EXAMINATION REPORT

OF

CHICAGO TITLE INSURANCE COMPANY

NAIC Company Code: 50229

Jacksonville, Florida
as of
December 31, 2018

BY THE

FLORIDA

OFFICE OF INSURANCE REGULATION

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December 17, 2019

David Altmaier
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners ("NAIC"), we have conducted an examination as of December 31, 2018, of the financial condition and corporate affairs of

Chicago Title Insurance Company
601 Riverside Avenue
Jacksonville, Florida 32204

hereinafter referred to as "the Company" or "CTIC". Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2014 through December 31, 2018 and commenced with planning at the Florida Office of Insurance Regulation (“the Office” or “OIR”) on April 8, 2019 to April 10, 2019. The fieldwork commenced on April 8, 2019, and concluded as of December 17, 2019. The Company’s last full scope exam by representatives of the Nebraska Department of Insurance covered the period of January 1, 2011 through December 31, 2013.

The examination was a coordinated multi-state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that the examination be planned and performed 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. The lead state for this examination was Florida; states and territories that participated in this examination are as follows:

New York	Texas

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included assessing significant estimates made by management and evaluating management’s compliance with Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no material findings or exceptions noted during the examination as of December 31, 2018.

Previous Examination Findings

The following is an update on other significant regulatory information disclosed in the previous examination.

Securities Valuation Office Non-Investment Grade Limitation on Invested Assets – This was a Nebraska statute violation.

Nebraska Revised Statute §44-5152 limits the amount of admitted non-investment grade obligations, Securities Valuation Office (SVO) 3-6 designations. The Company's investment in SVO 5 designation obligations exceeded the 2% of admitted asset limitation by $1,665,429 as of December 31, 2013. An examination adjustment is not recommended as the Company has updated their records to nonadmit the said amount in future filings. It is recommended that the Company implement procedures to ensure compliance with Insurers Investment Act, specifically, Nebraska Revised Statute §44-5152(2).

Authorization and Approval of Invested Assets – This was a Nebraska statute violation.

Nebraska Revised Statute §44-5105 states, "an insurer shall not make any investment ... unless authorized, approved, or ratified by a majority of the members of the Board of Directors." During 2013, the Company invested in equity shares of two separate private equity funds that were not considered authorized investments in the Company's written Long-term Investment Policy and were not approved by the Company's Board of Directors. Effective September 12, 2014, by unanimous written consent, the Company's Board of Directors retroactively approved the investments in the two private equity funds in question. It is recommended that the Company implement procedures to ensure compliance with Insurers Investment Act, specifically, Nebraska Revised Statute §44-5105.

Reserving – Incurred but Not Reported

The examination actuary's analysis indicated that the Company's recorded Schedule P Reserve was only 90% of the examination actuary's indication, or $73.5 million less than the examination actuary's indication. The examination team noted that the Company reported the Schedule P Reserve within 4% of the appointed actuary's midpoint estimate; however, the examination actuary disagreed with the appointed actuary's methodologies and assumptions in calculating the reserve. The examination actuary has concerns with appointed actuary's data aggregation and estimated IBNR due to a recent history of development exceeding the appointed actuary's expectations. The examination actuary observed that the allocation process utilized by the appointed actuary produced volatility in the Company's IBNR estimates that resulted in unfavorable development during the examination period. The examination actuary also observed that the Fidelity National Title Group (Group) insurers' reserves do not behave as one. The allocation process utilized by the appointed actuary is not consistent with the insurers' contrasting revenue growth rates and differences in the insurers' historical loss & allocated loss adjustment expenses development.

Resolution: The examination actuary noted that the Company complied with the recommendation to perform annual one-year and two-year actual versus expected analyses separately for each of the individual companies within the Group.

