

NEW YORK TITLE INSURANCE RATE SERVICE ASSOCIATION

CALL FOR 2016 FINANCIAL AND STATISTICAL DATA

INTRODUCTION

As Statistical Agent for the New York State Department of Financial Services, the New York Title Insurance Rate Service Association (henceforth "TIRSA") is distributing this Call for Financial and Statistical Data to all underwriters licensed to write title insurance in the State of New York. A TIMELY AND COMPLETE RESPONSE to this Call is MANDATORY under the provisions of the New York insurance statutes. Submitting companies must maintain internal documentation allowing reconciliation of all reported amounts with the books and records of the company, except as noted below under "Special Note."

IMPACT OF RECENT MERGERS AND CONSOLIDATIONS

A number of mergers and consolidations of underwriters have occurred in recent years. The data call must be submitted by the surviving entity. **IT IS ESSENTIAL THAT THE DATA SUBMITTED INCLUDE FULL DATA FOR ALL PREDECESSOR COMPANIES PRIOR TO THE MERGER INTO THE SURVIVING COMPANY. IN PARTICULAR, THIS REQUIREMENT MUST BE MET FOR THE ENTIRE HISTORICAL LOSS DEVELOPMENT TRIANGLE (ALL HISTORICAL POLICY YEARS AND VALUATION DATES) CONTAINED IN SCHEDULE U-7.**

SUBMISSION DEADLINE

TIRSA has retained Milliman, Inc. to collect and analyze this data on its behalf. Accordingly, please submit your response directly to:

Anne Kallfisch, FCAS, MAAA
Milliman, Inc.
One Pennsylvania Plaza
38th Floor
New York, NY 10119
anne.kallfisch@milliman.com

by April 14, 2017. Questions may be directed to Ms. Kallfisch by telephone at (609) 452-6412 or by e-mail to anne.kallfisch@milliman.com. DATA SUBMITTED WILL BE MADE AVAILABLE TO THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES ("DFS") AT ITS REQUEST.

GENERAL INSTRUCTIONS

The Call consists of a cover sheet, general instructions & prior year inputs, a consistency checks page, a tolerance checks page, a row and column footing page, a certification page, a Form 9 inputs page, and 37 schedules as follows:

1. Schedule A-1, Schedule US-5 Allocations - Field Office Expenses
2. Schedule A-2, Schedule US-5 Allocations - Home Office Expenses
3. Schedule R-1, Form 9 Reconciliation - Income Statement Reconciliation - New York Reconciliation
4. Schedule R-2, Form 9 Reconciliation - Income Statement Reconciliation - Nationwide Reconciliation
5. Schedule R-3, Form 9 Reconciliation - Balance Sheet Reconciliation - Assets
6. Schedule R-4, Form 9 Reconciliation - Balance Sheet Reconciliation - Liabilities and Equity
7. Schedule R-5, Form 9 Reconciliation - Expenses
8. Schedule R-6, Form 9 Reconciliation - Calculations
9. Schedule R-7, Description of Reconciling Items
10. ALTA Uniform Financial Reporting Plan Income Statement Summary (on same worksheet as balance sheet)
11. ALTA Uniform Financial Reporting Plan Balance Sheet Summary (on same worksheet as income statement)
12. Schedule U-1, Underwriter Title Revenues
13. Schedule U-2, Underwriter Subsidiary Agent Title Revenues
14. Schedule U-3, Underwriter Title Expenses for Underwriter Direct Operations (Parts 1 to 3)
15. Schedule U-4, Title Expenses for Underwriter Subsidiary Agents (Parts 1 to 3)
16. Schedule U-4_Agent, Title Income and Expenses for Independent Agents (Parts 1 and 2)
17. Schedule U-5, Underwriter Title Expenses for Underwriter Home Office and Agent Remittance Operations (Parts 1 to 3)
18. Schedule U-6, Analysis of Loss and Loss Adjustment Expense
19. Schedule U-7, Loss Development
20. Schedule U-8, Loss Type And Responsibility Report
21. Schedule US-1, Summary Distribution of Polices, Endorsements, & Special Charges - Non-TIRSA Manual Rates
22. Schedule US-1-N, Summary Distribution of Polices, Endorsements, & Special Charges - TIRSA Manual Rates
23. Schedule US-1-N-D, Summary Distribution of Polices, Endorsements, & Special Charges - Deviated Rates
24. Schedule US-2-1, Detailed Mortgage Policy Statistics - Non-TIRSA Manual Rates
25. Schedule US-2-2, Detailed Fee & Leasehold Policy Statistics - Non-TIRSA Manual Rates
26. Schedule US-2-1-N Aggregate, Liability Distribution for US-2-1-N Rate Codes Combined

27. Schedule US-2-1-N, Detailed Mortgage Policy Statistics - TIRSA Manual Rates
28. Schedule US-2-2-N Aggregate, Liability Distribution for US-2-2-N Rate Codes Combined
29. Schedule US-2-2-N, Detailed Fee & Leasehold Policy Statistics - TIRSA Manual Rates
30. Schedule US-2-2-N-D Aggregate, Liability Distribution for US-2-2-N-D Rate Codes Combined
31. Schedule US-2-2-N-D, Detailed Fee & Leasehold Policy Statistics - Deviated Rates
32. Schedule US-3-N, Endorsement Report - TIRSA Manual Rates
33. Schedule US-3-N-D, Endorsement Report - Deviated Rates
34. Schedule US-4, Policy Forms Report
35. Schedule US-5, County Report
36. Rate Checks
37. Rate Codes

REPORTING FORMAT AND INSTRUCTIONS

All dollar amounts are to be in whole dollars, with no decimal points or pennies. All companies are required to submit their data in the form of the Excel workbook provided. The data are to be entered into the Excel file named NYCALL2016.xls that is attached to the accompanying e-mail. Each company is to:

1. Make a permanent copy of the blank data call file.
2. **Rename the file** by preceding the current title with the company name or an abbreviation and the date it was prepared. For example, XYZ Title Insurance Company submitting its Excel file on April 14, 2017 should provide a file named “XYZ Title – April 14 2017 - NYCALL2016.xls”. [If you are preparing reports for several companies, please prepare a separate file for each company.] If after Milliman’s review subsequent submissions are required, then please use the same file name but include the date of the revised submission as part of the name.
3. Enter the relevant data into the renamed file.
4. Make a permanent copy of the completed data file.
5. E-mail a copy of the file to Milliman at anne.kallfisch@milliman.com. Please include the company name as the first item in the subject line of your email. For example: Subject: “XYZ Title Insurance Company – 2016 NY Data Call Submission”.
6. Submission of a hard copy of the full report is not required. The only paper you need to submit is the signed cover sheet and the signed certification page. These documents can be provided either by mail or by email. The print button found on the “Cover” sheet of the Excel file is solely for your convenience in order for you to generate an internal copy of the documents submitted.
7. We do not require the submission of the report on CD.

PLEASE NOTE THAT THIS WORKBOOK CONTAINS MACROS THAT ARE IMPORTANT FOR PRINTING. IT IS IMPORTANT THAT YOU ALLOW MACROS TO BE ACTIVATED AND THAT THE CODE FOR THESE MACROS IS NOT REMOVED.

PLEASE CHECK YOUR SYSTEM FOR COMPUTER VIRUSES BEFORE E-MAILING FILES TO MILLIMAN.

DATA ENTRY RESTRICTIONS

- 1) Much of the data reported in the Excel file is obtained by automatic postings from data entered elsewhere. As a result, many cells do not need to be entered by the filing company. All cells in the file that contain formulas have been locked and all cells where input is required or permitted have been highlighted in yellow. **ENTER DATA ONLY INTO CELLS THAT ARE HIGHLIGHTED IN YELLOW.**
- 2) Figures that are to be entered from your Form 9 are consolidated onto a single input sheet and are then used throughout the file where needed. **FORM 9 DATA MAY BE ENTERED ONLY ON THIS SHEET.**
- 3) Most sheets of the Excel file have been password protected so that the company cannot intentionally or inadvertently alter the formulas in the various cells. As mentioned above, cells where input is required or permitted have been highlighted in yellow and remain unlocked. We do not believe that there is any reason for a company to alter the formulas in any of the cells that have been protected. If you believe that you cannot complete a given schedule without altering the formulas provided, please contact Milliman to discuss the situation. If a resolution cannot be found, then Milliman will provide you with the password to unprotect that sheet. In this event, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells. The specific instructions for each schedule below provide some information about whether the sheet has been password protected.

CONSISTENCY CHECKING

We have tried to make this spreadsheet as easy to use as possible. As part of that process, there are a number of ways that you can review the data that you have entered for accuracy and consistency.

1. Consistency Checks Sheet. This sheet contains a number of tests to check the consistency among the entries made to populate the various schedules. Before submitting the Excel file to Milliman, you should review these tests and make every attempt to eliminate any non-zero differences that appear in the table at the top of the sheet. If you are unable to

eliminate these differences, please contact Milliman for discussion before submitting the data.

2. Tolerance Checks Sheet. This sheet summarizes the results of the error checking on Schedules A-1, A-2 and R-1 through R-5. Before submitting the Excel file to Milliman, you should review these tests and make every attempt to eliminate any non-zero values. If you are unable to eliminate these non-zero values, please contact Milliman for discussion before submitting the data.
3. Row Column Footing Sheet. This sheet summarizes the results of the tests we have put into Schedules UFRP and U-1 through US-5 to determine whether column totals and row totals foot correctly. If any of the values on this sheet is a “1” it indicates that there is some kind of footing problem on the applicable Schedule. Before submitting the Excel file to Milliman, you should review these tests and make every attempt to eliminate any non-zero values. If you are unable to eliminate these non-zero values, please contact Milliman for discussion before submitting the data.

