CERTIFICATION

June 20, 2015

I, Bruce R. Ramge, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the

Financial Examination Report of

CHICAGO TITLE INSURANCE COMPANY

as of

December 31, 2013

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.

STATE OF NEBRSKA
DEPARTMENT OF INSURANCE

JUN 20 2015

FILED

GREAT SEAL OF THE STATE OF NEBRASKA
MARCH 1ST 1867

Bruce R. Ramge

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Take notice that the proposed report of the financial examination of

CHICAGO TITLE INSURANCE COMPANY

dated as of December 31, 2013, verified under oath by the examiner-in-charge on May 26, 2015, and received by the company on May 26, 2015, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3)(a).

Dated this 10 day of June, 2015.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Justin Schrader
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

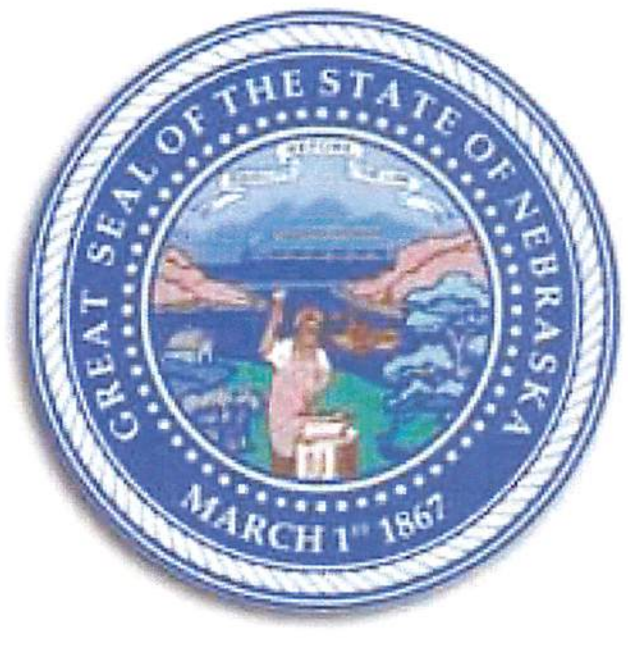
EXAMINATION REPORT

OF

CHIICAGO TITLE INSURANCE COMPANY

as of

December 31, 2013



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Jacksonville, Florida
May 22, 2015

Honorable Bruce R. Ramge
Director of Insurance
Nebraska Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

CHICAGO TITLE INSURANCE COMPANY

which has its Statutory Home Office located at

2111 South 67th Street
Omaha, NE 68106

with its Principal Executive Office located at

601 Riverside Ave
Jacksonville, FL 32204

(hereinafter also referred to as the "Company") and the report of such examination is respectfully presented herein.

INTRODUCTION

The Company was last examined as of December 31, 2010 by the State of Nebraska. The current financial condition examination covers the intervening period to, and including, the close of business on December 31, 2013, and includes such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska, California, Texas, and New York participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's affiliates Alamo Title Insurance, Commonwealth Land Title Insurance Company, Fidelity National Title Insurance Company, and National Title Insurance of New York, Inc.

SCOPE OF EXAMINATION

This examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including, but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions, when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the Nebraska Department of Insurance as the coordinating state and the California Department of Insurance, New York Department of Financial Services, and Texas Department of Insurance, as participating states. The companies examined under this approach benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated holding company.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

A general review was made of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company". All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the shareholder, Board of Directors and committees, held during the examination period, were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, approval of investment transactions and authorizations of salaries were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed, as were plans for employee welfare and pension. Certificates of Authority to conduct the business of insurance in the various states were inspected and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report".

The Company's reinsurance facilities were ascertained and noted, and have been commented upon in this report under the caption "Reinsurance". Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by KPMG, LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2012 and 2013. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

DESCRIPTION OF COMPANY

HISTORY

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. 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. In 1969, Chicago Title and Trust Company became a wholly-owned subsidiary of Lincoln National Corporation.