Reserving – Known Claims Reserve

The examination actuary's analysis of the known case reserve (“KCR”), case only excluding bulk provision, indicated that the Company only reported 36% of the examination actuary's indicated estimate or $168 million less than the examination actuary's indicated estimate. The examination actuary concluded that aggregate case reserves for the Company as of 2013 were materially lower than amounts that would conform to the statutory standards. However, in 2013, the Company received a permitted accounting practice from the Nebraska Department of Insurance to account for bulk reserves with IBNR instead of KCR as required by Nebraska Revised Statute §44- 1988(2). The examination noted that the Company's indicated KCR, case and bulk provision, was determined to be a reasonable estimate. The examination noted that the Company does not have effective internal control processes to timely record, consistently apply, and evaluate the adequacy of case reserves which are required by Nebraska Revised Statute §44-1988(2) and NAIC Statement of Statutory Accounting Principles (SSAP) No. 57. Historically, reported case reserves in the Company have generally been under-estimates, so subsequent development has diminished or eliminated the cushion between the reported Schedule P Reserve and the sum of the reported Statutory Premium Reserve (SPR) and case reserves. Moreover, this trend of the Company recording insufficient case reserves has also contributed to adverse development in the Schedule P Reserve.

Resolution: The examination actuary reviewed the reasonableness of the actuarial Schedule P reserves, which include a provision for bulk development on known claims and noted no concern regarding the adequacy of the Company's known claims reserves.

COMPANY HISTORY

General

The Company traces its history back to 1847 with the abstract business of Edward A. Rucker in Illinois. Mr. Rucker devised a system of keeping track of every recorded instrument and legal proceeding affecting real estate. This business developed into The Title Guarantee and Trust Company, which issued the first title guarantee policy in Illinois in 1888. In 1891, the Company changed its name to Chicago Title and Trust Company ("CTTC"). On August 30, 1961, Chicago Title Insurance Company was incorporated in Missouri to write national title insurance business as a wholly-owned subsidiary of Chicago Title and Trust Company. On March 20, 2000, Fidelity National Financial, Inc. ("FNF") acquired Chicago Title Corporation, the then parent of CTIC and merged it into FNF, making FNF the ultimate parent of CTTC and its subsidiaries including CTIC. On December 31, 2010, CTTC contributed the stock of the Company to its subsidiary, FNF Control I, Inc. On January 31, 2011, FNTG Holdings, Inc. contributed to its subsidiary Fidelity National Title Group, Inc. all of the stock of the Company. Since January 31, 2011 the Company has been a direct subsidiary of Fidelity National Title Group, Inc.

On January 3, 2014, as part of a merger transaction between Lender Processing Services, Inc. and FNF, the Company acquired 100% of the stock of National Title Insurance of New York, Inc., a New York domiciled title insurer.

The Company redomesticated to Florida from Nebraska on March 1, 2017.

Dividends

During the examination period, Company declared and paid the following dividends to its stockholder(s):

Date	Amount
2018	$273,162,115
2017	$474,746,932
2016	$345,343,228
2015	$147,606,896
2014	$184,700,000
Total	$1,425,559,171

Capital Stock and Capital Contributions

As of December 31, 2018, the Company's capitalization was as follows:

Number of authorized common capital shares	25,000
Number of shares issued and outstanding	20,000
Total common capital stock	$2,000,000
Par value per share	$100.00

Surplus Notes

The Company did not have any surplus notes during the period of this examination.

Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period of this examination.

MANAGEMENT AND CONTROL

Corporate Governance

CTIC Board of Directors ("Board") serving as of December 31, 2018, are shown below:

Directors

Name	City,State	Principal Occupation, Company Name
Edson Nye Burton, Jr.	Lisle, Illinois	Executive Vice President & Division Manager, CTIC
Michael Louis Gravelle [(a)]	Las Vegas, Nevada	Executive Vice President, General Counsel & Corporate Secretary, CTIC
Michael Joseph Nolan	Jacksonville, Florida	President Eastern Operations, CTIC
Anthony John Park	Jacksonville, Florida	Executive Vice President & Chief Financial Officer, CTIC
Raymond Randall Quirk [(b)]	Jacksonville, Florida	Chairman, President & Chief Executive Officer, CTIC

(a) Effective on July 1, 2019, Michael Gravelle was replaced by Marjorie Nemzura as Vice President, Corporate Secretary and Director.

(b) Chairman

As of December 31, 2018, there were no independent members of the Board.

Senior Officers elected and serving the Company as of December 31, 2018:

Senior Officers

Name	City, State	Title
Raymond Randall Quirk	Jacksonville, Florida	President
Michael Louis Gravelle [(a)]	Las Vegas, Nevada	Executive Vice President, General Counsel & Corporate Secretary
Anthony John Park	Jacksonville, Florida	Executive Vice President & Chief Financial Officer
Steven Guy Day	Jacksonville, Florida	President National Agency Operations
Roger Scott Jewkes	Las Vegas, Nevada	President Western Operations
Richard Lynn Cox	Las Vegas, Nevada	Executive Vice President, Finance
Peter Tadeuzs Sadowski	Las Vegas, Nevada	Executive Vice President
Michael Joseph Nolan	Jacksonville, Florida	President Eastern Operations
Edson Nye Burton, Jr.	Lisle, Illinois	Executive Vice President & Division Manager
Paul Ignatius Perez	Atlantic Beach, Florida	Executive Vice President & Chief Compliance Officer
Daniel Kennedy Murphy [(b)]	Jacksonville, Florida	Senior Vice President & Treasurer

[(a)] Effective on July 1, 2019, Michael Gravelle was replaced by Marjorie Nemzura as Vice President, Corporate Secretary and Director.
[(b)] Effective on October 1, 2019, Daniel Murphy retired. Anthony Park has been named Treasurer effective December 1, 2019.

The following committees were designated by the FNF Board of Directors (the "FNF Board") as of December 31, 2018:

Corporate Governance and Nominating Committee

Name	City, State	Title, Company Name
Peter Owen Shea, Jr.[(1)]	Newport Beach, California	President & Chief Executive Officer, J.F. Shea Company
Richard Nelson Massey	Little Rock, Arkansas	Partner, Westrock Capital Partners

[1] Chairman

Compensation Committee

Name	City, State	Title, Company Name
Richard Nelson Massey [(1)]	Little Rock, Arkansas	Partner, Westrock Capital Partners
Daniel Deronda Lane	Laguna Beach, California	Chairman, Lane/Kuhn Pacific
Cary Howe Thompson	Pacific Palisades, California	Executive Vice Chairman, Bank of America Merrill Lynch

[1] Chairman

FNF Board maintained an audit committee who acted on behalf of the subsidiary insurance companies. The audit committee members elected and serving as of December 31, 2018 were as follows:

Audit Committee

Name	City, State	Title, Company Name
Douglas Keith Ammerman [(1)]	Laguna Beach, California	Retired
Heather Hay Murren	Las Vegas, Nevada	Private Investor
John Darrell Rood	St. Augustine, Florida	Chairman, The Vestcor Companies, Inc.

[1] Chairman

Holding Company System

The following agreements were in effect between the Company and its affiliates:

Tax Sharing Agreement

The Company, its affiliates and its parent, FNF, filed a consolidated federal income tax return. On December 31, 2018, the method of allocation between the Company and FNF was on a separate-entity basis. The Company computes its tax as though it pays the tax on a standalone basis except that the Company is reimbursed for losses generated that can be used in the consolidated FNF return. The allocation of expenses of the participants in the tax sharing agreement is in accordance with the cost allocation method in SSAP 70. Each subsidiary pays FNF an amount equal to any separate company tax liability of the subsidiary. Each subsidiary pays FNF the amount due no later than 90-days after filing any federal income tax return of the FNF group.

Amended and Restated Support Services Cost Sharing Agreement

The Company entered into an Amended and Restated Support Services Cost Sharing Agreement with certain affiliates including FNTIC and CLTIC effective April 28, 2017. The parties agree to share the costs CTIC incur for the performance of escrow and closing services in connection with the issuance of title insurance on real estate transactions. The allocation method is based on actual services used by the party. CTIC received payments totaling $5,045,291 under this agreement during 2018.

Second Amended and Restated Cost Sharing Agreement

Effective April 9, 2018, the Company, FNTIC, Rocky Mountain Support Services Inc. (“RMSS”), EC Purchasing Inc. (“ECP”), Next Ace Corporation (“Next Ace”) and FNF India Private Limited (collectively, the Companies and affiliates of FNF), entered into a Cost Sharing Agreement (Second Amended and Restated). The parties agree to share the costs RMSS incurs in obtaining and providing access to title plants owned by the Companies and FNF affiliates. Costs include Title Plant access, Next Ace services, and FNF India services. Monthly, each party pays their portion of actual costs and expenses incurred by RMSS and/or ECP in connection with delivering services. CTIC made payments totaling $9,317,235 under this agreement during 2018.