Once all of these tests have been reviewed and differences eliminated, then you should submit the Excel file to Milliman in accordance with the above instructions.

RATE CHECKS

The schedules tested are US-2-1-N, US-2-2-N, US-2-2-N-D, and US-3-N (\$25 endorsement section only). Once you have entered the data on these sheets, you will be required to review the “Rate Checks” sheet mentioned above to determine which, if any, of the data entered does not appear to pass the reasonability tests. After entering the data on all of the above schedules, go to the schedule named “Rate Checks”.

The first seven columns of this sheet display the details of the information entered for each and every rate code, liability range, operation and zone combination. Column (8) displays the calculated average premium per policy based on the “rate charged” and “number of policies” data provided. Columns (9) and (10) display the low end and the high end of the “reasonable range”, respectively. If the value in Column (8) does not fall between the values in Columns (9) and (10) then “Yes” will appear in Column (11), which is labeled “Exception?”.

If “Yes” appears in Column (11) then a message will appear in Column (12) identifying the reason that the data appears to be an exception. Examples of the kind of messages that might appear in Column (12) are: “Average Below Minimum”, “Average Above Maximum”, “No policy count, but non-zero revenue”, etc. These messages are designed to assist you in understanding why the test identified the data as an exception and should help you in determining whether the data entered is correct or not. By filtering on “Yes” in Column (11) you

will see the complete list of exceptions. At this point all data entries should be investigated and any errors corrected.

In the event that there are still situations that do not appear to pass the reasonability tests after data entry errors have been corrected, please investigate the reason for these remaining situations. If, after investigation, you still believe that the data is correct, please enter an explanation for each remaining situation in column (13) of the “Rate Checks” sheet. This column has been left unprotected so that you can enter these explanations.

Notes regarding rate tests

1. For each policy code and for each liability range (i.e., amount of insurance), the average premium reported per policy is calculated on the “Rate Check” sheet. These average premium values are then compared with an upper and lower limit of expected premiums based on the manual rates for the given liability range. The upper limit is determined as \$5 above the premium at which a policy can be issued at the upper end of the liability range at the highest possible rate, i.e., with no policy qualifying for any discount corresponding to the rate code. The lower limit is determined as \$5 below the premium at which a policy can be issued at the lower end of the liability range at the lowest possible rate, i.e., with all policies qualifying for any discount corresponding to the rate code. If the average premium reported is outside these limits, then the data is flagged as an exception. (For flat rate junior lien policies and flat rate endorsements, the average revenue must be within \pm \$2 of the expected premium.) This check is approximate.
2. For all rate codes that have a limited liability range of applicability, the worksheet checks that no policies have been reported outside the applicable liability range. If any policies are reported outside the allowed range, the corresponding cells are identified as an exception. In such a case, a note will appear on the applicable row of the “Rate Checks” sheet stating “no data expected”.
3. The rate tests in this workbook are more transparent than in years prior to 2012. You can see the details of the range for each row. Far to the right on the “Rate Checks” sheet you can see the details of the calculations performed in determining the minimum and maximum premiums used. The details of the rates and discounts used in these calculations are found on the sheet named “Rate Codes”.

RATES COVERED

The call for 2016 data collects some data separately on Schedules US-1, US-2-1, and US-2-2 for transactions completed using rates not filed by TIRSA. There should be very few, if any,

policies reported on these schedules unless your company is not a member of or subscriber to TIRSA and uses another rate structure.

SPECIAL NOTE

The revenue and expense items on the schedules are drawn directly from your books and records, with the exception of Line 27 on Schedule U-3, "Manual Rate Deemed Remitted to Underwriter." This line is not an expense that appears on your books, but is an adjustment to make direct operations more comparable to agencies. It is designed to restate the profitability of a direct operation as if it had to pay a remittance to the underwriter, just like an agent. This line is calculated automatically on the spreadsheet by applying the average remittance rate reported for your New York agents to the manual rates charged by your direct operations as reported on Schedule U-1, Direct Operations columns.

COMMON ERRORS TO AVOID

- Do not include endorsement revenues on schedule US-4.
- Be sure to report losses on a direct basis, not net of reinsurance.
- Be sure to include ULAE on Schedule U-7.

RECENT CHANGES

DO NOT USE AN OLD WORKSHEET FOR YOUR 2016 SUBMISSION. IF YOU ARE LOADING THE WORKSHEET AUTOMATICALLY FROM ANOTHER DATABASE, BE SURE TO CHECK THAT YOU ARE LOADING DATA INTO THE CORRECT CELLS.

While there have been no substantive changes this year, the 2015 data call included several important changes. Therefore, we are repeating the 2015 changes below for the sake of redundancy.

The 2015 data call was modified to include the new rate codes relating to the additional refinance discounts that became effective on August 1, 2015 as well as rate codes 134, 264 and 265 (which were previously not included in the data call). The following schedules - US-1-N, US-1-N-D, US-2-1-N, US-2-2-N and US-2-2-N-D – were impacted and have been reordered so that they mirror the Remittance Form coding list structure. These rate codes have also been added to the Rate Check and Rate Codes tabs.

The Survey Endorsement has been removed from US-3-N as this endorsement has been withdrawn since the ALTA 2006 policy form has been in use.

In addition, the independent agent data call (U-4 Agent) has been modified at the request of the DFS to include additional, non-title related revenue line items. As a result of these additional line items, those agents who have non-title operations for the first time will need to allocate a portion of their expenses to their title insurance operations. Underwriters may want to familiarize themselves with the U-4 Agent instructions in anticipation of questions from the agents.

SPECIAL INSTRUCTIONS FOR COMPLETION OF INDIVIDUAL SCHEDULES

GENERAL INSTRUCTIONS FOR COMPLETING THE DATA CALL

Enter data on sheets Gen Instr & Prior Year Inputs, Form 9 Inputs, A-1, A-2, R-1 through R-7, UFRP, U-1 through U-8 and US-1 through US-5 first. Following the completion of all of the sheets that require data or other input, you should then review the results on the sheets named Consistency Checks, Tolerance Checks, Row Column Footing and Rate Checks. Once all differences on these sheets have been eliminated or explained you should print and sign the two certifications on the Cover sheet and the Certification sheet. These two sheets should be submitted to Milliman along with the completed Data Call workbook.

INSTRUCTIONS FOR COMPLETION OF THE COVER SHEET

On this sheet please enter the full name of the reporting company together with the NAIC number for that company. Also enter the full mailing address for the company. Below that, please enter the name, phone number and title of the company officer responsible for the completion of the schedules. The Cover Sheet should then be printed, signed, dated and sent to Milliman. It can be sent via mail or email.

Note that there is now only one print button on this sheet with the label “Quick Print”. This button will print each sheet of the template from the Cover Sheet through U-8. It does not print any of the “US” sheets. Most of those sheets can be printed by selecting the sheet and pressing the Excel print icon.

INSTRUCTIONS FOR COMPLETION OF THE “GEN INSTR & PRIOR YEAR INPUTS” SHEET

The primary purpose of this sheet is to provide some additional instructions about the completion of the data call. Please review those instructions before proceeding.

There are a few inputs required on this page. Please indicate in cells D21 and D22 whether the A-1 and A-2 schedules have been completed. These cells contain drop down menus, please select either “Yes” or “No” for each schedule. In the event that you select “No” for one or both schedules, please enter an explanation in Column G. Examples of the kind of explanations we would expect are: “New York only company, no allocations required.”, “No field offices covering New York, so A-1 allocations are not required.”, etc.

Below this we are requesting that you enter four values from the final 2015 Data Call submission for the company. These values will facilitate some additional consistency checks.

INSTRUCTIONS FOR COMPLETION OF THE CONSISTENCY CHECKS SHEET

This sheet tests that the values entered in the various schedules of the workbook can be reconciled to each other. After you have completed all other schedules in the workbook, please review the values summarized for each test in the table at the top of the Consistency Checks sheet and make certain that all differences are zero. The details of each test are displayed below the table and all difference rows are highlighted in orange.

In addition, please scroll down and review the values appearing for tests 11 and 12. Unlike other tests on this sheet, these are reasonableness tests, which require your review. Test 11 compares the data reported on the U-4_Agent Schedule with the analogous data reported on Schedule U-1. Column E displays the ratio of the data reported on the U-4_Agent Schedule to the data reported on U-1. A ratio close to 100% indicates that the data reported on both schedules is very similar.

Test 12 displays the implied commission rates reported by zone on U-4_Agent and U-1. Please review these commission rates and make sure that the reported commission rates in all 4 columns are consistent with your company's actual commission rate.

INSTRUCTIONS FOR COMPLETION OF THE TOLERANCE CHECKS AND ROW COLUMN FOOTING SHEETS

No inputs are required on these sheets. After entering the data in all of the other sheets, please review the values on these two sheets. These sheets are summarizing various tests throughout the workbook to ensure consistency. All values on these sheets should be zero. If any non-zero values appear on either of these sheets, it means that the tests have detected some kind of inconsistency on the specific sheet. You should review the inputs on that sheet and make whatever corrections are necessary to eliminate the discrepancies detected on these checking sheets.

