

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
General Title Insurance Company)
24262 Broadway Avenue)
Cleveland, Ohio 44146)

Examination of **General Title Insurance Company**

NOTICE OF ENTRY OF ORDER

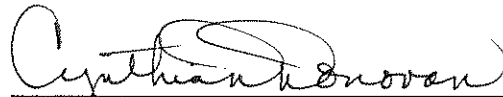
Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of **General Title Insurance Company**, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 17, 2012, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of **General Title Insurance Company** shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 19, 2012

Date



Cynthia D. Donovan
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7196 9007 2680 0478 7292

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Cleveland, Ohio 44146)

Examination of **General Title Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the **General Title Insurance Company** (hereinafter "Company") for the time period January 1, 2006 through December 31, 2010.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 4, 2012.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 17, 2012 and was received by the Company on May 22, 2012.

The Company did not file any objections.

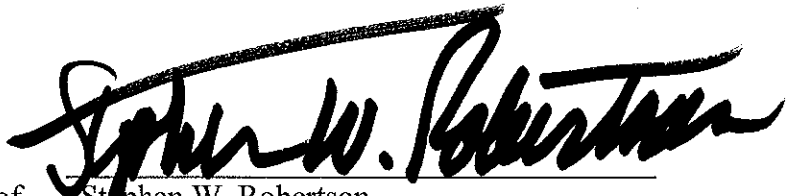
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the **General Title Insurance Company** as of December 31, 2010.
2. That the Examiner's Recommendations are reasonable and necessary in order for the **General Title Insurance Company** to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed and Sealed this 19th day of June, 2012.


Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

GENERAL TITLE INSURANCE COMPANY

NAIC COMPANY CODE 50172

As of

December 31, 2010

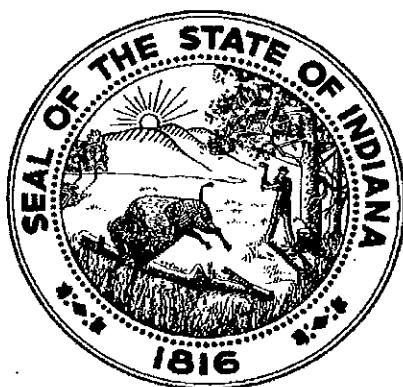


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STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

IDOI

INDIANA DEPARTMENT OF INSURANCE
311 W. WASHINGTON STREET, SUITE 300
INDIANAPOLIS, INDIANA 46204-2787
TELEPHONE: (317) 232-2385
FAX: (317) 232-5251

Stephen W. Robertson, Commissioner

May 7, 2012

Honorable Stephen W. Robertson
Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3708, an examination has been made of the affairs and financial condition of:

General Title Insurance Company
208 N. Walnut Street, Suite 205
Bloomington, Indiana 47404

an Indiana domestic, stock, title insurance company hereinafter referred to as the "Company". The examination was conducted at the administrative office of the Company at 24262 Broadway Avenue, Cleveland, Ohio.

The Report of Examination, showing the status of the Company as of December 31, 2010, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
(317) 232-2413

COMPANY COMPLIANCE
(317) 233-0697

CONSUMER SERVICES
(317) 232-2395
In-State 1-800-622-4461

EXAMINATIONS / FINANCIAL SERVICES
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MEDICAL MALPRACTICE
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SECURITIES / COMPANY RECORDS
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SCOPE OF EXAMINATION

The Company's last full scope examination was conducted by the Ohio Department of Insurance (ODI) as of the period ending December 31, 2005. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. (TTCGI) and covered the period from January 1, 2006 through December 31, 2010, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

In conducting the risk-focused examination, the Indiana Department of Insurance (INDOI), by its representatives, relied upon the independent audit reports and opinions contained therein rendered by Hobe & Lucas Certified Public Accountants, Inc. (Hobe & Lucas) for each year of the examination period. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

The examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (Handbook). The Handbook requires that TTCGI plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system 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 Statutory Accounting Principles and Annual Statement instructions, when applicable to domestic state regulations. All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

There were no comments and recommendations from the previous full scope examination.

