Investment	Escrow, Abstract & Other Business
	Underwriter	Direct Operations	Affiliated Agents		
<b>Service Charges</b>					
(a)*					
(b)*					
(c)*					
(d)*					
(e)*					
(f)*					
(g)*					
<b>TOTAL</b>					
	<i>(Carry total forward to Form 1, line 17A)</i>	<i>(Carry total forward to Form 1, line 17B)</i>	<i>(Carry total forward to Form 1, line 17D)</i>	<i>(Carry total forward to Form 1, line 17E)</i>	<i>(Carry total forward to Form 1, line 17F)</i>
<b>Miscellaneous Income</b>					
(a)* Retained from other underwriters					
(b)*					
(c)*					
(d)*					
(e)*					
(f)*					
(g)*					
<b>TOTAL</b>					
	<i>(Carry total forward to Form 1, line 19A)</i>	<i>(Carry total forward to Form 1, line 19B)</i>	<i>(Carry total forward to Form 1, line 19D)</i>	<i>(Carry total forward to Form 1, line 19E)</i>	<i>(Carry total forward to Form 1, line 19F)</i>

\* Define in detail the source of and/or services performed for these income items  
 Use additional sheets as necessary

**FORM 5**  
**THE TEXAS TITLE INSURANCE LOSS DEVELOPMENT EXHIBIT**  
**Calendar Year Ended December 31, 1999**

**General Instructions:**

1. The purpose of this exhibit is to provide data for evaluation of the development characteristics of Texas Title Insurance policy losses.
2. Do not include amounts paid or reserved on policies with inception dates prior to January 1, 1990.
3. Reported losses must be net of recoupment.
4. Do not include loss adjustment expenses.

**Specific Instructions, Using Policy Inception Year 1990 as an Example:**

1. Losses paid in 1990 on policies with 1990 inception dates are reported on line 1, in column A.  

Case basis loss reserves on December 31, 1990 on policies with 1990 inception dates are reported on line 2, in column A.
2. Cumulative losses paid in 1990 and 1991 on policies with 1990 inception dates are reported on line 1, in column B.  

Case basis loss reserves on December 31, 1991 on policies with 1990 inception dates are reported on line 2, in column B.
3. Cumulative losses paid in 1990 - 1999 on policies with 1990 inception dates are reported on line 1, in column J.  

Case basis loss reserves on December 31, 1999 on policies with 1990 inception dates are reported on line 2, column J.
4. Use the same procedure for reporting paid losses and case basis loss reserves on policies with inception dates in 1990 on lines 4 and 5, in columns B - J; for policies with inception dates in 1991, on lines 7 and 8, in columns C - J, etc.



**FORM 6**  
**TITLE INSURANCE LOSS ADJUSTMENT EXPENSE DEVELOPMENT EXHIBIT**  
**Calendar Year Ended December 31, 1999**

**General Instructions:**

1. The purpose of this exhibit is to provide data for evaluation of the development characteristics of Texas Title Insurance loss adjustment expenses.
2. Do not include amounts paid or reserved on policies with inception dates prior to January 1, 1990.
3. Reported loss adjustment expenses must be net of recoupment.

**Specific Instructions, Using Policy Inception Year 1990 as an Example:**

1. L.A.E. paid in 1990 on policies with 1990 inception dates are reported on line 1, in column A.  

Case basis L.A.E. reserves on December 31, 1990 on policies with 1990 inception dates are reported on line 2, in column A.
2. Cumulative L.A.E. paid in 1990 and 1991 on policies with 1990 inception dates are reported on line 1, in column B.  

Case basis L.A.E. reserves on December 31, 1991 on policies with 1990 inception dates are reported on line 2, in column B.
3. Cumulative L.A.E. paid in 1990 - 1999 on policies with 1990 inception dates are reported on line 1, in column J.  

Case basis L.A.E. reserves on December 31, 1999 on policies with 1990 inception dates are reported on line 2, column J.
4. Use the same procedure for reporting paid L.A.E. and case basis L.A.E. reserves on policies with inception dates in 1990 on lines 4 and 5, in columns B - J; for policies with inception dates in 1991, on lines 7 and 8, in columns C - J, etc.





**FORM 7**  
**TITLE INSURANCE DESIGNATION OF AFFILIATED AGENCIES**  
**As of December 31, 1999**

**Name of Company:** \_\_\_\_\_

Each of the following Title Insurance Agencies are owned 10% or more by this underwriting company or are a member of a holding company structure that includes this underwriting company. See Texas Insurance Code, Article 21.49-1, §2. List exact name shown on Title Insurance Agent's License, Agent ID number, and address for each agent.

	Name	Agent ID #	Address
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Attach to this form a copy of the 1999 Form A of each of the above listed Affiliated Agencies. In addition, attach an Aggregate Form A containing the combined 1999 experience of all the above listed Affiliated Agencies. Include only premiums for the underwriting company submitting this report. Report premiums retained from premiums written for other underwriters as other income on Aggregate Form A and miscellaneous income on Form 4 and Form 1.

**AGGREGATE FORM A  
TEXAS TITLE INSURANCE UNDERWRITER REPORT  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1999**

**Name of Company:** \_\_\_\_\_

Check One:

\_\_\_\_\_ **AFFILIATED:** Title insurance agencies that are owned 10% or more by this underwriting company or are a member of a holding company structure that includes this underwriting company. See Texas Insurance Code, Article 21.49-1, §2.

\_\_\_\_\_ **DIRECT OPERATION:** Defined in the Texas Insurance Code, Article 9.36A, as a title insurance company owning or leasing and operating an abstract plant or participating in a bona fide joint abstract plant operation in any county in this state and must be licensed by the Board for that county.

