

INVESTORS TITLE CO  
Form 10-Q  
November 09, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the quarterly period ended September 30, 2015

OR  
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-11774

INVESTORS TITLE COMPANY

(Exact name of registrant as specified in its charter)

North Carolina

(State of incorporation)

56-1110199

(I.R.S. Employer Identification  
No.)

121 North Columbia Street, Chapel Hill, North Carolina 27514

(Address of principal executive offices) (Zip Code)

(919) 968-2200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer ☒

Non-accelerated filer

Smaller reporting  
company

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(do not check if a smaller  
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes      No      ☒

As of October 15, 2015, there were 1,953,217 common shares of the registrant outstanding.

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INVESTORS TITLE COMPANY  
AND SUBSIDIARIES

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## Investors Title Company and Subsidiaries

## Consolidated Balance Sheets

As of September 30, 2015 and December 31, 2014

(Unaudited)

	September 30, 2015	December 31, 2014
Assets:		
Investments in securities:		
Fixed maturities, available-for-sale, at fair value (amortized cost: 2015: \$94,114,403; 2014: \$104,421,050)	\$98,034,042	\$109,048,290
Equity securities, available-for-sale, at fair value (cost: 2015: \$24,247,215; 2014: \$24,128,753)	35,135,885	39,254,981
Short-term investments	13,884,266	2,576,993
Other investments	10,069,708	8,530,929
Total investments	157,123,901	159,411,193
Cash and cash equivalents	19,290,813	15,826,515
Premium and fees receivable	9,067,775	8,544,183
Accrued interest and dividends	1,286,710	1,063,837
Prepaid expenses and other assets	8,599,846	7,732,677
Property, net	7,176,557	5,460,805
Total Assets	\$202,545,602	\$198,039,210
Liabilities and Stockholders' Equity		
Liabilities:		
Reserves for claims	\$37,897,000	\$36,677,000
Accounts payable and accrued liabilities	19,441,453	18,290,819
Current income taxes payable	248,679	92,192
Deferred income taxes, net	5,635,321	5,415,493
Total liabilities	63,222,453	60,475,504
Commitments and Contingencies	—	—
Stockholders' Equity:		
Preferred stock (1,000,000 authorized shares; no shares issued)	—	—
Common stock - no par value (10,000,000 authorized shares; 1,953,418 and 2,023,270 shares issued and outstanding 2015 and 2014, respectively, excluding 291,676 shares for 2015 and 2014 of common stock held by the Company's subsidiary)	1	1
Retained earnings	129,585,111	124,707,196
Accumulated other comprehensive income	9,606,451	12,856,509
Total stockholders' equity attributable to the Company	139,191,563	137,563,706
Noncontrolling interests	131,586	—
Total stockholders' equity	139,323,149	137,563,706
Total Liabilities and Stockholders' Equity	\$202,545,602	\$198,039,210

See notes to the Consolidated Financial Statements.

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Investors Title Company and Subsidiaries  
Consolidated Statements of Income  
For the Three and Nine September 30, 2015 and 2014  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues:				
Net premiums written	\$30,945,532	\$26,356,835	\$86,372,154	\$81,115,940
Investment income - interest and dividends	1,117,529	1,064,995	3,427,055	3,130,846
Net realized (loss) gain on investments	(338,631 )	8,689	601,336	592,908
Other	2,816,828	2,077,711	7,924,329	6,344,163
Total Revenues	34,541,258	29,508,230	98,324,874	91,183,857
Operating Expenses:				
Commissions to agents		16,898,323		