HISTORY

The Company was originally incorporated in the State of Ohio as General Title and Trust Company on March 25, 1925. The Company commenced business on that same date as a stock title insurer. Effective June 10, 2009, the Company re-domesticated to the State of Indiana. Following its re-domestication, on October 2, 2009, the Company changed its name from General Title and Trust Company to its current name, General Title Insurance Company.

CAPITAL AND SURPLUS

Pursuant to the Articles of Incorporation, the capital stock authorized for the Company is 667 shares of no-par common stock. In addition, the Company's Articles of Incorporation provides that the Company is authorized to issue two classes of preferred stock: Class A and Class B. Gross paid-in and contributed surplus increased by \$35,000 since the previous examination from \$678,846 to \$713,546. As of December 31, 2010, the Company's capitalization was as follows:

Number of authorized common capital shares	667
--	-----

Number of shares issued and outstanding	431
Total common capital stock	\$255,960
Number of authorized preferred Class A shares	10,000
Number of shares issued and outstanding	299
Total preferred Class A stock	\$681,173
Number of authorized preferred Class B shares	1250
Number of shares issued and outstanding	1250
Total preferred Class B stock	\$125,000

As of December 31, 2010, 408 shares of the Company's outstanding stock was held by GT&T Corporation (GT&T), an Ohio holding company. In addition, at year-end 2010, the Company had eight common shares held as treasury stock with a cost of \$56,679.

DIVIDENDS TO STOCKHOLDERS

On September 29, 2009, the Company's Board of Directors authorized the declaration of a preferred stock share dividend consisting of the issuance of 154 shares of preferred, non-voting, Class A Company stock to all current shareholders (97.5% GT&T) of its common stock. All fractional shares were paid as taxable dividends to the dividend recipients. All dividends were properly reported to the INDOI in accordance with the requirements of IC 27-1-23-1.5.

TERRITORY AND PLAN OF OPERATION

The Company was licensed to issue title insurance in the states of Indiana, Kentucky, and Ohio as of December 31, 2010. A significant portion of the title policies were issued as lenders policies on the American Land Title Association (ALTA) policy form. The Company markets its products through independent agents. As of the date of this examination, the Company had contracts with 79 independent agents distributed as follows: Ohio (42), Indiana (29), and Kentucky (8). See the "Subsequent Events" section of this report.

GROWTH OF THE COMPANY

Comparative financial data, as reported in the Company's filed Annual Statements for the period under examination, was as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total admitted assets	\$7,438,124	\$7,003,919	\$6,713,618	\$6,775,741	\$7,067,428
Total liabilities	3,932,875	3,605,274	5,719,865	5,180,548	5,072,881
Capital	1,062,133	1,062,133	718,129	718,129	718,129
Surplus as regards policyholders	3,505,249	3,398,646	993,753	1,595,193	1,994,547
Net income	5,341	105,677	(390,457)	(331,521)	(160,198)
Premiums written	7,202,346	4,583,756	2,216,107	2,777,191	6,473,211

The trend of decreasing premiums written and the occurrence of net operating losses from 2006 to 2008 were predominantly caused by a downward movement in the real estate and mortgage refinance markets during that period.

The significant increase in the Company's surplus of \$2,404,892 in 2009 was primarily the result of a change in the accounting method for reporting its statutory premium reserve (SPR). Following the Company's re-domestication from Ohio to Indiana, the Company was required to report its SPR in accordance with the requirements of the NAIC and IC 27-7-3-9. Under both the current and prior methods, the Company is required to hold 10% of its annual premiums in a SPR which is then released back into surplus over a 20 year period. Under the accounting method required by the INDOI, the SPR is released back into surplus at a rate greater than that of the prior method. As a result, a larger portion of the Company's premiums held in reserve for prior years were released back into surplus during 2009.

In addition, the Company reported an increase in premiums written in 2009 and 2010. The increase was mainly attributable to a growth in the Company's agency force.