**EXPERIENCE FOR TEXAS TITLE INSURANCE, ESCROW & NON-POLICY ABSTRACT BUSINESS**

A	Income	Title Insurance <i>(whole dollars only)</i>	Escrow <i>(whole dollars only)</i>	Non-Policy Abstract <i>(whole dollars only)</i>
1.	Title insurance premiums			
2.	<less> Remitted title premiums	<                      >		
3.	Retained title premiums			
4.	Fees received for title examination and furnishing title evidence			
5.	Fees received for closing			
6.	Tax certificates			
7.	Recording fees			
8.	Restrictions			
9.	Inspection fees			
10.	Courier & overnight delivery			
11.	Telephone & facsimile			
12.	Interest income			
13.	Other income			
14.	Total for each column <i>(sum of lines 3-13)</i>			
15.	<b>Total income</b> <i>(sum of all columns in line A-14)</i>			

NOTE: Show only title premiums written, remitted and retained for the underwriting company submitting this report on line A.1, A.2 and A.3. Report premiums retained from premiums written for other underwriters as other income on line A.13.

	<b>Expenses</b>	<b>Title Insurance</b> <i>(whole dollars only)</i>	<b>Escrow</b> <i>(whole dollars only)</i>	<b>Non-Policy Abstract</b> <i>(whole dollars only)</i>
1.	Salaries/Wages: a. Employees			
	b. Owners & partners			
2.	Employee benefits & welfare			
	a. Employees			
	b. Owners & partners			
3.	Fees paid for title examination and furnishing			
	Title evidence			
	a. Other agents & underwriters			
	b. Attorneys/Others			
4.	Fees paid for closing			
	a. Other agents & underwriters			
	b. Attorneys/Others			
5.	Rent			
6.	Utilities			
7.	Accounting & auditing			
8.	Advertising and Promotions			
9.	Employee travel, lodging, & education			
10.	Insurance			
11.	Interest expense			
12.	Legal expense			
13.	Licenses, taxes & fees			
14.	Postage & freight			
15.	Courier & overnight delivery			
16.	Telephone & facsimile			
17.	Printing & photocopying			
18.	Office supplies			
19.	Equipment & vehicle leases			
20.	Depreciation			
21.	Directors fees			
22.	Dues, board & associations			
23.	Bad debts			
24.	Loss & loss adjustment expenses			
25.	Tax certificates paid tax authorities			
26.	Recording fees paid county clerk			
27.	Plant lease/updates			
28.	Damages for bad faith suits			
29.	Fines or penalties			
30.	Donations/lobbying			
31.	Trade association fees			
32.	Other expenses			
33.	Total for each column <i>(sum of lines 1-32)</i>			
34.	<b>Total expenses</b> <i>(sum of all columns in line 33)</i>			

<b>C</b>		<b>Title</b>	<b>Escrow</b>	<b>Non-Policy Abstract</b>
1.	<b>Income (or loss) from operations</b> <i>(A-14 less B-33)</i>	=====	=====	=====
2.	<b>Net income (or loss)</b> <i>(sum of all columns in line C-1)</i>	=====		

**D TITLE INSURANCE POLICIES FOR WHICH PREMIUMS WERE COLLECTED BY YOUR AGENCIES**

1.	Number of owner policies (R3 and R5)	
2.	Number of mortgagee policies at other than simultaneous issuance rates (other than R5)	
3.	Number of mortgagee policies at simultaneous issuance rates (R5)	
4.	Number of all other forms For which a premium was charged	
5.	<b>TOTAL</b> <i>(sum of D1 through D4)</i>	

6.	Number of commitments issued for which no policy was issued	
----	---	--

**E UNDERWRITER EXPENSE ALLOCATIONS**

1.	Total expenses allocated <b>to</b> underwriter	
2.	Total expenses allocated <b>from</b> underwriter	

**FORM 8**  
**TITLE INSURANCE DESIGNATION OF DIRECT OPERATIONS**  
**As of December 31, 1999**

**Name of Company:** \_\_\_\_\_

A direct operation is defined in the Texas Insurance Code, Article 9.36A, as a title insurance company owning or leasing and operating an abstract plant or participating in a bona fide joint abstract plant operation in any county in this state and must be licensed by the Board for that county. List exact name, Agent ID number, and address for each direct operation.

	Name	Agent ID #	Address
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Attach to this form a copy of the 1999 Form A of each of the above listed Direct Operations. In addition, attach an Aggregate Form A containing the combined 1999 experience of all the above listed Direct Operations.

**FORM 9**  
**PREMIUM AND LOSS BY AMOUNT OF LIABILITY REPORT**  
**Calendar Year Ended December 31, 1999**

The Premium and Loss by Amount of Liability Report, presents the distribution of incurred loss and allocated loss adjustment expense by policy liability range, number of policies, gross premium and total liability. This schedule expands on the current year information provided in Form 2, lines 24 and 25.

Report premium, liability, loss and ALAE on all policies and endorsements that apply to a single transaction.

Report all premium, liability, loss and ALAE direct as to reinsurance.

Column (2), Gross Premium: The amount of gross premium includes all premium collected for all policies, endorsements, and amendments in each transaction for the calendar year being reported.

Column (3), Total Liability: The amount of liability applies to a single title insurance transaction. The amount of liability is non-cumulative on a simultaneous issue of an owner and mortgagee policy. Report the larger liability of the owner or mortgagee policy.

Column (3) Total = Form 1, Column G, Gross Premiums, Total

Column (4), Incurred Loss and Allocated Loss Adjustment Expense: Losses incurred on a title claim covered by a policy or binder. Legal costs, court costs, investigative costs or any other costs incurred in the defense or appeal of suits in connection with a title claim. The reported amount should include amounts paid and case basis reserves only. Do not include I.B.N.R. or bulk reserves. Do not include any Losses reported on line B-24 of the Affiliated Agent or Direct Operation Aggregate Form A.