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Amended and Restated Master Services Agreement

Effective May 4, 2017, FNF entered into an Amended and Restated Master Services Agreement with certain subsidiaries including FNTIC, CTIC and CLTIC, to provide for the coordination of administrative functions by and between the members of the FNF holding company system. The agreement provides general corporate services including, legal, communications, advertising, regulatory, financial, claims administration, general administrative support, underwriting, title support services and IT. Costs are allocated as follows: services are allocated for each service used by the parties, salaries are allocated by actual services rendered and shared office space is allocated to the occupants at market rates. CTIC made payments totaling $313,878,261 under this agreement during 2018.

Amended and Restated Allocation Agreement

Effective May 1, 2017, FNF entered into an Amended and Restated Allocation Agreement, relative to an Excess of Loss Program, with all its insurance subsidiaries. FNF is authorized to negotiate, enter into and administer reinsurance contracts for excess of loss coverage. The annual cost for the excess loss program is based on each individual insurance subsidiary's proportionate share of the annual cost. The allocation is based on each subsidiaries' pro rata share of gross written premium to the total gross written premium of all the insurance subsidiaries. FNF provides the services without any compensation. CTIC made payments totaling $7,690,051 under the agreement in 2018.

Personal Property Lease Agreement

Effective March 25, 2013, Fidelity Asset Management. Inc. ("FAMI") (Lessor) entered into a Personal Property Lease with certain affiliates including FNTIC, CTIC and CLTIC, (collectively, the Lessee). The Lessor leases personal property to the Lessee which does not include any leases for office space. Lessee pays monthly rental payments to FAMI. The amount due is based on a percentage of the total leased property being used by each individual party to the lease. CTIC made payments totaling $76,282 under the lease in 2018.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Jacksonville, Florida.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company maintained a custody agreement with The Bank of New York Mellon to hold and safe keep certain assets. The agreement was approved by the Office on May 12, 2017.

Investment Management Agreement

Effective April 28, 2017, FNTIC, CTIC and CLTIC entered into an investment management agreement with Newport Global Advisors LP. The agreement was approved by the Office on April 28, 2017.

Reinsurance Intermediary Agreements

Effective August 20, 2013, FNF, including all subsidiaries and affiliated companies, contracted with Guy Carpenter & Company, LLC ("Guy Carpenter") as a reinsurance intermediary. Guy Carpenter is authorized to place the lines, types and kinds of reinsurance and retrocessions for FNF and may request to and act as a reinsurance intermediary on behalf of FNF. Guy Carpenter handles the reinsurance placement up to a limit of $400 million. FNF retains the right to bind the reinsurance. FNF agrees that reinsurance brokerage commission for reinsurance contracts placed by Guy Carpenter shall be earned by Guy Carpenter upon the earlier of binding the contract or the inception of the contact. Guy Carpenter renders accounts to FNF at least annually for all reinsurance except facilitative.

Effective December 21, 2018, FNF, including all subsidiaries and affiliated companies, also contracted with Willis Re Inc. ("Willis Re") as a reinsurance intermediary. Willis Re is authorized to place the lines, types and kinds of reinsurance and retrocessions for FNF and may request to and act as a reinsurance intermediary on behalf of FNF with respect to any reinsurance and retrocession agreements to which FNF is party. Willis Re handles the reinsurance placement above $400 million. FNF retains the right to bind the reinsurance. Willis Re is entitled to 100% of the brokerage commission generated by each reinsurance contract placed on behalf of FNF. FNF agrees to pay an open rate commission for each reinsurance contract placed by Willis Re.

Independent Auditor Agreement

Ernst & Young, LLP, an independent CPA, audited the Company's statutory basis financial statements annually for the years 2018 and 2017. KPMG LLP, an independent CPA, audited the Company's financial statements for the years 2016, 2015 and 2014.

Corporate Records Review

The recorded minutes of the Shareholder(s), Board of Directors ("Board") and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events.

