



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

RE: Examination Report of Agents National Title Insurance Company for the period ended December 31, 2014

**ORDER**

After full consideration and review of the report of the financial examination of Agents National Title Insurance Company for the period ended December 31, 2014, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, John M. Huff, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant findings, subsequent events, company history, corporate records, management and control, territory and plan of operation, reinsurance, financial statements, comments on the financial statements, examination changes, and general comments and/or recommendations.

Based on such findings and conclusions, I hereby ORDER, that the report of the Financial Examination of Agents National Title Insurance Company as of December 31, 2014 be and is hereby ADOPTED as filed and for Agents National 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) 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 8<sup>th</sup> day of June, 2016.

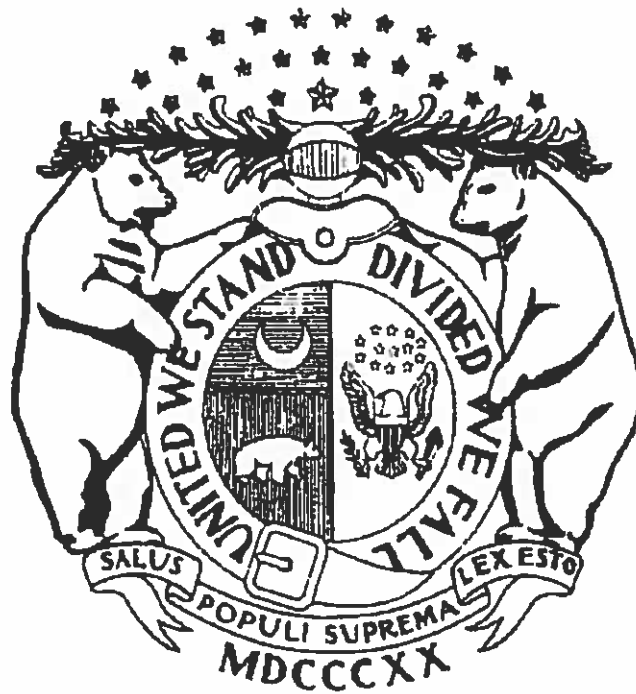


  
John M. Huff, Director  
Department of Insurance, Financial Institutions  
and Professional Registration

**REPORT OF THE  
FINANCIAL EXAMINATION OF  
AGENTS NATIONAL TITLE  
INSURANCE COMPANY**

**AS OF  
DECEMBER 31, 2014**

**FILED**  
JUN 20 2016  
DIRECTOR OF INSURANCE,  
FINANCIAL INSTITUTIONS &  
PROFESSIONAL REGISTRATION



**STATE OF MISSOURI  
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS  
AND PROFESSIONAL REGISTRATION  
JEFFERSON CITY, MISSOURI**

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Columbia, Missouri  
May 5, 2016

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

Director Huff:

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

**Agents National Title Insurance Company**

hereinafter referred to as "ANTIC" or the "Company". Its administrative office is located at 1207 West Broadway, Suite C, Columbia, Missouri, 65203, telephone number (573) 442-3351. The examination began on November 30, 2015, and concluded on the above date.

**SCOPE OF EXAMINATION**

**Period Covered**

We have performed a multi-state examination of ANTIC. The last examination was completed as of December 31, 2011. This examination covers the period of January 1, 2012, through December 31, 2014. This examination also included the material transactions or events occurring subsequent to December 31, 2014.

**Procedures**

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (Handbook), except where practices, procedures and applicable regulations of the Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) and statutes of the State of Missouri prevailed. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about corporate governance, identifying and assessing inherent risks, and evaluating the Company's controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statements of Statutory Accounting Principles and Annual Statement Instructions.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

The examiners relied upon information supplied by the Company's independent auditor, Clifton, Larson, Allen, LLP, of Champaign, Illinois, for its audit covering the period from January 1, 2014, through December 31, 2014. Areas in which the testing and results from the CPA workpapers were relied upon in our examination included journal entry testing, internal control identification, bank confirmations, bank reconciliations, premium receivable aging, premium receivable confirmations, paid claims data testing and sampling, fraud inquiries, subsequent disbursement testing, and legal expense analysis.