Column (4) Total = Form 2, Column F, lines 24 & 25

**FORM 9**  
**PREMIUM AND LOSS BY AMOUNT OF LIABILITY REPORT**  
**Calendar Year Ended December 31, 1999**

Name of Company: \_\_\_\_\_

Liability Range (\$000)		Number of Policies	Gross Premium	Total Liability (\$000)	Incurred Loss and Allocated Loss Adjustment Expense
More Than	But Less Than				
	0				
0	4.5				
4.5	10				
10	20				
20	30				
30	40				
40	50				
50	60				
60	70				
70	80				
80	90				
90	100				
100	200				
200	300				
300	400				
400	500				
500	1,000				
1,000	2,000				
2,000	3,000				
3,000	4,000				
4,000	5,000				
5,000	15,000				
15,000	25,000				
25,000	50,000				
50,000	75,000				
75,000	100,000				
Over 100,000					
All					



**FORMS 10 and 11**  
**REGARDING POLICIES WITH HOME EQUITY ENDORSEMENTS**  
**Calendar Year Ended December 31, 1999**

In order to collect information for pricing all equity lending transactions, the Department is collecting claims data for Title Insurance policies as well as premium data for policies which include the Equity Loan Mortgage Endorsement (T-42) and Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1). Provide the information on the attached two worksheets.

The TITLE INSURANCE CLAIMS BY ALTA RISK CODES worksheet (Form 10) requests claims and loss data by ALTA risk codes. This is **not** limited to claims due to home equity related risks. See Appendix II for a listing of ALTA risk codes.

The TITLE POLICIES WITH T-42 ENDORSEMENT worksheet (Form 11) is self-explanatory. Its purpose is to show the total premium collected on policies with one or both home equity endorsements. While premiums charged for individual transactions will be reported on Schedules 1 and 3, report all premiums associated with a policy that includes a home equity endorsement on this form.

**FORM 10**  
**TITLE INSURANCE CLAIMS BY ALTA RISK CODES**  
**Calendar Year Ended December 31, 1999**

**Name of Company:** \_\_\_\_\_

ALTA Risk Code	Number of Claims Made	Number of Claims Paid	Number of Claims Denied	Incurred Losses	ALAE	Recoveries from Agents
<b>TOTAL</b>						

Use additional sheets as necessary.

**FORM 11  
TITLE POLICIES WITH T-42 ENDORSEMENT**

**Calendar Year Ended December 31, 1999**

**Name of Company:** \_\_\_\_\_

Number of Policies w/T-42

Number of Policies w/T-42.1

Total Premium on above policies including  
endorsements

**SCHEDULE S-1**

**TEXAS TITLE INSURANCE STATISTICAL PLAN**

Company \_\_\_\_\_

Experience Period January 1, 1999 - December 31, 1999

***TRANSACTION REPORT***

Transaction Type [4]	Number of Transactions	Total Liability [5]	Non-Basic Rate Liability [6]	Gross Rate Excluding Special Charges/Credits and Endorsements [7]	Special Charges and Credits [9]	Endorsements [11]	Total Gross Revenue	Agents Commissions/ Retentions [16]

NOTE: Special charges must be treated as positive numbers, while special credits must be treated as negative numbers, so that the table entries in this column represent special charges net of special credits and the sum of the revenue component columns equals gross revenue received.

**SCHEDULE S-2**

**TEXAS TITLE INSURANCE STATISTICAL PLAN**

Company \_\_\_\_\_

Experience Period January 1, 1999 - December 31, 1999

***RECONCILIATION REPORT***

1.	Gross Revenue per Statistical Plan ([7] + [9] + [11])	
2.	Adjustments (itemize)	
3.	Gross Revenue per Texas Title Insurance Income Exhibit (sum of line 7 column G and line 20, columns A, B and D)	

**SCHEDULE S-3**

**TEXAS TITLE INSURANCE STATISTICAL PLAN**

Company \_\_\_\_\_

Experience Period January 1, 1999 – December 31, 1999

***LIABILITY DISTRIBUTION REPORT***

Note: Prepare a separate sheet for each transaction type and one sheet for all transaction types combined.

Transaction Type \_\_\_\_\_

Liability Range (\$000) [5]		Number of Transactions	Gross Revenue Excluding Special Charges and Credits And Endorsements [7]
More Than	But No More Than		
	0		
0	4.5		
4.5	10		
10 -	20		
20 -	30		
30 -	40		
40 -	50		
50 -	60		
60 -	70		
70 -	80		
80 -	90		
90 -	100		
100 -	200		
200 -	300		
300 -	400		
400 -	500		
500 -	1,000		
1,000 -	2,000		
2,000 -	3,000		
3,000 -	4,000		
4,000 -	5,000		
5,000 -	15,000		
15,000 -	25,000		
25,000 -	50,000		
50,000 -	75,000		
75,000 -	100,000		
Over 100,000			
ALL			



**SCHEDULE S-5**

**TEXAS TITLE INSURANCE STATISTICAL PLAN**

Company \_\_\_\_\_

Experience Period January 1, 1999 - December 31, 1999

***SPECIAL CHARGES AND CREDITS REPORT***

Special Charge Type [8]	Number of Charges	Revenue Received [9]
<b>TOTAL</b>		

Special Credit Type [8]	Number of Credits	Revenue Foregone [9]
<b>TOTAL</b>		





**SPECIAL INSTRUCTIONS  
FOR THE COMPLETION OF THE  
ALTA INCOME STATEMENT SUMMARY  
AND THE  
ALTA BALANCE SHEET SUMMARY**

The reporting schedules for the Income Statement Summary and the Balance Sheet Summary are to be completed in accordance with the instructions for the American Land Title Association Uniform Financial Reporting Plan. In particular, please note that:

1. The Financial Reporting Plan includes all charges in which the underwriter participates, gross as to agency retentions for those charges.
2. In completing the right hand side of the Texas Balance Sheet Summary, first assign Loss Reserves (line 10) and Statutory Reinsurance Reserves (line 11) to Texas. Then allocate lines 12, 13, 15 and 17 to Texas using the common ratio:

$$\frac{(\text{Line 9} - (\text{Line 10} + \text{Line 11})) \text{ for Texas}}{(\text{Line 9} - (\text{Line 10} + \text{Line 11})) \text{ Nationwide}}$$

Calculate line 14 as the sum of lines 12 and 13;

Calculate line 16 as the sum of lines 10, 11, 14 and 15;

Calculate line 18 as the sum of lines 16 and 17.