LOSS EXPERIENCE

The loss experience of the Company's title insurance business for the period under examination is presented in the following schedule:

<u>Year</u>	<u>Title Premiums Earned</u>	<u>Losses and Loss Expenses Incurred</u>	<u>Operating Expense Incurred</u>	<u>Loss and Loss Adjustment Expense Ratio</u>	<u>Operating Ratio</u>
2010	\$ 6,897,255	\$ 351,250	\$ 6,858,224	5.09%	99.43%
2009	4,538,749	194,587	4,546,130	4.29%	100.16%
2008	2,248,689	741,272	2,402,877	32.96%	106.86%
2007	2,684,245	457,564	3,178,262	17.05%	118.40%
2006	5,881,802	607,568	6,016,239	10.33%	102.29%

The largest component of the Company's operating expenses was agents' commissions. Since agents' commissions are based on a fixed percentage of premiums, changes in premiums earned, and operating expenses are significantly proportional. The Company's higher than normal loss and loss adjustment expense ratio in 2008 was the result of an agent defalcation.

MANAGEMENT AND CONTROL

Directors

The Company's Amended Code of Regulations (Bylaws) specifies the number of Directors of the Company shall not be less than five (5) or more than twenty-one (21). The following is a listing of persons serving as Directors at December 31, 2010:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Michael J. McDonald Sarasota, Florida	Chief Executive Officer General Title Insurance Company
Robert B. Holman Hudson, Ohio	President General Title Insurance Company
Linda M. Frank Sarasota, Florida	Secretary General Title Insurance Company
Dennis M. Liatti Bay Village, Ohio	Owner (Retired) Premier Title Agency, Ltd.
David M. Calvin Bloomington, Indiana	Firefighter/EMT Bloomington Township

Officers

The Company's Bylaws state the officers of the Company shall consist of a President, Vice President, Secretary, Treasurer, and other officers. The Company's operations were primarily managed by the following officers as of December 31, 2010.

<u>Name</u>	<u>Office</u>
Michael J. McDonald	Chief Executive Officer
Robert B. Holman	President
Linda M. Frank	Secretary
Paula S. Knodel	Treasurer
Jennifer O'Boyle	Vice President

Corporate Governance

As of December 31, 2010, directors serving on the committees of the board were as follows:

Investment Committee:

Michael J. McDonald	Chairman
Linda M. Frank	Member

Executive Committee:

Michael J. McDonald	Chairman
Robert B. Holman	Member
Linda M. Frank	Member

The Company also receives oversight from its management committees that were comprised of a Technology Committee, Agency Appointment Committee, and a Marketing Committee.

CONFLICT OF INTEREST

Directors and certain officers were required to complete a questionnaire which discloses conflicts of interest. It was determined that all directors and certain officers serving during the examination period completed the required conflict of interest questionnaire.

OATH OF OFFICE

Indiana Code 27-1-7-10(i) stipulates that every Director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly and diligently administer the affairs of the corporation and will not knowingly violate any of the laws applicable to such corporation. It was noted during the examination the board members did not subscribe to an "Oath of Office." Please see the "Other Significant Findings" section of this report regarding this issue.

CORPORATE RECORDS

Articles of Incorporation

The board approved an amendment to the Articles of Incorporation on October 2, 2009 for the purpose of changing the Company's name from General Title and Trust Company to its current name, General Title Insurance Company.

Bylaws

There were no amendments made to the Company's Bylaws during the period covered by this examination.

Minutes

The Board of Directors meeting minutes and board committee minutes were reviewed for the period under examination through the fieldwork date and significant actions taken during each meeting were noted. In general, it was noted that the annual meetings and other regular board meetings were held in accordance with the Company's Bylaws.

AFFILIATED COMPANIES

Organizational Structure

The Company is a member of an insurance holding company system whereby GT&T is the ultimate parent. The Company is 97.5% owned by GT&T. The remaining ownership interest is held by three of the Company's board members. In addition to the Company, GT&T owns 100% of GT&T Financial Services, LLC, an Ohio limited liability company. The Organizational Chart below shows the ownership relationships between the Company, its parent and its affiliate.

