



**EXAMINATION REPORT
OF
FIDELITY NATIONAL TITLE INSURANCE
COMPANY**

NAIC Company Code: 51586

**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

Fidelity National Title Insurance Company

601 Riverside Avenue
Jacksonville, Florida 32204

hereinafter referred to as "the Company" or "FNTIC". 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 California 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 the NAIC 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 performed by the California Department of Insurance.

Known Claims Reserve – Incurred But Not Reported

The examination actuary's analysis indicated that the Company's recorded Schedule P Reserve was only 98% of the examination actuary's indication, or \$14 million less than the examination actuary's indication. The examination team noted that the Company reported the Schedule P Reserve within 1% of the appointed actuary's midpoint estimate; however, the examination actuary disagreed with the appointed actuary's methods and assumptions in calculating the reserve. The examination actuary has concerns with the 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 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 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 the differences in the insurers' historical loss and allocated loss adjustment expense 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.

Known Claims Reserve – Case Reserves

The examination noted that the Company does not have effective internal control processes to record timely, apply consistently, and evaluate adequacy of case reserves which are required by California Insurance Code Section 12388 (2) and Statement of Statutory Accounting Principle

SSAP Number 57. Historically, the reported case reserves of the Company have generally been under-estimated, so subsequent adverse development has diminished or eliminated the cushion between the reported Schedule P Reserve and the sum of the reported Statutory Premium Reserve and the Known Claim Reserves. Moreover, not recording sufficient Known Claim 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

FNTIC was incorporated in Arizona on October 6, 1981 and acquired by Fidelity National Financial Inc. ("FNF") on December 31, 1984. FNTIC redomesticated to California on December 31, 1996. FNTIC is a wholly owned subsidiary of Fidelity National Title Group, Inc. which, is ultimately owned and controlled by FNF.

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

Dividends

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

Date	Amount
2018	\$84,298,976
2017	\$261,445,585
2016	\$196,348,400
2015	\$83,714,897
2014	\$117,800,000

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	5,000,000
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Number of shares issued and outstanding	447,835
Total common capital stock	\$44,783,500
Par value per share	\$100.00

Surplus Notes

Transnation Title Insurance Company (“TTIC”) issued a surplus note to an affiliate, Commonwealth Land Title Insurance Company (“CLTIC”) on May 31, 2008 for \$30,000,000. The surplus note had an annual interest rate of 3% and was due December 31, 2015. Effective with the merger of TTIC into Lawyers Title Insurance Company (“LTIC”) in the third quarter of 2008, and the subsequent merger of LTIC into FNTIC on June 30, 2010, the Company became bound by all the terms of the surplus note. The carrying value of the surplus note as of December 31, 2014 was \$30,000,000. The principal of \$30,000,000 and interest of \$6,825,000 on the note was paid by the Company to CLTIC on December 15, 2015 after receiving prior written approval from the California Insurance Commissioner.

Acquisitions, Mergers, Disposals, Dissolutions

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

MANAGEMENT AND CONTROL

Corporate Governance

FNTIC’s Board of Directors (“Board”) serving as of December 31, 2018, are shown below:

Directors

Name	City, State	Principal Occupation, Company Name
Steven Guy Day	Jacksonville, Florida	President National Agency Operations Fidelity National Title Insurance Company
Michael Louis Gravelle ^(a)	Las Vegas, Nevada	Executive Vice President, General Counsel & Corporate Secretary Fidelity National Title Insurance Company
Michael Joseph Nolan	Jacksonville, Florida	President Eastern Operations Fidelity National Title Insurance Company
Anthony John Park	Jacksonville, Florida	Executive Vice President & Chief Financial Officer Fidelity National Title Insurance Company

Raymond Randall Quirk ^(b) Jacksonville, Florida Chairman, President & Chief Executive Officer
Fidelity National Title Insurance Company

(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 & Chief Executive Officer
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,

Richard Nelson Massey	Little Rock, Arkansas	J.F. Shea Company Partner, Westrock Capital Partners
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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

The 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 FNF affiliates including Chicago Title Insurance Company ("CTIC") and CLTIC effective April 28, 2017. The costs attributed to, and payable by, each party are the applicable portion of the actual costs and expenses incurred for the performance of the services for such party. The allocation method is based on actual services used by the party. FNTIC made payments totaling \$162,104 under this agreement during 2018.

Second Amended and Restated Cost Sharing Agreement

Effective April 9, 2018, the Company, 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. FNTIC made payments totaling \$3,116,510 under this agreement during 2018.

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 covers general corporate services including, legal, communications, advertising, regulatory, financial, claims administration, general administrative support, underwriting, title support services and IT. FNTIC made payments totaling \$232,117,005 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 premiums for the Excess of Loss Program, Automatic Extension Premium, Reinstatement Premiums, Additional Premiums, or the cost to replace exhausted limits of liability. FNTIC made payments totaling \$6,370,869 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. FNTIC made payments totaling \$21,513 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

Effective April 1, 2017, 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 contract. 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, contracted also 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

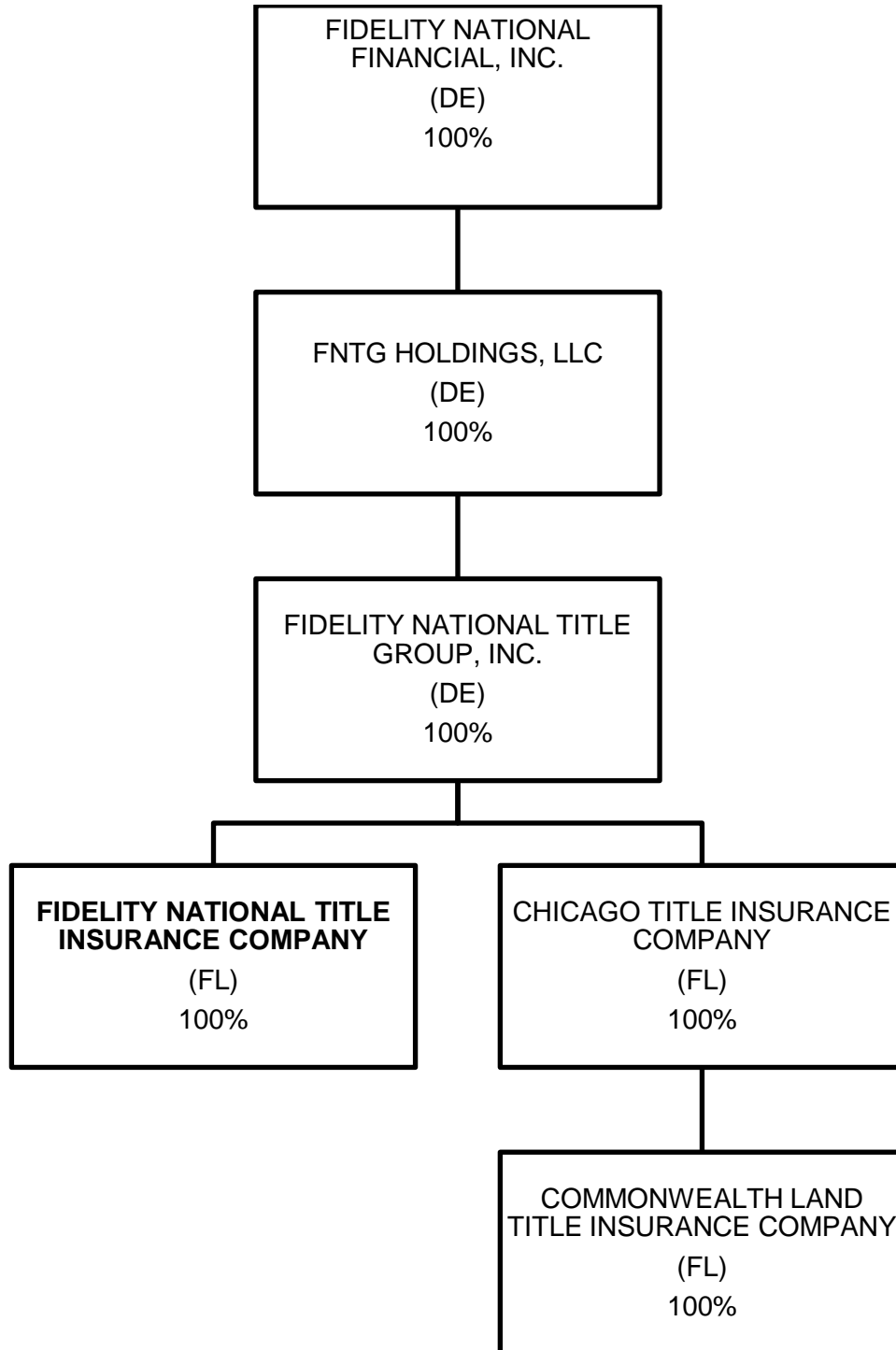
The recorded minutes of the Shareholder(s), Board of Directors (Board) and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events.

Conflict of Interest

The Company adopted a policy statement requiring periodic disclosure of conflicts of interest in accordance with the NAIC Financial Condition Examiners 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.

Fidelity National 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 and the US Virgin Islands.

The Company was authorized to transact insurance in Florida on June 19, 2002, and is currently authorized for the following coverage(s) 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 \$4.9 million in liability which is a relatively small amount of business as compared to its direct writings which totaled \$1.9 billion as of December 31, 2018. The assumed transactions are on a facultative basis.

Reinsurance Ceded

The Company ceded \$15.4 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	<u>150,000</u>	<u>149,025</u>
TOTAL FLORIDA DEPOSITS		<u>\$ 1,150,000</u>	<u>\$ 1,138,625</u>
AL	USTBDS	\$ 120,000	\$ 118,766
AK	USTBDS	835,000	829,277
AZ	CD's	200,819	200,819
CA	CD & USTBDS	1,274,605	1,268,479
GA	CASH	136,700	136,700
ID	CASH	50,000	50,000
IL	USTBDS	1,035,000	1,022,810
MA	USTBDS	505,000	500,051
MI	USTBDS	325,000	323,213
MN	USTBDS	555,000	550,073
NE	USTBDS	100,000	98,550
NV	CD	245,966	245,966
NH	USTBDS	500,000	496,720
NM	USTBDS	265,000	263,063
NC	USTBDS	11,918,000	11,783,810
OH	USTBDS	250,000	247,708
OR	USTBDS	120,000	119,268
SD	USTBDS	100,000	99,090
TX	CD	126,750	126,750
VA	USTBDS	759,000	751,754
PR	CASH	780,000	780,000
VI	USTBDS	245,000	243,096
OT	CD	<u>1,004,067</u>	<u>1,004,067</u>
TOTAL OTHER DEPOSITS		<u>\$ 21,450,907</u>	<u>\$ 21,260,030</u>
TOTAL SPECIAL DEPOSITS		<u>\$ 22,600,907</u>	<u>\$ 22,398,655</u>

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.)

Fidelity National Title Insurance Company

Assets

December 31, 2018

	Per Company	Examination Adjustments	Per Examination
Bonds	\$563,075,886	\$0	\$563,075,886
Stocks:			
Preferred	133,196,232		133,196,232
Common	130,318,993		130,318,993
Mortgage Loans:			
First liens	423,172		423,172
Real Estate:			
Properties occupied by Company	16,650		16,650
Properties held for sale	490,770		490,770
Cash, Cash Equivalents and Short-Term Investments	155,163,201		155,163,201
Other invested assets	38,696,798		38,696,798
Title plants	30,661,145		30,661,145
Investment income due and accrued	6,305,838		6,305,838
Premiums and considerations:			
Uncollected premium	34,520,185		34,520,185
Amounts recoverable from reinsurers	1,453,132		1,453,132
Guaranty funds receivable or on deposit	897,862		897,862
EDP equipment	513,111		513,111
Aggregate write-in for other than invested assets	18,601,358		18,601,358
Totals	<u>\$1,114,334,333</u>	<u>\$0</u>	<u>\$1,114,334,333</u>