On June 27, 1985, Alleghany Corporation, a New York based company, purchased all of the outstanding stock of Chicago Title and Trust Company. On January 21, 1987, Chicago Title and Trust Company acquired Safeco Title Insurance Company (Safeco), a national title insurer based in California with a history dating back to 1908. In 1988, the Safeco name was changed to Security Union Title Insurance Company.

On March 8, 1991, Chicago Title and Trust Company acquired Ticor Title Guarantee Company (which later merged into Ticor Title Insurance Company on December 31, 1997) and Ticor Title Insurance Company of California from an outside party, Westwood Equities Corporation. At the time of the sale, Ticor Title Insurance Company of California was the parent of Ticor Title Insurance Company. On September 30, 1992, Ticor Title Insurance Company of California merged into the Company with the Company surviving. This resulted in Ticor Title Insurance Company becoming a direct subsidiary of the Company. A day later, on October 1, 1992, the Company distributed as an extraordinary distribution all of the stock of Ticor Title Insurance Company to Chicago Title and Trust Company, making Ticor Title Insurance Company a direct subsidiary of Chicago Title and Trust Company. On December 17, 1997, Alleghany Corporation established Chicago Title and Trust Company as an independent, publicly traded company through the creation of Chicago Title Corporation that was later spun-off to Alleghany stockholders with the ticker symbol CTZ. As a public company, Chicago Title Corporation continued to grow with ten acquisitions in 1998 and 1999.

On March 20, 2000, Fidelity National Financial, Inc. (FNF) acquired Chicago Title Corporation and merged it into FNF, making FNF the ultimate parent of Chicago Title and Trust Company and its subsidiaries.

The Company completed the necessary regulatory filings and obtained the appropriate approvals to transfer its legal domicile from the State of Missouri to the State of Nebraska on October 1, 2007.

Pursuant to a Stock Purchase Agreement dated November 25, 2008, and as subsequently amended, by and between LandAmerica Financial Group, Inc. and FNF, Fidelity National Title Insurance Company and the Company, the Company acquired all of the issued and outstanding shares of Commonwealth Land Title Insurance Company. The acquisition closed on December 22, 2008.

During 2010, the Company absorbed three title insurance companies through mergers. Effective May 31, 2010, Ticor Title Insurance Company of Florida, an affiliated Nebraska domiciled title insurance company, merged with and into the Company. Effective June 30, 2010, Security Union Title Insurance Company (SUTIC), an affiliated California domiciled title insurance company, merged with and into the Company. As additional information, effective on the previous day, June 29, 2010, Chicago Title Insurance Company of Oregon, an Oregon domiciled title insurance company and wholly-owned subsidiary of SUTIC, merged with and into its parent. Effective June 30, 2010, Ticor Title Insurance Company, an affiliated California domiciled title insurance company, merged with and into the Company.

On December 31, 2010, Chicago Title and Trust Company 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. (LPS) and FNF, the Company acquired 100% of the stock of National Title Insurance of New York, Inc., a New York domiciled title insurer.

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the 'Ultimate Controlling Person", as reported in the 2013 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned). The listing includes all affiliated insurance companies; selected non-insurance operations have been omitted:

- Fidelity National Financial, Inc.
  - FNTG Holdings, LLC
    - Fidelity National Title Group, Inc.
      - Chicago Title Insurance Company
        - Commonwealth Land Title Insurance Company
      - Fidelity National Title Insurance Company
      - Alamo Title Insurance

Shareholder

Article II of the Company's Articles of Incorporation states that, "the number of shares the corporation is authorized to issue is 25,000 shares, all of one class. The par value per share shall be $100.00". Company records indicate that 20,000 authorized shares are issued and outstanding.

Article II of the Company's By-Laws states that, "all annual meetings of shareholders and all other meetings of shareholders shall be held at the corporation's principal executive office or at any other place which may be designated either by the Board of Directors pursuant to authority hereby granted to said Board, or by the written consent of all persons entitled to vote thereat, given either before or after the meetings and filed with the secretary of the corporation". The shareholder meeting was held via written consent on May 6, 2013.

The Company declared and paid ordinary dividends in 2011, 2012 and 2013 in the amounts of $38,900,000, $93,900,000, and $165,000,000 respectively.

Board of Directors

The Company's By-Laws, Article III, Section 3.2 states that, "the Board of Directors shall consist of not less than five (5) persons and not more than nine (9) persons, and one of them shall be a resident of the State of Nebraska. Only the shareholders may change the range for the size of the Board or change from a fixed to a variable-range size Board or vice versa, but in no event shall the Board consist of less than five persons, one of which shall be a resident of the State of Nebraska".

Article VII, Section D of the Company's Articles of Incorporation states that, "the Board of Directors shall consist of not less than five persons and not more than nine persons, and one of them shall be a resident of the State of Nebraska".

The following persons were serving as Directors at December 31, 2013:

Name and Residence	Principal Occupation
Edson N. Burton, Jr. Chicago, IL	Senior Vice President Chicago Title Insurance Company
Theodore L. Kessner Lincoln, Nebraska	Self-Employed Attorney Independent Nebraska resident Board member
Michael J. Nolan Jacksonville, FL	President of Eastern Operations Fidelity National Title Group, Inc.
Anthony J. Park Jacksonville, FL	Chief Financial Officer Fidelity National Financial, Inc.

Name and Residence	Principal Occupation
Raymond R. Quirk Jacksonville, FL	Chief Executive Officer Fidelity National Financial, Inc.

Officers

According to the By-Laws Article IV, "the Officers of the corporation shall be a President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers. One person may hold two or more offices, except that the offices of President and Secretary shall not be held by the same person. The Officers of the corporation shall be chosen annually by the Board of Directors, and each shall hold said office until he or she shall resign or shall be removed or otherwise disqualified to serve, or a successor shall be elected and qualified".

The following is a partial listing of Senior Officers elected and serving the Company at December 31, 2013:

Name	Office
Raymond R. Quirk	President
Steven G. Day	Executive Vice President
John G. Ernst	Executive Vice President
Peter J. Filler	Executive Vice President
Michael L. Gravelle	Executive Vice President
Jeffrey R. Knudson	Executive Vice President
Kevin D. Lutes	Executive Vice President
Jack A Marino, Jr.	Executive Vice President
John M. Obzud	Executive Vice President
Anthony J. Park	Executive Vice President
Donald E. Partington	Executive Vice President
Paul I. Perez	Executive Vice President
Joe A. Reinhardt	Executive Vice President
Peter T. Sadowski	Executive Vice President
Larry S. Tuliszewski	Executive Vice President
Gary R. Urquhart	Executive Vice President
Charles H. Wimer	Executive Vice President

Name	Office
John A. Wunderlich	Executive Vice President
Daniel K. Murphy	Senior Vice President
Christopher F. Azur	President of ServiceLink Division
Roger S. Jewkes	President of Western Operations
Erika Meinhardt	President of National Agency Operations
Michael J. Nolan	President of Eastern Operations
Daniel N. Fauth	President, County Manager

TRANSACTIONS WITH AFFILIATES

Master Service Agreement

Effective June 17, 2011, the Company and certain affiliates entered into a restated and amended Master Service Agreement with their ultimate parent, FNF, Fidelity National Management Services, LLC (FNMS) and Rocky Mountain Support Services, Inc. (RMSS). Under the terms of the agreement FNMS administers human resources and payroll and RMSS provides general corporate services including, but not limited, to legal, communications, advertising, regulatory, financial, claims administration, general administrative, benefits administration, management reporting, marketing, administrative support and information technology. The agreement limits compensation for services to reimbursement of actual expenses. All charges will be settled monthly on a pass-through basis with FNF. For 2013, 2012 and 2011 the Company indicated that they paid $289,960,525, $363,635,948, and $557,874,065 respectively, for services performed under the terms of this agreement.

The master services agreement was amended as of January 3, 2014 to include the acquisition of National Title Insurance of New York, Inc.

Support Services Cost Sharing Agreement

Effective April 26, 2011, the Company and certain affiliates entered into a Support Services Cost Sharing Agreement. Under the terms of the agreement, the Company provides escrow and closing services in connection with the issuance of title insurance policies for its affiliates. The agreement limits compensation for services to reimbursement of actual expenses. All charges are to be settled monthly on a pass-through basis with the Company. For 2013, 2012 and 2011 the Company indicated that they received $5,964,989, $4,982,480, and $1,074,210 respectively, for services performed under the terms of this agreement.

Title Plant Maintenance Agreement/Master Title Plant Access Agreement

Effective March 4, 2005, the Company and certain affiliates simultaneously entered into a Title Plan Maintenance Agreement with Property Insight, LLC (PI) and a Master Title Plant Access Agreement with RMSS. Under the terms of the agreements, the Company and its affiliates will grant PI access to their title plants to provide management and maintenance services and pursuant to Master Title Plant Access Agreement, RMSS will obtain access from PI to the title plants on behalf of parties named to the agreements and distribute the costs and fees charged by PI to RMSS for the title plant access of each of the FNF affiliates under the Title Plant Access Agreement, with each FNF affiliate's share to be based on its title plant access and usage. The costs attributed to and payable by, each accessing party will be based on actual costs and expenses incurred by RMSS. For 2013, 2012 and 2011 the Company indicated that they paid $5,474,335, $7,496,373, and $10,087,727 respectively, in fees to PI under the terms of this agreement

The agreement also provides for a royalty fee to be paid by PI to the title plant owners for usage of property data. The royalty fee calculation is based on title plant usage. For 2013, 2012, and 2011 the Company indicated that they received $1,142,601, $1,343,049, and $1,167,260 respectively, in income from PI under the terms of this agreement.

The aforementioned agreements were amended as of June 2, 2014 to update current FNF affiliates and allow for renegotiation every three years with written notice.

Master Loan Agreement

Effective December 28, 2000, the Company entered into a master loan agreement with its ultimate parent, FNF, whereby the Company and its affiliates have agreed to loan FNF funds on an as needed basis. There were no reported loans under the agreement during the examination period. Pursuant to a Mutual Termination Agreement, the Master Loan Agreement was terminated on October 2, 2014.

Personal Property Lease Agreement

Effective March 25, 2013, the Company and certain affiliates renewed their Personal Property Lease Agreement with Fidelity Asset Management, Inc. (FAMI). The agreement provides a cost allocation basis of payments for rental property purchased by FAMI and used by the parties to the agreement. For 2013, 2012 and 2011 the Company indicated that they paid $3,202,515, $7,014,464, and $8,744,100 respectively, for services performed under terms of this agreement.

Tax Sharing Agreement

Effective December 21, 2012, the Company and its affiliates entered into a restated and amended consolidated federal income tax agreement with their ultimate parent, FNF. The agreement indicates that the separate company tax liability for each subsidiary shall be determined by FNF, with the cooperation and assistance of the subsidiary, in a manner consistent with general tax accounting principles, the "Code" and regulations thereunder and so long as a reasonable legal basis exists therefore, prior custom and practice. Tax payments are due to FNF, no later than 90 days after the filing of any federal income tax return of the FNF Group that includes such subsidiary and FNF will pay each subsidiary the amount due to such subsidiary no later than 90 days after the filing of any federal income tax return of the FNF Group that includes such subsidiary. The Company indicated that it paid/ (recovered) the following amounts related to income taxes during the examination period:

Year	Amount
2011	$ 88,752,974
2012	$ (16,156,462)
2013	$ 99,187,982

The Tax Sharing Agreement was amended as of January 3, 2014 to include the acquisition of National Title Insurance of New York, Inc.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2013, the Company was licensed to transact title insurance business. The Company also provides escrow and other services to real estate property buyers and mortgage lenders. The Company issues title insurance policies through direct operations, a network of both affiliated and non-affiliated title agents, and underwritten title companies. As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in all states, with the exception of Iowa. The Company is also licensed in the District of Columbia, Guam, Puerto Rico, the US Virgin Islands and Canada.

During 2013, the Company wrote approximately $1.9 billion of direct premiums. Of the direct premiums written, $305 million were written in California, $131.9 million were written in New York, and $245.8 million were written in Texas and the remaining premiums were written in other licensed states or territories.

REINSURANCE

The Company assumes and cedes a relatively small amount of business as compared to its direct writings, less than one percent. The majority of the reinsurance transactions processed are facultative in nature. The form of agreement used is that adopted by the American Land Title Association (ALTA). 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 proportionate share of the liability to the whole risk insured.

The Company's ultimate parent company, FNF, entered into two Excess of Loss Reinsurance Contracts with various reinsurers on behalf of 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. The following is a summary of reinsurance contracts as of December 31, 2013:

				Reinsurers' Limit of Liability	
Type of Contract	**Layer**	**Reinsurer's Name**	**Company's Retention**	**In Respect of Each and Every Loss Occurrence**	**As Respects all Loss Occurrences During the Term of the Contract**
1st Excess of Loss (1st Tower)	1st layer	**Authorized** Various Lloyd's Underwriter Syndicates (45.33%) AXIS Specialty Limited (15%) Hannover Ruckversicherung (12.5%) Aspen Insurance UK Limited (6.67%)	$20 Million	$30 Million	$60 Million

Type of Contract	Layer	Reinsurer's Name	Company's Retention	Reinsurers' Limit of Liability: In Respect of Each and Every Loss Occurrence	Reinsurers' Limit of Liability: As Respects all Loss Occurrences During the Term of the Contract
		Unauthorized Lexington Insurance Company (2%) XL Re Ltd. (4%) Amlin AG (1.5%) IAT Reinsurance Company, Ltd (12%) Catlin Bermuda (1%)			
	2nd layer	**Authorized** Various Lloyd's Underwriter Syndicates (44.25%) AXIS Specialty Limited (15%) Hannover Ruckversicherung (18.5%) Aspen Insurance UK Limited (2%) Montpelier Reinsurance, Ltd. (1.25%) Renaissance Reinsurance, Ltd. (2.5%) **Unauthorized** Lexington Insurance Company (5%) Arch Re (1%) Catlin (.5%) XL Re Ltd. (4%) Amlin AG (1%) Swiss Re Europe S.A. (5%)	$50 Million	$50 Million	$100 Million
2nd Excess of Loss (2nd Tower)	1st layer	**Authorized** London Syndicate no. 0033 HIS (.88%) Montpelier Reinsurance, Ltd. (4.17%) Renaissance Reinsurance, Ltd. (10%) Aspen Insurance UK Limited (2.33%) AXIS Specialty Limited (4.33%) **Unauthorized** Lexington Insurance Company (5%) HCC Reinsurance Company, Ltd. (33.33%)	$100 Million Plus 19.13% of $600 Million	$300 Million	$600 Million

Type of Contract	Layer	Reinsurer's Name	Company's Retention	Reinsurers' Limit of Liability: In Respect of Each and Every Loss Occurrence	Reinsurers' Limit of Liability: As Respects all Loss Occurrences During the Term of the Contract
		Swiss Re Europe S.A. (10%) Allianz Risk Transfer AG (3.33%) Endurance Special Insurance Ltd. (3.33%) Arch Re (3.33%) Catlin Insurance Company Ltd. (.83%)			

As of December 31, 2013, the Company reported reinsurance recoverables on paid losses of $5,353,474 and reinsurance recoverables on unpaid losses of $770,181.

Effective November 21, 2013, the Company and its affiliates entered into an allocation agreement relating to its excess of loss reinsurance program with its ultimate parent, FNF. The agreement authorizes FNF to negotiate and enter into contracts to establish excess of loss coverage, make premium payments, coordinate claim administration, handle reporting and arbitration matters, and collect and allocate excess of loss recoveries. The annual cost of the agreement is allocated between the Company and its affiliates based on the pro rata share of gross net written premium for each entity party to the agreement. Allocation of recoveries under the excess of loss program will be allocated to the entity that paid the losses in connection with the claim, or based on the entity's proportion of the loss payment if more than one entity paid the losses in connection with the claim. FNF is not compensated beyond the annual cost of establishing the excess of loss program by the Company or its affiliates for providing these services.

The Excess of Loss Allocation Agreement was amended as of January 3, 2014 to include the acquisition of National Title Insurance of New York, Inc.

