

INVESTORS TITLE CO  
Form 10-Q  
May 07, 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 March 31, 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 April 15, 2015, there were 2,007,895 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 March 31, 2015 and December 31, 2014  
 (Unaudited)

	March 31, 2015	December 31, 2014
Assets:		
Investments in securities:		
Fixed maturities, available-for-sale, at fair value (amortized cost: 2015: \$101,229,832; 2014: \$104,421,050)	\$ 106,134,445	\$ 109,048,290
Equity securities, available-for-sale, at fair value (cost: 2015: \$24,349,105; 2014: \$24,128,753)	39,476,921	39,254,981
Short-term investments	4,400,330	2,576,993
Other investments	7,818,850	8,530,929
Total investments	157,830,546	159,411,193
Cash and cash equivalents	15,639,072	15,826,515
Premium and fees receivable	8,239,189	8,544,183
Accrued interest and dividends	1,313,255	1,063,837
Prepaid expenses and other assets	8,130,547	7,732,677
Property, net	5,844,301	5,460,805
Total Assets	\$ 196,996,910	\$ 198,039,210
Liabilities and Stockholders' Equity		
Liabilities:		
Reserves for claims	\$ 37,063,000	\$ 36,677,000
Accounts payable and accrued liabilities	15,480,067	18,290,819
Current income taxes payable	287,261	92,192
Deferred income taxes, net	5,812,694	5,415,493
Total liabilities	58,643,022	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; 2,010,426 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	125,317,641	124,707,196
Accumulated other comprehensive income	13,036,246	12,856,509
Total stockholders' equity	138,353,888	137,563,706
Total Liabilities and Stockholders' Equity	\$ 196,996,910	\$ 198,039,210

See notes to the Consolidated Financial Statements.



Investors Title Company and Subsidiaries  
Consolidated Statements of Income  
For the Three Months Ended March 31, 2015 and 2014  
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
Revenues:		
Net premiums written	\$24,962,041	\$24,909,252
Investment income - interest and dividends	1,178,039	1,026,416
Net realized gain on investments	14,803	492,137
Other	2,146,926	2,026,269
Total Revenues	28,301,809	28,454,074
Operating Expenses:		
Commissions to agents	14,596,539	15,456,278
Provision for claims	786,612	2,375,383
Salaries, employee benefits and payroll taxes	7,277,449	6,185,761
Office occupancy and operations	1,304,221	1,180,327
Business development	486,975	517,894
Filing fees, franchise and local taxes	216,643	189,600
Premium and retaliatory taxes	476,591	294,474
Professional and contract labor fees	584,107	688,058
Other	203,548	209,784
Total Operating Expenses	25,932,685	27,097,559
Income before Income Taxes	2,369,124	1,356,515
Provision for Income Taxes	643,000	371,000