### **SUMMARY OF SIGNIFICANT FINDINGS**

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

### **SUBSEQUENT EVENTS**

ANTIC sold its subsidiary, Founders Title Insurance, in December 2015 and signed a Stock Purchase Agreement in January 2016 to acquire Gulf Coast Title Insurance Company. Refer to the Mergers and Acquisitions section of this report for further details of these transactions.

### **COMPANY HISTORY**

#### **General**

The Company was originally incorporated as Farmer's National Title Insurance Company on October 26, 2005, and commenced business on March 31, 2006. The name was changed to Agents National Title Insurance Company on December 19, 2008. The Company operates as a stock title insurer under the insurance laws of Chapter 381 RSMo (Title Insurance Law).

#### **Dividends and Capital Contributions**

There were no dividends declared or paid to the sole shareholder, Agents National Title Holding Company (ANT Holding), during the examination period. The Company did not receive any capital contributions during the examination period. However, the Company received \$150,000 from a surplus note issued to ANT Holding on November 10, 2011. The Company also received \$400,000 from a surplus note issued to ANT holding on October 12, 2012.

**Mergers and Acquisitions**

ANTIC acquired 99.9% of Founders Title Insurance (Founders), a Wyoming domiciled entity, for a purchase price of \$800,000 on October 12, 2012. ANTIC completed a sale of Founders for a sales price of \$1,200,000 on December 8, 2015. Founders did not write any direct business during the term of ownership by ANTIC.

ANTIC entered into a Stock Purchase Agreement on January 21, 2016, to acquire 100% Gulf Coast Title Insurance Company (Gulf Coast), a Mississippi domiciled entity, for an estimated purchase price of \$300,000. Regulatory approvals are expected to be obtained to allow for the finalization of the acquisition by the end of 2016. Gulf Coast has not had any direct written premiums since 2010 and management has no plans for Gulf Coast to write any future direct business after the acquisition is completed.

**CORPORATE RECORDS**

A review was made of the Articles of Incorporation and Bylaws for the examination period. The Articles of Incorporation were amended on January 1, 2013, to increase the par value of common stock from \$1.25 to \$2.50 per share. The total capital stock balance increased from \$500,000 to \$1,000,000 as a result of this change. There were no other amendments or changes to the Articles of Incorporation or Bylaws either during or subsequent to the period under examination.

The minutes of the Board of Directors' meetings, shareholder meetings, and committee meetings were reviewed for proper approval of corporate transactions. The minutes appear to properly reflect and approve the Company's major transactions and events for the period under examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

The management of the Company is vested in a Board of Directors, which are appointed by the sole stockholder, ANT Holding Company. The Company's Articles of Incorporation specify that the Board of Directors shall consist of a minimum of nine members. The Board of Directors elected and serving, as of December 31, 2014, were as follows:

<u>Name</u>	<u>Address</u>	<u>Principal Occupation and Business Affiliation</u>
Ewin H. Barnett III	Ashland, MO	Entrepreneur (founder of Carfax, Inc.)
John G. Brillhart	Columbia, MO	Web Administrator, Shelter Mutual Insurance Co.
Robert J. Buchheit	Columbia, MO	President, All-Star Automotive, Inc.
Robert N. Hunter, Jr.	Columbia, MO	Owner, CAVU, LLC d/b/a Fastsigns
Peter G. Klein	Waco, TX	Professor, Baylor University
Kurt G. Pahl	Vancouver, WA	Principal, Pahl Consulting
Jamie A. Reed	Columbia, MO	Owner, Media Outlook, LLC
Brent J. Scheer	Columbia, MO	Treasurer and Chief Financial Officer, ANTIC
David A. Townsend	Columbia, MO	President and Chief Executive Officer, ANTIC
Robert A. Wolverton	Columbia, MO	Self-employed real estate developer

The following director was elected on May 13, 2015, to fill a vacancy that existed, as of December 31, 2014:

<u>Name</u>	<u>Address</u>	<u>Principal Occupation and Business Affiliation</u>
Eugene E. Gerke	Ashland, Missouri	President, Gerke & Associates, Inc.