General

All contracts commented upon herein, contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. Furthermore, the contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	2013	2012	2011
Bonds	$1,021,225,373	$1,092,196,014	$1,202,185,883
Admitted assets	1,848,553,321	1,947,770,071	1,869,004,379
Known claims reserve	93,247,853	109,493,908	274,895,617
Statutory premium reserve	764,493,152	775,510,036	806,189,891
Total liabilities	931,396,620	1,035,064,103	1,240,549,086
Capital and surplus	917,156,701	912,705,968	628,455,293
Premiums earned	1,987,681,822	1,831,216,290	1,633,447,364
Total operating income	2,122,146,984	2,079,937,393	2,009,652,618
Losses and loss adjustment expenses incurred	163,730,069	166,286,263	223,372,956
Operating expenses incurred	1,827,068,737	1,794,649,612	1,700,270,674
Net operating gain	131,348,178	119,001,518	86,008,988
Net investment income earned	81,353,806	78,787,083	72,808,310
Net income	190,745,854	152,027,818	103,824,852

FINANCIAL STATEMENTS

The following statement of admitted assets and liabilities, together with the accompanying summary of operations, reflects the financial condition of the Company at December 31, 2013 and its transactions during the year 2013 as determined through this examination. A reconciliation of the capital and surplus account for the period under review is also included:

FINANCIAL STATEMENT
December 31, 2013

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$1,021,225,373		$1,021,225,373
Preferred stocks	78,570,934		78,570,934
Common stocks	395,640,613		395,640,613
Mortgage loans - first liens	18,940,552	$1,191,455	17,749,097
Mortgage loans - other than first liens	487,447	487,447	
Properties occupied by the company	254,504		254,504
Properties held for sale	5,335,206	1,769,606	3,565,600
Cash and short-term investments	173,059,532		173,059,532
Other invested assets	100,850,177	99,756,257	1,093,920
Receivables for securities	4,417		4,417
Subtotal, cash and invested assets	$1,794,368,755	$103,204,765	$1,691,163,990
Title plants	49,237,366	106,359	49,131,007
Investment income due and accrued	13,448,836		13,448,836
Uncollected premiums and agents' balances in the course of collection	45,381,847	17,853,574	27,528,273
Amounts recoverable from reinsurers	5,353,474		5,353,474
Current federal income tax recoverable	7,096,481		7,096,481
Net deferred tax asset	132,627,070	77,898,645	54,728,425
Electronic data processing equipment and software	101,981		101,981
Furniture and equipment	275,613	275,613	
Receivables from parent, subsidiaries and affiliates	90,705	89,851	854
Other assets	22,335,786	22,335,786	
Prepaid expenses	3,571,548	3,571,548	
Title plant improvements	194,308	194,308	
Totals	$2,074,083,770	$225,530,449	$1,848,553,321

Liabilities, Surplus, and Other Funds

Known claims reserve	$ 93,247,853
Statutory premium reserve	764,493,152
Other expenses	46,827,379
Taxes, licenses and fees	22,326,185
Provision for unauthorized and certified reinsurance	948,000
Payable to parent, subsidiaries and affiliates	3,069,739
Reinsurance ceded payable	484,312
Total liabilities	$ 931,396,620
Common capital stock	$ 2,000,000
Gross paid in and contributed surplus	196,515,471
Unassigned funds (surplus)	718,641,230
Total capital and surplus	$ 917,156,701
Totals	$1,848,553,321

STATEMENT OF INCOME – 2013

Operating Income

Premiums earned	$1,987,681,822
Escrow and settlement services	18,823,169
Other title fees and service charges	115,641,993
Total operating income	$2,122,146,984

Expenses

Losses and loss adjustment expenses incurred	$ 163,730,069
Operating expenses incurred	1,827,068,737
Total operating expenses	$1,990,798,806
Net operating gain	$ 131,348,178

Investment Income

Net investment income earned	$ 81,353,806
Net realized capital gains	5,959,693
Net investment gain	$ 87,313,499

Other Income

Total other income	$ 1,334,421
Net income before federal income taxes	$ 219,996,098
Federal income taxes incurred	29,250,244
Net income	$ 190,745,854

