STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

RE: Examination Report of Chicago Title Insurance Company as of December 31, 2005

ORDER

After full consideration and review of the report of the financial examination of Chicago Title Insurance Company for the period ended December 31, 2005, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Douglas M. Ommen, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo., adopt such report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, the findings and conclusions of the examination report are incorporated by reference and deemed to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo.

Based on such findings and conclusions, I hereby ORDER Chicago Title Insurance Company, to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) implement, and verify compliance with, each item mentioned in the General Comments and/or Recommendations section of such report; (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this November 9, 2007.

DOUGLAS M. OMMEN, Director
Department of Insurance, Financial Institutions
and Professional Registration

REPORT OF

FINANCIAL EXAMINATION

CHICAGO TITLE INSURANCE COMPANY

AS OF

DECEMBER 31, 2005

STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

August 24, 2007
St. Louis, Missouri

Honorable Alfred W. Gross, Commissioner
Bureau of Insurance
Virginia State Corporate Commission
Chairman, Financial Condition (E) Committee, NAIC

Honorable Kent Michie, Commissioner
Department of Insurance
State of Utah
Secretary, Western Zone, NAIC

Honorable Merle D. Scheiber, Director
Division of Insurance
State of South Dakota
Secretary, Midwestern Zone, NAIC

Honorable Douglas M. Ommen, Director
Missouri Department of Insurance,
Financial Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, MO 65101

Gentlemen and Lady:

In accordance with your financial examination warrant, a full scope association financial examination has been made of the records, affairs and financial condition of the

Chicago Title Insurance Company

also referred to as "CTIC" and the "Company." The examination was conducted at the Company's office at 601 Riverside Avenue, Jacksonville, FL 32204, telephone number (904)-854-8100. This examination began on October 2, 2006, and concluded on August 24, 2007.

SCOPE OF EXAMINATION

Period Covered

The prior full scope association financial examination of Chicago Title Insurance Company was performed as of December 31, 2001. The examination was conducted by examiners from the state of Missouri representing the Midwestern Zone of the National Association of Insurance Commissioners (NAIC).

The current full scope association financial examination covers the period from January 1, 2002, through December 31, 2005. The examination was conducted by examiners from the state of

Missouri representing the Midwestern Zone of the NAIC and an examiner from the state of California representing the Western Zone of the NAIC. Glenn Tobleman, FCAS, FSA, MAAA, Executive Vice President, Lewis & Ellis, Inc., Actuaries & Consultants, reviewed reserves and related actuarial items pursuant to a contract with the Department of Insurance, Financial Institutions and Professional Registration (DIFP).

This examination also included material transactions and/or events occurring after December 31, 2005.

Procedures

This examination was conducted using the guidelines set forth in the Financial Condition Examiners Handbook of the NAIC, except where practices, procedures and applicable regulations of the Department of Insurance, Financial Institutions and Professional Registration and statutes of the state of Missouri prevailed.

Comments Previous Examination

The general comments and recommendations in the previous examination report and the Company's response and/or subsequent action taken by the Company are listed below.

1. Comment: Conflict of Interest
The Company was unable to provide all the conflict of interest statements requested and no conflict of interest statements for 2001 were provided. We direct the Company to take its conflict of interest policy seriously and maintain a record of the signed statements annually as per their own policy.

Company's Response:
The current Legal Compliance Policy is maintained on a secure website within the Company intranet. Employees are required to acknowledge review of the policy which addresses conflicts of interest. Annual electronic acknowledgements are required and maintained.

Current Findings:
The Company could not provide conflict of interest statements for any officers in 2002 or 2003, some in 2004 and most in 2005. The Company is again directed to ensure that all officers and directors annually complete conflict of interest statements.

HISTORY

General

Chicago Title Insurance Company is the primary underwriting subsidiary of Chicago Title and Trust Company, a 150 year old Chicago, Illinois based organization that provides title insurance and real estate related services throughout the United States, Puerto Rico, the Virgin Islands, Guam, Canada, and Mexico.

The Company traces its history back to 1847 with the abstract business of Edward A. Rucker. 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 created to do 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, 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 the Ticor Title companies, namely Ticor Title Insurance Company and Ticor Title Guarantee Company (Ticor). Ticor traces its heritage back to 1893 with the merger of two abstract companies in Los Angeles, California.

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 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. acquired Chicago Title Corporation and merged it into Fidelity National Financial, Inc., making Fidelity National Financial, Inc. the ultimate parent of Chicago Title and Trust Company and its subsidiaries.

Capital Stock

The Company has the authority to issue 50 shares of callable preferred stock with a par value of $1,000 per share and 25,000 shares of common stock with a par value of $100 per share. The Company has 20,000 shares of common stock outstanding and no preferred stock outstanding. The Company's common capital stock account correctly reflects a value of $2,000,000.

Dividends

Dividends paid since inception are as follows:

Year	Amount
2001 and Prior	$ 474,930,247
2002	64,600,000
2003	55,700,000
2004	239,524,316
2005	145,000,000
Total	$ 979,754,563

Management

The Board of Directors of the Company consists of nine members duly elected at the annual meeting of the sole shareholder, as authorized by the Articles of Incorporation. The members elected and serving as of December 31, 2005, were as follows:

Name	Principal Occupation
Christopher Abbinante	Chicago Title Insurance Company President Eastern Operations
Thomas Edgar Evans, Jr.	Chicago Title Insurance Company Executive Vice President
Roger Scott Jewkes	Chicago Title Insurance Company President Western Operations
Erika Meinhardt	Chicago Title Insurance Company President, Agency Operations
Anthony John Park	Chicago Title Insurance Company Executive Vice President and Chief Financial Officer
Raymond Randall Quirk	Chicago Title Insurance Company Chairman, President and CFO
Ernest Donald Smith	Chicago Title Insurance Company Executive Vice President
Alan Lynn Stinson	Chicago Title Insurance Company Executive Vice President
John Arthur Wunderlich	Chicago Title Insurance Company Executive Vice President

Generally, the Company has depended on the parent committees which review activity for all related subsidiaries, but the Company formed an Audit Committee with the following members: Christopher Abbinante, Erika Meinhardt, and Alan L. Stinson, on June 6, 2005 as a response to settlements with The Office of the Comptroller of the Currency, The Office of Thrift Supervision and the Secretary of Housing and Urban Development. The Company also established an Executive Committee as required by its Bylaws consisting of the following members: Raymond Randall Quirk, Christopher Abbinante, and Anthony John Park.