Conflict of Interest

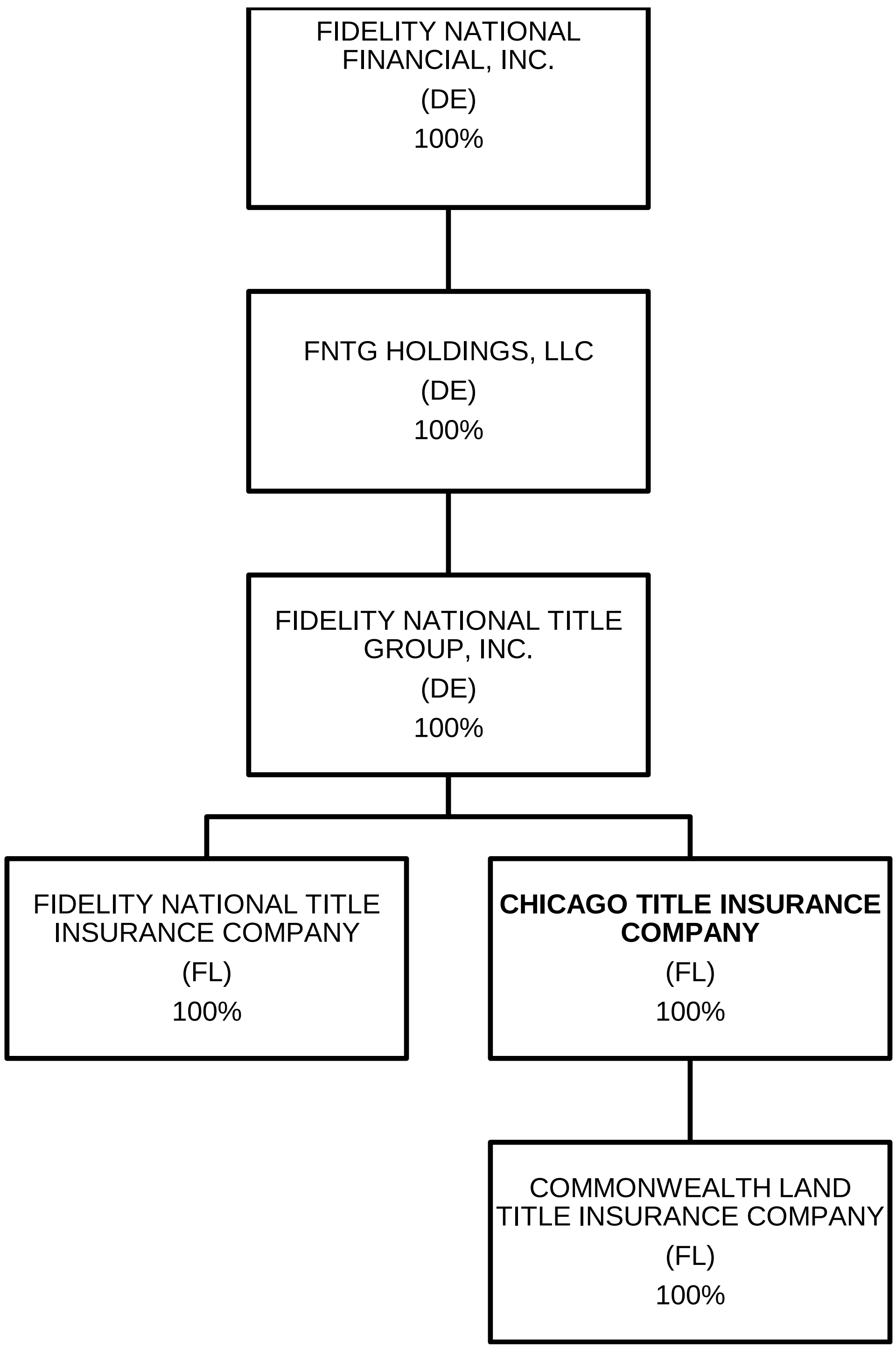
The Company adopted a policy statement requiring periodic disclosure of conflicts of interest in accordance with the Handbook.

A simplified organizational chart as of December 31, 2018, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2018 annual statement provided a list of all related companies of the holding company group.

Chicago Title Insurance Company

Simplified Organizational Chart

December 31, 2018



TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in all states with the exception of Iowa, including the District of Columbia, Guam, Puerto Rico, the US Virgin Islands and Canada.

The Company was authorized to transact insurance in Florida on September 10, 1963 and is currently authorized for the following coverage as of December 31, 2018:

Title

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The Company assumed $8.3 million in liability which is a relatively small amount of business as compared to its direct writings which totaled $2.15 billion as of December 31, 2018. The assumed transactions are on a facultative basis.