This procedure guarantees that the balance sheet will balance, column by column. Out of Balance Conditions will Not Be Accepted.

3. In allocating investment income items on the Income Statement Summary (Lines 16 through 21) to Texas, use the ratio:

$$\frac{\text{Balance Sheet Summary Line 16, for Texas}}{\text{Balance Sheet Summary Line 16, Nationwide}}$$

**AMERICAN LAND TITLE ASSOCIATION  
UNIFORM FINANCIAL REPORTING PLAN  
INCOME STATEMENT SUMMARY**

Company \_\_\_\_\_

YEAR 1999

	Texas	Elsewhere	Total
<b>INCOME FROM OPERATIONS</b>			
1. Underwriting and Examination Fees			
2. Escrow, Settlement, and Other Fees			
3. Subtotal (1 + 2)			
4. Reinsurance Assumed			
5. Reinsurance Ceded			
6. Net Increase in Statutory Reserves			
7. Subtotal (3 + 4 - 5 - 6)			
8. Loss and Loss Adjustment Expenses			
9. Commissions/Retentions			
10. Other Identifiable Expenses			
11. Non-Identifiable Expenses			
12. Subtotal (8 + 9 + 10 + 11)			
13. Interest Expense			
14. Operating Expense (12 + 13)			
15. TOTAL INCOME FROM OPERATIONS (7 - 14)			
<b>INCOME FROM INVESTMENTS</b>			
16. Investment Income - Tax Exempt - Before Expenses			
17. Investment Income - Dividends - Before Expenses			
18. Investment Income - Other - Before Expenses			
19. Net Realized Capital Gains (Losses)			
20. Net Unrealized Capital Gains (Losses)			
21. Investment Expenses and Other Deductions (Excludes Interest Paid on Borrowed Money, Notes and Encumbrances on Real Estate, See Line 13)			
22. TOTAL INCOME FROM INVESTMENTS (16 + 17 + 18 + 19 + 20 - 21)			

**AMERICAN LAND TITLE ASSOCIATION  
UNIFORM FINANCIAL REPORTING PLAN  
BALANCE SHEET SUMMARY**

Company \_\_\_\_\_

YEAR 1999

	Texas	Elsewhere	Total
<b>ASSETS</b>			
<b>Admitted Assets</b>			
1. Abstract Plants and Title Plants			
2. Other Identifiable Admitted Assets			
3. Non-Identifiable Admitted Assets			
4. Subtotal (1 + 2 + 3)			
<b>Non – Admitted Assets</b>			
5. Abstract Plants and Title Plants			
6. Other Identifiable Non - Admitted Assets			
7. Non – Identifiable Non - Admitted Assets			
8. Subtotal (5 + 6 + 7)			
9. TOTAL ASSETS (4 + 8)			
<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>			
10. Loss Reserves			
11. Statutory Reinsurance Reserves			
12. Surplus As Regards Policyholders			
13. Contribution to Surplus of Non - Admitted Assets			
14. Net Worth (12 + 13)			
15. Total Debt Funds			
16. Capital (10 + 11 + 14 + 15)			
17. Other Liabilities			
18. TOTAL LIABILITIES, SURPLUS AND OTHER FUNDS (16 +17)			

**A F F I D A V I T  
FOR  
TEXAS TITLE INSURANCE COMPANY STATISTICAL REPORT  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1999**

**THE STATE OF** \_\_\_\_\_

**COUNTY OF** \_\_\_\_\_

\_\_\_\_\_, President, \_\_\_\_\_, Secretary, \_\_\_\_\_, Treasurer of the \_\_\_\_\_ being duly sworn, each for himself, deposes and says that they are the above described officers of the said insurer, and that on the 31st day of December last, all of the information contained in Forms 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 Schedules S-1, S-2, S-3, S-4, S-5, S-6, Aggregate Form A and the ALTA Income Statement Summary and the ALTA Balance Sheet Summary of the named Company submitted herewith, together with any necessary related exhibits, schedules and explanations herein contained, annexed or referred to are a full and true statement of income and expenses in accordance with the instructions provided for the year ended on that date, according to the best of their information, knowledge and belief.

PRESIDENT \_\_\_\_\_,

SECRETARY \_\_\_\_\_,

TREASURER \_\_\_\_\_,

**SUBSCRIBED AND SWORN TO BEFORE ME** this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
(Printed Name of Notary)

My commission expires:

\_\_\_\_\_  
\_\_\_\_\_  
Contact Person  
\_\_\_\_\_  
Position  
\_\_\_\_\_  
Phone Number

# Underwriter Checklist

Please provide explanation for deviations at the bottom of this form.

