

Report of Examination of

**Olympic Title Insurance Company**  
Columbus, Ohio

As of December 31, 2009

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Columbus, Ohio

November 22, 2010

Honorable Mary Jo Hudson  
Director  
State of Ohio  
Department of Insurance (“Department”)  
50 West Town Street  
3<sup>rd</sup> Floor – Suite 300  
Columbus, Ohio 43215

Dear Madam:

In accordance with Section 3901.07 of the Ohio Revised Code (“ORC”), an examination was made of

**Olympic Title Insurance Company**

an Ohio domiciled, stock, title insurance company, hereinafter referred to as the “Company.” The examination was conducted at the Department’s offices.

A report of this examination is hereby respectfully submitted.

The Department last examined the Company as of December 31, 2004. Representatives of the Department conducted the current examination covering the intervening period to and including December 31, 2009.

**Management and Control**

**Board of Directors**

Management of the Company is vested in its Board of Directors, which was comprised of the following members as of the examination date.

<b>Name</b>	<b>Principal Occupation</b>
George L. Henry	Retired
Howard J. Kopel	Chief Executive Officer, Sutton Alliance Company
William J. Mosimann, Jr.	President, The Company

Nicole Rosenberg                      Chief Finance Officer,  
Sutton Alliance Company

Scott Spinner                          Vice President and General Counsel,  
Sutton Alliance Company

### **Officers**

As of the examination date, the following officers were elected and serving in accordance with the Company's Bylaws:

<b>Name</b>	<b>Title</b>
William J. Mosimann, Jr.	President
George L. Henry	Vice Chairman, Chief Executive Officer, and Treasurer-Secretary

### **Insurance Holding Company System**

The Company is a member of a holding company system as defined in Section 3901.32 of the ORC. The following displays the chain of ownership as of December 31, 2009:

Sutton Olympic LLC (33 1/3%)  
Olympic Holding Company LLC (33 1/3%)  
Title Midwest Underwriters LLC (33 1/3%)  
    Olympic Holding Company LLC  
        Olympic Title Insurance Company

### **Reinsurance**

#### **Assumed**

As of the examination date the Company had no assumed reinsurance.

#### **Ceded**

Effective August 1, 2002, the Company entered into an assumption reinsurance contract with ACE Capital Title Reinsurance Company, whereas the Company ceded 100% of the covered losses to ACE Capital Title Reinsurance Company in exchange for \$500,000 in premium. The aggregate coverage limit of the reinsurance agreement is \$1,600,000.

## **Territory and Plan of Operations**

The Company is licensed to transact title business in the State of Ohio, however, has not written any business since 2002.

## **Scope of Examination**

One of the purposes of the examination was to make an assessment of the financial condition of the Company as of December 31, 2009. To substantiate the various items, tests were made either by complete audits of accounts or by sampling methods prescribed by the NAIC Examiner's Handbook. In selecting the examination procedures used, due consideration was given to the importance of each account to overall solvency. Transactions occurring subsequent to the date of the examination were reviewed to the extent deemed necessary.

In addition, the following items were reviewed during the course of this examination:

1. Company history;
2. fidelity bonds and other insurance;
3. officers', employees', and agents' welfare and pension plans;
4. growth of Company;
5. loss experience;
6. pending litigation; and
7. Articles of Incorporation and Bylaws.

## **Financial Statements**

The financial condition and the results of its operations for the period under examination as reported and filed by the Company with the Department, are reflected in the following:

Statement of Assets, Liabilities, Surplus and Other Funds  
Statement of Operations  
Statement of Changes in the Capital and Surplus Account

## Statement of Assets, Liabilities, Surplus and Other Funds

**December 31, 2009**

**Admitted assets**

Cash and invested assets:

    Short-term investments

\$299,393

Total cash and invested assets

299,393

Accrued investment income

9,667

Total admitted assets

\$309,060

Capital and surplus:

    Common capital stock

45,000

    Gross paid in and contributed surplus

331,531

    Unassigned funds

(67,471)

Total capital and surplus

309,060

Total liabilities, capital and surplus

\$309,060

## Statement of Operations

**December 31, 2009**

Title insurance and related income	\$0
Total operating income	<u>0</u>
Loss and loss adjustment expenses incurred	<u>854</u>
Total operating deductions	<u>854</u>
Net operating loss	<u>(854)</u>
Net investment income	<u>8,339</u>
Net investment gain	<u>8,339</u>
Net income, after capital gains tax and before all other federal income Taxes	7,485
Federal and foreign income taxes incurred	<u>0</u>
Net income	<u><u>\$7,485</u></u>

## Statement of Changes in the Capital and Surplus Account

(In thousands)

	2005	2006	2007	2008	2009
Capital and surplus December 31, previous year	\$346	\$324	\$366	\$336	\$327
Net income	(105)	(8)	(30)	(9)	8
Change in net deferred income tax	42	-	-	-	-
Change in nonadmitted assets	(59)	-	-	-	-
Paid in surplus	100	50	-	-	-
Transfer from capital	-	-	-	-	(26)
Net change in capital and surplus	<u>(22)</u>	<u>42</u>	<u>(30)</u>	<u>(9)</u>	<u>(18)</u>
Capital and surplus end of period	<u>\$324</u>	<u>\$366</u>	<u>\$336</u>	<u>\$327</u>	<u>\$309</u>

### Notes to Financial Statements

#### Investments

The Company's investments were in compliance with Section 3925.08 of the ORC.

#### Subsequent Events

The Company's owners are currently in negotiations to sell the Company and will be submitting a Form A to the Department for the approval of the sale.

### Conclusion

The balance sheet contained in this Report of Examination reflects the financial condition of the Company as of December 31, 2009, and is summarized as follows:

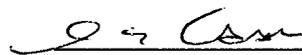
Total Admitted Assets	<u>\$309,060</u>
Liabilities	\$0
Surplus as Regards Policyholders	<u>309,060</u>
Total Liabilities and Surplus as Regards Policyholders	<u>\$309,060</u>

### Acknowledgement

Appreciation is expressed for the assistance extended by the officers and employees of the Company during the course of this examination.

In addition to the undersigned, the following representative of the Department participated in this examination: Methuselah Nyangoro, CPA.

Respectfully,



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David A. Cook, CFE  
Assistant Chief Examiner  
Ohio Department of Insurance

**Verification**

As required by Section 3901.07 of the Ohio Revised Code, the undersigned hereby attest to the best of their knowledge and belief that the attached is a true Report of Examination as of December 31, 2009.

*David A. Cook*  
Assistant Chief Examiner

12/15/10  
Date

State of Ohio

County of Franklin

Personally appeared before me the above named, David A. Cook, personally known to me, who executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 15 day of December, 2010.

*Elizabeth Chase*

(Notary Public)

**ELIZABETH CHASE**

NOTARY PUBLIC, STATE OF OHIO

MY COMMISSION EXPIRES MAY 22, 2012

My Commission Expires