CAPITAL AND SURPLUS ACCOUNT

	2013	2012	2011
Capital and surplus, beginning	$ 912,705,968	$628,455,293	$641,884,927
Net income	$ 190,745,854	$152,027,818	$103,824,852
Change in net unrealized capital gains	35,317,498	61,786,926	(22,554,277)
Change in net unrealized foreign exchange capital gain (loss)	(1,122,390)	(86,532)	136,940
Change in net deferred income tax	7,220,077	(36,399,429)	(3,697,786)
Change in nonadmitted assets	(60,307,671)	71,564,780	18,547,652
Change in provision for unauthorized and certified reinsurance	3,545,012	(4,493,012)	
Cumulative effect of changes in accounting principles		119,319,672	
Surplus adjustments: paid in			69,120
Dividends to stockholders	(165,000,000)	(93,900,000)	(38,900,000)
Prior year corrections	(5,947,647)	14,430,452	(7,850,700)
Adjust for minimum pension liability			(8,035,585)
Prior year correction to bulk reserve			(54,969,850)
Net change for the year	$ 4,450,733	$284,250,675	$ (13,429,634)
Capital and surplus, ending	$ 917,156,701	$912,705,968	$628,455,293

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of $718,641,230, as reported in the Company's 2013 Annual Statement has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

Reinsurance – It is recommended that the Company establish an allocation agreement to formalize provisions for sharing recoveries amongst itself and various affiliates participating in multi-cedant reinsurance contracts in accordance with Statement of Statutory Accounting Principles (SSAP) No. 62. It is also recommended that this agreement be filed with the Director of the Nebraska Department of Insurance under the provisions of the Insurance Holding Company System Act, *Nebraska Revised Statute* 44-2133(2).

Action: The Company has complied with this recommendation.

Mortgage Loans on Real Estate – First Liens - It is recommended that the Company value the promissory note at the underlying collateral's fair market value, $17,200,000, as of December 31, 2010 and, in accordance with SSAP No. 37, paragraph 16, establish a valuation allowance for the amount of the note in excess of this value, $1,982,520, with a corresponding charge to unrealized loss. It is also recommended that the Company continue to obtain an annual appraisal of the property to ensure that the promissory note is correctly valued in future statement filings.

Action: The Company has complied with this recommendation.

Net Deferred Tax Asset - It is recommended that the Company formulate its "tax planning strategies" in compliance with SSAP No. 10. It is also recommended that the underlying support and detail calculations of their planning strategies be readily available.

Action: The Company has complied with this recommendation.

Reserves - It is recommended that the Company obtain and make available loss data specific to and segregated by each legal entity in future financial examinations. Further, it is recommended that a target examination of the Company's reserves be conducted as of December 31, 2012 to include further evaluation of the Company's IBNR reserves. It is also recommended that the Company establish procedures to ensure that it maintains an adequate known claims reserve in compliance with *Nebraska Revised Statute* 44-1988(2). Lastly, it is recommended that the Company record the actuary's best estimate or further validate management's select point for each entity by enhancing the detail and underlying support to management's assertions in selecting, and the mechanics of booking, their estimate.

Action: The Company's responses to the prior examination recommendations were received by the Department shortly after completion of the prior examination. The

Department did not follow up and verify the adequacy of any of those responses until the current examination. During the current examination, the Company's process as stated in its response was verified but deficiencies were still noted pertaining to the review of reserves and prior examination recommendations. These items are further discussed within the "Commentary on Current Examination Findings" section of this report.

Claims Data - It is recommended that the Company report claims and salvage and subrogation in accordance with SSAP No. 57 and establish procedures to ensure that their loss data is complete and accurate.

Action: The Company has complied with this recommendation.

Related Party Transactions - It is recommended that the Company establish procedures to ensure that related party transactions are fair and reasonable in accordance with SSAP No. 25, paragraphs 11-15.

Action: The Company has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Non-Investment Grade Limitation on Invested Assets

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

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

The Nebraska Department of Insurance performed an independent review of the Company's reported Incurred but Not Reported (IBNR) and Known Claims Reserve (KCR), including indicated bulk reserves (collectively, Schedule P Reserve) to verify that the reserves were sufficient, to test the reasonableness of the appointed actuary's IBNR allocation, and to evaluate the factors that led to adverse development from 2011 to 2013.

