

# **ANNUAL STATEMENT**

**OF THE**

## **Dakota Homestead Title Insurance Company**

**Of**

**Sioux Falls**

**in the state of SD**

**to the Insurance Department**

**of the State of**

For the Year Ended

December 31, 2008

**2008**



# ANNUAL STATEMENT

For the Year Ended December 31, 2008  
of the Condition and Affairs of the

## Dakota Homestead Title Insurance Company

NAIC Group Code.....	NAIC Company Code..... 50020	Employer's ID Number..... 46-0423719
(Current Period) (Prior Period)		
Organized under the Laws of South Dakota	State of Domicile or Port of Entry South Dakota	Country of Domicile US
Incorporated/Organized..... March 1, 1993	Commenced Business..... January 1, 1994	
Statutory Home Office	315 S. Phillips Avenue..... Sioux Falls ..... SD ..... 57104 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	315 S. Phillips Avenue..... Sioux Falls ..... SD ..... 57104 <i>(Street and Number) (City or Town, State and Zip Code)</i>	605-336-0388 <i>(Area Code) (Telephone Number)</i>
Mail Address	315 S. Phillips Avenue..... Sioux Falls ..... SD ..... 57104 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	315 S. Phillips Avenue..... Sioux Falls ..... SD ..... 57104 <i>(Street and Number) (City or Town, State and Zip Code)</i>	605-336-0388 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.dakotahomestead.com	
Statutory Statement Contact	Stephanie L. Page <i>(Name)</i> slpage@dakotahomestead.com <i>(E-Mail Address)</i>	605-336-0388 <i>(Area Code) (Telephone Number) (Extension)</i> 605-336-5649 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Chad L. Hansen	President	2. Todd V. Meierhenry	Secretary
3. Mark V. Meierhenry	Treasurer	4. Janel L. Van Ruler	Vice President of Operations

### OTHER

### DIRECTORS OR TRUSTEES

David A. Dyke	Sue M. French	Chad L. Hansen	Mark V. Meierhenry
Todd V. Meierhenry	Steve C. Hey	John Dyke	

State of..... South Dakota  
County of..... Minnehaha

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) Chad L. Hansen	_____ (Signature) Todd V. Meierhenry	_____ (Signature) Mark V. Meierhenry
1. (Printed Name) President	2. (Printed Name) Secretary	3. (Printed Name) Treasurer
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2009

a. Is this an original filing? Yes [X] No [ ]  
b. If no 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,350,069		2,350,069	2,137,942
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	301,914		301,914	306,196
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....112,668, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....333,703, Sch. DA).....	446,371		446,371	1,119,180
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets (Schedule BA).....			0	0
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	3,098,355	0	3,098,355	3,563,319
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....			0	
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....			0	
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....			0	
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	5,000		5,000	5,000
16.2 Net deferred tax asset.....			0	
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....	3,718		3,718	1,367
19. Furniture and equipment, including health care delivery assets (\$.....0).....	1,007	1,007	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	451,662	451,662	0	
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	12,741	12,741	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	3,572,483	465,410	3,107,073	3,569,686
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	3,572,483	465,410	3,107,073	3,569,686

### DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. company vehicle.....	12,741	12,741	0	
2302.....			0	
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	12,741	12,741	0	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Known claims reserve (Part 2B, Line 3, Col. 4).....	425,200	337,000
2. Statutory premium reserve (Part 1B, Line 2.5, Col. 1).....	1,135,296	825,622
3. Aggregate of other reserves required by law.....	0	0
4. Supplemental reserve (Part 2B, Col. 4, Line 12).....		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers.....		
6. Other expenses (excluding taxes, licenses and fees).....	52,937	75,085
7. Taxes, licenses and fees (excluding federal and foreign income taxes).....	121,404	65,674
8.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
8.2 Net deferred tax liability.....		
9. Borrowed money \$.....0 and interest thereon \$.....0.....		
10. Dividends declared and unpaid.....		
11. Premiums and other consideration received in advance.....		
12. Unearned interest and real estate income received in advance.....		
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Provision for unauthorized reinsurance.....		
16. Net adjustment in assets and liabilities due to foreign exchange rates.....		
17. Drafts outstanding.....		
18. Payable to parent, subsidiaries and affiliates.....		
19. Payable for securities.....		
20. Aggregate write-ins for other liabilities.....	0	0
21. Total liabilities (Lines 1 through 20).....	1,734,837	1,303,382
22. Aggregate write-ins for special surplus funds.....	0	0
23. Common capital stock.....	508,146	508,146
24. Preferred capital stock.....		
25. Aggregate write-ins for other than special surplus funds.....	0	0
26. Surplus notes.....	1,100,000	1,100,000
27. Gross paid in and contributed surplus.....	554,527	554,527
28. Unassigned funds (surplus).....	(760,193)	133,876
29. Less treasury stock, at cost:		
29.1 .....0.000 shares common (value included in Line 23 \$.....0).....	30,243	30,243
29.2 .....0.000 shares preferred (value included in Line 24 \$.....0).....		
30. Surplus as regards policyholders (Lines 22 to 28 less 29) (Page 4, Line 32).....	1,372,237	2,266,306
31. TOTALS (Page 2, Line 26, Col. 3).....	3,107,074	3,569,687