The officers elected and serving and reported on the Jurat page of the Annual Statement as of December 31, 2005, were as follows:

NAME	**POSITION**
Raymond Quirk	President and Chief Executive Officer and Chairman of the Board
Todd Johnson	Senior Vice President and Corporate Secretary
Anthony Park	Executive Vice President and Chief Financial Officer
Christopher Abbinante	President, Eastern Operations
Roger Jewkes	President Western Operations
Erika Meinhardt	President, Agency Operations
Edward Dewey	Executive Vice President
John Ernst	Executive Vice President
Thomas Evans, Jr.	Executive Vice President
Patrick Farenga	Vice President and Treasurer
Harry Geer, Jr.	Executive Vice President
Peter Sadowski	Executive Vice President
Ernest Smith	Executive Vice President
Alan Stinson	Executive Vice President
Gary Urquhart	Executive Vice President
Frank Willey	Executive Vice President

NAME	POSITION
Charles Wimer	Executive Vice President
John Wunderlich	Executive Vice President

Conflict of Interest

The Company has a compliance program pursuant to which employees are required to disclose any possible conflicts of interest. As noted previously in the "Comments Previous Examination" section of this report, the Company could not provide all conflict of interest statements requested.

Corporate Records

The Company reported no amendments to the Articles of Incorporation. The Bylaws were amended in June 2002, changing the location of the annual meeting of the shareholders and changing the location of the principal office of the Company.

The minutes of the meetings of the stockholders and board of directors provided sufficient documentation of major corporate transactions.

Acquisitions, Mergers, and Major Corporate Events

During the period covered by this examination, there were several acquisitions, mergers and other corporate events in the Fidelity National Financial, Inc. holding company group. None of these transactions had a significant effect the Company.

Surplus Debentures

None

AFFILIATED COMPANIES

Holding Company, Subsidiaries and Affiliates

The Company is a member of an insurance holding company system as defined in Section 382.010 RSMo, (Definitions). The Company filed Insurance Holding Company System Registration Statement Forms B and Forms C with the Department of Insurance, Financial Institutions and Professional Registration for the years under examination.

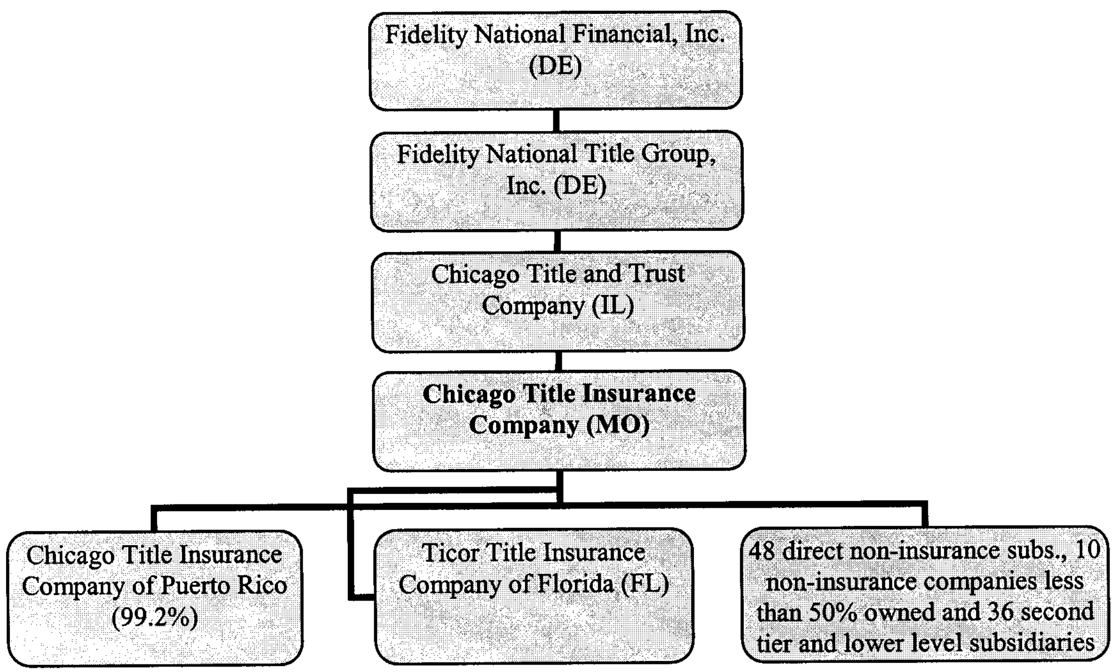
The ultimate controlling person in the insurance holding company system is Fidelity National Financial, Inc., which is incorporated in Delaware and is registered on the New York Stock Exchange under ticker symbol FNF. There are 380 companies in the holding company system of which five are property and casualty insurance companies or title reinsurance companies and eleven are title insurance companies.

On September 27, 2005, a wholly owned intermediate holding company, Fidelity National Title Group, Inc. (a Delaware company registered on the New York Stock Exchange under ticker symbol FNT) was placed between Fidelity National Financial, Inc. and Chicago Title and Trust Company, the Company's direct parent. In addition to the Company, which is the largest title company in the group, Chicago Title and Trust is the direct owner of three other title insurance companies.