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 was unable to get comfortable 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.

It is recommended that a separate actuarial analysis be performed by Company in support of each Company's Statement of Actuarial Opinion. It is also recommended that the appointed actuary perform annual one-year and two-year "actual versus expected" analyses separately for each insurer in the Group and apply the resulting insights to focus review on the actuarial methodologies and assumptions associated with the largest variances between expectations and actual outcomes.

Known Claims Reserve

The examination actuary's analysis of the 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 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.

It is recommended that the Company implement effective internal control processes to strengthen case reserving adequacy, with the effect that claims administrators should be required to record case reserve estimates based upon their current assessment of all relevant exposures on all known claims. The outcome should enhance case reserve adequacy and provide actuaries and management with a more timely recognition of the Company's financial condition.

Supplemental Reserve

As a result of the examination actuary's analysis of IBNR, a supplemental reserve was not required as of December 31, 2013. The examination actuary will be performing an analysis as of December 31, 2014, to verify the current reserve position of the Company.

SUBSEQUENT EVENT

ACQUISITION OF NATIONAL TITLE INSURANCE OF NEW YORK, INC.

On January 3, 2014, as part of a merger transaction between Lender Processing Services, Inc. (LPS) and Fidelity National Financial, Inc. (FNF), the Company acquired 100% of the stock of National Title Insurance of New York, Inc., a New York domiciled title insurer, from LPS National TaxNet, an affiliate, for a purchase price of $85 million.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

The following comments and recommendations have been made as a result of this examination:

Securities Valuation Office Limitation on Invested Assets - It is recommended that the Company implement procedures to ensure compliance with Insurers Investment Act, specifically, Nebraska Revised Statute §44-5152(2), limitation of admittance of non-investment grade obligations.

Authorization and Approval of Invested Assets - It is recommended that the Company implement procedures to ensure all investments are authorized, approved, or ratified by a majority of the members of the Board of Directors compliance with Insurers Investment Act, specifically, Nebraska Revised Statute §44-5105.

Reserving – Incurred but Not Reported – It is recommended that a separate actuarial analysis be performed by Company in support of each Company's Statement of Actuarial Opinion. It is also recommended that the appointed actuary perform annual one-year and two-year "actual versus expected" analyses separately for each insurer in the Group, and apply the resulting insights to focus review on the actuarial methodologies and assumptions associated with the largest variances between expectations and actual outcomes.

Reserving – Known Claims Reserve - It is recommended that the Company implement effective internal control processes to strengthen case reserving adequacy, with the effect that claims administrators should be required to record case reserve estimates based upon their current assessment of all relevant exposures on all known claims. The outcome should enhance case reserve adequacy and provide actuaries and management with more timely recognition of the Company's financial condition.

ACKNOWLEDGEMENT

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

In addition to the undersigned, Kevin Stubbs, CFE, Ross Pedersen, Financial Examiners; Gordon Hay, FCAS, MAAA, CPCU, Senior Property & Casualty Actuarial Examiner; all from the Nebraska Department of Insurance; Phillip McMurray, CISSP, CISA, AES, and Stephen Skenyon CPA, CISA, Consulting Information Systems Specialist, from Risk & Regulatory Consulting, LLC; and Financial Examiners, Information Systems Specialists, and Actuarial Examiners with or contracted by the California Department of Insurance, New York Division of Financial Services and Texas Department of Insurance; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

Joshua J. Johnson, CFE
Examiner-In-Charge
Risk & Regulatory Consulting, LLC
Representing the Department of Insurance
State of Nebraska

State of Nebraska,

County of Lancaster,

Joshua J. Johnson, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Chicago Title Insurance Company.

2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report, and the examination of Chicago Title Insurance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.

Joshua J. Johnson

Examiner-In-Charge's Signature

Subscribed and sworn before me by Josh Johnson on this 26 day of May, 2015____.

(SEAL) GENERAL NOTARY - State of Nebraska
TERRI A. KELLER
My Comm. Exp. Dec. 24, 2017

Terri A Keller

Notary Public

My commission expires Dec 24, 2017 [date].