INSTRUCTIONS FOR COMPLETION OF THE CERTIFICATION SHEET

This sheet certifies that a responsible officer of the company has reviewed the data reported on schedules A-1, A-2 and R-1 through R-7 and that these schedules accurately represent the data filed with state insurance departments and/or the books and records of the company. This page should be printed and signed by the responsible officer. It is to be sent to Milliman upon completion. It can be sent by mail or by email.

INSTRUCTIONS FOR COMPLETION OF THE FORM 9 INPUTS SHEET

Please enter the data from the 2016 Form 9 (Statutory Annual Statement) of the reporting company. Inputs have been labeled with the appropriate Form 9 page number, row number and column number. Please enter a number in every yellow cell. If the Form 9 value for a cell is blank or zero, please enter a zero on this sheet.

A more complete description of the values being requested in each input cell is provided below the input section.

INSTRUCTIONS FOR COMPLETION OF SCHEDULES A-1 AND A-2 ***(Note, the Excel file contains more detailed instructions for these Schedules.)***

Schedule A-1, Part 1

This schedule presents the calculation of the New York allocation in Schedule U-5 of the expenses of field offices covering multiple states including New York. Most of the cells on this page have been protected. Please enter data only in those cells that are highlighted in yellow.

IF YOU HAVE MORE THAN ONE FIELD OFFICE COVERING NEW YORK, INSERT AN ADDITIONAL WORKSHEET AND COMPLETE A SEPARATE SCHEDULE A-1 FOR EACH SUCH FIELD OFFICE. Each of these additional A-1 sheets should be named appropriately. The sheet called "A-1" should then reflect the total of all of the individual A-1 sheets. DO NOT CHANGE THE NAME OF THE TOTAL "A-1" SHEET.

In order to facilitate this process, there is no password required to unprotect this sheet. If multiple sheets are used, then the formulas in columns (1), (5), Part 2 (10) and Part 2 (11) should be revised to sum the values in the corresponding columns over all relevant supporting sheets. If any formulas have been altered from the original, please highlight these cells in blue so that it will call our attention to these changes.

Column 1 - Report the total expenses incurred by this field office in each of the categories listed. These categories are those reported in Schedule U-5.

Column 2 - Describe the allocation base your company uses to relate New York expense to total expense (e.g., gross revenue, policies written, square footage used, number of employees, etc.)

Column 3 - Report the total amount of the allocation base for the field office.

Column 4 - Report the value of the allocation base for New York operations.

Column 5 - This column presents the amount of expense allocated to New York. This amount is the value in Column 1 multiplied by the ratio of Column 4 to Column 3. **These values are calculated automatically on the spreadsheet.**

Schedule A-1, Part 2

This schedule presents the calculation of the allocation to Zones in Schedule U-5 of the field office expense allocated to New York. The column numbering continues from Part 1.

Column 5 - This column repeats the values from Column 5 in Part 1. **These values are calculated automatically on the spreadsheet.** This amount must equal the sum of column 10 and column 11 and is tested for in column I of the Excel workbook.

Column 6 - Describe the allocation base your company uses to relate Zone expense to total New York expense (e.g., gross revenue, policies written, square footage used, number of employees, etc.).

Column 7 - Report the total amount of the allocation base for New York. This amount must equal the sum of column 8 and column 9 and is tested for in column J of the Excel workbook.

Column 8 - Report the value of the allocation base for Zone 1 operations.

Column 9 - Report the value of the allocation base for Zone 2 operations.

Column 10 - The amount of expense allocated to Zone 1. This amount is the value in Column 5 multiplied by the ratio of Column 8 to Column 7. **These values are calculated automatically on the spreadsheet.** The sum of these values for all Schedules A-1 must equal the total Zone 1 Field Office expenses reported on Schedule U-5 and it is tested for in column M of the Excel workbook.

Column 11 - This column presents the amount of expense allocated to Zone 2. This amount is the value in Column 5 multiplied by the ratio of Column 9 to Column 7. **These values are calculated automatically on the spreadsheet.** The sum of these values for all Schedules A-1 must equal the total Zone 2 Field Office expenses reported on Schedule U-5 and it is tested for in column P of the Excel workbook.

Schedule A-2, Part 1

This schedule presents the calculation of the New York allocation in Schedule U-5 of the expenses of your home office. Please enter data only in those cells that are highlighted in yellow. If your company's situation warrants having more than one A-2 sheet, you should insert additional sheets and name them appropriately. The sheet called "A-2" should then reflect the total of all the individual A-2 sheets. **DO NOT CHANGE THE NAME OF THE TOTAL "A-2" SHEET.**

Column 1 - Report the total expenses incurred by the home office in each of the categories listed. These categories are those reported in schedule U-5.

Column 2 - Describe the allocation base your company uses to relate New York expense to total expense (e.g., gross revenue, policies written, square footage used, number of employees, etc.).

Column 3 - Report the total amount of the allocation base for the home office.

Column 4 - Report the value of the allocation base for New York operations.

Column 5 - This column presents the amount of expense allocated to New York. This amount is the value in Column 1 multiplied by the ratio of Column 4 to Column 3. **These values are calculated automatically on the spreadsheet.**

Schedule A-2, Part 2

This schedule presents the calculation of the allocation to Zones in Schedule U-5 of the home office expense allocated to New York. The column numbering continues from Part 1.

Column 5 - This column repeats the values from Column 5 in Part 1. **These values are calculated automatically on the spreadsheet.** This amount must equal the sum of column 10 and column 11 and this is tested for in column I of the Excel workbook.

Column 6 - Describe the allocation base your company uses to relate Zone expense to total New York expense (e.g., gross revenue, policies written, square footage used, number of employees, etc.).

Column 7 - Report the total amount of the allocation base for New York. This amount must equal the sum of column 8 and column 9 and this is tested for in column J of the Excel workbook.

Column 8 - Report the value of the allocation base for Zone 1 operations.

Column 9 - Report the value of the allocation base for Zone 2 operations.

Column 10 - This column presents the amount of expense allocated to Zone 1. This amount is the value in Column 5 multiplied by the ratio of Column 8 to Column 7. **These values are calculated automatically on the spreadsheet.** These values must equal the total Zone 1 Home Office expenses reported on Schedule U-5 and this is tested for in column M of the Excel workbook.

Column 11 - This column presents the amount of expense allocated to Zone 2. This amount is the value in Column 5 multiplied by the ratio of Column 9 to Column 7. **These values are calculated automatically on the spreadsheet.** These values must equal the total Zone 2 Home Office expenses reported on Schedule U-5 and this is tested for in column P of the Excel workbook.

INSTRUCTIONS FOR COMPLETION OF SCHEDULES R-1 THROUGH R-7

Schedule R-1

This schedule presents a reconciliation between New York values shown on the UFRP income statement and on Schedule T of the Statutory Annual Statement (Form 9).

ALMOST EVERY CELL ON THIS SCHEDULE IS AUTOMATICALLY POSTED FROM OTHER SCHEDULES. THE ONLY TIME INPUT IS NEEDED ON THIS SHEET IS WHEN NON-ZERO DIFFERENCES APPEAR IN COLUMN 4.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

The columns have the same significance as in the prior call, namely.

Column 1 - Line number on UFRP Income Statement Summary schedule.

Column 2 - This column presents the amount reported on the corresponding line of the New York column of the UFRP Income Statement Summary. **These values are determined automatically on this sheet, based on information input on the UFRP sheet, which is discussed below.**

Column 3 - This column presents the amount entered on your company's filed Form 9 and are derived from the values entered on the Form 9 inputs sheet. **These values are determined automatically on this sheet and are obtained from Schedule R-6.**

Column 4 - Difference between Column 2 and Column 3. **These values are calculated automatically on the spreadsheet.**

Column 5 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the portion of the difference which is produced by the consolidation of other title insurance subsidiaries in the UFRP Income Statement Summary in column 5. **Describe this item in detail on Schedule R-7.**

Column 6 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the amount of any remaining portion (i.e., not the result of consolidating

entities) of the difference in column 6. **Describe this item in detail on Schedule R-7.**

Column 7 - Sum of column 5 and column 6. **These values are calculated automatically on the spreadsheet. The amounts in column 7 must be identical to the amounts reported in column 4 for the corresponding line. This is tested for in column L of the Excel workbook.**

Note that you may enter a note in cell A7 of this schedule if necessary to convey some additional information about the data.

Schedule R-2

This schedule presents a reconciliation between nationwide values shown on the UFRP income statement and in the Statutory Annual Statement (Form 9).

ALMOST EVERY CELL ON THIS SCHEDULE IS AUTOMATICALLY POSTED FROM OTHER SCHEDULES. THE ONLY TIME INPUT IS NEEDED ON THIS SHEET IS WHEN NON-ZERO DIFFERENCES APPEAR IN COLUMN 4.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

The columns have the same significance as in the prior call, namely.

Column 1 - Line number on UFRP Income Statement Summary schedule.