Reinsurance Ceded

The Company ceded $3.6 million in liability as of December 31, 2018. The majority of the ceded reinsurance liability resulted from facultative transactions. The form of agreement used is promulgated by the American Land Title Association. After primary retention, such reinsurance is usually on a quota-share basis, up to certain limits, with one or more title insurers. Provision is made that a risk may be coinsured with other companies. In such cases, the policy contains a provision defining each company's proportional share of the liability to the whole risk insured.

The Company's ultimate parent, FNF, entered into four Excess of Loss Reinsurance Contracts with various reinsurers on behalf the Company and other subsidiaries and affiliates of FNF. Coverage is shared by the Company and other subsidiaries and affiliates of FNF. The contract provides coverage on a loss occurrence basis for the Company and its affiliates regardless of the number of policies contributing to the ultimate net loss. The losses are covered based upon date reported to the reinsurer.

INFORMATION TECHNOLOGY REPORT

Jenny Jeffers AES, CISA, CFE and Joanna Latham AES, CISA, CPA, CFE, CRISC of Jennan Enterprises, LLC, performed an evaluation of the information technology and computer systems of the Company. Results of the evaluation were noted in the Information Technology Report provided to the Company.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida and with various state officials as required or permitted by law:

State	Description	Par Value	Market Value
FL	USTBDS	$ 1,000,000	$ 989,600
FL	USTBDS	100,000	99,020
FL	USTBDS	45,000	44,573
FL	USTBDS	5,000	4,966
Total Florida Deposits		$ 1,150,000	$ 1,138,159
AL	CD & USTBDS	$ 110,000	$ 109,592
AK	USTBDS	671,000	673,837
AR	USTBDS	110,000	108,955
CA	USTBDS	4,360,000	4,328,332
GA	USTBDS	100,000	100,471
IL	USTBDS	1,100,000	1,090,870
MA	USTBDS	100,000	101,090
NE	USTBDS	1,000,000	992,660
NV	CD	200,906	200,906
NH	USTBDS	200,000	202,180
NM	USTBDS	210,000	208,302
NC	USTBDS	18,495,000	18,421,426
OH	USTBDS	250,000	247,625
OR	CD & USTBDS	255,000	256,417
SC	CD	125,271	125,271
SD	USTBDS	125,000	123,813
PR	USTBDS	750,000	752,025
VI	USTBDS	100,000	99,450
CAN	Can Gov Bonds	46,674,489	46,252,464
Total Other Deposits		$ 74,936,666	$ 74,395,686
Total Special Deposits		$ 76,086,666	$ 75,533,845

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds; the statutory Statement of Operations; the statutory Statement of Cash Flow; and the statutory Analysis of Changes in Surplus for the year ended December 31, 2018. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2018. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

Chicago Title Insurance Company

Assets

December 31, 2018

	Per Company	Examination Adjustments	Per Examination
Bonds	$497,972,980	$0	$497,972,980
Stocks:			
Preferred	164,480,779		164,480,779
Common	681,164,106		681,164,106
Mortgage Loans:			
First liens	945,103		945,103
Real Estate:			
Properties occupied by Company	74,607,659		74,607,659
Properties held for sale	309,580		309,580
Cash, cash equivalents and short-term investments	141,918,209		141,918,209
Other invested assets	60,843,166		60,843,166
Receivables for securities	665,000		665,000
Title plants	49,572,902		49,572,902
Investment income due and accrued	4,882,544		4,882,544
Premiums and considerations:			
Uncollected premium	37,566,553		37,566,553
Guaranty funds receviable or on deposit	705,609		705,609
EDP Equipment	993,074		993,074
Aggregate write-in for other than invested assets	11,530,986		11,530,986
Totals	$1,728,158,250	$0	$1,728,158,250