### Committees

The Articles of Incorporation and Bylaws do not require any committees, but the Bylaws do allow for committees to be appointed by the Board of Directors. The members appointed and serving to the established committees, as of December 31, 2014, were as follows:

<u>Audit Committee</u>	<u>Finance Committee</u>	<u>Investment Committee</u>	<u>IT Committee</u>
Kurt G. Pahl *	Jamie A. Reed *	Brent J. Scheer *	Brent J. Scheer *
Robert N. Hunter	Robert N. Hunter	Robert J. Buchheit	Ewin H. Barnett III
Jamie A. Reed	Kurt G. Pahl	Robert N. Hunter	John G. Brillhart
		Peter G. Klein	
		David A. Townsend	
		Robert A. Wolverton	

\* Committee Chair



The Company also has an informal Agency Committee that is staffed by senior management and other employees to review agency results and the background of new agencies that are being considered.

**Officers**

The officers serving, as of December 31, 2014, were as follows:

<u>Officer</u>	<u>Position</u>
David A. Townsend	President and Chief Executive Officer
Ewin H. Barnett III	Secretary
Brent J. Scheer	Treasurer and Chief Financial Officer

**Holding Company, Subsidiaries and Affiliates**

The Company is a member of an Insurance Holding Company System as defined by Section 382.010, RSMo (Definitions). An Insurance Holding Company System Registration Statement was filed by ANTIC for each year of the examination period.

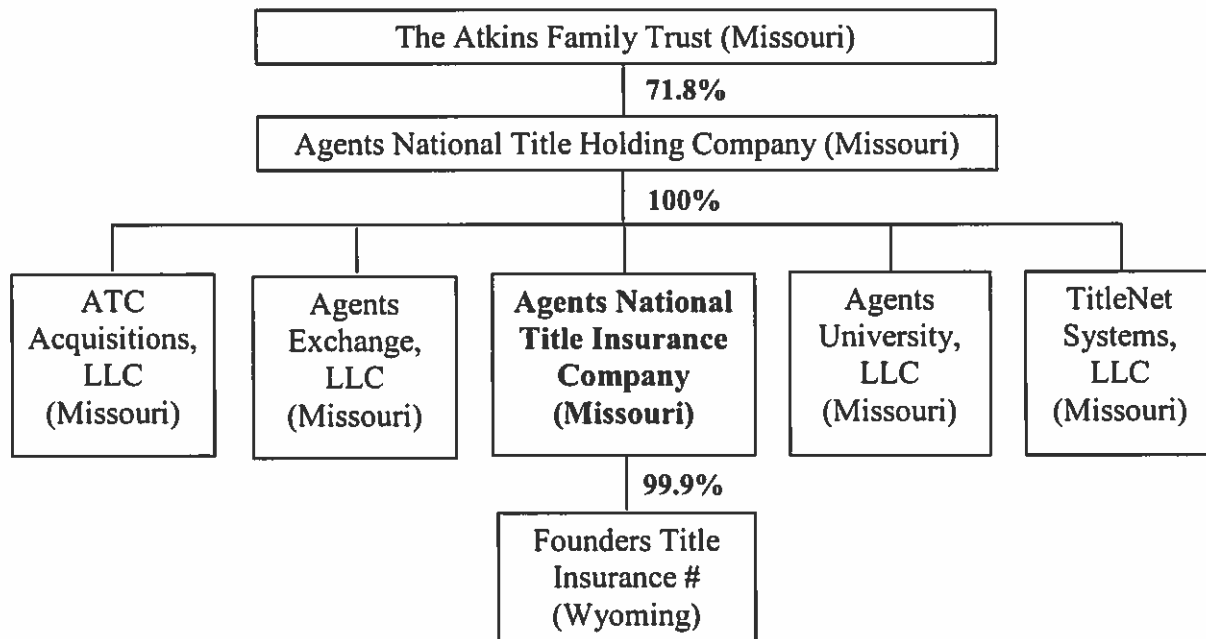
The Company is directly owned 100% by ANT Holding. The majority of ANT Holding stock is owned by The Atkins Family Trust. David F. Atkins, an individual, is the “Interested Trustee” of The Atkins Family Trust, which allows him to have voting control over the ANT Holding stock that is owned by The Atkins Family Trust. In December 2014, Mr. Atkins filed a Disclaimer of Affiliation with the Missouri DIFP, in regards to control of ANTIC. As a result of this filing, The Atkins Family Trust is recognized as the ultimate controlling entity of ANTIC.