Column 2 - Report the amount reported on the corresponding line of the Nationwide column of the UFRP Income Statement Summary. **These values are calculated automatically on the spreadsheet.**

Column 3 - Presents the amount entered on your company's filed Form 9 on the corresponding page, column number, and line set forth on the Form 9 inputs sheet, or the result of a calculation on Schedule R-6. **These values are calculated automatically on the spreadsheet.**

Column 4 - Difference between Column 2 and Column 3. **These values are calculated automatically on the spreadsheet.**

Column 5 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the portion of the difference which is produced by the consolidation of other title insurance subsidiaries in the UFRP Income Statement Summary in column 5. **Describe this item in detail on Schedule R-7.**

Column 6 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the amount of any remaining portion (i.e., not the result of consolidating entities) of the difference in column 6. **Describe this item in detail on Schedule R-7.**

Column 7 - Sum of column 5 and column 6. **These values are calculated automatically on the spreadsheet. The amounts in column 7 must be identical to the amounts reported in column 4 for the corresponding line. This is tested for in column L of the Excel workbook.**

Note that you may enter a note in cell A7 of this schedule if necessary to convey some additional information about the data.

Schedule R-3

This schedule presents a reconciliation between asset values shown on the UFRP balance sheet and in the Statutory Annual Statement (Form 9).

ALMOST EVERY CELL ON THIS SCHEDULE IS AUTOMATICALLY POSTED FROM OTHER SCHEDULES. THE ONLY TIME INPUT IS NEEDED ON THIS SHEET IS WHEN NON-ZERO DIFFERENCES APPEAR IN COLUMN 4.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

The columns have the same significance as in the prior call, namely.

Column 1 - Line number on UFRP Balance Sheet Summary schedule.

Column 2 - Presents the amount reported on the corresponding line of the Nationwide column of the UFRP Balance Sheet Summary. **These values are calculated automatically on the spreadsheet.**

Column 3 - Presents the amount entered on your company's filed Form 9 on the corresponding page, column number, and line set forth on the Form 9 inputs sheet. **These values are calculated automatically on the spreadsheet.**

Column 4 - Difference between Column 2 and Column 3. **These values are calculated automatically on the spreadsheet.**

Column 5 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the portion of the difference which is produced by the consolidation of other title insurance subsidiaries in the UFRP Balance Sheet Summary in column 5. **Describe this item in detail on Schedule R-7.**

Column 6 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the amount of any remaining portion (i.e., not the result of consolidating entities) of the difference in column 6. **Describe this item in detail on Schedule R-7.**

Column 7 - Sum of column 5 and column 6. **These values are calculated automatically on the spreadsheet. The amounts in column 7 must be identical to the amounts reported in column 4 for the corresponding line. This is tested for in column L of the Excel workbook.**

Note that you may enter a note in cell A7 of this schedule if necessary to convey some additional information about the data.

Schedule R-4

This schedule presents a reconciliation between liability values shown on the UFRP balance sheet and in the Statutory Annual Statement (Form 9).

ALMOST EVERY CELL ON THIS SCHEDULE IS AUTOMATICALLY POSTED FROM OTHER SCHEDULES. THE ONLY TIME INPUT IS NEEDED ON THIS SHEET IS WHEN NON-ZERO DIFFERENCES APPEAR IN COLUMN 4.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

The columns have the same significance as in the prior call, namely.

Column 1 - Line number on UFRP Balance Sheet Summary schedule.

Column 2 - Presents the amount reported on the corresponding line of the Nationwide column of the UFRP Balance Sheet Summary. **These values are calculated automatically on the spreadsheet.**

Column 3 - Presents the amount entered on your company's filed Form 9 on the corresponding page, column number, and line set forth on the Form 9 inputs sheet, or the result of a calculation on Schedule R-6. **These values are calculated automatically on the spreadsheet.**

Column 4 - Difference between Column 2 and Column 3. **These values are calculated automatically on the spreadsheet.**

Column 5 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the portion of the difference which is produced by the consolidation of other title insurance subsidiaries in the UFRP Balance Sheet Summary in column 5. **Describe this item in detail on Schedule R-7.**

Column 6 - Contains reconciling items. Whenever a non-zero difference appears in column 4, report the amount of any remaining portion (i.e., not the result of consolidating entities) of the difference in column 6. **Describe this item in detail on Schedule R-7.**

Column 7 - Sum of column 5 and column 6. **These values are calculated automatically on the spreadsheet. The amounts in column 7 must be identical to the amounts reported in column 4 for the corresponding line. This is tested for in column L of the Excel workbook.**

Note that you may enter a note in cell A7 of this schedule if necessary to convey some additional information about the data.

Schedule R-5

This sheet presents a reconciliation of expenses between values shown elsewhere in the Excel file and in the Statutory Annual Statement (Form 9). The values shown elsewhere include amounts allocated to New York in sheets U-3 and U-5 and non-New York amounts manually input in column 4 of Schedule R-5.

MANY OF THE VALUES ON THIS SCHEDULE ARE AUTOMATICALLY POSTED FROM OTHER SCHEDULES. INPUT IS NEEDED FOR NON-NEW YORK EXPENSE (COLUMN 4) AND CERTAIN OTHER ITEMS NEAR THE BOTTOM OF COLUMNS 1, 2 AND 3.

INPUT IS ALSO NEEDED ON THIS SHEET WHEN NON-ZERO DIFFERENCES APPEAR IN COLUMN 7.

Note that Schedule R-5 is somewhat different from Schedules R-1 to R-4. Those previous schedules are designed to reconcile the data on UFRP with data from Form 9. Schedule R-5 differs in that it reconciles data reported on U-3 and U-5 with Form 9.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Column 1 - Presents the total expenses incurred by New York direct operations in each of the categories listed in Schedule U-3. **The values in lines 1 through 29 are calculated automatically on the spreadsheet. The entries in lines 30 through 32 must be made manually.**

Column 2 - Presents the field office expenses allocated to New York in each of the categories listed in Schedule U-5. **The values in lines 1 through 29 are calculated automatically on the spreadsheet. The entries in lines 30 through 32 must be made manually.**

Column 3 - Presents the home office expenses allocated to New York in each of the categories listed. These categories are those reported in Schedule U-5. **The values in lines 1 through 29 are calculated automatically on the spreadsheet. The entries in lines 30 through 32 must be made manually.**

Column 4 - Report all expenses neither incurred in New York nor allocated to New York. **These entries must be made manually.**

Column 5 - Sum of columns 1 through 4. **These values are calculated automatically on the spreadsheet.**

Column 6 - Presents the amount entered on your company's filed Form 9 on the appropriate page, column number, and line set forth on the Form 9 inputs sheet, or the result of a calculation on Schedule R-6. **These values are calculated automatically on the spreadsheet.**

Column 7 - Difference between column 5 and column 6. **These values are calculated automatically on the spreadsheet.**

Column 8 - Contains reconciling items. Whenever a non-zero difference appears in column 7, report the portion of the difference which is produced by the consolidation of other title insurance subsidiaries in the UFRP Income Statement Summary in column 8. **Describe this item in detail on Schedule R-7. Line 26 is calculated automatically on the spreadsheet.**

Column 9 - Contains reconciling items. Whenever a non-zero difference appears in column 7, report the amount of any remaining portion (i.e., not the result of consolidating entities) of the difference in column 9. **Describe this item in detail on Schedule R-7. Line 26 is calculated automatically on the spreadsheet.**

Column 10 - Sum of column 8 and column 9. **This amount must be identical to the amount reported in column 7 for the corresponding line. This is tested for in column N of the Excel workbook.**

Note that you may enter a note in cell B6 of this schedule if necessary to convey some additional information about the data.

Schedule R-6

Schedule R-6 displays some of the calculations needed on the preceding schedules (R-1 through R-5). **These values are calculated automatically on the spreadsheet. However, cells C27 and/or C34 should be entered manually if Schedules A1 and/or A2 have not been used (i.e., if no allocation to New York was necessary).**

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Note that you may enter a note in cell A4 of this schedule if necessary to convey some additional information about the data.

Schedule R-7

Schedule R-7 is a free-form schedule for the explanation of reconciling items. The items that must be reported are indicated on the preceding R schedules instructions.

INSTRUCTIONS FOR COMPLETION OF ALTA UNIFORM FINANCIAL REPORTING PLAN

The Income Statement Summary and Balance Sheet Summary schedules are to be prepared according to the instructions for the ALTA Uniform Financial Reporting Plan. (Note, both the Income Statement and Balance Sheet are on the same worksheet of the Excel file.) Individual items reported on the Income Statement Summary must be reconciled on the “Consistency Checks” worksheet to the sum of the corresponding items as reported on Schedules U-1 through U-5, Total column.

The Income Statement Summary and Balance Sheet Summary schedules must also be reconciled on the worksheets R-1 through R-6 to the corresponding items which are reported on Form 9. **Form 9 figures are entered on the “Form 9 Inputs” worksheet ONLY.** These figures are then posted automatically to the R worksheets. **Please note that realized and unrealized capital gains are to be reported before taxes.**

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-1

The “Policy Charges,” “Endorsement Charges,” and “Special Charges” items are posted automatically to U-1 from Schedules US-1 and US-1-N for Direct Operations, from U-2 for underwriter subsidiary agents, and from US-1 and US-1-N for the total of all agents. **The only items that need to be filled in explicitly on U-1 are the two entries on line 11 for Zone 1 and Zone 2 for amounts retained by independent agents.**

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Note: Line 9 of this schedule excludes “Authorized Unrated Charges” for Agency Operations, obtained from line 80 of Schedule US-1-N. In the 2012 Data Call this item was included so that the values on U-1 would balance to the sum of the values entered on US-1 and US-1-N. After review and discussion with DFS we concluded that, beginning with the 2013 Data Call, this value should not be included in U-1. Several consistency checks were revised at that time as a result of this change.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-2

Schedule U-2 reports revenues written by your agency subsidiaries as distinct from your direct operations. An agency subsidiary is a policy-issuing office that maintains a distinct business identity and remits a portion of the rate charged to the underwriter. Only the data for subsidiary agents that are consolidated on the UFRP are to be included in U-2. Other “affiliated agents” that are not consolidated on UFRP are to be considered “independent agents” for purposes of these schedules. All the non-manual charges lines have been consolidated into a single line called “Other Operating Income.”