In addition to the Companies related to GT&T as identified above, it was also noted that two of the Company's Directors, Michael McDonald and Robert Holman are affiliated with a law firm, Holman, Frank & McDonald, which occasionally provides legal services to the Company. The Company's relationship with Holman, Frank & McDonald was not included in its Holding Company Registration Statement as required by IC 27-1-23-3(b)(3). **Please see the "Other Significant Findings" section of this report regarding this issue.**

Organizational Chart

	Domiciliary Jurisdiction
GT&T Corporation	Ohio
General Title Insurance Company (stock) – 97.5%	Indiana
GT&T Financial Services, LLC (stock) – 100%	Ohio

Affiliated Agreements

As of December 31, 2010, the Company operated under the following intercompany agreement which has been filed with the INDOI:

Tax Sharing Agreement

The Company entered into the Tax Sharing Agreement effective January 1, 1997, for the purpose of establishing methods for allocating taxes between GT&T and its subsidiaries. As of December 31, 2010,

GT&T and the Company were the only parties to this agreement. Under the terms of the agreement, the allocation of the tax liability is based upon separate return calculations with current credit for net losses. The agreement provides that intercompany tax balances are to be settled annually in the first quarter of each year.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond. The Company is insured for aggregate losses up to \$50,000 with a \$5,000 deductible.

Other significant insurance coverages in force at December 31, 2010, included business owners' liability, umbrella liability, and workers compensation. The other coverages were determined to be adequate as of December 31, 2010.

STATUTORY AND SPECIAL DEPOSITS

The Company reported the following deposits with various states as of December 31, 2010:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For all Policyholders:		
Indiana	\$55,000	\$53,474
All Other Special Deposits:		
Kentucky	1,190,863	1,088,453
Ohio	330,332	320,257
Total Deposits	\$1,576,195	\$1,462,184

REINSURANCE

Reinsurance Assumed

The Company does not assume reinsurance.

Reinsurance Ceded

As of December 31, 2010, the Company's reinsurance program consisted of a single excess of loss agreement with Connecticut Attorneys Title Insurance Company (CATIC). Under the terms of the agreement the Company cedes title insurance losses in excess of \$500,000 per policy up to \$5,000,000. Facultative coverage is available for policies issued above \$5,000,000 on a case by case basis.

RESERVES

Christopher S. Carlson, FCAS, MAAA, with the firm of Pinnacle Actuarial Resources, Inc. was the Company's Appointed Actuary. Mr. Carlson was appointed by the Board of Directors on July 16, 2008, to render an opinion on the reserves of the Company. Mr. Carlson provided the actuarial opinion for the years ended December 31, 2008, 2009 and 2010. Joseph L. Petrelli, ACAS, MAAA, of Demotech, Inc., provided the Company's actuarial opinion for the years ended December 31, 2006 and 2007.

The scope of the opinion was to examine the loss and loss adjustment expense reserves of the Company. In forming the opinion, information prepared by the Company was relied upon. This information was evaluated for reasonableness and consistency. The 2010 opinion stated the reserves: A) meet the requirements of the insurance laws of the State of Indiana; B) are consistent with reserves computed in accordance with accepted loss reserving standards and principles; and C) make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its contracts and agreements.

During the examination, it was determined by TTCGI that the significant actuarial items in the Company's 2010 Annual Statement are materially correct and fairly stated in accordance with statutory accounting practices prescribed or permitted by the INDOI.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended December 31, 2010, was agreed to the 2010 Annual Statement without exception. The Annual Statement for the years ended December 31, 2006 through December 31, 2010, were agreed to each year's independent audit report with no exception noted. The Examiners determined the Company's accounting procedures, practices, and account records were satisfactory.

The Company's accounts and records are maintained using electronic data processing with the exception of certain items entered manually into the general ledger. The Company maintains adequate supporting work papers which were reviewed during the examination. From a review of the internal controls and the Company's system back-up procedures, it was determined that the current information system possesses most of the physical and internal controls as prescribed by the NAIC.

The Company's independent auditors issued unqualified opinions on the Company's audited financial statements for each year during the examination period. No material exceptions were noted when agreeing the Company's audited financial statements to the respective Annual Statements. All of the independent audit work papers were made available to the Examiners during the examination.