Name of Company: \_\_\_\_\_

TYPE Written Premium reported on Schedule T:



FORM #, LINE #, Col., Title

FORM, Line #, Col., Title

FORM 1	
	Written Premium on Schedule T +/- 5%
Line 7, Col. G, Gross Premiums	ALTA Income Statement, Line 1-TEXAS
	Form 9, Col. 2, Gross Premium
Line 7, Col. B, Gross Premiums, Direct Operations	Aggregate Form A-D.O., Line A.1
Line 7, Col. D, Gross Premiums, Affiliated Agents	Aggregate Form A-Affiliated, Line A.1
Line 8, Col. B, Total Premiums Allocated to Agency Function	Aggregate Form A-D.O., line A.3
Line 8, Col. D, Total Premiums Allocated to Agency Function	Aggregate Form A-Affiliated, Line A.3
Line 10, Col. E, Investment Income-tax exempt-before expenses	ALTA Income Statement, Line 16, TEXAS
Line 11, Col. E, Investment Income-dividends-before expenses	ALTA Income Statement, Line 17, TEXAS
Line 12, Col. E, Investment Income-other-before expenses	ALTA Income Statement, Line 18, TEXAS
Line 13, Col. E, Realized Capital gains (losses)	ALTA Income Statement, Line 19, TEXAS
Line 14, Col. E, Net Unrealized Capital gains (losses)	ALTA Income Statement, Line 20, TEXAS
Line 17, Col A, Service Charges-Underwriters	Form 4, Col. 1
Line 17, Col B, Service Charges-Direct Operations	Form 4, Col. 2
	Aggregate Form A-D.O., Line A.4 - A.11
Line 17, Col D, Service Charges-Affiliated Agents	Form 4, Col. 3
	Aggregate Form A-Affiliated, Line A.4-A.11
Line 17, Col E, Service Charges-Investment	Form 4, Col. 4
Line 17, Col F, Service Charges-Escrow	Form 4, Col. 5
Line 19, Col A, Misc.-Underwriters	Form 4, Col. 1
Line 19, Col B, Misc.-Direct Operations	Form 4, Col. 2
Line 19, Col D, Misc.-Affiliated Agents	Form 4, Col. 3
Line 19, Col E, Misc.-Investment	Form 4, Col. 4
Line 19, Col F, Misc.-Escrow	Form 4, Col. 5
Line 21, Col. B, Total Income, Direct Operations	Aggregate Form A-D.O., line A.14
Line 21, Col. D, Total Income, Affiliated Agents	Aggregate Form A-Affiliated, line A.14
Line 22 G, Total # of Policies Issued	Sched. S-1, Total # of Transactions
	Sched. S-3, ALL, Number of Transactions
	Form 9, # of Policies, Col. 2

## Underwriter Checklist



**FORM #, LINE #, Col., Title**

**FORM, Line #, Col., Title**

**FORM 2**

Line 1a, Col. B, Salaries-Employees, Direct Operations		Aggregate Form A-D.O., line B.1a
Line 1a, Col. C, Salaries-Employees, Affiliated Agents		Aggregate Form A-Affiliated, line B.1a
Line 1b, Col. B, Salaries-Owners & Partners, Direct Operations		Aggregate Form A-D.O., line B.1b
Line 1b, Col. C, Salaries-Owners & Partners, Affiliated Agents		Aggregate Form A-Affiliated, line B.1b
Line 2, Col. B, Employee benefits, relations & welfare, Direct Operations		Aggregate Form A-D.O., line B.2a
Line 2, Col. C, Employee benefits, relations & welfare, Affiliated Agents		Aggregate Form A-Affiliated, line B.2a
Line 3a, Col. B, Fees paid for title examination & furnishing title evidence-Title Agents		Aggregate Form A-D.O., line B.3a
Line 3a, Col. C, Fees paid for title examination & furnishing title evidence-Title Agents		Aggregate Form A-Affiliated, line B.3a
Line 3b, Col. B, Fees paid for title examination & furnishing title evidence-Others		Aggregate Form A-D.O., line B.3b
Line 3b, Col. C, Fees paid for title examination & furnishing title evidence-Others		Aggregate Form A-Affiliated, line B.3b
Line 4a, Col. B, Closing costs paid non-employees-Title Agents		Aggregate Form A-D.O., line B.4a
Line 4a, Col. C, Closing costs paid non-employees-Title Agents		Aggregate Form A-Affiliated, line B.4a
Line 4b, Col. B, Closing costs paid non-employees-Others		Aggregate Form A-D.O., line B.4b
Line 4b, Col. C, Closing costs paid non-employees-Others		Aggregate Form A-Affiliated, line B.4b
Line 5, Col. B, Rent		Aggregate Form A-D.O., line B.5
Line 5, Col. C, Rent		Aggregate Form A-Affiliated, line B.5
Line 6, Col. B, Utilities		Aggregate Form A-D.O., line B.6
Line 6, Col. C, Utilities		Aggregate Form A-Affiliated, line B.6
Line 7, Col. B, Accounting & auditing		Aggregate Form A-D.O., line B.7
Line 7, Col. C, Accounting & auditing		Aggregate Form A-Affiliated, line B.7
Line 8, Col. B, Advertising & promotions		Aggregate Form A-D.O., line B.8
Line 8, Col. C, Advertising & promotions		Aggregate Form A-Affiliated, line B.8
Line 9, Col. B, Employee travel, lodging & education		Aggregate Form A-D.O., line B.9
Line 9, Col. C, Employee travel, lodging & education		Aggregate Form A-Affiliated, line B.9
Line 10, Col. B, Insurance		Aggregate Form A-D.O., line B.10
Line 10, Col. C, Insurance		Aggregate Form A-Affiliated, line B.10
Line 11, Col. B, Interest expense		Aggregate Form A-D.O., line B.11
Line 11, Col. C, Interest expense		Aggregate Form A-Affiliated, line B.11
Line 12, Col. B, Legal expense		Aggregate Form A-D.O., line B.12
Line 12, Col. C, Legal expense		Aggregate Form A-Affiliated, line B.12
Line 13, Col. B, License, taxes and fees		Aggregate Form A-D.O., line B.13