Lines 1, 2, 3 and 7: enter the amounts for policy charges, endorsement charges, special charges, and unrated charges using the same classifications as used in Schedule US-1-N. Enter the amounts remitted to the underwriter for each zone on line 5. All other values on the page are calculated by formula.

All row and column totals and subtotals are calculated automatically.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-3 – Part 1

This schedule reports the expenses of your New York direct operations. IT DOES NOT INCLUDE HOME OFFICE EXPENSES, WHICH ARE REPORTED ONLY ON SCHEDULE U-5. For purposes of this report, a direct operation is a policy-issuing office. Exclude expenses incurred in support of agency operations in New York, which are reported on Schedules U-4 and U-5.

To the extent possible, expenses should be charged directly to New York. If your direct operation issues policies in more than one state, allocation to New York must follow the procedures set forth in the ALTA Uniform Financial Reporting Plan.

Please enter the appropriate values for each expense item in the Total column for each zone.

DO NOT INCLUDE ANY EXPENSES FOR UNDERWRITING, CLAIMS, OR AGENCY ADMINISTRATION, EVEN IF THIS LOCATION IS CHARGED FOR THESE EXPENSES. ALL SUCH EXPENSES, INCLUDING AN APPROPRIATE PORTION OF GENERAL ADMINISTRATION EXPENSE, ARE TO BE REPORTED ON SCHEDULE U-5.

Line by line instructions

Line 1: Include all costs for search and examination paid to non-employees, including purchases of abstracts, purchases of title reports, purchases of title opinions, etc.

Line 2: Include all amounts paid to purchase copies of county and judicial records, including microfiche, microfilm, magnetic media, paper copies, plot maps, etc.

Lines 3-25: Follow the definitions used for the NAIC Annual Statement Blank (Form 9), Part 3. Note in particular the broad definition of Travel and Travel Items, which corresponds to line **13** in the TIRSA data call. Note that line 25 of the TIRSA call (“Other”) includes both the “Other” and “All Other” NAIC categories.

Line 26: Sum of lines 1-25.

Line 27: This line is computed automatically by applying the average commission rate prevailing on your New York agency contracts to the revenues on Schedule U-1, Direct Operations columns. **DO NOT ALTER THE FORMULAS IN CELLS ON THIS LINE.**

Line 28: For Increase in Statutory Premium Reserve, enter values for Zone 1 Total and Zone 2 Total only, if appropriate.

Line 29: This line is computed automatically by subtracting total expenses for Direct Operations (the sum of lines 26 and 27 on this sheet) and Increase in Statutory Premium Reserve (line 28 on this sheet) from Total New York Direct Operations Revenue (from Schedule U-1). **DO NOT ALTER THE FORMULAS IN CELLS ON THIS LINE.**

Line 30: Indicate the number of full-time equivalent employees in each activity column. Note that the number of employees should be allocated to the various columns of Line 30 in a way that is analogous to the way salaries were allocated on Line 3. It may be necessary to enter a fractional number of employees in many cells, which is acceptable and expected.

Note that we have added a calculation of the implied average salary in the “For Milliman use only” section below the last line of this Schedule. We will be reviewing these values for reasonableness and requesting an explanation when the values do not appear reasonable to us. Please review these values and make any necessary corrections to the data before making your submission.

All row and column totals and subtotals are calculated automatically.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-3 – Part 2

The NYSDFS has requested that all underwriters provide additional detail for the amounts reported in the following expense categories:

- Advertising Expense (Part 1 Line 10)
- Marketing and Promotional Expenses (Part 1 Line 11)
- Travel (Part 1 Line 13)
- Other (Part 1 Line 25)

In Part 2 of the schedule we have provided a line for each of several possible expense types that may appear in the broader categories mentioned above and displayed on Part 1. Please enter the amounts for each of these categories on Part 2. Within each of the four main categories, there is also provided an “Other” line to accommodate the entry of any amounts not covered by the items explicitly identified.

Note: it is important that the sum of the detailed items in Part 2 for each category agrees with the amounts reported on Part 1.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-3 – Part 3

In the event that amounts have been entered in the “Other” line for Advertising Expenses (10.12), Marketing and Promotional Expenses (11.10), Travel Expenses (13.08) or Other Expenses (25.06) in Part 2, enter a detailed description for each of the items that fall within these “Other” lines. 10 lines have been provided for each of the 4 categories. Also, provide a dollar amount for each item entered on Part 3 if possible.

Note: it is important that the sums of the detailed items in Part 3 for each category agree with the amounts reported on Part 2, which may require an additional “other” line in Part 3. If this schedule does not provide enough rows to enter the full detail, please be sure to identify the largest items in the available spaces and combine the remaining, smaller items into an “other” line. A test has been added to the “Row Column Footing” sheet to make sure these values agree.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4 - Part 1

This schedule is exactly parallel to Schedule U-3 – Part 1, except that it reports the expenses incurred by your New York agent subsidiaries, and does not require the computation of an amount deemed remitted, since agencies remit in fact. The NAIC definitions apply here also.

Note that the number of employees should be allocated to the various columns of Line 28 in a way that is analogous to the way salaries were allocated on Line 3. It may be necessary to enter a fractional number of employees in many cells, which is acceptable and expected.

Note that we have added a calculation of the implied average salary in the “For Milliman use only” section below the last line of this Schedule. We will be reviewing these values for reasonableness and requesting an explanation when the values do not appear reasonable to us. Please review these values and make any necessary corrections to the data before making your submission.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4 – Part 2

The NYSDFS has requested that all underwriters provide additional detail for the amounts reported in the following expense categories:

- Advertising Expense (Part 1 Line 10)
- Marketing and Promotional Expenses (Part 1 Line 11)
- Travel (Part 1 Line 13)
- Other (Part 1 Line 25)

In Part 2 of the schedule we have provided a line for each of several possible expense types that may appear in the broader categories mentioned above and displayed on Part 1. Please enter the amounts for each of these categories on Part 2. Within each of the four main categories, there is also provided an “Other” line to accommodate the entry of any amounts not covered by the items explicitly identified.

Note: it is important that the sum of the detailed items in Part 2 for each category agrees with the amounts reported on Part 1.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4 – Part 3

In the event that amounts have been entered in the “Other” line for Advertising Expenses (10.12), Marketing and Promotional Expenses (11.10), Travel Expenses (13.08) or Other Expenses (25.06) in Part 2, enter a detailed description for each of the items that fall within these “Other” lines. 10 lines have been provided for each of the 4 categories. Also, provide a dollar amount for each item entered on Part 3 if possible.

Note: it is important that the sums of the detailed items in Part 3 for each category agree with the amounts reported on Part 2, which may require an additional “other” line in Part 3. If this schedule does not provide enough rows to enter the full detail, please be sure to identify the largest items in the available spaces and combine the remaining, smaller items into an “other” line. A test has been added to the “Row Column Footing” sheet to make sure these values agree.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4_Agent –Part 1

This schedule consists of the composite of *special reporting schedules which you are required to distribute to your agents along with the instructions attached as Appendix A.*

Appendix A contains detailed instructions for the completion of this schedule. Please note that there have been important changes made to this schedule in 2015 at the request of the DFS. In summary, the underwriter is to send a blank Excel copy (and instructions) to each agent. Each agent is to complete the form and send it back to the underwriter by March 15, 2017. A separate Excel file containing only the U-4_Agent schedule and a separate set of instructions has been provided for this purpose. This separate Excel file has not been password protected.

The underwriter is to compile the results across all “independent agents” (including affiliated agents that are not subsidiary agents and have not been consolidated on UFRP) and enter the composite amounts in the U-4_Agent schedule contained in the main data call workbook. Do not send the agent-by-agent detail to Milliman, only the composite results.

Note that the number of employees should be allocated to the various columns of Line 38 in a way that is analogous to the way salaries were allocated on Line 13. It may be necessary to enter a fractional number of employees in many cells, which is acceptable and expected.

Note that we have added a calculation of the implied average salary in the “For Milliman use only” section below the last line of this Schedule. We will be reviewing these values for reasonableness and requesting an explanation when the values do not appear reasonable to us. Please review these values and make any necessary corrections to the data before making your submission.

The U-4_Agent sheet in the main data call workbook has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4_Agent –Part 2

Previously we added Parts 2 and 3 to the separate data call sent to the independent agents. Note that only Part 2 was added to the U-4_Agent Schedule in the main data call to be completed by the underwriters. Agents are expected to report data for all three parts, but the underwriters are expected only to compile the information for Parts 1 and 2 for submission to TIRSA.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-4_Agent –Part 3

Part 3 of this Schedule is included in the separate Excel file distributed to agents, but is not a part of the underwriters Excel file. Underwriters are expected to collect the Part 3 information from their agents and to make all reasonable attempts to obtain that data from as many agents as possible. TIRSA is not requesting that underwriters compile the information on Part 3, but at the request of the NYSDFS a copy (in Excel format) of every U-4_Agent Part 3 received from the agents is to be provided to Milliman. Milliman will provide this material to TIRSA who will in turn provide this information to NYSDFS. Please provide all of these files to Milliman together with your main data call submission, but no later than April 14, 2017.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-5 – Part 1

This schedule reports the expenses of underwriting title insurance risks and of supervising the agency and direct operations network, whether incurred at the home office or in branch office locations. Expenses for these functions charged to the branches are to be reported under the columns labeled "Field Office Expenses." Expenses for these functions absorbed by the home office are to be reported under the home office columns. The NAIC definitions apply here also.