Fidelity National Title Group, Inc. owns 100% of Chicago Title & Trust Company, which owns 100% of Chicago Title Insurance Company. Chicago Title Insurance Company is the direct owner of two title insurance companies.

Organizational Chart

The organizational chart depicts the portion of the holding company system of which Chicago Title Insurance Company was directly a part at December 31, 2005.



Intercompany Agreements

During the period under examination the Company was party to the following intercompany agreements, not including reinsurance agreements. Reinsurance agreements are discussed in the reinsurance section of this report.

1. Type: Master Services Agreement

Parties: Fidelity National Financial, Inc. and 55 subsidiaries, including Chicago Title Insurance Company, referred to collectively as the Insurance Group and 36 additional subsidiaries, referred to collectively as the Real Estate Related Services Group. Amended January 1, 2004, July 16, 2004 and September 16, 2004 to include 4 additional members from the Insurance Group and 5 additional members from the Real Estate Related Services Group.

Effective: March 12, 2003 - This agreement was approved by the Department of Insurance, Financial Institutions and Professional Registration on July 25, 2006.

Terms: Any party to the agreement may, upon request of another, furnish its facilities and services of personnel to ensure the efficient coordination of administrative functions among the parties. Services may include underwriting, claims settlement, payroll, legal, communications, advertising, regulatory, financial, general administrative, investment, benefits administration, management reporting, marketing, administrative support, and personal services, primarily provided by Fidelity National Management Services, LLC. Information technology services are primarily provided by Fidelity National Information Solutions, Inc. Additionally the agreement allows personal property rental between the parties as necessary.

Rate(s): Services are provided on a cost basis and are to be allocated based on the actual services used by the party.

2. Type: Investment Services and Custody Agreement

Parties: Chicago Title Insurance Company; Baton Rouge Title Company, Inc.; Chicago Title of Colorado, Inc.; Chicago Title Insurance Company of Puerto Rico; Johnson County Title Company; McHenry County Title Company; McLean County Title Company; Spring Service Corporation; Title and Trust Company and TPO, Inc.

Effective: September 1999 – Approved by the Department of Insurance, Financial Institutions and Professional Registration on February 3, 2000.

Terms: Chicago Title Insurance Company is granted the authority to supervise and direct the investment and reinvestment of the investable assets in accordance with the investment guidelines and restrictions attached as a schedule; implement procedures to move the investable assets from bank accounts of a subsidiary into the custody of Chicago Title Insurance Company and act as custodian of the investable assets held for a subsidiary.

Rates: All brokerage fees and .50% for the management of the investable assets.

3. Type: Master Loan Agreement

Parties: Fidelity National Financial, Inc. (borrower); Chicago Title Insurance Company; Fidelity National Insurance Company; Ticor Title Insurance

Company; Alamo Title Insurance Company; Security Union Title Insurance Company. (lenders)

Effective: December 28, 2000, agreement has not been filed with the Department of Insurance, Financial Institutions and Professional Registration as no loan is material enough to require prior approval.

Terms: Upon written request by Fidelity National Financial, Inc. to a lender, each lender agrees to loan funds to Fidelity National Financial, Inc. Each loan will be collateralized with stock of Fidelity Nation Financial, Inc. subsidiaries, evidenced by promissory notes and a record of all borrowings made and principal and interest amounts outstanding shall be maintained by the chief financial officer of Fidelity National Financial, Inc.

Rate: All borrowed sums shall bear interest at a rate the same as Fidelity National Financial, Inc.'s Credit Agreement effective February 10, 2000, with Bank of America, NA, Chase Securities, Inc. and Morgan Stanley Senior Funding, Inc.

4. Type: Tax Sharing Agreement

Parties: Fidelity National Financial, Inc. and subsidiaries, Chicago Title and Trust Company and subsidiaries and Ticor Title Insurance Company of Florida.

Effective: August 20, 2004. Agreement was amended to include Ticor Title Insurance Company of Florida and has not yet been filed with the Department of Insurance, Financial Institutions and Professional Registration. It is being revised at this time for submission to the Department.

Terms: Fidelity National Financial, Inc. and all its present subsidiaries shall file a consolidated federal income tax return on a separate return basis.

5. Type: Master Asset Sale and Rental Agreement

Parties: Chicago Title and Trust Company, Chicago Title Insurance Company, Chicago Title Company, Security Union Title Insurance Company, Chicago Title Insurance Company of Idaho, Chicago Title Insurance Company of Oregon, Chicago Title Insurance Company of Maryland, Ticor Title Insurance Company of California, Ticor Title Insurance Company, Ticor Title Guarantee Company, Chicago Trust Company, Ticor Financial Corporation and Commonwealth Title Insurance Company

Effective: March 8, 1991

Terms: In the event a sale of personal property is made between the parties, sales shall be made effective at the end of a calendar quarter and the purchase price for each such sale shall equal the book value of the property.

Rates: Leases of personal property shall be equal to the monthly depreciation of the personal property.

6. Type: Transitional Cost Sharing Agreement.
   Parties: Chicago Title Insurance Company, FIS Management Services, LLC; and the following companies collectively referred to as the "LSI" companies: Lenders Service Title Agency, Inc.; LSI Alabama, LLC; LSI Maryland, Inc.; LSI Title Agency, Inc.; LSI Title Company; LSI Title Company of Oregon, LLC.
   Effective: April 14, 2005, approved by the Department of Insurance, Financial Institutions and Professional Registration on March 7, 2005.
   Terms: Chicago Title Insurance Company shall produce the LSI companies business on a direct basis, including underwriting and escrow services for those jurisdictions in which the LSI companies are not currently licensed. FIS Management will provided facilities and employees for data processing, communications and business properties in connection with the LSI business.
   Rates: Chicago Title Insurance Company will retain 100% of the premium written and FIS Management Services, LLC will allocate fees on a cost basis.

7. Type: Title Plant Maintenance Agreement
   Parties: Property Insights, LLC; Security Union Title Insurance Company; Chicago Title Insurance Company; Ticor Title Insurance Company.
   Effective: March 4, 2005, approved by the Department of Insurance, Financial Institutions and Professional Registration on October 26, 2004.
   Terms: Property Insights, LLC will receive, update, purge and maintain affiliates' title plants in exchange for exclusive usage license of affiliated title plants. Property Insights, LLC, simultaneously entered into a Title Access Agreement with Rocky Mountain Support Services granting access to the affiliated title plants under the usage license in return for a royalty which will be paid to the affiliated insurers. Costs for maintenance and royalties for access of the title plants will be passed through the Cost Sharing Agreement noted below.
   Rates: The fees for title plant maintenance are based on actual costs. Royalties paid to the affiliated insurers for title plant usage are 3.75% of the first $100 million in revenue generated and decreasing for each $20 million in additional revenue to 2.5% for revenue over $160 million.

8. Type: Cost Sharing Agreement
   Parties: Security Union Title Insurance Company, Chicago Title Insurance Company, Ticor Title Insurance Company and Rocky Mountain Support Services.
   Effective: March 4, 2005, approved by the Department of Insurance, Financial Institutions and Professional Registration on October 26, 2004.
   Terms: Fees for the Title Plant Maintenance Agreement and royalties related to the Title Plant Access Agreement described above are passed through this agreement by Rocky Mountain Support Services to the affiliated insurers.

Rates: Refer to the Title Plant Maintenance Agreement above.

9. Type: Personal Property Lease

Parties: Fidelity Asset Management, Inc.; Alamo Title Holding Company; Alamo Title Insurance; Chicago Title and Trust; Chicago Title Company; Chicago Title Insurance Company; Chicago Title Insurance Company of Oregon; Fidelity National Financial, Inc.; Fidelity National Insurance Company; Fidelity National Title Company; Fidelity National Title Company of California; Fidelity National Title Insurance Company; Fidelity National Title Insurance Company of New York; Nations Title Insurance Company of New York; Rocky Mountain Support Services; Security Union Title Insurance Company; Ticor Title Insurance Company.

Effective: April 1, 2002, approved by the Department of Insurance, Financial Institutions and Professional Registration on March 13, 2002.

Terms: Fidelity Asset Management, Inc. will lease certain personal property to the affiliated companies for use in conducting their business.

Rates: The fee is based on the affiliate's proportional share of the loan payments paid by Fidelity Assets Management, Inc. for the purchase of the equipment.

10. Type: Issuing Agency Contracts, seven similar contracts in total described below.

Parties: Chicago Title Insurance Company is a party in all seven agency agreements. Other parties are: National Link, L.P.; National Link, LLC and National Link of Alabama, LLC.; FNF Canada; LSI Title Company of Oregon; Lender's Service Title Agency, Inc.; LSI Title Company; LSI Alabama, LLC; and LSI Title Agency, Inc.

Terms: Agreements appoint affiliated agencies as agents of the Company for the purpose of issuing title insurance commitments, policies and endorsements relating to real property.

Effective: The contracts were all approved by the Department of Insurance, Financial Institutions and Professional Registration on the following dates respectively: July 29, 2005, August 8, 2005, September 30, 2003, March 4, 2005, February 8, 2005, February 8, 2005, August 9, 2004, August 10, 2004, with the last three contracts all approved on August 9, 2004.

Rates: Retention rates and geographic location with which the agreements apply vary by agreement

FIDELITY BOND AND OTHER INSURANCE

The Company is insured on a financial institution bond purchased by Fidelity National Financial, Inc.; which provides crime and fidelity coverage of $30,000,000 aggregate with a $15,000,000 per loss deductible. This coverage complies with the suggested minimum amount of fidelity insurance according to NAIC guidelines.

The Company is also insured on other coverages, which include but are not limited to directors' and officers' liability, errors and omissions liability, commercial general liability, umbrella liability, and property insurance.

EMPLOYEE BENEFITS

The Company does not have any direct employees. Employees of Fidelity National Management Services, LLC provide all employee services. Most employee services are billed directly. Chicago Title Insurance Company simply reimburses Fidelity National Management Services, LLC for its payroll expense. In addition, certain corporate salaries are allocated on various bases to the Fidelity National Financial, Inc. affiliated companies.

The Company provides the following benefits: basic life insurance, accidental death and dismemberment, an employee assistance program and business travel insurance. Voluntary benefit plans include medical, dental, vision, flexible spending accounts, supplemental life for employee and spouse, voluntary accidental death and dismemberment, short and long term disability, legal assistance, long term care insurance, and a transportation program. The Company also offers a 401(k) plan and an employee stock purchase plan. Retirees with certain age and service restrictions are eligible for Company sponsored medical and life insurance.

Employee costs are allocated to the various subsidiaries of Fidelity National Financial, Inc. on what appears to be a reasonable basis, and the Company has no liabilities associated with the pension plans

STATUTORY DEPOSITS

Deposits with the State of Missouri

The funds on deposit with the Department of Insurance, Financial Institutions and Professional Registration as of December 31, 2005, as reflected below, were deemed sufficient in par and market value to meet the $400,000 trust deposit requirement of Section 381.051 RSMo, (Deposit of security with director, form, withdrawal and exchange of – alternative phase-in of requirement – use of security).

Security	Par Value	Market Value	Statement Value
U.S. Treasury Note	$1,220,000	$1,205,799	$1,189,148

Deposits with Other States and Territories

The Company maintains funds on deposit with other states in which it is licensed to satisfy their statutory deposit requirements. The funds on deposit with other states as of December 31, 2005, are listed below.

State or Territory	Security	Par Value	Market Value	Statement Value
Alabama	U.S. Treasury Note	$60,000	$61,601	$61,082
Alaska	U.S. Treasury Note	121,000	120,465	119,424
Arizona	U.S. Treasury Note	55,000	56,467	55,992
Arkansas	U.S. Treasury Note	110,000	112,935	111,984
California	U.S. Treasury Note	3,340,000	3,301,122	3,255,820
Connecticut	U.S. Treasury Note	100,000	98,836	97,471
Florida	Cash	125,000	125,000	125,000
Georgia	U.S. Treasury Note	30,000	30,800	30,541
Illinois	U.S. Treasury Note	600,000	593,016	584,827
Kansas	U.S. Treasury Note	60,000	61,601	61,082
Louisiana	U.S. Treasury Note	20,000	19,767	19,494
New Mexico	U.S. Treasury Note	125,000	123,545	121,839
North Carolina	U.S. Treasury Note	9,230,000	9,302,983	9,286,494
Ohio	U.S. Treasury Note	250,000	247,090	243,678
Oregon	U.S. Treasury Note	110,000	108,720	107,218
Pennsylvania	U.S. Treasury Note	100,000	98,836	97,471
South Dakota	U.S. Treasury Note	125,000	123,545	121,839
Washington	U.S. Treasury Note	200,000	197,672	194,942
Puerto Rico	U.S. Treasury Note	750,000	796,845	817,314
US Virgin Islands	U.S. Treasury Note	100,000	98,836	97,471
Canada	Canadian Government	5,457,984	5,825,493	5,904,078
Total		$21,068,984	$21,505,175	$21,515,061

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operations

The Company is licensed under Chapter 381 RSMo (Title Insurance Law) to write title insurance. The Company is licensed in forty-nine states (the exception being Iowa), the District of Columbia, Puerto Rico, U.S. Virgin Islands, the Bahamas, and several territories and provinces in Canada.

The Company's direct operations are divided into approximately 160 profit centers and nearly 400 offices, located throughout the United States. Each office processes title insurance transactions within its geographical area. The Company also transacts title insurance business through a network of over 5,000 agents. In addition to fees for underwriting title insurance policies, the Company derives a significant amount of its revenues from escrow and other title related fees.

Policy Forms & Underwriting; Advertising & Sales Material and Treatment of Policyholders

The Department of Insurance has a market conduct staff that performs a review of these issues and generates a separate market conduct report. The most recent market conduct examination was as of December 31, 2003. This examination is in the process of being finalized. Forfeitures, if any, for violations noted as part of the examination are not expected to be material to the solvency of the Company.

On September 7, 2005, the Company and various other affiliated title insurers entered into a multi-state regulatory settlement agreement with approximately 18 state insurance departments, including Missouri, regarding the violation of state and federal kick-back laws relating to certain captive title reinsurance arrangements beginning in 1999. The Companies agreed to the settlement without admission of guilt and had voluntarily terminated these arrangements by February 2005. In addition, the Companies agreed to voluntarily refund premium paid by consumers within 120 days. The total refund was anticipated to be approximately $1.2 million.

REINSURANCE

General

The Company's premium income on a direct written, assumed and ceded basis for the current examination period was as follows:

	2005	2004	2003	2002
Direct Business	$ 2,279,134,858	$ 2,252,448,772	$ 2,323,333,140	$ 1,698,372,912
Reinsurance Assumed	1,890,761	2,280,289	2,189,748	3,217,908
Reinsurance Ceded	(2,683,723)	(4,533,638)	(2,765,203)	(3,318,560)
Net Premiums	$ 2,278,341,896	$ 2,250,195,423	$ 2,322,757,685	$ 1,698,272,260

Assumed

Most assumed reinsurance is on a facultative basis from affiliates, although there is some facultative reinsurance with non-affiliates as well as a small amount of treaty reinsurance assumed from small-unrelated companies.

Ceded

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance agreement.

The Company's ceded reinsurance is handled on a transaction-by-transaction basis, using facultative agreements promulgated by the American Land Title Association (ALTA).

When the Company cedes reinsurance, it retains the primary level. The reinsurers then share the losses at the second, third, fourth or fifth levels with the Company at fixed percentages according to the particular agreement. Under this practice the aggregate liability of the Company is accomplished only after there has been a total title loss.

During the examination period the Company obtained excess of loss reinsurance through agreements with Lloyd's of London as well as with unauthorized alien reinsurers mainly from Bermuda and Europe.

ACCOUNTS AND RECORDS

An independent accounting firm audits the Company annually. The Company's 2005 financial statements were audited by the CPA firm, KPMG LLP, Jacksonville, Florida. The workpapers and reports of the last CPA were used in the course of this examination as deemed appropriate.

Reserves and related actuarial items reported in the financial statements were reviewed and certified by Milliman USA, on behalf of the Company.

Glenn Tobleman, FCAS, FSA, MAAA, with Lewis & Ellis, Inc., reviewed the actuarial assumptions and methods used by the Company in determining policy reserves and related actuarial items pursuant to a contract with the Department of Insurance, Financial Institutions and Professional Registration and they opined that reserves and related actuarial items were reasonable.

Andrew Balas, Information Systems Financial Examiner with the Department of Insurance, Financial Institutions and Professional Registration, conducted a review of the Company's information systems and determined that although more functions have been centralized and automated since the previous exam, the legacy TEAM administration application and supporting platform for the bulk of the company's processing remained fundamentally decentralized and the decentralized nature of the company's business and information technology operations alone increases risk levels and decreases anticipated controls reliance levels.

TEAM

The Company gathers data for the calculation of Statutory Premium Reserve through its TEAM system. This system is not compatible with all other software systems used by the various direct offices and thus does not contain all the information needed to determine policy liability. In addition to this weakness, TEAM is not currently capable of determining the appropriate liability when simultaneous policies are issued, thus requiring manual adjustment of the data.