The Company had the following affiliates, as of the examination date:

- ANT Holding has no operations other than the ownership of its various subsidiaries and real estate that is leased to ANTIC.
- TitleNet Systems, LLC (TitleNet Systems) owns a web-based operating and policy remittance system for title insurance that is licensed to ANTIC. TitleNet Systems has no other operations other than the revenues received from its license agreement with ANTIC.
- Agents Exchange, LLC serves as an intermediary to hold funds for Section 1031 like-kind exchange real estate transactions. Agents Exchange, LLC does not have any transactions with ANTIC.
- Agents University, LLC provides title insurance education for the agencies that write business for ANTIC.
- ATC Acquisitions, LLC provides consulting services to unaffiliated title insurers.
- Founders Title Insurance is an inactive title insurer, domiciled in Wyoming, that was sold in December 2015.

**Organizational Chart**

Below is the organizational chart of ANTIC and its affiliates, as of December 31, 2014.



# Sold in December 2015

**Intercompany Agreements**

The Company’s intercompany agreements that were in effect, as of December 31, 2014, and subsequent periods are outlined below.

1. **Type:** Software License Agreement  
**Affiliate:** TitleNet Systems, LLC  
**Effective:** December 1, 2008  
**Terms:** TitleNet Systems grants ANTIC a license to use the TitleNet software, which is a web based title insurance underwriting, operating and policy remittance system. The Company pays TitleNet Systems the allocated costs for maintaining the software application. Payments are due to TitleNet Systems within 30 days after the end of each month.

- 2. Type:** Promissory Note  
**Affiliate:** ANT Holding  
**Effective:** May 6, 2009 to May 6, 2029  
**Terms:** ANTIC loaned \$100,000 to ANT Holding in exchange for the Promissory Note issued to Agents Title for the repayment of the loan. The stated annual interest rate for the loan is 6.0%. The interest and principal payments due from ANT Holding are \$716.43 per month for the twenty year term of the note. Payments are due by the first day of each month.
- 3. Type:** Intercompany Agreement  
**Affiliate:** ANT Holding  
**Effective:** January 1, 2011  
**Terms:** The agreement provides for the reimbursement of expenses that may be paid by either party on behalf of the other party. The reimbursement of such expenses is due within 30 days of the payment of the expense by ANTIC or ANT Holding, as applicable. Payroll expenses for common employees will be allocated based upon the amount of actual services provided for each entity.
- 4. Type:** Master Tax Sharing Agreement  
**Affiliate:** ANT Holding  
**Effective:** January 1, 2011  
**Terms:** ANT Holding and ANTIC file a consolidated federal income tax return. The Company's tax liability to ANT Holding shall not exceed the amount that would be paid if ANTIC filed a separate federal income tax return. Payments due to either party for a tax liability are due within 30 days after the required income tax filing date. Any refund due to either party for the final tax return is due within 30 days after the receipt of the consolidated refund amount.
- 5. Type:** Cost Sharing and Management Agreement  
**Affiliate:** Agents University, LLC  
**Effective:** March 1, 2011  
**Terms:** ANTIC provides the personnel, management, and other resources to manage the operations of Agents University. ANTIC allocates expenses to Agents University in accordance with SSAP No. 70 (Allocation of Expenses). Agents University reimburses the Company within 30 days after receiving each monthly invoice of allocated expenses.