## Underwriter Checklist



**FORM #, LINE #, Col., Title**

**FORM, Line #, Col., Title**

Line 13, Col. C, License, taxes and fees

Aggregate Form A-Affiliated, line B.13

**FORM 2**

Line 14, Col. B, Postage & freight		Aggregate Form A-D.O., line B.14
Line 14, Col. C, Postage & freight		Aggregate Form A-Affiliated, line B.14
Line 15, Col. B, Courier & overnight delivery		Aggregate Form A-D.O., line B.15
Line 15, Col. C, Courier & overnight delivery		Aggregate Form A-Affiliated, line B.15
Line 16, Col. B, Telephone & facsimile		Aggregate Form A-D.O., line B.16
Line 16, Col. C, Telephone & facsimile		Aggregate Form A-Affiliated, line B.16
Line 17, Col. B, Printing & photocopying		Aggregate Form A-D.O., line B.17
Line 17, Col. C, Printing & photocopying		Aggregate Form A-Affiliated, line B.17
Line 18, Col. B, Office Supplies		Aggregate Form A-D.O., line B.18
Line 18, Col. C, Office Supplies		Aggregate Form A-Affiliated, line B.18
Line 19, Col. B, Equipment & vehicle leases		Aggregate Form A-D.O., line B.19
Line 19, Col. C, Equipment & vehicle leases		Aggregate Form A-Affiliated, line B.19
Line 20, Col. B, Depreciation		Aggregate Form A-D.O., line B.20
Line 20, Col. C, Depreciation		Aggregate Form A-Affiliated, line B.20
Line 21, Col. B, Directors fees		Aggregate Form A-D.O., line B.21
Line 21, Col. C, Directors fees		Aggregate Form A-Affiliated, line B.21
Line 22, Col. B, Dues, boards & assoc.		Aggregate Form A-D.O., line B.22
Line 22, Col. C, Dues, boards & assoc.		Aggregate Form A-Affiliated, line B.22
Line 23, Col. B, Bad debts		Aggregate Form A-D.O., line B.23
Line 23, Col. C, Bad debts		Aggregate Form A-Affiliated, line B.23
Line 24, Col. B, Loss adjustment expenses incurred+Line 25 Losses Incurred		Aggregate Form A-D.O., line B.24
Line 24, Col. C, Loss adjustment expenses incurred+Line 25 Losses Incurred		Aggregate Form A-Affiliated, line B.24
Line 24, Col. F, Loss adjustment expenses incurred+Line 25 Losses Incurred		Form 9, Col. 4, Incurred Loss and Allocated Loss Adjustment Expense
Line 27, Col. B, Other		Aggregate Form A-D.O., line B.32
Line 27, Col. C, Other		Aggregate Form A-Affiliated, line B.32
Line 28, Col. B, Tax certificates		Aggregate Form A-D.O., line B.25
Line 28, Col. C, Tax certificates		Aggregate Form A-Affiliated, line B.25
Line 29, Col. B, Recording fees		Aggregate Form A-D.O., line 26
Line 29, Col. C, Recording fees		Aggregate Form A-Affiliated, line 26
Line 30, Col. B, Plant lease/update costs		Aggregate Form A-D.O., line 27
Line 30, Col. C, Plant lease/update costs		Aggregate Form A-Affiliated, line 27
Line 36, Col. B, Damages paid for bad faith suits		Aggregate Form A-D.O., line 28



*Underwriter Checklist*



<b>FORM #, LINE #, Col., Title</b>		<b>FORM, Line #, Col., Title</b>
Line 36, Col. C, Damages paid for bad faith suits	[ ]	Aggregate Form A-Affiliated, line 28
Line 37, Col. B, Fines or penalties for violation of law	[ ]	Aggregate Form A-D.O., line 29

**FORM 2**

Line 37, Col. C, Fines or penalties for violation of law	[ ]	Aggregate Form A-Affiliated, line 29
Line 38, Col. B, Donations/lobbying	[ ]	Aggregate Form A-D.O., line 30
Line 38, Col. C, Donations/lobbying	[ ]	Aggregate Form A-Affiliated, line 30
Line 39, Col. B, Trade association fees	[ ]	Aggregate Form A-D.O., line 31
Line 39, Col. C, Trade association fees	[ ]	Aggregate Form A-Affiliated, line 31

**FORM 7**

	[ ]	Compare List to Agent Statistical Reports
--	-----	---

**FORM 8**

	[ ]	Compare List to Agent Statistical Reports
--	-----	---

**S-2**

Line 3, Gross Revenue	[ ]	Form 1, Line 7G + Line 20 A, B & D
-----------------------	-----	------------------------------------

**ALTA Balance Sheet**

Total Assets-TEXAS	[ ]	Total Liabilities-TEXAS
Total Assets-ELSEWHERE	[ ]	Total Liabilities-ELSEWHERE
Total Assets-TOTAL	[ ]	Total Liabilities-TOTAL

<b>EXPLANATION -- Please reference error by Form(s), Line(s), Column(s) additional sheets as necessary.</b>	<b>Use</b>
---	------------

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**A F F I D A V I T  
FOR  
TEXAS TITLE INSURANCE COMPANY STATISTICAL REPORT  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1999**

**THE STATE OF** \_\_\_\_\_

**COUNTY OF** \_\_\_\_\_

\_\_\_\_\_, President, \_\_\_\_\_, Secretary, \_\_\_\_\_, Treasurer of the \_\_\_\_\_ being duly sworn, each for himself, deposes and says that they are the above described officers of the said insurer, and that on the 31st day of December last, all of the information contained in Forms 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 Schedules S-1, S-2, S-3, S-4, S-5, S-6, Aggregate Form A and the ALTA Income Statement Summary and the ALTA Balance Sheet Summary of the named Company submitted herewith, together with any necessary related exhibits, schedules and explanations herein contained, annexed or referred to are a full and true statement of income and expenses in accordance with the instructions provided for the year ended on that date, according to the best of their information, knowledge and belief.