FINANCIAL EXHIBITS

Comparative Exhibit – Statutory Statement of Admitted Assets
Comparative Exhibit – Statutory Statement of Liabilities, Surplus and Other Funds
Comparative Exhibit – Statement of Income
Comparative Exhibit – Statutory Capital and Surplus Account

NOTE: Amounts are shown in whole dollars and columns may not total due to rounding.

GENERAL TITLE INSURANCE COMPANY

FINANCIAL STATEMENTS

Assets

	As of December 31, 2010			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Assets:				
Bonds	\$ 4,403,920	\$ -	\$ 4,403,920	\$ 4,492,615
Preferred stock	598,655	-	598,655	520,661
Common stock	606,174	-	606,174	448,818
Mortgage loans on real estate	-	-	-	75,238
Real estate:				
Properties occupied by the company	367,772	-	367,772	375,000
Properties held for the production of income	146,855	-	146,855	150,912
Properties held for sale	241,800	-	241,800	166,800
Cash (\$666,215) and cash equivalents (\$50,000)	716,215	-	716,215	603,260
Subtotals, cash and invested assets	<u>\$ 7,081,391</u>	<u>\$ -</u>	<u>\$ 7,081,391</u>	<u>\$ 6,833,304</u>
Investment income due and accrued	74,919	-	74,919	78,129
Uncollected premiums and agents' balances in the course of collection	232,932	-	232,932	78,938
Amounts receivable relating to uninsured plans	36,753	-	36,753	-
Current federal and foreign income tax recoverable and interest thereon	10,000	-	10,000	10,000
Electronic data processing equipment and software	2,129	-	2,129	3,548
Total Assets	<u><u>\$ 7,438,124</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,438,124</u></u>	<u><u>\$ 7,003,919</u></u>

GENERAL TITLE INSURANCE COMPANY

FINANCIAL STATEMENTS

Liabilities, Surplus and Other Funds

As of December 31, 2010

	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Liabilities:				
Known claims reserves	\$ 1,018,000	\$ -	\$ 1,018,000	\$ 803,500
Statutory premium reserves	2,187,359	-	2,187,359	1,897,568
Aggregate of other reserves required by law	-	-	-	241,500
Other expenses	117,716	-	117,716	83,906
Current federal and foreign income taxes	608,000	-	608,000	577,000
Amounts withheld or retained by company for account of others	1,800	-	1,800	1,800
Total Liabilities	\$ 3,932,875	\$ -	\$ 3,932,875	\$ 3,605,274
Common capital stock	\$ 255,960	\$ -	\$ 255,960	\$ 255,960
Preferred capital stock	806,173	-	806,173	806,173
Gross paid in & contributed surplus	713,546	-	713,546	713,546
Unassigned funds (surplus)	1,786,249	-	1,786,249	1,679,645
Less treasury stock, at cost: common shares	56,679	-	56,679	56,679
Surplus as regards policyholders	\$ 3,505,249	\$ -	\$ 3,505,249	\$ 3,398,646
Total liabilities, capital and surplus	\$ 7,438,124	\$ -	\$ 7,438,124	\$ 7,003,920

GENERAL TITLE INSURANCE COMPANY

FINANCIAL STATEMENTS

Statement of Income

	As of December 31, 2010			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Underwriting Income				
Title insurance premiums earned	\$ 6,897,255	\$ -	\$ 6,897,255	\$ 4,538,749
Aggregate write-ins for other operating income	41,722	-	41,722	18,262
Total operating income	<u>\$ 6,938,977</u>	<u>\$ -</u>	<u>\$ 6,938,977</u>	<u>\$ 4,557,011</u>
Losses and loss adjustment expenses incurred	\$ 351,250	\$ -	\$ 351,250	\$ 194,587
Operating expenses incurred	6,858,224	-	6,858,224	4,546,130
Aggregate write-ins for other operating deductions	-	-	-	71,500
Total operating deductions	<u>7,209,474</u>	<u>-</u>	<u>7,209,474</u>	<u>4,812,217</u>
Net operating gain or (loss)	<u>\$ (270,497)</u>	<u>\$ -</u>	<u>\$ (270,497)</u>	<u>\$ (255,206)</u>
Investment Income				
Net investment income earned	\$ 290,502	\$ -	\$ 290,502	\$ 282,979
Net realized capital gains (losses) less capital gains tax	17,286	-	17,286	20,135
Net investment gain	<u>\$ 307,788</u>	<u>\$ -</u>	<u>\$ 307,788</u>	<u>\$ 303,114</u>
Net income after capital gains tax and before all other federal income taxes	\$ 37,291	\$ -	\$ 37,291	\$ 47,908
Federal and foreign income taxes incurred	31,950	-	31,950	(57,769)
Net income	<u>\$ 5,341</u>	<u>\$ -</u>	<u>\$ 5,341</u>	<u>\$ 105,677</u>