6. **Type:** Commercial Lease Agreement  
**Affiliate:** ANT Holding  
**Effective:** May 1, 2011 to April 30, 2015  
**Terms:** ANTIC leases the building used as its home office in Columbia, Missouri from ANT Holding. Lease payments were due to ANT Holding by the first day of each month of the lease term. The lease rates were \$8,360 per month from May 1, 2011, to April 30, 2013. The lease was extended for two additional years with lease rates of \$9,200 per month from May 1, 2013, to April 30, 2015.
7. **Type:** Commercial Guaranty  
**Affiliate:** ANT Holding  
**Effective:** October 21, 2011  
**Terms:** ANTIC is the guarantor of a refinanced mortgage loan that ANT Holding obtained from a third-party bank for the building used as its home office in Columbia, Missouri. ANTIC will make the monthly payments of \$4,778 in the event that ANT Holding defaults on its obligation to make the payments. The underlying mortgage loan of ANT Holding has a final balloon payment of \$552,322 due October 21, 2016. Upon default of ANT Holding, the deed of trust for the subject property of the mortgage loan will be transferred to ANTIC.
8. **Type:** Surplus Note  
**Affiliate:** ANT Holding  
**Effective:** November 10, 2011  
**Terms:** ANT Holding provided the Company with \$150,000 on the date of the note date. ANTIC promises to repay the \$150,000 to ANT Holding Agents Title with no specified due date. Interest on the unpaid principal balance shall accrue at an annual interest rate of 4.92%. No principal or interest payments may be made by ANTIC without prior approval from the Missouri DIFP.
9. **Type:** Surplus Note  
**Affiliate:** ANT Holding  
**Effective:** October 12, 2012  
**Terms:** ANT Holding provided the Company with \$400,000 on the date of the note date. ANTIC promises to repay the \$400,000 to ANT Holding Agents Title with no specified due date. Interest on the unpaid principal balance shall accrue at an annual interest rate of 4.00%. No principal or interest payments may be made by ANTIC without prior approval from the Missouri DIFP.

- 10. Type:** Intercompany Agreement  
**Affiliate:** Founders Title Insurance  
**Effective:** October 12, 2012  
**Terms:** The agreement provides for the reimbursement of expenses that may be paid by either party on behalf of the other party. The reimbursement of such expenses is due within 30 days of the payment of the expense by ANTIC or Founders, as applicable. Payroll expenses for common employees are allocated based upon the amount of actual services provided for each entity.
- 11. Type:** Commercial Lease Agreement  
**Affiliate:** ANT Holding  
**Effective:** May 1, 2015 to April 30, 2021  
**Terms:** ANTIC leases the building used as its home office in Columbia, Missouri from ANT Holding. Lease payments of \$10,120 for the May 1, 2015, to April 30, 2017 lease period are due to ANT Holding by the first day of each month of the lease term. ANTIC has the option of renewing the lease a two year extension from May 1, 2017, to April 30, 2019, at a lease rate of \$11,132 per month. Another two year optional extension was added to the lease in 2016 for the period from May 1, 2019, to April 30, 2021, which will have a lease rate of \$12,245 per month, if exercised.

### Intercompany Payments

The following table summarizes the net expenses or revenues incurred during the examination period, between ANTIC and its affiliates, pursuant to intercompany agreements.

Affiliate	Agreement	Net Expense / (Revenue)		
		2012	2013	2014
TitleNet Systems	Software License	140,611	111,516	187,922
ANT Holding	Promissory Note	(8,597)	(8,597)	(8,597)
ANT Holding	Intercompany	13,509	(184)	(18,404)
ANT Holding	Master Tax Sharing	90,387	213,200	117,830
Agents University	Cost Sharing and Mgmt.	144	0	(960)
ANT Holding	Commercial Lease	100,320	107,040	110,400
ANT Holding	Surplus Note (2011)	0	16,031	0
ANT Holding	Surplus Note (2012)	(400,000)	19,507	0
Founders	Intercompany	(4,332)	(2,465)	(2,890)
<b>TOTAL</b>		<b>\$ (67,958)</b>	<b>\$ 456,048</b>	<b>\$ 385,301</b>

## TERRITORY AND PLAN OF OPERATION

ANTIC was incorporated on October 26, 2005, and commenced business on March 31, 2006. The Company is licensed as a title insurer by the Missouri DIFP under Chapter 381 RSMo (Title Insurance Law). In addition to Missouri, the Company is also licensed in the following thirteen states: Alabama, Arkansas, Indiana, Iowa, Kansas, Minnesota, Mississippi, Nebraska, North Dakota, Ohio, South Dakota, Tennessee and Wyoming. The states with the largest percentage of direct written business in 2014 were as follows: Missouri – 50.4%, Indiana – 16.0%, Arkansas – 15.7%, Kansas – 13.6%.