Although the Company has developed a methodology that appears to reasonably determine the amount of missing liability, the Company should work towards capturing policy count and policy liability as accurately as it does policy premium data. The Company should also attempt to modify TEAM to recognize when simultaneous policies have been issued and only assign the highest liability eliminating the need for manual adjustment and its inherent risk of error.

Unaffiliated Agency Premium

SSAP No. 6 requires all premiums receivable due over ninety days to be non-admitted. Although the Company had a procedure in place to comply, it failed to make the manual entry necessary to non-admit all unaffiliated agency premiums receivable known to be over ninety days due.

The Company must put controls in place to ensure that it properly non-admits all premiums receivable which are in excess of ninety days due. The Company needs to update its systems to reduce the reliance on manual entries which increases the level of risk of misstatement.

Direct Agency Premium Receivable

SSAP No. 6 requires premium to be aged based on the effective date of the policies. Thirty-eight to forty-nine percent of the direct agency premiums sampled was incorrectly aged.

The Company needs to review and revise its procedures as necessary to produce accurate aging of its direct agency premium receivable from the effective date of the policies.

Escheatment

Per Chapter 447.505 RSMo and Chapter 447.536 RSMo, unclaimed property in excess of five years old must be escheated to the state of Missouri or other state if required by that state. The Company has escheatable items outstanding from as far back as 1995.

The following is a breakdown of outstanding checks by year written that the Company must review to determine if they are escheatable and if so to which state.

Year	Amount
1995	$36,381.01
1996	112,115.16
1997	805,541.21
1998	188,953.87
1999	455,572.17
2000	617,231.19
Total	$2,215,794.61

The Company must review these items and provide updates to the Department of Insurance, Financial Institutions & Professional Registration no later than August 31, 2007, and November 30, 2007 with final completion of the review and reporting by January 31, 2008.

Escheatment payments are to be made to the respective states upon completion of the review for each specific year. Any items which cannot be properly identified by the Company shall be escheated to the state of Missouri. The Company shall maintain and have available all records pertaining to the identification and disposition of these items for review by the state of Missouri or other affected state.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company as of December 31, 2005, and the results of operations for the fiscal period then ended. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the "Notes to the Financial Statements," which follow the financial statements.

There may have been additional differences found in the course of this examination, which are not shown in the "Notes to the Financial Statements." These differences were determined to be immaterial in relation to the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual financial statement item.

ASSETS

	Amounts Per Annual Statement			Notes	Examination Findings	
	Assets	Assets Not Admitted	Net Admitted Assets		Examination Adjustments	Net Admitted Assets
Bonds	$1,053,324,320		$1,053,324,320			$1,053,324,320
Common stocks	112,025,158		112,025,158			112,025,158
Mortgage loans - first liens	719,954	63,445	656,509			656,509
Mortgage loans - other than first liens	1,882,366	1,882,366	-			-
Real estate - properties occupied by the company	1,620,787		1,620,787			1,620,787
Real estate - properties held for sale	1,955,336	334,133	1,621,203			1,621,203
Cash and short-term investments	232,165,301		232,165,301			232,165,301
Other invested assets	18,250,574	4,667,943	13,582,631			
Receivable for securities	326,059		326,059			326,059
Subtotal Cash and Invested Assets	$1,422,269,855	$6,947,887	$1,415,321,968			$1,415,321,968
Title plants	$39,213,832	$242,186	$38,971,646			$38,971,646
Investment income due and accrued	13,305,623		13,305,623			13,305,623
Uncollected premiums and agents balances	54,537,717	27,203,398	27,334,319	1	($5,852,997)	21,481,322
						-
Current federal and foreign income tax recoverable	8,508,415		8,508,415			8,508,415
Net deferred tax asset	121,941,692	99,850,883	22,090,809			22,090,809
EDP Equipment	967,534		967,534			967,534
Furniture and Equipment	2,579,810	2,579,810				-
Receivables from parent, subsidiaries and affiliates	33,828,503	17,423,481	16,405,022			
Goodwill	84,525,553	84,525,553				
Other Assets	55,908,882	55,908,882				
Prepaid Expenses	14,533,654	14,533,654				
Other Aggregate write-ins	1,691,078	1,691,078				
Total Assets	$1,853,812,148	$310,906,812	$1,542,905,336		($5,852,997)	$1,537,052,339

LIABILITIES, SURPLUS AND OTHER FUNDS

	Amounts Per Annual Statement	Notes	Examination Adjustments	Amounts Per Examination
Known claims reserves	$145,310,981			$145,310,981
Statutory premium reserve	681,488,105	2	(10,371,202)	671,116,903
Other expenses	114,584,872			114,584,872
Taxes, licenses and fees	18,059,290			18,059,290
Borrowed money	146,817			146,817
Amounts withheld or retained by company	10,159,454			10,159,454
Payable to parent, subsidiaries and affiliates	63,108,097			63,108,097
Reinsurance ceded payable	1,014,956			1,014,956
Payable under securities lending agreements	123,206,014			123,206,014
Total Liabilities	$1,157,078,586		($10,371,202)	$1,146,707,384
Common capital stock	$2,000,000			$2,000,000
Gross paid in surplus	104,916,792			104,916,792
Unassigned funds	278,909,958		$4,518,205	283,428,163
Total Liabilities, Capital and Surplus	$1,542,905,336		($5,852,997)	$1,537,052,339

OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	Amounts Per Annual Statement
OPERATING INCOME	
Title insurance premium earned	$2,210,574,885
Escrow and settlement services	96,812,180
Other title fees and service charges	129,818,678
Total Operating Income	$2,437,205,743
DEDUCT	
Losses and loss adjustment expenses	$167,190,158
Operating expenses incurred	2,135,811,432
Total Operating Deductions	$2,303,001,590
Net operating gain	$134,204,153
INVESTMENT INCOME	
Net investment income earned	$125,854,246
Net realized capital gains or (losses) less capital gains tax	6,457,541
Net investment gain	$132,311,787
Net income after capital gains tax and before FIT	$266,515,940
Federal and foreign income taxes incurred	72,632,135
Net Income	$193,883,805

NOTES TO FINANCIAL STATEMENTS

Note 1 Uncollected Premiums and Agents Balances $21,481,322

The account was reduced by $5,852,997 due to problems noted in the aging of receivables. The Company failed to make the manual entry necessary to non-admit all unaffiliated agency premiums receivable known to be over ninety days due. This amounted to $2,268,569. An additional $3,584,428 of the Company's direct agency premiums receivable should have been non-admitted but were not, due to errors in the Company's aging procedures.

Note 2 Statutory Premium Reserve $671,116,903

The account was reduced by $10,371,202 because the Company had overstated the statutory premium reserve due to failure to account for duplicate policy liability of simultaneously issued policies recorded during the third and fourth quarters of 2005.

EXAMINATION CHANGES

	Notes	Increase In Surplus	Decrease In Surplus	
Total Capital & Surplus Per Company				
Common capital stock				$2,000,000
Gross paid in surplus				104,916,792
Unassigned funds				278,909,958
Total capital and surplus per company				$385,826,750
Assets:				
Uncollected premiums and agents balances	1		$5,852,997	
Liabilities:				
Statutory premium reserve	2	10,371,202		
		$10,371,202	$5,852,997	
Net change in unassigned surplus			2%	4,518,205
Total Capital & Surplus Per Examination				
Common capital stock				$2,000,000
Gross paid in surplus				104,916,792
Unassigned funds				283,428,163
Total capital and surplus per examination				$390,344,955

GENERAL COMMENTS AND/OR RECOMMENDATIONS

Comments Previous Examination **Page 2**

The Company could not provide conflict of interest statements for any officers in 2002 or 2003, some in 2004 and most in 2005. The Company is again directed to ensure that all officers and directors annually complete conflict of interest statements.

Accounts and Records - TEAM **Page 15**

The Company gathers data for the calculation of Statutory Premium Reserve through its TEAM system. This system is not compatible with all other software systems used by the various direct offices and thus does not contain all the information needed to determine policy liability. In addition to this weakness, TEAM is not currently capable of determining the appropriate liability when simultaneous policies are issued, thus requiring manual adjustment of the data.

Although the Company has developed a methodology that appears to reasonably determine the amount of missing liability, the Company should work towards capturing policy count and policy liability as accurately as it does policy premium data. The Company should also attempt to modify TEAM to recognize when simultaneous policies have been issued and only assign the highest liability eliminating the need for manual adjustment and its inherent risk of error.

Accounts and Records – Unaffiliated Agency Premium **Page 16**

SSAP No. 6 requires all premiums receivable over ninety days due to be non-admitted. Although the Company had a procedure in place to comply, it failed to make the manual entry necessary to non-admit all unaffiliated agency premiums receivable known to be over ninety days due.

The Company must put controls in place to ensure that it properly non-admits all premiums receivable which are in excess of ninety days due. The Company needs to update its systems to reduce the reliance on manual entries which increases the level of risk of misstatement.

Accounts and Records – Direct Agency Premium Receivable **Page 16**

SSAP No. 6 requires premium to be aged based on the effective date of the policies. Thirty-eight to forty-nine percent of the direct agency premiums sampled was incorrectly aged.

The Company needs to review and revise its procedures as necessary to produce accurate aging of its direct agency premium receivable from the effective date of the policies.

Accounts and Records - Escheatment **Page 16**

Per Chapter 447.505 RSMo and Chapter 447.536 RSMo, unclaimed property in excess of five years old must be escheated to the state of Missouri or other state if required by that state. The Company has escheatable items outstanding from as far back as 1995.

The following is a breakdown of outstanding checks by year written that the Company must review to determine if they are escheatable and if so to which state.

Year	Amount
1995	$36,381.01
1996	112,115.16
1997	805,541.21
1998	188,953.87
1999	455,572.17
2000	617,231.19
Total	$2,215,794.61

The Company must review these items and provide updates to the Department of Insurance, Financial Institutions & Professional Registration no later than August 31, 2007, and November 30, 2007 with final completion of the review and reporting by January 31, 2008.

Escheatment payments are to be made to the respective states upon completion of the review for each specific year. Any items which cannot be properly identified by the Company shall be escheated to the State of Missouri. The Company shall maintain and have available all records pertaining to the identification and disposition of these items for review by the State of Missouri or other affected state.

SUBSEQUENT EVENTS

On April 27, 2006, Fidelity National Financial, Inc. announced a corporate restructuring which would effectively eliminate the existing holding company. Fidelity National Financial, Inc. would transfer insurance and other assets to Fidelity National Title Group, Inc., and then Fidelity National Title Group, Inc. would be spun off to existing Fidelity National Financial, Inc. shareholders.

Fidelity National Financial, Inc. would then merge with its subsidiary, Fidelity National Information Services, with the surviving entity taking the name Fidelity National Information Services, and issue publicly traded stock in the transaction with the ticker symbol FIS.

Fidelity National Title Group, Inc. would be renamed Fidelity National Financial Inc. and issue publicly traded stock with the ticker symbol FNF.

The restructuring received the appropriate corporate and regulatory approvals and was finalized on November 9, 2006. The restructuring is not expected to a have a material effect on the financial condition of the Company.

ACKNOWLEDGMENT

The assistance and cooperation extended by Chicago Title Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, John Rehagen, CFE, Ed Lang, and Douglas Daniels, examiners for the Department of Insurance, Financial Institutions and Professional Registration, participated in this examination. Glenn Tobleman, FCAS, FSA, MAAA, of Lewis & Ellis, Inc., Actuaries & Consultants, reviewed the actuarial assumptions and methods used by the Company in determining policy reserves and related actuarial items.

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I swear on my oath that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

Greg Lieberg, CFE Insurance Examiner California Department of Insurance, Western Zone, NAIC	Wyatt R Sample Wyatt R Sample, CFE, CPA Examiner-in-Charge, Department of Insurance, Financial Institutions and Professional Registration Midwestern Zone, NAIC

cms

Sworn to and subscribed before me this 15th day of August, 2007.

My commission expires:

NOTARY PUBLIC
NOTARY SEAL
STATE OF MISSOURI
CINDY M. STRICK
My Commission Expires
November 19, 2010
St. Louis County
Commission #06488114

Cindy M. Strick
Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with the National Association of Insurance Commissioners procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

Christiana Dugopolski
Christiana Dugopolski, CFE, CPA
Audit Manager, Department of Insurance,
Financial Institutions and
Professional Registration

ACKNOWLEDGMENT

The assistance and cooperation extended by Chicago Title Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, John Rehagen, CFE, Ed Lang, and Douglas Daniels, examiners for the Department of Insurance, Financial Institutions and Professional Registration, participated in this examination. Glenn Tobleman, FCAS, FSA, MAAA, of Lewis & Ellis, Inc., Actuaries & Consultants, reviewed the actuarial assumptions and methods used by the Company in determining policy reserves and related actuarial items.

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I swear on my oath that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

Greg Lieber, CFE
Insurance Examiner
California Department of Insurance,
Western Zone, NAIC

Wyatt R Sample, CFE, CPA
Examiner-in-Charge, Department of Insurance, Financial Institutions and Professional Registration
Midwestern Zone, NAIC

GREG LIEBER

Sworn to and subscribed before me this 19 day of July 2007.
My commission expires:
6/22/11

Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with the National Association of Insurance Commissioners procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

Christiana Dugopolski, CFE, CPA
Audit Manager, Department of Insurance,
Financial Institutions and
Professional Registration

Fidelity National Title Group, Inc.
601 Riverside Avenue, T-11
Jacksonville, FL 32204
Tel 904.854.8997 Fax 904.357.1206

Robert T. Schmidlin
Assistant Vice President
Regulatory Counsel
robert.schmidlin@fnf.com

FIDELITY NATIONAL FINANCIAL

BY FEDERAL EXPRESS

October 26, 2007

RECEIVED
OCT 29 2007
DEPT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

Frederick G. Heese, CFE, CPA
Chief Financial Examiner & Acting Division Director
Insurance Solvency & Company Regulation Division
Missouri Department of Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65102

Re: Chicago Title Insurance Company
Examination Report as of December 31, 2005

Dear Mr. Heese:

We are writing in response to your September 28, 2007 letter to Raymond R. Quirk transmitting a copy of the Chicago Title Insurance Company ("CTIC") Examination Report as of December 31, 2005 (the "Report") and requesting CTIC's responses to certain matters identified in the "General Comments and/or Recommendations" section of the Report.

The following responses are listed in the order by which the matters are listed in the "General Comments and/or Recommendations" section:

1. Comments Previous Examination: We concur with the Report's comment that CTIC could not provide conflict of interest statements for any company officers in 2002 or 2003, some in 2004 and most in 2005. Fidelity National Financial, Inc. ("FNF"), the ultimate parent of CTIC, now requires all employees, including officers and directors of FNF subsidiaries such as CTIC, to read the FNF Legal Compliance Program (the "LCP") on the FNF intranet. The LCP includes a conflict of interest policy statement. Once an employee has read the LCP, they are required to electronically sign a statement acknowledging that he or she understands the LCP and agrees to be bound by its requirements. An email confirming the electronic signature is then sent to the employee.

2. Accounts and Records-TEAM: We concur with the Report's comment that the TEAM system is not compatible with all other software systems used by the various CTIC direct offices and does not contain all the information needed to determine policy liability, nor can the system determine the appropriate liability when simultaneous policies are issued. The Report correctly notes that CTIC has developed a methodology to determine the amount of missing liabilities. CTIC agrees with the Report recommendation that it should work towards capturing policy count and policy liability as accurately as it does policy premium data. CTIC will also examine whether the TEAM system can be modified to recognize when simultaneous policies have been issued and only assign the highest liability, so as to eliminate the need for manual adjustment.

3. Accounts and Records-Unaffiliated Agency Premium: We concur with the Report's comment that CTIC did not make the manual entry necessary to non-admit all unaffiliated agency premiums receivable known to be over ninety days due. CTIC agrees with the Report recommendation that controls must be put in place to ensure that all premiums receivable which are in excess of ninety days due are properly non-admitted. CTIC will also examine ways to decrease the risk of such misstatements, including updating its systems to reduce the reliance on manual entries.

4. Accounts and Records-Direct Agency Premium Receivable: We concur with the Report's comment that a certain percentage range of CTIC's direct premium was incorrectly aged. CTIC agrees with the Report's recommendation to review and revise its procedures as necessary to produce accurate aging of its direct premium receivable from the effective date of the policies.

5. Accounts and Records-Escheatment: We concur with the Report's review of CTIC's escheatable items and its instruction to periodically report to the Missouri Department of Insurance (the "Department") on the review of certain outstanding checks identified during the course of the examination as being subject to escheatment to Missouri or other states. In compliance with that instruction, CTIC has commenced its review of the checks identified in the Report and submitted its initial progress report to the Department. CTIC expects to submit the remaining progress reports so to meet the Report's final completion date of January 31, 2008. CTIC will escheat items which cannot be properly identified in accordance with applicable state law.

We have no objection to this response being included in the Report as a public document.
We also wish to commend the Department staff who conducted the examination for their professionalism and courtesy.

If you have any questions or need additional information, please do not hesitate to contact me at (904) 854-8148 or Robert.Schmidlin@fnf.com.

Very truly yours,

R.T. Schmidlin

Robert T. Schmidlin
Assistant Vice President
Regulatory Counsel

Enclosures

cc:
J. Wilson
T. Frost