Chicago Title Insurance Company

Liabilities, Surplus and Other Funds

December 31, 2018

	Per Company	Examination Adjustments	Per Examination
Known claims reserve	$64,274,674		$64,274,674
Statutory premium reserve	603,492,907		603,492,907
Other expenses	58,603,247		58,603,247
Taxes, licenses and fees	19,257,217		19,257,217
Current federal and foreign income taxes	21,510,487		21,510,487
Net deferred tax liability	17,187,823		17,187,823
Payable to parent, subsidiaires and affiliates	26,244,702		26,244,702
Payable for securities	1,002,490		1,002,490
Aggregate write-ins for liabilities	374,719		374,719
Total Liabilities	$811,948,266	$0	$811,948,266
Common capital stock	$2,000,000		$2,000,000
Gross paid in and contributed surplus	196,515,471		196,515,471
Unassigned funds (surplus)	717,694,513		717,694,513
Surplus as regards policyholders	$916,209,984	$0	$916,209,984
Total liabilities, surplus and other funds	$1,728,158,250	$0	$1,728,158,250

Chicago Title Insurance Company

Statement of Income

December 31, 2018

Operating Income	
Title insurance premiums earned	$2,154,995,810
Escrow and settlement serices	6,198,960
Other title fees and service charges	124,431,969
Total operating income	2,285,626,739
Expenses	
Losses and loss adjustment expenses incurred	$106,011,913
Operating expenses incurred	1,967,863,331
Total operating expenses	$2,073,875,244
Net operating gain or (loss)	$211,751,495
Investment Income	
Net investment income earned	$94,774,848
Net realized capital gains or (losses)	61,747,038
Net investment gain or (loss)	$156,521,886
Other Income	
Aggregate write-ins for miscellaneous income or (loss) or other deductions	$745,228
Net income, after capital gains tax and before all other federal income taxes	369,018,609
Federal and foregin income taxes incurred	(2,698,721)
Net Income	$371,717,330
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	$971,511,905
Net Income	$371,717,330
Change in net unrealized capital gains or (losses) less capital gains tax	(129,154,978)
Change in net unrealized foreign exchange capital gains (loss)	(1,829,457)
Change in net deferred income taxes	(51,717,825)
Change in nonadmitted assets	28,845,124
Dividends to stockholders	(273,162,115)
Change in surplus as regards policyholders for the year	($55,301,921)
Surplus as regards policyholders, December 31 current year	$916,209,984

Chicago Title Insurance Company

Reconciliation of Capital and Surplus

December 31, 2018

No adjustments were made to surplus as regards policyholders as a result of this examination.

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2013, per Examination			$917,156,701
	Increase	Decrease	
Net Income (loss)	$1,307,368,958		$1,307,368,958
Change in net unrealized capital gain (loss)		(14,697,521)	(14,697,521)
Change in net unrealized foreign exchange capital gain (loss)		(11,826,446)	(11,826,446)
Change in net deferred income tax		(164,241,732)	(164,241,732)
Change in non-admitted assets	187,185,019		187,185,019
Change in provision for reinsurance	948,000		948,000
Cumulative effect of changes in accounting principles	119,876,176		119,876,176
Dividends to stockholders		(1,425,559,171)	(1,425,559,171)
Net increase (or decrease)			($946,717)
Surplus at December 31, 2018, per Examination			$916,209,984

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

John R. Kryczka, FCAS, MAAA, Managing Director, PricewaterhouseCoopers LLP, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2018, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary, Brent Sallay, FCAS, MAAA, of Taylor Walker Consulting, LLC, reviewed the loss and loss adjustment expense work papers provided by the Company and was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of $916,209,984, exceeded the minimum of $79,269,105 as required by Section 624.408, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Chicago Title Insurance Company** as of December 31, 2018, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following also participated in the examination:

Marie Stuhlmuller	Examination Manager	Office
Wytonia Dennis	Participating Examiner	Office
Renee Hanshaw, CFE	Participating Examiner	Examination Resources, LLC
Tammy Gavin, ARe	Participating Examiner	Examination Resources, LLC
Jenny Jeffers, AES, CISA, CFE (Fraud)	IT Specialist	Jennan Enterprises, LLC
Joanna Latham, AES, CISA, CPA, CRISC, CFE	IT Specialist	Jennan Enterprises, LLC
Brent Sallay, FCAS, MAAA	Actuary	Taylor Walker Consulting, LLC

Respectfully submitted,

Joanne Campanelli, CFE
Examiner-In-Charge
Examination Resources, LLC

Daniel W. Applegarth, CFE, CPA, PIR
Chief Financial Examiner
Florida Office of Insurance Regulation