The Company's only line of business is title insurance. The Company also has revenue from Closing Protection Letters (CPLs). A CPL issued by ANTIC usually insures a bank providing a mortgage loan in a real estate transaction that covers any theft or improper use of escrow funds by one of the Company's title agents. Revenues from CPLs represented 7.0% of total revenues for 2014.

The Company utilizes an independent agency force to produce and underwrite all policies. There were 172 active agencies, as of December 31, 2014. The largest single agent produced 8% of 2014 direct written premiums. The ten agencies with the largest premium volume accounted for 35% of total direct premiums for 2014.

## REINSURANCE

### General

The Company's premium activity on a direct written, assumed and ceded basis, for the period under examination, is detailed below:

	2012	2013	2014
Direct Business	\$7,849,505	\$ 9,306,707	\$8,292,379
Reinsurance Assumed – Affiliates	981	0	0
Reinsurance Assumed – Non-affiliates	0	0	0
Reinsurance Ceded – Affiliates	0	0	0
Reinsurance Ceded – Non-affiliates	(271,516)	(303,704)	(384,183)
Net Premiums Written	<u>\$7,578,970</u>	<u>\$ 9,003,003</u>	<u>\$7,908,196</u>

### Assumed

The Company assumed an immaterial amount of business from Founders Title Insurance Company under a reinsurance agreement executed in 2011. A few policies were assumed from Founders in 2012, but no business was assumed from Founders from 2013 to 2015.

**Ceded**

Since January 1, 2012, the Company has annually obtained excess of loss reinsurance agreements in three layers with several participating reinsurers. Losses in excess of a \$250,000 retention are ceded 100% to the reinsurers. The reinsurance applies to claims made within the effective dates with options to purchase “tail” coverage in either one, three, or five year increments if ANTIC changes to a different reinsurance program in a subsequent year. The participating reinsurers in the agreements are various Lloyd’s Syndicates and Connecticut Attorneys Title Insurance Company (CATIC). Below is a summary of the excess of loss coverages for 2014 and 2015:

<u>Layer</u>	<u>Retention Per Risk</u>	<u>Reinsurance Limit Excess of Retention</u>	<u>Aggregate Limit of Reinsurance</u>	<u>Lloyd’s Syndicates Participation</u>	<u>CATIC Participation</u>
1 <sup>st</sup> Excess	\$ 250,000	\$1,250,000	\$2,500,000*	70%	30%
2 <sup>nd</sup> Excess	1,500,000	1,500,000	3,000,000*	70%	30%
3 <sup>rd</sup> Excess	3,000,000	7,000,000	21,000,000*	100%	na

\* with payment of reinstatement premium

The third excess layer is included in a multi-cedant reinsurance agreement each year with four other title insurers – CATIC, Alliant National Title Insurance Company, Attorney Title Guaranty Fund, Inc., and The Security Title Insurance Company of Baltimore. The reinsurance limits for the third layer are applied jointly to ANTIC and the four other insurers. ANTIC will have no coverage if the losses of four other insurers exhaust the reinsurance limits. The reinsurance premium is allocated among the insurers based upon the ratio of each entity’s earned premium to the combined earned premium of all cedants.

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.

**FINANCIAL STATEMENTS**

The following financial statements, with supporting exhibits, present the financial condition of Agents National Title Insurance Company for the period ending December 31, 2014. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the Comments on Financial Statement Items. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the Comments on Financial Statement Items section. These differences were determined to be immaterial concerning their effect on the financial statements, and therefore, were only communicated to the Company and noted in the workpapers for each key activity.

**ASSETS**  
as of December 31, 2014

	<u>Assets</u>	<u>Non- Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$ 4,461,700	\$ 0	\$4,461,700
Common Stocks	841,006	0	841,006
Mortgage Loans on Real Estate	31,002	0	31,002
Real Estate	9,003	0	9,003
Cash and Short-Term Investments	930,661	0	930,661
Other Invested Assets	381,136	0	381,136
Receivables for Securities	9,711	0	9,711
Investment Income Due and Accrued	44,231	0	44,231
Uncollected Premiums and Agents' Balances	486,949	1,509	485,440
Amounts Recoverable from Reinsurers	69,348	0	69,348
Federal Income Tax Recoverable	49,800	0	49,800
Net Deferred Tax Asset	285,200	192,666	92,534
EDP Equipment and Software	61,147	35,583	25,564
Furniture and Equipment	16,917	16,917	0
Receivables from Parent, Sub., Affiliates	1,765	0	1,765
Aggregate Write-In Assets	122,864	33,682	89,182
<b>TOTAL ASSETS</b>	<b><u>\$ 7,802,440</u></b>	<b><u>\$ 280,357</u></b>	<b><u>\$7,522,083</u></b>