\_\_\_\_\_, PRESIDENT  
\_\_\_\_\_, SECRETARY  
\_\_\_\_\_, TREASURER

**SUBSCRIBED AND SWORN TO BEFORE ME** this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed Name of Notary)

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Position

\_\_\_\_\_  
Phone Number

## APPENDIX I

### TABLE 2

#### ***Standard Transaction Codes for Texas Operations Including Codes Pending Adoption on Rate Rules that are in Effect***

Description of Transaction	Rate Rule Reference	Code
<i>Owner Policies</i>		
Single Issue	R-3	1000
Single Issue (per S.B.I. Bulletin #120)		1001
Single Issue Pay-As-You-Go	R-2c	1005
Single Issue with Subsequent Improvements	R-3	1100
Single Issue at Contract Rate	R-10	1110
Single Issue Following Construction	R-20	1190
Single Issue U.S.A. (Forms T-6 or T-9)	R-17	7000
Single Issue U.S.A. (Form T-11)	R-3d	7050
Simultaneous with Mortgagee Policy (per S.B.I. Bulletin #120)		1002
Simultaneous with Mortgagee Policy	R-5a	1200
Simultaneous with Mortgagee that Exceeds Owner	R-5a	1201
Simultaneous with Mortgagee Pay-As-You-Go	R-5b	1205
Simultaneous with Mortgagee that Exceeds Owner Pay-As-You-Go	R-5b	1215
Simultaneous with Mortgagee with Credit for Previous Owner	R-5a or R-5b	1230
Simultaneous with Warrantor's Policy	R-21	1250
Simultaneous with Mortgagee Following Construction	R-20	1290
Simultaneous with Leasehold Policy	R-22	1350
Leasehold (Single Issue)	R-3a	1300
Leasehold Pay As-You-Go (Single Issue)	R-2c	1305
Leasehold (Simultaneous Issue)	R-5a	1400
Leasehold Pay-As-You-Go (Simultaneous Issue)	R-5b	1405
Leasehold (Simultaneous Issue) Mortgagee Exceeds Owner	R-5a	1500
Leasehold Pay-As-You-Go (Simultaneous Issue) Mortgagee Exceeds Owner	R-5b	1505

**TABLE 2 (Continued)**

**Standard Transaction Codes for Texas Operation Including Codes Pending Adoption on Rate Rules that are in Effect**

Description of Transaction	Rate Rule Reference	Code
<i>Mortgagee Policies</i>		
Single Issue	R-4	3000
Single Issue Pay-As-You-Go	R-2a	3005
Single Issue Construction Loan (First Policy)	R-18	3010
Single Issue Construction Loan (Final Policy)	R-18	3011
Single Issue First Lien Policy	R-7	3200
Simultaneous with Owner Policy	R-5a	3210
Simultaneous with Owner Policy Pay-As-You-Go	R-5b	3215
Simultaneous with First Lien Policy	R-7	3220
Simultaneous when Mortgagee Exceeds Owner	R-5a	3250
Simultaneous when Mortgagee Exceeds Owner Pay-As-You-Go	R-5b	3255
Simultaneous with Owners with Credit for Previous Owner	R-5a	3280
Simultaneous with Owners Following Construction	R-20	3290
Limited Pre-Foreclosure Policy (T-40)	R-26	3295
Limited Coverage Junior Mortgagee Policy (T-44)	R-27	3297
Leasehold (Single Issue)	R-4	3300
Leasehold Pay-As-You-Go (Single Issue)	R-2a	3305
Leasehold (Simultaneous Issue)	R-5a	3320
Leasehold Pay-As-You-Go (Simultaneous Issue)	R-5b	3325
Leasehold (Simultaneous Issue) Mortgagee Exceeds Owner	R-5a	3340
Leasehold Pay-As-You-Go (Simultaneous Issue) Mortgagee Exceeds Owner	R-5b	3345
Subsequent to Owner Policy Excepting to Lien	R-6a	3230
Subsequent to Mortgagee Policy	R-6b	3240
Insolvent Insurer Replacement Policy	R-6c	3241
Substitution of Loan within One Year	R-8a	4001
Substitution of Loan within Two Years	R-8a	4002
Substitution of Loan within Three Years	R-8b	4003
Substitution of Loan within Four Years	R-8c	4004
Substitution of Loan within Five Years	R-8d	4005
Substitution of Loan within Six Years	R-8e	4006
Substitution of Loan within Seven Years	R-8f	4007

**TABLE 2 (Continued)**

***Standard Transaction Codes for Texas Operation Including Codes Pending Adoption on Rate Rules that are in Effect***

Description of Transaction	Rate Rule Reference	Code
<i>Non-Policy transactions</i>		
Interim Construction Loan Binder		
Credit on Mortgagee	R-13B(1)	0030
Credit on Owner	R-13B(2)	0040
Original Year	R-13	8020
Each Subsequent Extension	R-13	8021

**TABLE 3**

***Standard Special Charge and Credit Codes for Texas Operations***

Description of Transaction	Rate Rule Reference	Code
Charge for Additional Chains of Title	R-9	0010
Foreclosure Credit	R-14	0020
Credit for Commitment Premium	R-23	0050
Commitment to Texas [Highway] Department of Transportation	R-23	8041
Commitment, Issued to F.D.I.C., O.T.S. and R.T.C.	R-25	8042

**TABLE 4**

***Standard Endorsement Codes for Texas Operations***

Description of Endorsement	Rate Rule Reference	Code
<i>Endorsements which do not affect amount of Liability stated in policy</i>		
Down Date of Interim Construction Loan Binder (T-3)	R-11c	0100
Adjustable Mortgage Loan Endorsement (T-33)	R-11d	0140
Adjustable Mortgage Loan Endorsement for which there is no Charge	R-4	0141