Fidelity National Title Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2018

	Per Company	Examination Adjustments	Per Examination
Known claims reserve	\$66,574,378		\$66,574,378
Statutory premium reserve	537,932,689		537,932,689
Other expenses	38,312,172		38,312,172
Taxes, licenses and fees	11,085,645		11,085,645
Current federal and foreign income taxes	3,126,259		3,126,259
Net deferred tax liability	7,180,621		7,180,621
Provision for unauthorized and certified reinsurance	89,000		89,000
Payable to parent, subsidiaries and affiliates	2,561,396		2,561,396
Payable for securities	2,746,219		2,746,219
Aggregate write-ins for liabilities	<u>173,414</u>		<u>173,414</u>
Total Liabilities	<u>\$669,781,793</u>	<u>\$0</u>	<u>\$669,781,793</u>
Common capital stock	\$44,783,500		\$44,783,500
Gross paid in and contributed surplus	263,905,171		263,905,171
Unassigned funds (surplus)	<u>135,863,869</u>		<u>135,863,869</u>
Surplus as regards policyholders	<u>\$444,552,540</u>	<u>\$0</u>	<u>\$444,552,540</u>
Total liabilities, surplus and other funds	<u>\$1,114,334,333</u>	<u>\$0</u>	<u>\$1,114,334,333</u>

Fidelity National Title Insurance Company
Statement of Income
December 31, 2018

Operating Income

Title insurance premiums earned	\$1,938,621,102
Escrow and settlement services	7,510,803
Other title fees and service charges	120,443,413
Total operating income	<u>2,066,575,318</u>

Expenses

Losses and loss adjustment expenses incurred	\$112,270,970
Operating expenses incurred	1,819,776,875
Total operating expenses	<u>\$1,932,047,845</u>

Net operating gain or (loss)	<u>\$134,527,473</u>
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Investment Income

Net investment income earned	\$33,515,108
Net realized capital gains or (losses)	(1,275,906)
Net investment gain or (loss)	<u>\$32,239,202</u>

Other Income

Aggregate write-ins for miscellaneous income or (loss) or other deductions	<u>\$143,966</u>
Net income, after capital gains tax and before all other federal income taxes	166,910,641
Federal and foreign income taxes incurred	<u>(7,653,181)</u>
Net Income	<u>\$174,563,822</u>

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year	\$392,987,647
Net Income	\$174,563,822
Change in net unrealized capital gains or (losses) less capital gains tax	(21,350,629)
Change in net unrealized foreign exchange capital gains (loss)	(892,964)
Change in net deferred income taxes	(46,267,273)
Change in nonadmitted assets	29,899,913
Change in provision for unauthorized and certified reinsurance	(89,000)
Dividends to stockholders	<u>(84,298,976)</u>
Change in surplus as regards policyholders for the year	<u>\$51,564,893</u>
Surplus as regards policyholders, December 31 current year	<u>\$444,552,540</u>

Fidelity National 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			\$466,460,043
	<u>Increase</u>	<u>Decrease</u>	
Net Income (loss)	\$ 668,353,882		\$668,353,882
Change in net unrealized capital gain (loss)	11,974,160		11,974,160
Change in net unrealized foreign exchange capital gain (loss)		(1,650,233)	(1,650,233)
Change in net deferred income tax		(105,788,534)	(105,788,534)
Change in non-admitted assets	89,056,147		89,056,147
Change in provision for reinsurance	95,000		95,000
Change in surplus notes		(30,000,000)	(30,000,000)
Cumulative effect of changes in accounting principles	89,659,933		89,659,933
Change in paid in capital		(31,348,450)	(31,348,450)
Change in paid in surplus	31,348,450		31,348,450
Dividends to stockholders		(743,607,858)	(743,607,858)
Net increase (or decrease)			(21,907,503)
Surplus at December 31, 2018, per Examination			<u>\$444,552,540</u>

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 \$444,552,540, exceeded the minimum of \$65,869,615 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 **Fidelity National 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