

2007

SPECIAL TITLE INSURANCE EXHIBIT
Insurance Department
State of Kansas

Name of Insurance Company:

NAIC Company Number:

Date Completed:

The following company person completed this form:

NAME:

TITLE:

ADDRESS:

CITY: STATE: ZIP CODE:

TELEPHONE: OR 1-800-

Section I of this form has been prepared for the purpose of this department to determine whether or not your company is complying with K.S.A. 40-1107a. It is important that this section of the form be completed. Section I of this form is self-explanatory and should need no instructions on completing this part of the form.

Section II of this form has been prepared primarily for companies domiciled in the State of Kansas because of K.S.A. 40-234b, which requires a special method for computing the unearned premium reserve. Pursuant to K.S.A. 40-234c, however, this section of the form must be completed by foreign title insurance companies so this department can determine whether a title insurance company not organized under the laws of this state is maintaining an unearned premium reserve in an amount not less than that which would be required of a domestic title insurance company. The following is a brief synopsis of what is being required of each item contained in Section II of the form:

1. Identifies the policy additions reserve for previous years. This amount is computed by taking the total number of policies issued in previous years x \$1.50, which is the amount reported in item 3 of the previous year's form. For example, if this form is being filed for the year 2007, the amount to appear in this item is the amount reported in item 3 of the 2006 form.
2. Identifies the amount to be added to the reserve for the current year because of the number of policies issued. This amount is computed by taking the number of policies issued during the current year x \$1.50.
3. Identifies the amount which has been added to the reserve for the current period of time because of the number of policies issued since December 31, 1971. The amount is computed by adding items 1 and 2, which is the number of policies issued since December 31, 1971 x \$1.50.
4. Identifies the liability additions reserve for previous years. This amount is computed by taking the total liability issued in previous years x \$.125 for every \$1,000 of liability, which is the amount reported in item 6 of the previous year's form. For example, if this form is being filed for the year 2007, the amount to appear in its item is the amount reported in item 6 of the 2006 form.
5. Identifies the amount to be added to the reserve for the current year because of the total liability applicable for all policies issued. This amount is computed by taking the total liability applicable for all policies x \$.125 for every \$1,000 of liability.
6. Identifies the amount that has been added to the reserve for the current period of time because of the total liability applicable for all policies issued since December 31, 1971. The amount is computed by adding items 4 and 5, which is the total liability applicable for all policies issued since December 31, 1971 x \$.125 for every \$1,000 of liability.
7. Identifies the total policy and net retained liability additions reserve for previous years which can be converted back to income. This amount is the addition of items 1 and 4.

8. Identifies the total policy and net retained liability additions reserve for the current period of time, which will be the amount that can be converted back to income in the next year's form. This amount is the addition of items 3 and 6. The amount reported in this item will be the amount that will occur in item 7 of the next year's form.
9. Identifies the amount of reserve additions that is being converted back to income for the current year. This amount is computed by taking 5 percent of the amount reported in item 7 of the current year's form.
10. Identifies the amount of reserve additions that has been converted back to income for previous years. The amount to be reported in this item is the amount that appeared in item 11 of the previous year's form. For example, if this form is being filed for the year 2007, the amount to appear in this item is the amount reported in item 11 of the 2006 form.
11. Identifies the total reserve additions that have been converted back to income for the current period of time. This amount is the addition of items 9 and 10. The amount reported in this item will be the amount that will occur in item 10 of next year's form. For example, if this form is filed for the year 2007, the amount appearing in this item will be brought forward and will be reported in item 10 of the 2006 form.
12. Identifies the amount of reserve additions included in item 9 which have been converted back to income totally. This line will remain zero until 1993. Beginning with the year 1993, amounts will begin to be entered into this item. For example, the amount to be reported in this item for the year 2007 is the amount that was reported in item 16 of the 1987 form. In other words, the form filed twenty (20) years preceding the current filing date must be utilized for reporting an amount in this item for the current year.
13. Identifies the total reserve additions that have been converted back to income after deducting the amount of reserve additions that has been converted back to income completely. In other words, this item will identify the reserve additions that have been converted back to income for the most recent twenty (20) year period of time.
14. Identifies the amount of unearned premium reserve maintained by the company for the current year because of the policy and net retained liability additions which have been calculated pursuant to K.S.A. 40-234b. This amount is computed by taking the difference between items 8 and 13.
15. Identifies the amount of unearned premium reserve which has been reported in the current year's annual statement.
16. Identifies the amount of unearned premium reserve which has been computed in accordance with the law as prescribed by the title insurance company's home state. This amount should either be the same or larger than the amount reported in item 14.

SECTION 1 - STATEMENT OF REINSURANCE WITH NON-ADMITTED COMPANIES

1. Has your company reinsured a portion of any one Kansas risk of title insurance with a non-admitted company engaged solely insuring titles to real estate? (Yes or No) If "Yes" list the names of each non-admitted title insurance company, the Paid Up Capital of such company, the Surplus of such company, the domiciliary state of such company, and the date of the Annual Statement from which this information was taken.

Non-Admitted Company

Paid-Up Capital

Surplus

Domiciliary State

Annual Statement Date

Non-Admitted Company

Paid-Up Capital

Surplus

Domiciliary State

Annual Statement Date

2. Give the largest net amount insuring any one risk or hazard in the state of Kansas \$. (The phrase "...in the state of Kansas" is not applicable to companies domiciled in Kansas).

SECTION II - UNEARNED PREMIUM RESERVE

1. Policy additions reserve per item 3 of the previous year form	\$		
2. Number of policies issued current year x \$1.50	\$		
3. Sum of items 1 and 2 (total policy additions to date)		\$	
4. Net retained liability additions per item 6 of previous year form	\$		
5. Applicable net retained liability issued current year X \$.125 for every \$1,000 of liability	\$		
6. Sum of items 4 and 5 (total net retained liability additions to date)		\$	
7. Sum of items 1 and 4 (total policy and net retained liability additions for previous years)		\$	
8. Sum of items 3 and 6 (total policy and net retained liability additions to date)		\$	
9. Annual drawdown for additions reserve (5% of item 7)	\$		
10. Amounts released from reserve for prior years per item 11 of previous year form	\$		
11. Sum of items 9 and 10		\$	
12. Amounts included in line 9 which have been converted back to income completely (See instruction and explanation sheet for calculation of this item)	\$		
13. Item 11 minus item 12		\$	
14. Item 8 minus item 13 (Total unearned premium reserve December 31, current year per K.S.A. 40-234b)			\$
15. Total amount of unearned premium reserve as reported in the Annual Statement submitted for current year			\$
16. Total amount of unearned premium reserve at December 31, current year computed as prescribed or permitted by insurer's domicile law.			\$