GENERAL TITLE INSURANCE COMPANY

FINANCIAL STATEMENTS

Capital and Surplus Account

	As of December 31, 2010			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Capital and Surplus Account:				
Surplus as regards policyholders December 31, prior year	\$ 3,398,646	\$ -	\$ 3,398,646	\$ 993,753
Net income	5,341	-	5,341	105,677
Change in net unrealized capital gains (losses)	114,755	-	114,755	159,199
Change in nonadmitted assets	(13,493)	-	(13,493)	(86,292)
Cumulative effect of changes in accounting principles	-	-	-	2,198,443
Capital changes: paid in	-	-	-	378,705
Dividends to stockholders	-	-	-	(350,839)
Net change in capital and surplus for the year	\$ 106,603	\$ -	\$ 106,603	\$ 2,404,893
Capital and surplus, December 31, current year	\$ 3,505,249	\$ -	\$ 3,505,249	\$ 3,398,646

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to surplus as of December 31, 2010, based on the results of this examination.

OTHER SIGNIFICANT FINDINGS

The following accounts and records findings or concerns were noted:

Oath of Office

It was identified during the period under examination that the Company's elected board members did not subscribe to an "Oath of Office" as required by IC 27-1-7-10(i).

It is recommended the Company comply with IC 27-1-7-10(i) by requiring each elected director to subscribe to an "Oath of Office."

Related Parties

In addition to the Companies related to GT&T as identified in the Company's Holding Company Registration Statement, it was also noted that two of the Company's Directors, Michael McDonald and Robert Holman are affiliated with a law firm, Holman, Frank & McDonald, which occasionally provides legal services to the Company. The Company's relationship with Holman, Frank, & McDonald was not included in its Holding Company Registration Statement as required by IC 27-1-23-3(b)(3).

It is recommended that the Company comply with the provisions of IC 27-1-23-3(b)(3) by disclosing its relationship with Holman, Frank & McDonald.

SUBSEQUENT EVENTS

Merger

On March 14, 2012, Manito Title Insurance Company, a Pennsylvania title insurer, was merged with and into the Company under the terms of a Stock Purchase Agreement and Plan of Merger dated November 1, 2011. The Company was the "surviving company" as a result of the merger. The merger was approved by the INDOI on February 10, 2012, and by the Commonwealth of Pennsylvania Department of Insurance (PDOI) on March 14, 2012.

Following the merger, effective March 14, 2012, the Company received a certificate of authority from the PDOI to transact the business of title insurance.

MANAGEMENT REPRESENTATION

In support of contingencies and accuracy of information provided during the course of the examination, the Examiners obtained a management representation letter in the standard NAIC format. This letter was executed by key financial personnel of the Company and provided to the Examiners.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-In-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from The Thomas Consulting Group, Inc., hereinafter collectively referred to as the "Examiners" performed an examination of the **General Title Insurance Company**, as of **December 31, 2010**.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

The examination was performed in accordance with those procedures required by the 2010 NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standard and no audit opinion is expressed on the financial statements contained in this report.

The attached report of examination is a true and complete report of condition of the **General Title Insurance Company**, as of **December 31, 2010**, as determined by the undersigned.



D. Patrick Huth, CFE
The Thomas Consulting Group, Inc.

State of:
County of:

On this 14th day of May, 2012, before me personally appeared, D. Patrick Huth, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires 9-8-2017 Nancy R. Shawver
Notary Public Nancy R. Shawver