**LIABILITIES, SURPLUS AND OTHER FUNDS**  
**as of December 31, 2014**

Known Claims Reserve	\$ 423,266
Statutory Premium Reserve	3,911,206
Other Expenses	96,647
Taxes, Licenses and Fees	32,406
Premiums Received in Advance	21,985
Amounts Withheld or Retained by Company	600
Payable to Parent, Subsidiaries and Affiliates	9,423
<b>TOTAL LIABILITIES</b>	<b>\$ 4,495,533</b>
Common Capital Stock	1,000,000
Surplus Notes	573,482
Gross Paid In and Contributed Surplus	1,358,610
Unassigned Funds (Surplus)	94,458
<b>Surplus as Regards Policyholders</b>	<b>\$ 3,026,550</b>
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$ 7,522,083</b>

**STATEMENT OF INCOME**  
**For the Year Ended December 31, 2014**

Title Insurance Premiums Earned	\$ 7,574,079
Escrow and Settlement Services	640,725
Other Title Fees and Service Charges	60,305
<b>Total Operating Income</b>	<b>\$ 8,275,109</b>
Losses Incurred	\$ 655,315
Operating Expenses Incurred	7,583,099
<b>Total Operating Expenses</b>	<b>\$ 8,238,414</b>
<b>Net Operating Gain (Loss )</b>	<b>\$ 36,695</b>
Net Investment Income Earned	\$ 61,606
Net Realized Capital Gains	10,900
Miscellaneous Income	22,489
Federal Income Taxes Incurred	(117,830)
<b>Net Income</b>	<b>\$ 13,860</b>

**RECONCILIATION OF SURPLUS**  
**Changes from December 31, 2011 to December 31, 2014**

	2012	2013	2014
Capital and Surplus, End of Prior Year	\$1,879,631	\$2,644,237	\$3,073,779
Net Income	227,617	283,229	13,860
Change in Net Unrealized Gains (Losses)	(6,894)	(13,612)	(8,224)
Change in Net Deferred Income Tax	(24,797)	38,083	1,846
Change in Non-Admitted Assets	(18,376)	121,842	31,006
Change in Supplemental Reserves	187,055	0	0
Change in Surplus Notes	411,238	(12,285)	23,483
Agg. Write-Ins for Gains (Losses) in Surplus	(11,237)	12,285	(109,200)
Change in Capital and Surplus for the Year	764,606	429,542	(47,229)
<b>Capital and Surplus, End of Current Year</b>	<b>\$2,644,237</b>	<b>\$3,073,779</b>	<b>\$3,026,550</b>

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

None.

**EXAMINATION CHANGES**

None.

**GENERAL COMMENTS AND/OR RECOMMENDATIONS**

None.

**ACKNOWLEDGMENT**

The assistance and cooperation extended by the officers and the employees of Agents National Title Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Andrew Coppedge, CFE, and Kim Dobbs, CFE, examiners for the Missouri DIFP, participated in this examination. Robert Daniel, ACAS, MAAA, of Merlino & Associates, Inc., also participated as a consulting actuary.

**VERIFICATION**

State of Missouri            )  
  )  
County of                    )

I, Tim L. Tunks, on my oath swear 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 Agents National Title Insurance 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.

Tim Tunks  
Tim L. Tunks, CPA, CFE  
Examiner-In-Charge  
Missouri DIFP

Sworn to and subscribed before me this 4<sup>th</sup> day of May, 2016.

My commission expires: 11/2/2016 Sheila M Burgess  
Notary Public

SHEILA M. BURGESS  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Boone County  
My Commission Expires: November 02, 2018  
Commission Number: 12408885

**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 NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.



Michael Shadowens, CFE  
Audit Manager  
Missouri DIFP