For purposes of this schedule, all New York-related operating costs of the company for its direct operations must be allocated among three functions:

1. Underwriting & Claims, including determination of which risks to accept and which to refuse, development and production of policy forms, handling of inquiries from the field by branches and agents, handling reinsurance operations, claim payment and defense, and related activities.

2. Agency Administration, including maintaining an agency representative network and carrying out policy audits, escrow audits, and other field examinations of your agents.
3. General Administration, including development of policy forms, data processing, accounting and auditing, personnel management, government relations, advertising, and all other general overhead functions.

Line by line instructions

Lines 1-25: See Special Instructions for Schedule U-3.

Line 26: Sum of lines 1-25.

Lines 27 & 28: These lines are posted automatically from Schedule U-6. DO NOT ALTER THE FORMULAS IN CELLS ON THESE LINES.

Line 29: Report reinsurance ceded net of reinsurance assumed. In the case of facultative reinsurance, assign the premium to the zone in which the reinsured risk is located. In the case of treaty reinsurance, assign payments or recoveries on the same basis as other corporate general overheads are assigned.

Line 30: Report on this line the net increase in the statutory premium reserve as booked on the New York basis for field offices and home office, if appropriate. Compute the amount assignable to each zone based on the policies written in that zone. Note: if the statutory premium reserve decreased during the year, then please enter a negative value on line 30.

Line 31: Sum of lines 27, 28, 29, and 30.

Line 32: Sum of lines 26 and 31.

Line 33: This line is computed automatically as the sum of Schedule U-1 line 12 and Schedule U-3 line 27, LESS Schedule U-5 line 32. DO NOT ALTER THE FORMULAS IN CELLS ON THIS LINE.

Line 34: Indicate the number of full-time equivalent employees in each activity column. Note that the number of employees should be allocated to the various columns of Line 34 in a way that is analogous to the way salaries were allocated on Line 3. It may be necessary to enter a fractional number of employees in many cells, which is acceptable and expected.

Note that we have added a calculation of the implied average salary in the “For Milliman use only” section below the last line of this Schedule. We will be reviewing these values for reasonableness and requesting an explanation when the values do not appear reasonable to us. Please review these values and make any necessary corrections to the data before making your submission.

All row and column totals and subtotals are calculated automatically.

Please check the reconciliation fields at the right of Schedules A-1 and A-2 to make sure that the figures on U-5 are consistent with the figures on A-1 and A-2.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-5 – Part 2

The NYSDFS has requested that all underwriters provide additional detail for the amounts reported in the following expense categories:

- Advertising Expense (Part 1 Line 10)
- Marketing and Promotional Expenses (Part 1 Line 11)
- Travel (Part 1 Line 13)
- Other (Part 1 Line 25)

In Part 2 of the schedule we have provided a line for each of several possible expense types that may appear in the broader categories mentioned above and displayed on Part 1. Please enter the amounts for each of these categories on Part 2. Within each of the four main categories, there is also provided an “Other” line to accommodate the entry of any amounts not covered by the items explicitly identified.

Note: it is important that the sum of the detailed items in Part 2 for each category agrees with the amounts reported on Part 1.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-5 – Part 3

In the event that amounts have been entered in the “Other” line for Advertising Expenses (10.12), Marketing and Promotional Expenses (11.10), Travel Expenses (13.08) or Other Expenses (25.06) in Part 2, enter a detailed description for each of the items that fall within these “Other” lines. 10 lines have been provided for each of the 4 categories. Also, provide a dollar amount for each item entered on Part 3 if possible.

Note: it is important that the sums of the detailed items in Part 3 for each category agree with the amounts reported on Part 2, which may require an additional “other” line in Part 3. If this schedule does not provide enough rows to enter the full detail, please be sure to identify the largest items in the available spaces and combine the remaining, smaller items into an “other” line. A test has been added to the “Row Column Footing” sheet to make sure these values agree.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-6

This schedule summarizes the current calendar year loss and loss adjustment expense incurred and the number of claims for the company according to which entity wrote the policy and under which rating zone the premium on the policy causing the loss was charged.

Include loss and loss adjustment expenses incurred by your company as reported on Form 9, page 7, including ULAE. Assign loss and loss adjustment expense to the Zone in which the risk causing the loss was located.

Line 1: Report losses on policies written by direct operations.

Line 2: Report losses on policies written by agent subsidiaries. In case an agent has become a subsidiary through an acquisition, classify the loss as being due to a subsidiary agent only if the agent was a subsidiary at the time the policy was written; otherwise, classify the loss as being on a policy written by an independent agent.

Line 3: Sum of Lines 1 and 2.

Line 4: Report losses on policies written by independent agents. If the agent has become independent through a divestiture by an underwriter, classify the loss as being due to an independent agent only if the agency was independent at the time the policy was written; otherwise, classify the loss as being on a policy written by an agent subsidiary.

Line 5: Sum of lines 3 and 4.

All row and column totals and subtotals are calculated automatically.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after

discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Note that Consistency Check number 5 has been expanded to reconcile the number of open claims reported at year end 2016 with the number reported at year end 2015.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-7

This schedule analyzes incurred losses and incurred loss adjustment expenses on New York risks by policy year, by year of development. The presentation is *cumulative*, i.e., each calendar year (i.e., evaluation date) column is the sum of the inception to date paid amounts through that date and the case reserves as of that date.

Companies are required to include both ALAE and ULAE on the Loss Adjustment Expense Incurred line in this Schedule. There are many reasonable approaches to allocating calendar year ULAE payments to policy years and TIRSA is not mandating that any specific procedure be used. Some examples of a reasonable approach that you could consider are 1) to allocate current calendar year ULAE payments to policy years in proportion to current calendar year ALAE paid or incurred for the policy year or 2) in proportion to current calendar year loss plus ALAE paid or incurred for the policy year. Whatever allocation procedure is used for U-7 should be consistent with ULAE allocations used elsewhere by your company and in prior submissions to TIRSA.

The current calendar year incremental incurred losses and incurred loss adjustment expenses (implied by subtracting the 2015 column from the 2016 column) should reconcile to those amounts reported on Schedules U-5 and U-6. This is tested on the “Consistency Checks” sheet.

All row subtotals are calculated automatically.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Note: we expect that you will be able to paste your prior year’s final U-7 data into this year’s Schedule U-7. This is acceptable because we expect that all data reported last year should be unchanged. Of course, if you believe there should be revisions to some of that earlier data then please be sure to reflect those revisions. Once the prior data has been pasted, it is a matter of adding the information for the new evaluation date and the new policy year. We do not think that you should have to retype the data entered in the prior year. If you have any difficulty

pasting the prior data into this year's spreadsheet, please contact Milliman immediately. We will try to help you avoid typing it in.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE U-8

This schedule analyzes losses on New York risks according to the underlying cause of the loss. The loss categories are those specified in the American Land Title Association loss classification system. The total amount of loss and loss adjustment expense reported on line 34 must equal the total amount reported on line 50, and both must also equal the sum of the total amounts reported on Schedule U-6 in the "All Zones" columns.

All column subtotals are calculated automatically.

This sheet has been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULES US-1, US-1-N, AND US-1-N-D

Schedules US-1, US-1-N, and US-1-N-D provide breakdowns of all manual rates and deviated rates charged by the company and its agents by the type of charge. Report the number of policies or endorsements issued in each category, along with the gross rate charged to the public. **TREAT A SET OF SIMULTANEOUSLY ISSUED MORTGAGE POLICIES RATED AS A SINGLE RISK AS ONE POLICY.** In the case of many reduced rate categories (such as reissue and refinance), only a portion of the liability is charged at the reduced rate, with the remainder being charged at the full rate. **REPORT ANY SUCH MIXED-RATE POLICY UNDER THE REDUCED RATE CATEGORY.**

The majority of the data reported on Schedules US-1, US-1-N, and US-1-N-D are posted automatically from US-2-1, US-2-1-N, US-2-2, US-2-2-N, US-2-2-N-D, US-3-N, and US-3-N-D with the following exceptions:

The only items that need to be filled in explicitly on US-1 are the endorsement charges (Lines 8 and 9) and the unrated charges (line 11).

The only items that need to be filled in explicitly on US-1-N are the special charges (lines 70 to 77) and the unrated charges (line 82).

The only items that need to be filled in explicitly on US-1-N-D are the special charges (lines 33 and 34).

EXCEPT FOR THE MANUALLY POSTED LINES ENUMERATED IMMEDIATELY ABOVE, DO NOT MAKE ANY ENTRIES OR ALTER THE FORMULAS IN CELLS ON THESE SCHEDULES.

All row and column totals and subtotals are calculated automatically.

These sheets have been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

INSTRUCTIONS FOR COMPLETION OF SCHEDULES US-2-1, US-2-1-N, US-2-2, US-2-2-N, and US-2-2-N-D

These schedules provide the underlying detail for the figures reported on Schedules US-1, US-1-N, and US-1-N-D for mortgage rates and fee & leasehold rates. Data (i.e., number of policies and revenue charged) is to be entered for each type of policy (US-2-1 and US-2-2) or each specific rate code (US-2-1-N, US-2-2-N and US-2-2-N-D) and is to be reported in liability amount ranges based on the liability amount of the underlying transaction. TREAT A SET OF SIMULTANEOUSLY ISSUED MORTGAGE POLICIES RATED AS A SINGLE RISK AS ONE POLICY, AND REPORT IT IN THE LIABILITY CATEGORY CORRESPONDING TO THE TOTAL LIABILITY FOR WHICH THE CHARGE WAS DETERMINED. In the case of a mixed-rate policy, report it under the reduced rate code in the liability category corresponding to the total transaction liability.

Note that the values on these schedules are not to include policy counts or revenue for endorsements. Data for endorsements is to be reported on Schedules US-3-N and US-3-N-D, described below. Inclusion of endorsements in the “number of policies” and/or “rate charged” data will distort the rate test calculations and may double-count the endorsement revenue.

All column totals and subtotals are calculated automatically.

These sheets have been protected by a password. Only those cells where input is expected have been left unprotected, and these cells have been highlighted in yellow. In the event that, after discussion with Milliman, you alter any of the formulas, please highlight any cells where the formulas have been altered in blue so that it will call our attention to these cells.

Special note regarding Schedule US-2-1-N. For certain rate codes found on this schedule, policies are restricted to certain liability ranges. As a result, we do not expect a company to enter data in the liability ranges that are ineligible for this rate code, these cells are highlighted in green.

For example, rate code 317 (TIRSA Junior Loan Policy) cannot be written for a face amount greater than \$100,000. As a result, no policy count or premium data is expected for this rate code in the liability ranges above \$100,000.

At this time we are not blocking the entry of such data, but we have shaded all such cells with a blue background (instead of yellow). This should serve as an indication that no data should be entered in these cells, although the data will be accepted. However, on the “Rate Checks” sheet any data entered in these blue-shaded cell will generate an exception together with a message that says “no data expected”.

INSTRUCTIONS FOR COMPLETION OF SCHEDULES US-2-1-N Aggregate, US-2-2-N Aggregate, US-2-2-N-D Aggregate

All entries to these schedules are posted automatically from Schedules, US-2-1-N, US-2-2-N, and US-2-2-N-D, respectively. **No entries are to be posted manually. These pages have been protected by a password so that no changes can be made to any of the formulas.**

INSTRUCTIONS FOR COMPLETION OF SCHEDULES US-3-N AND US-3-N-D

Schedules US-3-N and US-3-N-D provide breakdowns of the endorsement revenue reported on Schedule US-1-N lines 67 and 68 by type of endorsement issued. **Entries are to be made on US-3-N on lines 1 through 44 only. Entries are to be made on US-3-N-D on lines 1 through 5 only. These pages have been protected by a password so that no changes can be made to any of the formulas. Enter data only in the cells highlighted in yellow. The cells highlighted in green are unprotected, but are areas we do not expect data to be entered.**

All column totals and subtotals are calculated automatically.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE US-4

Schedule US-4 provides a breakdown of revenues written by the type of policy form used. The total counts and revenues reported on Schedule US-4 line 5 must equal the sum of the

corresponding counts and revenues on Schedules US-1 line 7 and Schedules US-1-N line 66. **Do not include endorsement or special charges revenues.**

All row and column totals and subtotals are calculated automatically. This page has been protected by a password so that no changes can be made to any of the formulas. Enter data only in the cells highlighted in yellow.

INSTRUCTIONS FOR COMPLETION OF SCHEDULE US-5

Schedule US-5 provides a breakdown of total policy revenues and total losses and loss adjustment expense by the county in which the insured risk is located. The policy count total on Schedule US-5 line 63 must equal the sum of the total policy count reported on Schedule US-1 line 7 and the total policy count reported on Schedule US-1-N line 66. The revenue total on Schedule US-5 line 63 must equal the sum of the total revenue reported on Schedule US-1 line 10 and the total revenue reported on Schedule US-1-N line 81. The loss and loss adjustment expense totals on Schedule US-5 line 63 must equal the sum of the total loss and loss adjustment expense amounts reported on Schedule U-6.

Do not include policy counts for endorsements or special charges in the “Count of Policies” column for this schedule. All other columns of this schedule are to include appropriate contributions from endorsements and special charges.

All row totals are calculated automatically. This page has been protected by a password so that no changes can be made to any of the formulas. Enter data only in the cells highlighted in yellow.

INSTRUCTIONS FOR COMPLETION OF RATE CHECK SCHEDULE

The Rate Check Schedule displays all of the data entered by rate code on schedules US-2-1-N, US-2-2-N, US-2-2-N-D AND US-3-N in a table format. It also displays the implied average premium for each case and the minimum and maximum expected premiums for each case.

After the detailed data is entered on the schedules listed above, please review columns (11) and (12) of the Rate Check schedule. Start by filtering Column (11) to show only those records where the word “YES” appears. In each of those cases, an explanation of the reason for the perceived exception is displayed in Column (12). The data entered for all such cases should then be reviewed and any errors found corrected.

Then the data should be filtered on “YES” again. All remaining cases should be researched to determine whether there is a problem with the data entered. If a data problem is discovered then correct the data that was entered. In those cases where the word “YES” still appears after all data corrections and investigations have been completed, but the company believes that the data provided is correct, please enter an explanation in column (13).

APPENDIX A

NEW YORK TITLE INSURANCE RATE SERVICE ASSOCIATION

CALL FOR INDEPENDENT AGENT 2016 INCOME AND EXPENSE EXPERIENCE

This data call has been initiated by and is being distributed to you at the express direction of the New York State Department of Financial Services.

INTRODUCTION

The New York State Department of Financial Services (NYSDFS) has required all title insurance underwriters operating in New York to collect income and expense data for 2016 from their independent (and affiliated) agents. The agent data call consists of three schedules contained in an Excel file named AgentCall2016.xls accompanying these call instructions. The Excel file contains formulas that automatically calculate row and column totals.

Each agent is to:

1. Make a backup copy of the blank data call file.
2. **Rename the file** by preceding the current title with the agency name and the underwriter name (e.g., ABC Agency - Chicago Title - AgentCall2016.xls). [If you are preparing reports for more than one underwriter, please prepare a separate file for each underwriter.]
3. Enter the relevant data into the renamed file;
4. Make a backup copy of the completed renamed data file;
5. E-mail a copy of the completed renamed data file to each of your underwriters.

Note that, as was the case last year, Part 3 of the agent data call is in a separate sheet in the Excel

file. For your information, following your submission of data the underwriter will be required to provide Milliman with the individual Part 3 sheets from every agent submitting data. These sheets will then be provided to TIRSA and ultimately to the NYSDFS. The information that identifies the agency name and contact person has been removed from Part 3.

Please be careful with respect to the following issues:

- 1) DO NOT ALTER THE FORMULA IN ANY CELL UNLESS YOU HAVE BEEN NOTIFIED BY THE UNDERWRITER THAT THERE IS AN ERROR THAT NEEDS TO BE CORRECTED. IF YOU SUSPECT AN ERROR IN A FORMULA, NOTIFY THE UNDERWRITER IMMEDIATELY SO THAT THE UNDERWRITER CAN CONTACT MILLIMAN IF NECESSARY.
- 2) DO NOT TYPE NUMBERS OVER THE FORMULAS IN ANY CELL.
- 3) BREAK ALL LINKS WITH YOUR INTERNAL FILES ON THE COPY OF THE SPREADSHEET THAT YOU SUBMIT. MAINTAIN A COPY WITH THE LINKS IN PLACE IN THE EVENT THAT YOU NEED TO MAKE CORRECTIONS AND RESUBMIT.

CASH VS. ACCRUAL ACCOUNTING

All reporting should be done as if the reporting entity was a cash basis taxpayer. Only include revenue from transactions closed in 2016 and expenses actually paid in 2016.

MUNICIPAL SEARCH INCOME AND EXPENSES

Income derived from and expenses related to municipal searches *should not be reported* on Lines 1 through 3 of this schedule. Such income and expense should be included in Lines 7 through 9 as appropriate.

AGENTS OPERATING IN MULTIPLE STATES

This report covers only New York operations. We understand that agents may not keep track of all their expenses by individual state. If you have expenses that support operations in multiple states, allocate a portion of these expenses to New York by multiplying the total expense by the ratio of total New York revenue to total revenue in all states in which you operate.

AGENTS OPERATING AS PART OF A LAW FIRM OR OTHER BUSINESS

The majority of this report covers only expenses relating to title insurance operations. At the request of NYSDFS, we added a section related to Non-Title related income in the 2015 data call. We understand that agents may not maintain separate accounting for their title insurance operations. If you have direct or allocated New York expenses that support both title insurance operations and other operations, allocate a portion of your New York expenses to New

York title insurance operations by multiplying the expense by the ratio of retained New York title insurance premium to total New York revenues for your operations.

AGENTS WITH A SINGLE UNDERWRITER

Please complete the schedule and **return it to your underwriter by March 15, 2017.**

AGENTS WITH MULTIPLE UNDERWRITERS

Please complete one schedule for each of your underwriters and **return it to the appropriate underwriter by March 15, 2017.**

We understand that many agents do not keep track of their expenses by individual underwriter, except for the amount of premium remitted. You are to distribute all expenses allocated to New York among your underwriters in proportion to dollars of premium written directly. The new section related to Non-Title related income should also be allocated to underwriter as needed using the proportion of dollars of premium written directly. You are to report premium remitted as actually remitted to each underwriter.

INSTRUCTIONS FOR COMPLETION

The reporting Schedule is set forth in the separate Excel file provided.

NOTE THAT THERE ARE THREE PARTS TO THE SCHEDULE.

Instructions for completing all three parts are provided below.

Part 1 Instructions

Enter amounts on each line as follows:

INCOME SECTION

This year, as requested by NYSDFS, we have added a section relating to Non-Title Insurance Income, see the additional line instructions below.

Line 1 - Policy Charges - Report premiums from policies priced under manual rates excluding endorsement premiums.

Line 2 - Endorsements - Report all endorsement premiums

Line 3 - Special Charges - includes charges for
Special Risks - Affirmative Coverage
Affirmative Covenant Insurance - Existing Construction
Construction Loan Continuation Searches beyond 5
Commercial Contract Vendee Continuation Searches beyond 5
Option Insurance Continuation Searches
Mortgage Foreclosure Guarantees
Recorded Document Certificates with Open Order
Recorded Document Certificates with No Open Order

Line 4 - Gross Title Insurance Charges - Sum of Lines 1, 2 and 3

Line 5 - Amount Remitted to Underwriter - Report the amount of premium *remitted to the underwriter covered by this report. If you write for more than one underwriter, do not report the total remitted to all underwriters.* The total must be broken down so that the amount remitted to each underwriter is reported only on the report for that underwriter.

Line 6 - Retained Title Insurance Charges - Line 4 less Line 5

Line 7 - Closing and Escrow Income – Report all income related to closing and escrow activities

Line 8 - Section 1-F Related Income – Report all income related to Section 1-F of the TIRSA manual

Line 9 - Other Income – income reported here should include

All income derived from the activities of acting as a licensed New York State title agent not shown in Lines 1 through 8.

All income from ancillary or discretionary charges, related to the issuance of the title insurance policy, as reflected on the title bill to the consumer and or insured.

This line is not limited to income derived from the issuance of a title insurance policy by a licensed New York State title agent.

Line 10 - Total Non-Title Income – Sum of lines 7, 8 and 9

EXPENSE SECTION

Note that, like last year, we have eliminated the distinction between title order processing and general administration. We are requesting that data for both expense categories be combined and reported in the Total column for each zone.

We understand that some agents do not keep track of all their expenses according to the categories identified below. If you do not maintain separate accounting for these categories, we ask that you allocate expenses between these categories using your best professional judgment.

Line 11 - Search & Exam Costs Paid To Independent Searchers - includes payments to non-employees for abstracts, title reports, chain of title documents, etc.

Line 12 - Purchase of Copies of Public Record - includes payments to governmental entities for paper copies of deeds, mortgages, judgments, etc.; fees to government entities for online access to databases such as real estate tax records, etc. Do not include fees paid to private data providers, which are reported on line 22.

Line 13 - Salaries - Includes:

Salaries of both full-time and part-time personnel.

Compensation paid on an hourly basis

Bonuses

Sales Commissions

Contract Labor Expenses

Partnership draws (if organized as a partnership)

Note: agents conducting business in multiple states are required to make a reasonable allocation of salaries for title insurance operations in New York State, as described above. Similar allocations need to be made for agents that are part of a law firm or have multiple underwriters

Line 14 - Employee Benefits includes group insurance (life, health, dental, disability, etc.), company contributions to profit-sharing plans, company contributions to 401(k) plans, etc.

Line 15 - Payroll Taxes includes city, state and Federal levies on payroll (including company portion of Social Security, Medicare, unemployment, etc.)

Line 16 - Rent and Rent Items includes all utilities (i.e., heat, light, power, water), rental of main office, branch offices, and other offices; non-rental payments under net leases (utilities, taxes, etc.); maintenance expenses (janitorial supplies and services, repairs, etc.), etc.

Line 17 - Real Estate Expenses includes expenses for real estate your agency owns, such as janitorial services, real property insurance, interest on mortgage loans, etc.

Line 18 - Real Estate Taxes includes real estate taxes for real estate your agency owns.

Line 19 - Taxes, Licenses, and Fees includes non-real-estate-related and non-payroll taxes EXCLUDING state and Federal income taxes.

Line 20 - Advertising includes advertising space purchased in Yellow Pages, advertising spots purchased on radio and television, billboards, advertising space purchased in trade or popular newspapers and magazines, etc. Additional details for this expense category are to be provided on Part 2. The total amount for this expense category on Part 2 must agree to the amount reported on Part 1.

Line 21 - Marketing and Promotional Expenses includes the cost of pens, pads, calendars, and similar materials distributed to customers; costs for providing training seminars; event sponsorships; costs of maintaining a website; costs of telemarketers; cost of

newsletters and other marketing materials distributed to customers; etc. Additional details for this expense category are to be provided on Part 2. The total amount for this expense category on Part 2 must agree to the amount reported on Part 1.

Line 22 - Title Plant Maintenance and Rental includes the costs of maintenance of any daily takeoff title or abstract plant and/or back title plant; and payments for the right to access another company's title or abstract plant, back title files, and copies of the public record that are obtained from a private company.

Line 23 - Travel includes cost of tickets for public transportation, including trains and airlines; all automobile expenses paid including cost of automobile lease or rental; depreciation of owned automobiles; cost of hotels and meals; etc. Only expenses relating to employees or officers are to be reported on line 23. Additional details for this expense category are to be provided on Part 2. The total amount for this expense category on Part 2 must agree to the amount reported on Part 1.

Line 24 - Printing and Office Supplies including copier expenses.

Line 25 - Postage, Telephone and Freight includes cost of stamps, local and long-distance telephone service, leased dedicated telephone lines (such as T1 or T3 lines), internet services, Federal Express, UPS, etc.

Line 26 - Equipment Depreciation and Rental (Non-EDP) includes rental or depreciation charges for furniture, copiers, fax machines, telecommunications equipment, and other non-computer office equipment;

Line 27 - Cost or Depreciation of EDP Equipment and Software includes cost of leasing or depreciation charges on computer equipment including laptops, desktops, servers, network attached storage, etc.; cost of purchased software; cost of software licensing and upgrade agreements; etc.

Line 28 - Errors and Omissions Insurance

Line 29 - Other Insurance includes property insurance, liability insurance, fidelity and surety bonds, etc.

Line 30 - Director's Fees, including expense allowances for travel to Board meetings.

Line 31 - Boards and Associations includes dues paid by your agency for itself or for its employees to trade and professional associations (e.g., American Land Title

Association, New York State Land Title Association, Chamber of Commerce, bar associations, etc.); fees to attend professional and trade association meetings; etc.

Line 32 - Legal and Auditing includes fees paid to outside accounting firms and law firms

Line 33 - Bad Debts includes amounts originally booked as income that were written off as uncollectable including any charge offs. Please include any unreimbursed Closing / Escrow losses and any Abstract / Search losses (from abstracts /searches sold) in this category. Unreimbursed title losses paid (i.e., losses paid by the agent, but not reimbursed by the underwriter) are also to be included in this line. Note that any expense items that can be reported on lines above are to be reported on those lines and not reported on Line 33.

Line 34 - Interest includes interest paid to banks and/or suppliers. It excludes mortgage interest reported on Line 17.

Line 35 - Other includes all expenses not reported on Lines 15 to 34. Additional details for this expense category are to be provided on Part 2. The total amount for this expense category on Part 2 must agree to the amount reported on Part 1.

Line 36 - Total Expenses is the sum of Lines 11 to 35

Line 37 - Net is Line 6 less Line 36

Line 38 - Number of Employees is the number of full-time equivalent personnel (i.e., report two half-time employees as one full-time equivalent employee)

Note: agents conducting business in multiple states are required to make a reasonable allocation of the number of employees devoted to title insurance operations in New York State, as described above. Similar allocations need to be made for agents that are part of a law firm or have multiple underwriters.

Part 2 Instructions

The NYSDFS has requested that all agents provide additional detail for the amounts reported in the following expense categories:

- Advertising Expense (Part 1 Line 20)

- Marketing and Promotional Expenses (Part 1 Line 21)
- Travel (Part 1 Line 23)
- Other (Part 1 Line 35)

In Part 2 of the schedule we have provided a line for each of several possible expense types that may appear in the broader categories mentioned above and displayed on Part 1. Please enter the amounts for each of these categories on Part 2. Within each of the four main categories, there is also provided an “Other” line to accommodate the entry of any amounts not covered by the items explicitly identified.

Note: it is important that the sums of the detailed items in Part 2 for each category agree with the amounts reported on Part 1.

Part 3 Instructions

Note that Part 3 is found on a separate sheet within the Excel file. After receiving the responses to this agent call, the underwriters will be required to submit Part 3 for each individual responding agent to Milliman. Milliman will then transmit these files to TIRSA and TIRSA will then provide these sheets to the Department of Financial Services. The individual agency name and other identifying information have been removed from Part 3.

In the event that amounts have been entered in the “Other” line for Advertising Expenses (20.12), Marketing and Promotional Expenses (21.10), Travel Expenses (23.08) or Other Expenses (35.06) in Part 2, enter a detailed description for each of the items that fall within these “Other” lines. 10 lines have been provided for each of the 4 categories. Also, provide an overall amount for each item entered on Part 3 if possible.

Note: it is important that the sums of the detailed items in Part 3 for each category agree with the amounts reported on Part 2.