**TABLE 4 (Continued)**

**Standard Transaction Codes for Texas Operation Including Codes Pending Adoption on Rate Rules that are in Effect**

Description of Endorsement	Rate Rule Reference	Code
<i>Endorsements which do not affect amount of Liability stated in Policy</i>		
Manufactured Housing (T-31)	R-11e	0150
Assignment of Mortgage (T-3)	R-11a	0211
Partial Release, Modification, etc. (T-38)	R-11b	0311
Balloon Mortgage Endorsement, Issued at Same Time as Policy (T-39)	R-11h	0411
Correction - Other than Policy Amount (T-3)	No Charge	0400
Balloon Mortgage Endorsement, Issued Subsequent to Policy (T-39)	R-11h	0412
Amendment of Survey Exception (T-3 or deletion)	R-16	0500
Completion of Improvements and Survey (T-3)	R-15	0550
U.S.A. Policy Acquisition of Title (T-12)	R-17	0600
Amendment of Tax Exception (T-30, T-3 or deletion)	R-19	0700
Not Yet Due and Payable Tax Amendment [Expense Endorsement]	R-24	0710
Revolving Credit	R-11f <del>P-9b(8)</del>	0800
EPA Endorsement (T-36)	R-11g	0810
Leasehold Owner Policy Endorsement (T-4)	No Charge	0820
Residential Leasehold Endorsement (T-4R)	No Charge	0821
Leasehold Mortgagee Policy Endorsement (T-5)	No Charge	0822
Limited Pre-Foreclosure Policy down Date Endorsement (T-41)	R-26	0850
Equity Loan Mortgage Endorsement (T-42)	R-28	0875
Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1)	R-28	0876
Texas Reverse Mortgage Endorsement (T-43)	No Charge	0877
Limited Coverage Junior Mortgagee Variable Rate (T-46)	R-27	0878
Limited Coverage Junior Mortgagee Down Date (T-45)	R-27	0879
Limited Coverage Junior Mortgagee Additional Coverage (T-3)	R-27	0880
<i>Endorsements which affect amount of Liability stated in policy</i>		
Correction of Policy Amount (T-3)	No Charge	0900
Down Date of Construction Loan Policy (T-3)	R-11c	0920
Down Date of Owner Policy During Construction (T-3)	R-15	0940
Increased Value Endorsement (T-34)	R-3c	0960

**TABLE 5**

***Standard Insured Closing Service Codes for Texas Operations Including  
Codes Pending Adoption on Rate Rules that are in Effect***

Description of Transaction	Rate Rule Reference	Code
Lender Insured Closing Service (T-50)	No Charge	5000
Purchaser/Seller Insured Closing Service (T-51)	No Charge	5005

## APPENDIX II

### ALTA RISK CODES

#### A. Basic Risks

1. Fraud
2. Forgery
3. Competency; capacity; authority of parties
4. Undisclosed heirs
5. Marital rights

#### B. Special Risks

1. Mechanic's Lien
  - a. Construction Loan
  - b. Owner's or Permanent Loan Policy
2. Subordination of prior interests
3. Affidavit or indemnity relied upon (except for mechanics' liens)
4. Affirmative Insurance/other special risks
  - a. Violation of restrictions and covenants
  - b. Zoning
  - c. Mortgages, judgments, liens (other than mechanics, liens - priority)
  - d. Non-imputation
  - e. Condominium/cooperative
  - f. Usury - federal preemption
  - g. Usury - other
  - h. Waters - submerged land
  - i. Waters - lands once submerged
  - j. Doing business
  - k. Truth-in-lending
  - l. Easements
  - m. Air rights
  - n. Creditor's rights/bankruptcy
  - o. Environmental liens - notice of record
  - p. Vacated streets and alleys
  - q. Assertions of possessory rights, encroachments, overlaps, boundary line disputes, unrecorded easements or claims of easements (shown by survey or inspection)
  - r. Assertions of possessory rights, encroachments, overlaps, boundary line disputes, unrecorded easements or claims of easements (without a survey or inspection.)



C. Plant, Searching and Abstracting Procedures

1. Take-off of public records/posting
2. Searching error/abstracting error
  - a. Allegedly missed judgment
  - b. Allegedly missed mortgage
  - c. Allegedly missed adverse conveyance
  - d. Allegedly missed easement
  - e. Allegedly missed mineral, gas or oil interest
  - f. Allegedly missed covenants or restrictions
  - g. Allegedly missed reversion
  - h. Other recorded matter allegedly missed

D. Examination and Opinions Error

1. Error in judgment
2. Erroneous omission
3. Failure to follow established procedures and policies

E. Survey Inspection/Description Matters

1. Incorrect survey or inspection
  - a. Shortage, gap or loss of area content
  - b. Encroachment not disclosed
  - c. Easement not disclosed
  - d. Other survey matter not disclosed
2. Incorrect description used or furnished

F. Closing Procedures

1. Insufficient or improper instructions
2. Instructions not followed
3. Improper payment or failure to make payment
  - a. Failure to follow escrow funds policy statement
4. Failure to complete post-closing

G. Typing or Policy Review

H. Taxes and Special Assessments

1. Real estate taxes
2. Corporation taxes
3. Inheritance and estate taxes
4. Income taxes
5. Water and sewer assessments
6. School taxes
7. Other taxes and assessments

I. Escrows

1. Improper Payment

2. Fraud
3. insufficient or improper instruction
4. Error in judgment
5. Failure to follow established procedures
6. Interest claims
7. Breach of Trust
8. Other

J. Title Indemnities

1. Improper
2. Fraud
3. Insufficient or improper instruction
4. Error in Judgment
5. Failure to follow established procedures
6. Interest claims
7. Breach of Trust
8. Other

K. Land Trusts

1. Personal injury or dram shop
2. Mortgage foreclosure
3. Specific performance
4. Insurance proceeds
5. Government regulation violations
6. Quiet title
7. Breach of trust
8. Other

L. Trusts

1. Living
2. Agency
3. Investment
4. Probate - deceased
5. Probate - incompetent
6. Pension
7. Other (trust deeds, Etc.)

R. Fidelity

1. By Agent
2. By Approved Attorney
3. By Independent Contractor
4. By Employee

S. Unauthorized Risk

1. By Agent
2. By Approved Attorney

3. By Independent Contractor
4. By Employee

T. Error or Omission

1. By Agent
2. By Approved Attorney
3. By Independent Contractor
4. By Employee

U. Company Practice Risk