**DETAILS OF WRITE-INS**

0301. ....		
0302. ....		
0303. ....		
0398. Summary of remaining write-ins for Line 3 from overflow page.....	0	0
0399. Totals (Lines 0301 thru 0303 plus 0398) (Line 3 above).....	0	0
2001. liability correction from 1999.....		
2002. ....		
2003. ....		
2098. Summary of remaining write-ins for Line 20 from overflow page.....	0	0
2099. Totals (Lines 2001 thru 2003 plus 2098) (Line 20 above).....	0	0
2201. ....		
2202. ....		
2203. ....		
2298. Summary of remaining write-ins for Line 22 from overflow page.....	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	0	0
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0

**OPERATIONS AND INVESTMENT EXHIBIT**

<b>STATEMENT OF INCOME</b>	1 Current Year	2 Prior Year
<b>OPERATING INCOME</b>		
1. Title insurance and related income (Part 1):		
1.1 Title insurance premiums earned (Part 1B, Line 3, Col. 1).....	7,127,718	3,850,567
1.2 Escrow and settlement services (Part 1A, Line 2, Col. 4).....		
1.3 Other title fees and service charges (Part 1A, Line 3, Col. 4).....		
2. Aggregate write-ins for other operating income.....	101,455	183,978
3. Total operating income (Lines 1 through 2).....	7,229,173	4,034,545
DEDUCT:		
4. Losses and loss adjustment expenses incurred (Part 2A, Line 10, Col 4).....	404,882	251,953
5. Operating expenses incurred (Part 3, Line 24, Cols. 4 and 6).....	7,272,767	3,823,957
6. Aggregate write-ins for other deductions.....	0	0
7. Total operating deductions.....	7,677,649	4,075,910
8. Net underwriting gain or (loss) (Lines 3 minus 7).....	(448,476)	(41,365)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	78,409	79,714
10. Net realized capital gains or (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	(13,255)	18,355
11. Net investment gain or (loss) (Lines 9 + 10).....	65,154	98,069
<b>OTHER INCOME</b>		
12. Aggregate write-ins for miscellaneous income or (loss).....	0	0
13. Net income after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12).....	(383,322)	56,704
14. Federal and foreign income taxes incurred.....		
15. Net income (Lines 13 minus 14).....	(383,322)	56,704
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
16. Surplus as regards policyholders, December 31 prior year (Page 3, Line 30, Column 2).....	2,266,308	2,086,514
17. Net income (from Line 15).....	(383,322)	56,704
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(65,867)	(26,277)
19. Change in net unrealized foreign exchange capital gain (loss).....		
20. Change in net deferred income tax.....		
21. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3).....	(444,881)	149,366
22. Change in provision for unauthorized reinsurance (Page 3, Line 15, Cols. 2 minus 1).....		
23. Change in supplemental reserves (Page 3, Line 4, Cols. 2 minus 1).....		
24. Change in surplus notes.....		
25. Cumulative effect of changes in accounting principles.....		
26. Capital changes:		
26.1 Paid in.....		
26.2 Transferred from surplus (Stock Dividend).....		
26.3 Transferred to surplus.....		
27. Surplus adjustments:		
27.1 Paid in.....		
27.2 Transferred to capital (Stock Dividend).....		
27.3 Transferred from capital.....		
28. Dividends to stockholders.....		
29. Change in treasury stock (Page 3, Line 29.1 and 29.2, Cols. 2 minus 1).....		
30. Aggregate write-ins for gains and losses in surplus.....	0	0
31. Change in surplus as regards policyholders for the year (Lines 17 through 30).....	(894,070)	179,793
32. Surplus as regards policyholders, December 31 current year (Line 16 plus Line 31) (Page 3, Line 30).....	1,372,237	2,266,308
<b>DETAILS OF WRITE-INS</b>		
0201. consulting income.....	69,808	121,732
0202. mangement income.....	31,647	62,246
0203. rental income.....		
0298. Summary of remaining write-ins for Line 2 from overflow page.....	0	0
0299. Totals (Lines 0201 thru 0203 plus 0298) (Line 2 above).....	101,455	183,978
0601. ....		
0602. ....		
0603. ....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0
1201. consulting income.....		
1202. ....		
1203. ....		
1298. Summary of remaining write-ins for Line 12 from overflow page.....	0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above).....	0	0
3001. surplus deduction.....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

Inside Amount Input Area: