



I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused the Report on Examination of Investors Title Insurance Company as of December 31, 2024 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 9th day of June, 2026.



Mike Causey
Commissioner of Insurance

Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
Financial Examination Division

Investors Title Insurance Company

Chapel Hill, North Carolina

Report on Examination

As of December 31, 2024

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May 14, 2026

Honorable Mike Causey
Commissioner of Insurance
State of North Carolina
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-2-131 of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

Investors Title Insurance Company

(hereinafter referred to as the “Company”), at its main administrative and statutory home office located at 121 North Columbia Street, Chapel Hill, North Carolina, 27514. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Company. This examination covers the period from January 1, 2020, to December 31, 2024, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination. The Department’s most recent prior examination of the Company was as of December 31, 2019.

The purpose of this examination is to assess the financial condition and controls of the Company and set forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

This was a multi-state coordinated financial examination of two (2) insurance company subsidiaries of Investors Title Company, Inc. (“ITC”) (collectively known as the “Investors Title Group”). North Carolina served as the Lead State, and Texas was a Participating State.

We conducted our examination in accordance with auditing standards established by the Department and the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process, and the following key functional activities were identified:

Capital and Surplus
Investments
Premiums and Underwriting
Reinsurance Ceding
Related Parties
Reserves and Claims Handling

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately from the Company's financial statements

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but are separately communicated to the Company.

The Company's Annual Statements, work papers, and the independent audit work papers were reviewed and relied upon whenever possible. A trial balance reconciliation of the Annual Statement was performed, as were a verification of ownership and valuation of assets, determination of liabilities and reserves, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Company's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from Company management.

The books and records of the Company are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). Forvis Mazars, LLP of Charlotte, North Carolina, the designated independent public accountant of the Company, issued an unmodified opinion for each year subsequent to the Department's prior examination through, and including, the year ended December 31, 2024.

REPORT ACRONYMS

Board of Directors	“Board”
Financial Condition Examiners Handbook	“Handbook”
General Statutes of North Carolina	“GS”
Information Technology General Controls	“ITGCs”
Information Technology Planning Questionnaire	“ITPQ”
Investors Title Accommodation Corporation	“ITAC”
Investors Title Company	“ITC”
Investors Title Commercial Agency, LLC	“ITCA”
Investors Title Exchange Corporation	“ITEC”
Investors Title Management Services, Inc.	“ITMS”
Investors Trust Company	“INTC”
National Association of Insurance Commissioners	“NAIC”
North Carolina Department of Insurance	“Department”
Statements of Statutory Accounting Principles	“SSAP”
University Title Company	“UTC”
“Investors Title Group” includes the following insurance companies:	
Investors Title Insurance Company	“Company”
National Investors Title Insurance Company	“NITIC”

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS AND DIRECTIVES

- a. The Company was not in compliance with Article IV Section 1 of its Bylaws, which requires the Board of Directors (“Board”) to conduct a regular meeting of the Board immediately after, in the same place, as the annual meeting of shareholders. For all years under examination, the Company’s Board did not conduct a regular meeting immediately following the annual meeting of shareholders. The Company is directed to comply with its Bylaws or amend its Bylaws to reflect current business practices.
- b. The Company entered into various transactions with affiliates without formal written agreements as required by the Statements of Statutory Accounting Principles (“SSAP”) No. 25 paragraph 11, which states: “Transactions between related parties must be in the form of a written agreement. The written agreement must provide for timely settlement of amounts owned, with a specified due date.” The Company is directed to comply with SSAP No. 25 paragraph 11 and shall not enter into any related party transactions without a formal written agreement filed with the Department pursuant to GS § 58-19-30(b).
- c. The Company violated GS § 58-19-30(b)(4) by entering into intercompany services and cost sharing transactions with its affiliates, BCAC, LLC and University Title Company (“UTC”), during the examination period without filing a Form D to notify the Department at least 30 days before entering into the transactions. On August 13, 2024, the Company filed a Form D for its Intercompany Services and Cost Allocation Agreement with UTC effective October 1, 2024, which was approved by the Department on September 5, 2024. No formal written agreement was filed with and approved by the Department for the Company’s related party transactions with BCAC, LLC as required by GS § 58-19-30(b)(4). The Company is directed to comply with GS § 58-19-30(b)(4). (Refer to Subsequent Events)

- d. The Company violated the terms of its Management Services Agreement with Investors Title Management Services (“ITMS”) effective May 15, 2001, which requires monthly settlement of all outstanding balances owed and due. The Company is directed to comply with the settlement terms of its executed agreement with ITMS pursuant to SSAP No. 25 paragraph 11 and GS § 58-19-30(b)(4)(c).
- e. The Company violated the terms of its Intercompany Services and Cost Allocation Agreement with UTC effective October 1, 2024, which requires monthly settlement of all outstanding balances owed and due. The Company is directed to comply with the settlement terms of its executed agreement with UTC pursuant to SSAP No. 25 paragraph 11 and GS § 58-19-30(b)(4)(c).
- f. The Company violated SSAP No. 25 paragraph 11 and the 2024 NAIC Title Annual Statement Instructions by incorrectly admitting amounts receivable from parent, subsidiaries and affiliates over 90 days past due in its 2024 Annual Statement. At December 31, 2024, the Company reported amounts receivable totaling \$7,063,120 from UTC, an affiliate, including \$3,486,768 that had been outstanding by more than 90 days past the contractual due date. The 2024 NAIC Title Annual Statement Instructions and SSAP No. 25 paragraph 11 require amounts receivable over 90 days past due to be reported as nonadmitted assets. The Company is directed to comply with the NAIC Title Annual Statement Instructions and SSAP 25 as required by GS § 58-2-165(c) pursuant to GS § 58-26-10 and to ensure accurate financial reporting in future filings with the Department. (Refer to Related Party Receivables and Subsequent Events)

ORGANIZATIONAL STRUCTURE AND COMPANY HISTORY

The Company is part of an insurance holding company system as defined in GS § 58-19 and is a wholly owned subsidiary of ITC, a publicly traded insurance holding company incorporated in the State of North Carolina in 1973. ITC is the ultimate controlling party of all entities within the holding company system, which operates in four service areas: insurance, trust services, exchange services, and management services.

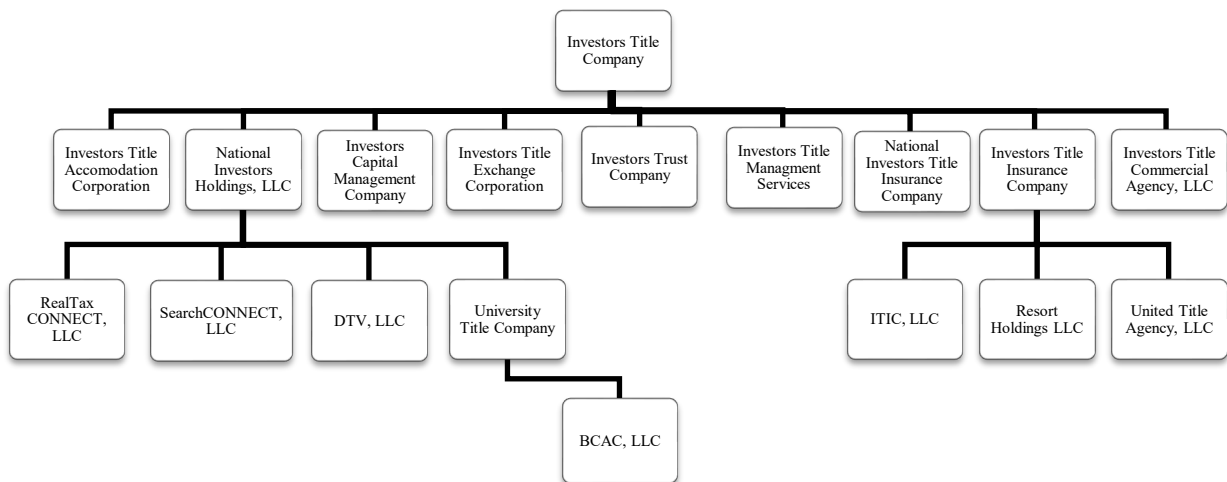
For the insurance related entities, ITC owns 100% of all outstanding shares of the Company and National Investors Title Insurance Company (“NITIC”), a title insurance company domiciled in the state of Texas. The Company has been operating since 1972 and was acquired by ITC in 1976. The Company has three wholly owned subsidiaries: 1) United Title Agency, LLC, which offers title insurance and professional services for various real estate transactions; 2) Resort Holdings, LLC, a real estate holding company; and 3) ITIC, LLC, a real estate holding company. NITIC has been operating since 1973 and was acquired by ITC in 1983. NITIC is a primary insurer in Texas and a reinsurer of the Company

In 1988, Investors Title Exchange Corporation (“ITEC”) was established to provide commercial real estate exchange services and to act as an intermediary in tax-deferred exchanges. Investors Title Accommodation Corporation (“ITAC”) was established in 1994 as an exchange accommodation title holder in safe-harbor reverse exchanges, which allows a taxpayer to defer capital gains taxes on the exchange of qualifying property.

In 1999, ITMS was established to provide management services to affiliate owned title and real estate providers, and in 2004, Investors Trust Company (“INTC”) was chartered as a North Carolina independent trust company to provide trust and fiduciary services to individuals and entities.

ORGANIZATIONAL CHART

The Company’s 2024 Annual Statement Schedule Y contains a complete organizational chart. The following is a summarized organizational chart of the Company within the holding company group as of December 31, 2024:



CAPITAL STOCK AND DIVIDENDS

CAPITAL STOCK

As of December 31, 2024, the Company's capitalization consisted of the following:

Description	Value
Number of authorized common capital shares	1,100,000
Number of shares issued and outstanding	1,000,000
Total common capital stock	\$2,000,000
Par value per share	\$2.00

No shares were issued during the period under examination. As of December 31, 2024, all outstanding shares are owned by ITC.

At December 31, 2024, the Company reported \$1,509,772 in gross paid-in and contributed surplus and \$105,713,097 in unassigned funds.

DIVIDENDS TO STOCKHOLDER

Dividends on common stock are paid as declared by the Board of the Company. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Company may pay to shareholders is limited to the greater of 10% of the most recent year-end policyholders' surplus or net income (excluding realized capital gains) earned for that same year-end. Any amount in excess of this is considered extraordinary.

The Company paid the following dividends to ITC during the examination period:

<u>Year</u>	<u>Amount</u>
2020	\$25,331,218
2021	\$34,181,983
2022	\$49,654,463
2023	\$27,181,819
2024	\$13,572,485

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Shareholder

The Bylaws provide that an annual meeting of the shareholders be held in May of each year at the principal office of the corporation, or such other place agreed upon by a majority of shareholders entitled to vote. Special meetings of the shareholders may be called at any time by the President, Secretary or Board of Directors, or by any shareholder pursuant to the written request of the holders of not less than one-tenth of all the shares entitled to vote at the meeting.

Board of Directors

The business and affairs of the Company shall be managed by the Board or by committees established by the Board. The Bylaws specify that the number of directors shall be not less than five (5) and not more than fifteen (15). Directors are elected annually, at the annual meeting of shareholders or by the written consent of the stockholders, and each director elected shall hold office until a successor is elected and qualified.

The following individuals served as directors as of December 31, 2024:

Name	Location	Principal Occupation
James Allen Fine	Chapel Hill, NC	Chair of the Board and Chief Executive Officer
James Allen Fine, Jr.	Chapel Hill, NC	Treasurer, Executive Vice President and Chief Financial Officer
William Morris Fine	Chapel Hill, NC	President and Chief Operating Officer
Lyna Dawn Martin	Chapel Hill, NC	Vice President, Corporate Administration
Christopher Todd Murphy	Chapel Hill, NC	Senior Vice President of Finance

The Board has the authority to establish committees including, but not limited to, an audit committee, compensation committee, nominating committee, disclosure committee and an investment review committee. These committees have the power and duties deemed appropriate by the Board; however, their power cannot exceed the power of the Board. The Board has appointed ITC's Audit Committee, Compensation Committee, Nominating Committee and Disclosure Committee to act on behalf of the Company.

The following individuals served on the Board's established committees as of December 31, 2024:

Audit Committee

Elton C. Parker, Jr., Chair
Tammy F. Coley
James E. Scott

Compensation Committee

James H. Speed, Chair
Tammy F. Coley
David L. Francis

Nominating Committee

Richard M. Hutson II, Chair
David L. Francis
James H. Speed

Disclosure Committee

James Allan Fine, Jr., Chair
William Morris Fine
Christopher Todd Murphy
Elizabeth B. Lewter
Tim Rodgers

Investment Review Committee

James Allan Fine, Jr., Chair
Robert G. Fontana

Officers

The Bylaws provide that the Board will elect the officers, which shall consist of a chairman of the Board, president, secretary, treasurer, and such vice presidents, assistant secretaries, assistant treasurers, and any other officers deemed necessary. All officers shall hold office, subject to removal at any time by the Board, until their successors are elected and qualified. Any two offices may be held by the same person, except the offices of the president and secretary.

The following individuals served as officers of the Company as of December 31, 2024:

Name	Title
William Morris Fine	President and Chief Operating Officer
Ryan Edward Waino	Secretary and Senior Vice President, North Carolina Underwriting Operations
James Allen Fine, Jr.	Treasurer, Executive Vice President, and Chief Financial Officer
Michael William Aiken	Senior Vice President, Chief Legal Officer
Thomas Keller Berry	Executive Vice President, Market Department
Christopher Todd Murphy	Senior Vice President, Finance
Daniel Warren Minto	Senior Vice President, Engineering
Susan Ann Harris	Senior Vice President, Agency & Market Development
Jamie Lee Nail	Senior Vice President, Operations & Market Development
Elizabeth Ann Waino	Senior Vice President, Risk Management & Claims
Jeffrey Alan Benson	Executive Vice President, North Carolina & Commercial Marketing & Development
Kenneth Hood MacKay III	Senior Vice President, Florida Marketing
Kimberly McRae Wells	Senior Vice President, Southeast Region Marketing
Phillip Andrew Wert	Senior Vice President, Operations
Patrick Timothy John	Senior Vice President, Regional Market Development

CODE OF CONDUCT AND CONFLICT OF INTEREST

The Company has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Company requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that the Company acted in accordance with its policies and procedures for disclosure of conflicts of interest.

CORPORATE RECORDS

We reviewed the minutes of the meetings of the Board and its committees for the period under examination. Based on our review, it appears that the minutes documented the Company's significant transactions and events and that the directors approved of these transactions and events. The Company's Articles of Incorporation and Bylaws were reviewed, and there were no changes during the period under examination.

STATUTORY DEPOSITS

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. The Company's 2024 Annual Statement Schedule E, Part 3 contains a complete description and listing of the Company's statutory deposits by state.

ACCOUNTS AND RECORDS

The Company's books and records are maintained at the main administrative office at 121 North Columbia Street, Chapel Hill, North Carolina, 27514. The Company utilizes information systems to establish service and maintain its policies, as well as to gather and report financial data. The environment for internal controls over financial reporting is highly automated and includes application controls and system generated reports supporting its financial reporting functions. Significant applications are hosted on multiple servers

at the data center located in Chapel Hill, North Carolina. The Company's financially significant applications were developed internally by its information technology staff, as well as externally by third-party vendors.

INFORMATION TECHNOLOGY CONTROLS

A risk-based assessment and review of the Investors Title Group's Information Technology General Controls ("ITGCs") was performed in accordance with the NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Investors Title Group's ITGCs were derived from Exhibit C Part 1 – Information Technology Planning Questionnaire ("ITPQ") and Exhibit C Part 2 – Information Technology Work Program (collectively, "Exhibit C"). The Investors Title Group responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

The Department's objectives were to obtain reasonable assurance about whether:

- a. The Investors Title Group had a process in place to effectively identify, mitigate and manage its IT risks;
- b. The Investors Title Group's control structure, policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- c. The Investors Title Group was complying with those policies and procedures.

The objectives above were achieved through a combination of reviewing the Investors Title Group's policies and procedures, testing in key areas related to Exhibit C, interviewing the Investors Title Group's management, reviewing IT risk assessment processes, and leveraging relevant risk assessment procedures performed by Forvis Mazars LLP and the ITC's Corporate Audit Department.

Based upon the risk-based assessment and review, the Investors Title Group's ITGCs were determined to be effective.

FIDELITY BONDS AND OTHER INSURANCE

The Company is an insured party under a fidelity bond issued to ITC, which provides \$20 million in aggregate coverage to ITC and its subsidiaries. This coverage exceeds the minimum amount of fidelity bond coverage recommended by the Handbook for ITC on a consolidated basis.

In addition, the Company is a named insured on various corporate property and liability policies issued to ITC, such as an excess financial institution bond, a cybersecurity policy, a professional liability policy, and a directors and officers' policy.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company does not sponsor a defined benefit plan. On November 17, 2003, the Company entered into executive employment agreements with key personnel, which provide for the continuation of employee benefits, including health insurance, dental insurance, vision insurance and life insurance. The Company accrued a liability for executive employment agreements at December 31, 2024, and 2023, totaling \$1,019,612 and \$974,589, respectively.

The Company established a 401(k) savings plan for eligible employees in 2008. The Company makes a safe harbor contribution equal to 3% of each employee's salary each year and has the option to make a discretionary profit share contribution annually. The Company's profit share contribution was 1% and 0.5% in 2024 and 2023, respectively. Individuals may elect to make contributions up to the maximum deductible amount as determined by the Internal Revenue Code. The Company incurred expenses related to this plan totaling \$1,325,663 and \$1,056,995 in 2024 and 2023, respectively.

ITC has adopted employee stock award plans under which restricted stock and options or Stock Appreciation Rights of the Company's stock may be granted to employees or directors of the Company at a price not less than the market value on the date of the grant. As of December 31, 2024, the total Stock Appreciation Rights outstanding were \$28,175.

RELATED PARTY AGREEMENTS

The Company is a member of an insurance holding company system, and related party activities have a significant impact on the financial condition of the Company. Expenses incurred for salaries, insurance benefits, payroll taxes and other operating costs are shared among the affiliated entities based on direct costs under various agreements.

Asset Management Agreements

The Company has a Custodian Agreement with INTC effective April 1, 2004, whereby INTC provides custodial and investment management services to the Company for a monthly fee based on a percentage of the asset valuation.

The Company has a Statutory Premium and Supplemental Reserve Trust Account Agreement with INTC effective August 1, 2004, whereby INTC serves as the trustee and administrator of the Statutory Premium and Supplemental Reserve Trust Account. The Company pays INTC for services rendered annually; however, these fees shall not be paid or debited from the principal assets of the Trust Account.

The Company paid fees totaling \$321,032 and \$294,503 in 2024 and 2023, respectively, to INTC under these agreements:

Intercompany Service and Cost Allocation Agreements

The Company has an Intercompany Service and Cost Allocation Agreement with SearchCONNECT, LLC, effective June 1, 2023, whereby the companies exchange goods, third party services, and other direct services used by the companies to conduct their businesses. Under this agreement, each company is charged its allocable share of the actual costs incurred or the fair value of the services provided, and charges are to be settled on a net basis not less than quarterly. The Company received fees totaling \$178,469 and \$217,953 in 2024 and 2023, respectively, from SearchCONNECT, LLC under this agreement.

The Company has an Intercompany Service and Cost Allocation Agreement with UTC, effective October 1, 2024, whereby the Company provides goods, third party services, and general and support services for UTC to conduct its business. Under this agreement, UTC is charged for its allocable share of the Company's actual costs incurred or the fair value of the services provided, and charges are to be settled on a net basis not less than monthly. The Company received fees totaling \$672,554 and \$619,698 in 2024 and 2023, respectively, from UTC under this agreement. (Refer to the Summary of Significant Findings)

Lease Agreement

The Company has a lease agreement with ITC whereby the Company pays leasing fees for the office space utilized for its main administrative office in Chapel Hill, North Carolina. For 2024 and 2023, the Company paid leasing fees totaling \$604,401 to ITC.

Management Services Agreements

The Company has various Management Services Agreements with ITC, NITIC, INTC, ITEC, Investors Title Commercial Agency, LLC (“ITCA”), ITAC, ITMS and ITIC, LLC. Under these agreements, the Company exchanges management services, including personnel to assist with day-to-day operations, and each party agrees to share personnel to perform certain functions for the benefit of affiliated companies. Under these agreements, all direct costs related to personnel are to be reimbursed quarterly, and all other direct costs are to be reimbursed monthly. The following transactions occurred under these management services agreements:

ITC paid the Company \$626,511 and \$449,553 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

NITIC paid the Company \$1,172,933 and \$1,127,529 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

INTC paid the Company \$237,563 and \$192,040 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

ITEC paid the Company \$236,549 and \$191,190 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

ITCA paid the Company \$439,779 and \$261,216 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

ITAC paid the Company \$59,274 and \$37,113 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively.

ITMS paid the Company \$2,022,440 and \$2,131,462 for allocated salary, payroll tax and insurance expense in 2024 and 2023, respectively. (Refer to the Summary of Significant Findings)

No fees were paid or incurred by ITIC, LLC under this agreement in 2024 and 2023.

Tax Allocation Agreement

The Company has an Audit and Federal Income Tax Return Agreement with ITC and its subsidiaries. The agreement provides that the cost of the annual audit and federal tax preparation will be paid as disclosed in the engagement letter with ITC’s external auditors. The agreement states that the federal income tax due or recoverable will be paid or reimbursed based upon the actual amount of federal income tax liability or recovery attributed to each party. Each subsidiary is to remit reimbursement 30 days after the end of each calendar year.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write title insurance for residential, commercial, industrial and institutional properties in various states. The Company operates through independent agents and title attorneys to write title insurance.

At December 31, 2024, the Company was licensed in the following 44 states and the District of Columbia:

Alabama	Arizona	Arkansas	Colorado	Connecticut
Delaware	Florida	Georgia	Idaho	Illinois
Indiana	Kansas	Kentucky	Louisiana	Maine
Maryland	Massachusetts	Michigan	Minnesota	Mississippi
Missouri	Montana	Nebraska	Nevada	New Hampshire
New Mexico	New York	North Carolina	North Dakota	Ohio
New Jersey	Oklahoma	Pennsylvania	Rhode Island	South Carolina
South Dakota	Tennessee	Texas	Utah	Vermont
Virginia	West Virginia	Wisconsin	Wyoming	

TRENDS OF THE COMPANY

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Company for the five-year period ended December 31, 2024:

Year	Net Admitted Assets	Capital and Surplus	Gross Premiums Written	Net Earned Premiums	Net Income
2024	\$191,931,037	\$109,222,869	\$147,215,790	\$146,065,682	\$23,932,476
2023	\$173,838,729	\$95,688,538	\$125,000,187	\$126,135,931	\$24,574,712
2022	\$197,363,623	\$110,393,427	\$177,137,898	\$173,909,965	\$32,188,023
2021	\$229,977,443	\$140,683,065	\$211,693,833	\$205,061,744	\$50,314,232
2020	\$192,449,430	\$114,861,315	\$167,092,570	\$162,617,956	\$34,576,380

ACTUARIAL OPINION

Every title insurance company doing business in this State, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an appointed actuary in accordance with GS § 58-26-10 and GS § 58-2-165(c).

The statutory reserves and related items for 2024 were reviewed and certified by the Company's Appointed Actuary, Jason Pessel, FCAS, MAAA of Oliver Wyman Actuarial Consulting. Actuarial opinions regarding the Company's reserves for losses and loss adjustment expenses were issued by an appointed actuary for all years in the examination period. The Appointed Actuary evaluated the data provided by the Company for reasonableness and consistency of the losses and loss adjustment expense reserves. According to the actuarial opinions, the Company's reserve on the losses and loss adjustment expenses met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all unpaid losses and loss expense obligations of the Company.

REINSURANCE PROGRAM OVERVIEW

REINSURANCE CEDED

The Company has an excess of loss reinsurance contract with NITIC effective October 17, 1984, and amended on March 15, 2023, whereby the Company cedes up to \$2 million of its loss liability to NITIC while retaining the first \$10.5 million of its loss liability on any transaction subject to the treaty. In 2024 and 2023, the Company ceded premiums totaling approximately \$63,000 and \$113,000, respectively, to NITIC under this contract. Simultaneously, the Company has a reciprocal treaty with NITIC. (Refer to Reinsurance Assumed)

The Company has an excess of loss contract with Old Republic National Title Insurance Company, effective August 17, 2018, and amended on January 1, 2023, whereby the Company cedes risks of loss in excess of \$12.5 million subject to a limit of liability of \$25 million for each loss and a proportionate share of the allocated loss adjustment expenses.

The Company enters into facultative reinsurance contracts with Old Republic National Title Insurance Company on a transaction-by-transaction basis, whereby the Company cedes any loss exposure exceeding \$25 million.

In 2024 and 2023, the Company ceded premiums totaling approximately \$61,000 and \$318,000, respectively, to Old Republic National Title Insurance Company under these two contracts.

REINSURANCE ASSUMED

The Company has an excess of loss reinsurance contract with NITIC, an affiliate, effective October 17, 1984, and amended on March 15, 2023, whereby the Company assumes risks of loss in excess of \$2 million and up to \$12.5 million per policy. In 2024 and 2023, the Company assumed premiums totaling approximately \$227,000 and \$269,000, respectively, from NITIC under this contract.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2024. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2023, are unexamined and are presented for comparative purposes only.

Investors Title Insurance Company
Statutory Statement of Admitted Assets
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Bonds	\$46,315,814	\$45,820,276
Common stocks	69,267,444	58,122,533
Mortgage loans on real estate	48,430	68,996
Property held for sale	18,400	18,400
Cash and short-term investments	39,462,291	29,383,323
Other invested assets (Schedule BA)	10,698,953	12,408,552
Total cash and invested assets	165,811,332	145,822,080
Investment income due and accrued	662,033	616,152
Uncollected premiums and agents' balances in course of collection	12,390,214	11,030,454
Federal income tax recoverable	-	70,873
Net deferred tax asset	1,401,525	1,309,544
Electronic processing equipment and software	136,470	383,573
Receivable from parent, subsidiaries, and affiliates	8,136,984	7,532,082
Other assets	3,362,949	7,027,236
Reinsurance receivable	28,530	46,735
Total admitted assets	\$191,931,037	\$173,838,729

Investors Title Insurance Company
Statutory Statement of Liabilities, Surplus and Other Funds
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Known claims reserve	\$2,248,283	\$2,306,417
Statutory premium reserve	48,094,613	46,841,416
Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers	622,851	531,666
Other expenses	2,838,178	5,055,645
Taxes, licenses, and fees	842,825	5,430
Current federal and foreign income taxes	2,160,127	-
Payable to parent, subsidiaries and affiliates	729,600	1,253,021
Accrued liabilities for employee benefits	25,001,338	21,790,641
Reinsurance payable	170,353	365,955
Total liabilities	82,708,168	78,150,191
Common capital stock	2,000,000	2,000,000
Gross paid in and contributed surplus	1,509,772	1,509,772
Unassigned funds	105,713,097	92,178,766
Total surplus	109,222,869	95,688,538
Total liabilities, surplus, and other funds	\$191,931,037	\$173,838,729

Investors Title Insurance Company
Statutory Statement of Operations
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Underwriting income		
Title insurance premiums earned	\$146,065,682	\$126,135,931
Escrow and settlement services	2,014,069	1,616,038
Other title fees and services charges	2,468,502	2,384,620
Other operating income	398,634	443,589
Total operating income	150,946,887	130,580,178
Expenses		
Losses and loss adjustment expenses incurred	4,218,598	4,284,898
Operating expenses incurred	138,059,330	122,860,110
Total operating expenses	142,277,928	127,145,008
Net operating gain	8,668,959	3,435,170
Investment income		
Net investment income earned	12,203,134	9,968,697
Net realized capital gains	3,561,461	11,002,227
Net investment gain	15,764,595	20,970,924
Other income		
Other income	2,569,204	3,018,976
Net income, after capital gains tax and before federal income taxes	27,002,758	27,425,070
Federal and foreign income taxes incurred	3,070,282	2,850,358
Net Income	\$23,932,476	\$24,574,712

Investors Title Insurance Company
Statutory Statement of Capital and Surplus
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Capital and surplus, beginning of year	\$95,688,538	\$110,393,427
Capital and surplus increases (decreases):		
Net income	23,932,476	24,574,712
Change in net unrealized capital gains (losses) less capital gains tax	20,384,333	(4,707,110)
Change in net deferred income taxes	54,298	514,732
Change in non-admitted assets	(17,264,291)	(7,905,404)
Dividends to stockholders	(13,572,485)	(27,181,819)
Net change in capital and surplus	13,534,331	(14,704,889)
Capital and surplus, end of year	\$109,222,869	\$95,688,538

Investors Title Insurance Company
Statutory Statement of Cash Flow
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Cash from operations		
Premiums collected net of reinsurance	\$147,973,188	\$130,820,443
Net investment income	12,127,100	10,001,684
Miscellaneous income	2,867,136	2,828,209
Total	162,967,424	143,650,336
Benefit and loss related payments	4,276,732	4,802,332
Commissions, expenses paid and aggregate write-ins	136,856,543	128,324,104
Federal and foreign income taxes paid	1,786,000	7,387,000
Total	142,919,275	140,513,436
Net cash from operations	20,048,149	3,136,900
Cash from investments		
Proceeds from investments sold, matured, or repaid	19,527,401	33,025,543
Cost of investments acquired	16,735,826	21,789,195
Net cash from investments	2,791,575	11,236,348
Cash from (used by) financing and miscellaneous sources		
Dividends to stockholders	13,572,485	27,181,819
Other cash provided (applied)	811,729	(7,457,191)
Net cash from (used by) financing and miscellaneous sources	(12,760,756)	(34,639,010)
Reconciliation of cash and short-term investments		
Net change in cash and short-term investments	10,078,968	(20,265,762)
Cash and short-term investments, beginning of year	29,383,323	49,649,085
Cash and short-term investments, end of year	\$39,462,291	\$29,383,323

COMMENTS ON FINANCIAL STATEMENTS

Basis of Presentation and Summary of Significant Accounting Policies:

The accompanying financial statements of the Company have been prepared on the basis of the accounting practices prescribed or permitted by the North Carolina Department of Insurance.

The more significant accounting policies followed by the Company are as follows:

Bonds: Carried at amortized cost using the scientific method. Bonds with lower credit ratings are carried at the lower of amortized cost or NAIC market value. Bonds not backed by other loans are stated at amortized cost using the scientific method.

Common stocks: Carried at fair value except for investments in stock of subsidiaries, which are carried at a value determined under the equity method.

Cash and short-term investments: Carried at amortized cost (which approximates fair value) and includes money market instruments and debt securities with maturities of less than one year.

Premiums: Insurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies. The portion of direct premiums written applicable to the unexpired terms of the policies is recorded as unearned premium. Premiums are earned on a pro-rata basis.

Reinsurance: Premiums, commissions, expense reimbursements, and reserves are reported on a basis consistent with the original policies issued and the terms of the reinsurance agreements. Premiums ceded are reported as a reduction of premium income. Losses and loss adjustment expenses are reported as reductions of those items. Uncollateralized amounts from unauthorized reinsurers are deducted directly from capital and surplus through a provision for unauthorized reinsurance. Changes to the provision are credited or charged directly to surplus.

Nonadmitted assets: Certain assets, such as premiums over 90 days past due, excess of book value over market value for securities, and prepaid expenses, are nonadmitted and are charges against surplus.

Unpaid loss & loss adjustment expense: Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for losses incurred but not reported. Estimated amounts of salvage and subrogation and reinsurance recoverable are deducted from the reserve for losses and loss adjustment expenses.

Analysis of Assets:

The following represents an analysis of the Company's net admitted assets at December 31, 2024:

	Assets	Assets not Admitted	Net Admitted Assets
Bonds	\$46,315,814	\$-	\$46,315,814
Common stocks	99,790,444	30,523,000	69,267,444
Mortgage loans on real estate first liens	48,430	-	48,430
Real estate Properties held for sale	18,400	-	18,400
Cash and short-term investments	39,462,291	-	39,462,291
Other invested assets	11,705,398	1,006,445	10,698,953
Total cash and invested assets	197,340,777	31,529,445	165,811,332
Investment income due and accrued	662,033	-	662,033
Premiums and agents' balances in course of collection	13,210,490	820,276	12,390,214
Net deferred tax assets	4,375,555	2,974,030	1,401,525
Electronic data processing equipment and software	23,019,948	22,883,478	136,470
Receivable from parent, subsidiaries, and affiliates	8,136,984	-	8,136,984
Other assets	3,363,949	-	3,363,949
Inventory and prepaids	2,038,650	2,038,650	-
Reinsurance receivable	28,530	2,038,650	3,392,479
Total admitted assets	\$252,995,603	\$61,064,566	\$191,931,037

Related Party Receivables:

Salaries, benefits, and other employee expenses incurred by all entities within the holding company group are paid directly by the Company and are to be fully reimbursed monthly by each affiliate pursuant to related party agreements. The Company reported the following amounts as outstanding and due on December 31, 2024, which represents the unreimbursed portion of these expense payments made on behalf of each affiliate:

Affiliate	Balance Due
BCAC LLC	\$79,052
ITCA, LLC	203,891
ITEC	207,153
ITMS	88,742
INTC	201,553
NITIC	203,447
RealTaxCONNECT, LLC	984
SearchCONNECT, LLC	70,472
United Title Agency, LLC	18,570
UTC	7,063,120
Total	\$8,136,984

The Company's year-end receivable from UTC includes the unreimbursed payments made by the Company on behalf of UTC for the months of July 2024 through December 2024. (Refer to Summary of Significant Findings and Subsequent Events)

Reinsurance Activity:

The Company has excess of loss reinsurance contracts to minimize its exposure to losses. Reinsurance contracts do not relieve the Company of its primary obligation to policyholders. Failure of the reinsurers to discharge their obligations could result in losses to the Company.

Direct, assumed, and ceded premiums written and earned are as follows:

	2024	2023
Direct written	\$147,215,790	\$125,000,187
Assumed written	226,939	268,962
Ceded written	(123,850)	(430,670)
Net written	147,318,879	124,838,479
Changes in the statutory premium reserve:		
Additions during the current year	(11,027,486)	(9,201,914)
Withdrawals during the current year	9,774,289	10,499,366
Net changes in the statutory premium reserve	(1,253,197)	1,297,452
Net title premiums earned	\$146,065,682	\$126,135,931

The reinsurers share in the risks at different levels as specified in the reinsurance contracts. The types of contracts and retention limits are described under the Reinsurance Program Overview.

Summary of Reserves:

The following provides a reconciliation of the Company's reserves for losses and loss adjustment expenses:

	2024	2023
Reserve for losses and loss adjustment expenses, beginning of year	\$2,306,417	\$2,823,851
Add:		
Provision for losses and loss adjustment expenses, current year policies	594,099	737,011
Change in estimates losses and loss adjustment expenses, prior years	2,868,799	2,737,873
Total incurred	3,462,898	3,474,884
Deduct:		
Losses and loss adjustment expenses paid, current year	(303,883)	(402,432)
Losses and loss adjustment expenses paid, prior years	(3,217,149)	(3,589,886)
Total paid	(3,521,032)	(3,992,318)
Reserve for losses and loss adjustment expenses, end of year	2,248,283	2,306,417
Increase in reserves for losses and loss adjustment expenses	\$(58,134)	\$(517,434)

Statutory Premium Reserve:

Pursuant to GS § 58-26-20, the Company is required to maintain a statutory premium reserve for the unearned portion of original risk premiums. The Company reserves an amount equal to \$0.17 per \$1,000 of net retained liability for each title insurance policy, which is defined as the total liability retained for a single risk after taking into account any ceded liability. The reserve is reduced, quarterly, over a period of 20 years, as follows: 30% the first year, 15% the second year, 10% for years three and four, 5% for years five and six, 3% for years seven and eight, 2% in years nine through fifteen, and 1% for years sixteen through twenty. The Company's statutory premium reserve totaled \$48,094,613 and \$46,841,416 at December 31, 2024, and 2023, respectively.

Capital and Surplus:

The following, in conjunction with the Statutory Statement of Capital and Surplus, represents the changes since the Department's last examination as of December 31, 2019:

	2022	2021	2020
Capital and surplus, beginning of year	\$140,683,065	\$114,861,315	\$105,128,217
Capital and surplus increases (decreases):			
Net income	32,188,023	50,314,232	34,576,380
Change in net unrealized capital gains (losses) less capital gains tax	(27,656,785)	21,917,040	2,877,517
Change in net deferred income taxes	587,389	595,067	841,699
Change in non-admitted assets	14,246,198	(12,822,606)	(3,231,280)
Dividends to stockholders	(49,654,463)	(34,181,983)	(25,331,218)
Net change in capital and surplus	(30,289,638)	25,821,750	9,733,098
Capital and surplus, end of year	\$110,393,427	\$140,683,065	\$114,861,315

Contingencies and Commitments:

The Company routinely holds customers' assets in trust, pending completion of real estate transactions or resolution of disputes or title clearance matters. Such amounts are maintained in segregated bank accounts and have not been included in the accompanying statutory financial statements. The Company held segregated funds in trust totaling \$55,373,626 and \$28,529,443 at December 31, 2024, and 2023, respectively, and has a contingent liability relating to the proper disposition of these assets for customers.

SUBSEQUENT EVENTS

On March 21, 2025, the Board elected Elizabeth Lewter as Senior Vice President, Corporate Accounting.

In April 2025, the Company recorded the final payment from UTC, an affiliate, to fully settle the related party receivable totaling \$7,063,120 reported by the Company as outstanding and due at December 31, 2024. (Refer to the Summary of Significant Findings and Related Party Receivables)

On May 7, 2025, the Department approved the Company's request to pay a cash dividend to ITC totaling \$6,798,530, which was paid by the Company on June 2, 2025.

On August 11, 2025, the Department approved the Company's request to pay a cash dividend to ITC totaling \$366,394, which was paid by the Company on September 8, 2025.

On November 17, 2025, the Department approved the Company's request to pay a cash dividend to ITC totaling \$13,206,091, which was paid by the Company on December 17, 2025.

On May 1, 2026, the Department received a Form D filing for an Intercompany Services and Cost Allocation Agreement between the Company and BCAC, LLC.

Investors Title Insurance Company
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2024

Christopher Todd Murphy, Senior Vice President of Finance
121 North Columbia Street
Chapel Hill, North Carolina 27514

William Morris Fine, President and Chief Operating Officer
121 North Columbia Street
Chapel Hill, North Carolina 27514

James Allen Fine, Jr., Treasurer, Chief Financial Officer and Executive Vice President
121 North Columbia Street
Chapel Hill, North Carolina 27514

Wendy Kim, Vice President of Finance
121 North Columbia Street
Chapel Hill, North Carolina 27514

Tom Ayscue, Senior Financial Analyst
121 North Columbia Street
Chapel Hill, North Carolina 27514

CONCLUSION

The examination procedures described herein revealed no material adverse findings or adjustments to surplus.

We conclude that the Company complies with the minimum capital and surplus requirements of GS § 58-26-1(b1) and GS § 58-7-75 for the kinds of insurance that the Company has been authorized to write, which is \$1,250,000.

The courteous cooperation and assistance extended by the officers and employees of the Company during the examination is hereby acknowledged.

Respectfully submitted,



Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
North Carolina Department of Insurance

May 14, 2026

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Tonneta Drummond, Supervising Insurance Company Examiner with the North Carolina Department of Insurance, being first, duly sworn, deposes and says that this Report on Examination, subscribed by her, is true and correct to the best of her knowledge and belief.

Signature: Tonneta Drummond Date: 5/14/26

Sworn and subscribed before me this 14th day of May, 2026.

Notary Public Signature: Isiah J. Brown Notary Public Seal:

