

QUARTERLY STATEMENT

OF THE

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QFRS

Investors Title Insurance Company

of _____ Chapel Hill

in the state of _____ North Carolina

TO THE

Insurance Department

OF THE

STATE OF North Carolina

FOR THE QUARTER ENDED
September 30, 2002

TITLE

2002

QUARTERLY STATEMENT

50369200220100103

AS OF September 30, 2002
OF THE CONDITION AND AFFAIRS OF THE

Investors Title Insurance Company

NAIC Group Code 0627 0627 NAIC Company Code 50369 Employer's ID Number 56-0997685
(Current Period) (Prior Period)

Organized under the Laws of North Carolina, State of Domicile or Port of Entry North Carolina

Country of Domicile United States

Incorporated: January 28, 1972 Commenced Business: February 1, 1972

Statutory Home Office: 121 North Columbia Street Chapel Hill, NC 27514

Main Administrative Office: 121 North Columbia Street Chapel Hill, NC 27514 919-968-2200

Mail Address: P.O. Drawer 2687 Chapel Hill, NC 27515-2687

Primary Location of Books and Records: 121 North Columbia Street Chapel Hill, NC 27514 919-968-2200

Internet Website Address: www.invttitle.com

Statement Contact: Diane Crater 919-968-2200 245
dcrater@invttitle.com 919-968-2297
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: Sheryl C. Hughes 121 N. Columbia Street Chapel Hill, NC 27514 919-968-2200 221

OFFICERS

President William Morris Fine
Secretary David Allen Bennington
Treasurer James Allen Fine, Jr.
Actuary

Vice-Presidents

<u>Michael William Aiken</u>	<u>Holly Harns Alderman</u>	<u>David Allen Bennington</u>	<u>Elizabeth Patricia Bryan</u>
<u>Norma Bailey Carroll</u>	<u>Kim Renee Dean</u>	<u>James Allen Fine, Jr.</u>	<u>Douglas Robert Hitchen</u>
<u>Sheryl Campbell Hughes</u>	<u>Kent Davis Jones</u>	<u>Joseph Reid Marks, Jr.</u>	<u>Lyna Dawn Martin</u>
<u>Wilson Walker McDonald</u>	<u>Thomas Richard Mense</u>	<u>Louisea Waynette Simpson</u>	<u>George Abbott Snead</u>
<u>Frank Price Starr</u>	<u>Ralph Nichols Strayhorn, III</u>	<u>Susan Mary Taylor</u>	<u>Raeford Wilder Wall, Jr.</u>
<u>Mitchell Dalton Ward</u>	<u>Patricia Behrens Wolak</u>		

DIRECTORS OR TRUSTEES

<u>James Allen Fine</u>	<u>James Allen Fine, Jr.</u>	<u>William Morris Fine</u>	<u>Lyna Dawn Martin</u>
<u>Patricia Behrens Wolak</u>			

State of North Carolina
County of Orange ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Elizabeth P. Bryan
(Signature)Lyna Dawn Martin
(Signature)Diane Mann Crater
(Signature)

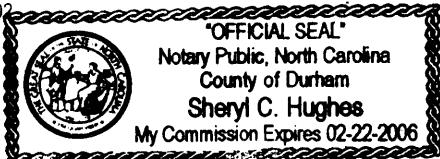
Vice President
(Printed Name)
Elizabeth Patricia Bryan

Vice President
(Printed Name)
Lyna Dawn Martin

Assistant Secretary
(Printed Name)
Diane Mann Crater

Subscribed and sworn to before me this

12th day of November, 2002
Sheryl C. Hughes
Notary Public (seal)



ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols 1 - 2)	
1. Bonds	38,945,533		38,945,533	38,719,364
2. Stocks:				
2.1 Preferred stocks	1,185,318		1,185,318	1,219,228
2.2 Common stocks	9,144,134	4,845,415	4,298,719	5,202,256
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	250,000		250,000	71,000
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)	448,617		448,617	294,510
5. Cash (\$ 2,284,822) and short-term investments (\$ 7,706,743)	9,991,565		9,991,565	4,638,959
6. Other invested assets	585,968		585,968	
7. Receivable for securities				
8. Subtotals, cash and invested assets (Lines 1 to 7)	60,551,135	4,845,415	55,705,720	50,145,317
9. Title plants, less \$ 0, charged off	7,933,717	2,575,255	5,358,462	5,609,195
10. Title insurance premiums and fees receivable				
11. Funds held by or deposited with reinsured companies				
12. Reinsurance recoverables on loss and loss adjustment expense payments				
13. Federal and foreign income tax recoverable and interest thereon (including \$ 1,200,000 net deferred tax asset)	4,044,000	2,844,000	1,200,000	1,515,561
14. Guaranty funds receivable or on deposit				
15. Electronic data processing equipment and software	138,469		138,469	316,894
16. Interest, dividends and real estate income due and accrued	611,201		611,201	665,145
17. Net adjustments in assets and liabilities due to foreign exchange rates				
18. Receivable from parent, subsidiaries and affiliates	285,203		285,203	97,813
19. Other assets nonadmitted	1,716,013	1,716,013		
20. Aggregate write-ins for other than invested assets	312,147	300,336	11,811	135,358
21. TOTALS (Lines 8 to 20)	75,591,885	12,281,019	63,310,866	58,485,283

DETAILS OF WRITE-INS				
2001. Inventory & Prepays		300,336	300,336	
2002. Other Assets		11,811	11,811	135,358
2003.				
2098. Summary of remaining write-ins for Line 20 from overflow page				
2099. Totals (Lines 2001 through 2003 + 2098) (Line 20 above)	312,147	300,336	11,811	135,358

A. The above assets include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserve:

Bonds \$ 24,714,612, Short-term investments \$ 0,
Mortgages \$ 0, Cash \$ 0, Total \$ 24,714,612.

SEGREGATED FUNDS HELD FOR OTHERS BY THE COMPANY

(Set apart in special accounts and excluded from company assets and liabilities)

B. Custodial funds in the amount of \$ 7,315,272, not included in the foregoing statement were held pursuant to the governing agreements of custody. These funds consist of \$ 7,315,272 in cash on deposit and \$ 0 in other forms of security.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Known claims reserve	4,149,073	3,788,091
2. Statutory premium reserve	24,702,369	21,562,476
3. Aggregate of other reserves required by law		
4. Supplemental reserve		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers		
6. Other expenses (excluding taxes, licenses and fees)	918,756	1,989,873
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	225,904	309,502
8. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 0 net deferred tax liability)	1,080,825	
9. Borrowed money \$ 0 and interest thereon \$ 0	22,519	30,964
10. Dividends declared and unpaid		
11. Premiums and other consideration received in advance		
12. Unearned interest and real estate income received in advance		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	52,494	17,637
15. Provision for unauthorized reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	285,970	201,500
19. Payable for securities		
20. Aggregate write-ins for other liabilities	1,564,116	1,586,188
21. Total liabilities (Lines 1 through 20)	33,002,026	29,486,231
22. Aggregate write-ins for special surplus funds		
23. Common capital stock	2,000,000	2,000,000
24. Preferred capital stock		
25. Aggregate write-ins for other than special surplus funds		
26. Surplus notes		
27. Gross paid in and contributed surplus	435,110	435,110
28. Unassigned funds (surplus)	27,873,730	26,563,942
29. Less treasury stock, at cost:		
29.1 0 shares common (value included in Line 23 \$ 0.)		
29.2 0 shares preferred (value included in Line 24 \$ 0.)		
30. Surplus as regards policyholders (Lines 22 to 28 less 29)	30,308,840	28,999,052
31. Totals	63,310,866	58,485,283

DETAILS OF WRITE-INS		
0301.		
0302.		
0303.		
0398. Summary of remaining write-ins for Line 3 from overflow page		
0399. Totals (Lines 0301 through 0303 plus 0398)(Line 3 above)		
2001. Reinsurance Payable	344,525	288,597
2002. Accrued Vacation and Bonuses	1,219,591	1,297,591
2003.		
2098. Summary of remaining write-ins for Line 20 from overflow page		
2099. Totals (Lines 2001 through 2003 plus 2098)(Line 20 above)	1,564,116	1,586,188
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298)(Line 22 above)		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)		

OPERATIONS AND INVESTMENT EXHIBIT	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
STATEMENT OF INCOME			
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	42,029,443	36,876,549	53,300,835
1.2 Escrow and settlement services	5,250	4,541	16,714
1.3 Other title fees and service charges			
2. Aggregate write-ins for other operating income	476,620	182,494	321,419
3. Total Operating Income (Lines 1 through 2)	42,511,313	37,063,584	53,638,968
DEDUCT:			
4. Losses and loss adjustment expenses incurred	2,614,587	2,668,228	4,822,883
5. Operating expenses incurred	35,154,197	30,580,829	43,806,675
6. Aggregate write-ins for other operating deductions			
7. Total Operating Deductions	37,768,784	33,249,057	48,629,558
8. Net operating gain or (loss) (Lines 3 minus 7)	4,742,529	3,814,527	5,009,410
INVESTMENT INCOME			
9. Net investment income earned	1,830,307	1,773,254	2,371,086
10. Net realized capital gains and (losses)	300,482	2,053	11,773
11. Net investment gain or (loss) (Lines 9 + 10)	2,130,789	1,775,307	2,382,859
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss)			
13. Net income, before federal income taxes (Lines 8 + 11 + 12)	6,873,318	5,589,834	7,392,269
14. Federal and foreign income taxes incurred	2,527,000	2,197,022	2,790,522
15. Net income (Lines 13 minus 14)	4,346,318	3,392,812	4,601,747
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	28,999,052	25,478,730	25,478,730
GAINS AND (LOSSES) IN SURPLUS			
17. Net income (from Line 15)	4,346,318	3,392,812	4,601,747
18. Net unrealized capital gains or (losses)	(943,422)	(400,113)	(652,646)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	1,031,565	(28,000)	827,600
21. Change in nonadmitted assets	(224,768)	(834,629)	(1,906,379)
22. Change in provision for unauthorized reinsurance			
23. Change in supplemental reserves			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles		(4,102,000)	1,000,000
26. Capital Changes:			
26.1 Paid in			
26.2 Transferred from surplus (Stock Dividend)			
26.3 Transferred to surplus			
27. Surplus Adjustments:			
27.1 Paid in			
27.2 Transferred to capital (Stock Dividend)			
27.3 Transferred from capital			
28. Dividends to stockholders	(2,899,905)	(350,000)	(350,000)
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus			
31. Change in surplus as regards policyholders for the year (Lines 17 through 30)	1,309,788	(2,321,930)	3,520,322
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	30,308,840	23,156,800	28,999,052

DETAILS OF WRITE-INS			
0201. Trustee and agency fees	53,153	3,228	3,636
0202. Miscellaneous Income	19,351	13,528	28,317
0203. Administrative & Title Search Fee Income	391,681	144,491	267,203
0298. Summary of remaining write-ins from overflow page	12,435	21,247	22,263
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 2 above)	476,620	182,494	321,419
0601. Loss on Disposal of Assets			
0602.			
0603.			
0698. Summary of remaining write-ins from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)			
1201.			
1202.			
1203.			
1298. Summary of remaining write-ins from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)			
3001.			
3002.			
3003.			
3098. Summary of remaining write-ins from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			

	1 Current Year to Date	2 Prior Year Ended December 31
1. Premiums and other charges collected	45,425,318	52,956,721
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	2,253,605	3,441,153
3. Total operating expenses paid	36,208,533	41,724,523
4. Cash from operations (Line 1 minus Line 2 minus Line 3)	6,963,180	7,791,045
5. Investment income (net of investment expense)	1,895,670	2,287,797
6. Other income received (expenses paid)	476,620	321,418
7. Federal income taxes (paid) recovered	(1,030,614)	(3,308,462)
8. Net cash from operations (Lines 4 to 7)	8,304,856	7,091,798
9. Proceeds from investments sold, matured or repaid:		
9.1 Bonds	2,570,154	2,342,140
9.2 Stocks	497,883	245,209
9.3 Mortgage loans	71,000	
9.4 Real estate	96,893	
9.5 Other invested assets		
9.6 Net gains or (losses) on cash and short-term investments		
9.7 Miscellaneous proceeds		
9.8 Total investment proceeds (Lines 9.1 to 9.7)	3,235,930	2,587,349
10. Other cash provided:		
10.1 Net transfers from affiliates		482
10.2 Borrowed funds received		
10.3 Capital paid in		
10.4 Surplus paid in		
10.5 Other sources	666,317	797,524
10.6 Total other cash provided (Lines 10.1 to 10.5)	666,317	798,006
11. Total (Line 8 plus Line 9.8 plus Line 10.6)	12,207,103	10,477,153
12. Cost of investments acquired (long-term only):		
12.1 Bonds	2,747,064	8,067,410
12.2 Stocks	25,582	1,805,326
12.3 Mortgage loans	250,000	
12.4 Real estate	251,000	96,893
12.5 Other invested assets		
12.6 Miscellaneous applications	481,987	
12.7 Total investments acquired (Lines 12.1 to 12.6)	3,755,633	9,969,629
13. Other cash applied:		
13.1 Dividends to stockholders paid	2,899,905	350,000
13.2 Net transfers to affiliates	187,390	
13.3 Borrowed funds repaid		
13.4 Other applications	11,569	1,110,209
13.5 Total other cash applied (Lines 13.1 to 13.4)	3,098,864	1,460,209
14. Total (Line 12.7 plus Line 13.5)	6,854,497	11,429,838
15. Net change in cash and short-term investments (Line 11 minus Line 14)	5,352,606	(952,685)
RECONCILIATION		
16. Cash and short-term investments:		
16.1 Beginning of year	4,638,959	5,591,644
16.2 End of period (Line 15 plus Line 16.1)	9,991,565	4,638,959

NOTES TO FINANCIAL STATEMENTS

17c. Wash Sales

Not applicable.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes [] No [X]

- 1.2 If yes, explain:

.....

- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]

- 2.2 If yes, has the report been filed with the domiciliary state?

Yes [] No [X]

- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

- 3.2 If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [] No [X]

If yes, attach an organizational chart.

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes [] No [] N/A [X]

If yes, attach an explanation.

- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1999

- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1999

- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/16/2002

- 7.4 By what department or departments? North Carolina Department of Insurance

-
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [] No [X]

- 8.2 If yes, give full information

GENERAL INTERROGATORIES (Continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)
INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 012. Amount of real estate and mortgages held in short-term investments: \$ 0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$	\$
13.24 Short-Term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$	\$
13.26 All Other	\$	\$
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$	\$
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$	\$
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$	\$
	3,438	2,151

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Central Carolina Bank	1414 Raleigh Road, Suite 150 Chapel Hill, NC 27517

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [X] No []

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
First Union National Bank	Central Carolina Bank	08/01/2002	Management decision to change custodian

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES

(continued)

PART 2 - TITLE

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
3.2 If yes, give full and complete information thereto
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero. Yes [] No [X]
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Loses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
TOTAL										

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	294,510	197,617	197,617	204,117
2. Increase (decrease) by adjustment				(6,500)
3. Cost of acquired			251,000	96,893
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment:				
7. Amount received on sales	96,893			
8. Book/adjusted carrying value at end of current period	197,617	197,617	448,617	294,510
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	197,617	197,617	448,617	294,510
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	197,617	197,617	448,617	294,510

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	71,000	142,000	142,000	71,000
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions			250,000	
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment	71,000		(142,000)	
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	142,000	142,000	250,000	71,000
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	142,000	142,000	250,000	71,000
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	142,000	142,000	250,000	71,000

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

Description	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period		64,888	210,486	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions		163,750	344,000	
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment	64,888	(18,152)	31,482	
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period	64,888	210,486	585,968	
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	64,888	210,486	585,968	
12. Total nonadmitted amounts				
13. Statement value of long term invested assets at end of current period	64,888	210,486	585,968	

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by Rating Class

		1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS									
1. Class 1		38,707,879				37,189,823	38,707,879		36,696,467
2. Class 2		632,779				1,309,811	632,779		1,306,723
3. Class 3									295,673
4. Class 4									417,501
5. Class 5									
6. Class 6									
7. Total Bonds		39,340,658				394,000	(1,125)	38,943,447	38,719,364
PREFERRED STOCK									
8. Class 1						200	166,800	169,600	175,350
9. Class 2						4,920	373,650	385,670	418,951
10. Class 3							500,000	500,000	500,000
11. Class 4							124,927	124,927	124,927
12. Class 5									
13. Class 6									
14. Total Preferred Stock						5,120	1,165,377	1,180,197	1,219,228
15. Total Bonds & Preferred Stock						3,985	40,108,824	40,520,855	39,938,592

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999 Totals	7,706,743	XXX	7,706,743	30,458	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	2,280,761	4,787,890	6,868,333	4,796,140
2. Cost of short-term investments acquired	2,507,129	2,080,443	838,410	
3. Increase (decrease) by adjustment				
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments				2,515,379
7. Book/adjusted carrying value, current period	4,787,890	6,868,333	7,706,743	2,280,761
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	4,787,890	6,868,333	7,706,743	2,280,761
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	4,787,890	6,868,333	7,706,743	2,280,761
12. Income collected during period	15,954	21,724	30,458	158,489
13. Income earned during period	15,954	21,724	30,458	158,489

NONE **Schedule DB Part F Section 1**

NONE **Schedule DB Part F Section 2**

NONE **Schedule F**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	YES	445,882	632			
2. Alaska	AK	NO					
3. Arizona	AZ	YES					
4. Arkansas	AR	YES	39,550				
5. California	CA	NO					
6. Colorado	CO	YES					
7. Connecticut	CT	YES					
8. Delaware	DE	YES					
9. Dist. Columbia	DC	YES	250				
10. Florida	FL	YES	1,745	6,558	40,009	33,474	
11. Georgia	GA	YES	45,182	218,409	24,614	43,578	2,980
12. Hawaii	HI	NO					105,867
13. Idaho	ID	YES					
14. Illinois	IL	YES	6,816		102		
15. Indiana	IN	YES	106,159	1,452	7,501	24,519	33,759
16. Iowa	IA	NO		3,788			33,958
17. Kansas	KS	YES					
18. Kentucky	KY	YES	823,431		1,500		
19. Louisiana	LA	YES					
20. Maine	ME	YES					
21. Maryland	MD	YES	1,029,080	680,890	1,175	5,808	250
22. Massachusetts	MA	YES					40,250
23. Michigan	MI	YES	7,478,133	7,812,917	142,420	95,349	313,382
24. Minnesota	MN	YES	873,195	1,069,902	12,265	(9,656)	33,198
25. Mississippi	MS	YES	695,708	20,103			106,935
26. Missouri	MO	YES					
27. Montana	MT	YES					
28. Nebraska	NE	YES	842,352	710,497	493,643		275,798
29. Nevada	NV	YES					
30. New Hampshire	NH	NO					
31. New Jersey	NJ	YES	23,130				
32. New Mexico	NM	NO					
33. New York	NY	NO					
34. North Carolina	NC	YES	17,126,729	15,640,994	1,158,340	2,025,044	2,709,132
35. North Dakota	ND	YES					1,908,973
36. Ohio	OH	YES	26,210	30,736			
37. Oklahoma	OK	YES					
38. Oregon	OR	NO					
39. Pennsylvania	PA	YES	2,677,715	2,309,698			
40. Rhode Island	RI	YES					
41. So. Carolina	SC	YES	4,104,893	2,940,957	245,330	40,992	415,166
42. So. Dakota	SD	NO					253,978
43. Tennessee	TN	YES	2,369,835	1,699,465	63,444	1,071	186,479
44. Texas	TX	YES					
45. Utah	UT	YES					
46. Vermont	VT	YES					
47. Virginia	VA	YES	5,579,815	4,820,625	85,859	28,772	133,611
48. Washington	WA	NO					160,307
49. West Virginia	WV	YES	1,183,924	886,986	12,456		11,844
50. Wisconsin	WI	YES	10,775	22,783			
51. Wyoming	WY	YES					
52. American Samoa	AS	NO					
53. Guam	GU	NO					
54. Puerto Rico	PR	NO					
55. U.S. Virgin Is.	VI	NO					
56. Canada	CN	NO					
57. Aggregate Other Alien	OT	XXX					
58. Totals	(a)	41	45,490,509	38,870,834	2,253,605	2,297,088	4,149,073
DETAILS OF WRITE-INS							
5701.		XXX					
5702.		XXX					
5703.		XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX					
5799. TOTALS (Lines 5701 thru 5703 plus 5798) (Line 57 above)		XXX					

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

00000	0627	Title Insurance	NC	56-1110199
50369	0627	Title Insurance	NC	56-0897685
50377			SC	57-0857957
00000			NC	56-1598984
00000			SC	56-1858829
00000			NE	71-0870375
00000			NC	56-2122680

PART 1 - LOSS EXPERIENCE

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Lines 1.2 + 1.3 + 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Cols. 3 / (1 + 2)	
1. Direct operations	17,368,495	176,892	1,424,865	8.121	14.000
2. Agency operations:					
2.1 Non-affiliated agency operations	27,926,011	304,978	1,189,722	4.214	1.910
2.2 Affiliated agency operations	196,003				
3. Totals	45,490,509	481,870	2,614,587	5.687	6.830

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations	6,369,324	17,368,495	15,850,303
2. Agency operations:			
2.1 Non-affiliated agency operations	10,804,762	27,926,011	22,912,549
2.2 Affiliated agency operations	104,120	196,003	107,982
3. Totals	17,278,206	45,490,509	38,870,834

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the SVO Compliance Certification be filed with this statement? RESPONSE
..... YES

EXPLANATION:

BAR CODE:

Page 4 - Continuation
OPERATIONS AND INVESTMENT EXHIBIT
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
--	---------------------------------	-------------------------------	---

REMAINING WRITE-INS AGGREGATED AT LINE 02 FOR OTHER OPERATING INCOME

0204. Gain on Disposal of Assets	12,435	21,247	22,263
0205.			
0206.			
0207.			
0208.			
0209.			
0210.			
0211.			
0212.			
0213.			
0214.			
0215.			
0216.			
0217.			
0218.			
0219.			
0220.			
0221.			
0222.			
0223.			
0224.			
0225.			
0297. Totals (Lines 0204 through 0225) (Page 4, Line 0298)	12,435	21,247	22,263

REMAINING WRITE-INS AGGREGATED AT LINE 06 FOR OTHER OPERATING DEDUCTIONS

0604.			
0605.			
0606.			
0607.			
0608.			
0609.			
0610.			
0611.			
0612.			
0613.			
0614.			
0615.			
0616.			
0617.			
0618.			
0619.			
0620.			
0621.			
0622.			
0623.			
0624.			
0625.			
0697. Totals (Lines 0604 through 0625) (Page 4, Line 0698)			



Investors Title Insurance Company

Company Name

50369

50369200247000103

NAIC Code

SVO COMPLIANCE CERTIFICATION

"The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
2. Any newly purchased securities now identified with a Z suffix will be submitted to the SVO within 120 days of purchase.
3. All necessary information on securities that have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the U.S. Bankruptcy Code;
 - b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
 - c. Any change in the maturity of a security;
 - d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
 - e. Events of a like character or of a like effect, which would be considered material to an investment professional.
 - f. Exceptions _____
- _____

Diane Crater

Name of Investment Officer



Signature of Investment Officer

Assistant Secretary

Title of Signatory

11/12/2002

Date

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Quarter, including Payments during the Final Year on "Sales under Contract"

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1 Loan Number	2 Location		3 State	4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Book Value/Recorded Investment Excluding Accrued Interest	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Value of Land and Buildings	10 Date of Last Appraisal or Valuation
	2 City	3 State								
1 Greensboro	NC	NC	NC	First Mortgage	09/01/2002		150,000		277,000	09/01/2002
2 Southern Pines	NC	NC	NC	First Mortgage	09/01/2002		30,000		30,000	09/01/2002
3 Rocky Mount	NC	NC	NC	First Mortgage	09/01/2002		70,000		70,000	09/01/2002
0399999 Mortgages in good standing - Residential mortgages - all other							250,000		377,000	XXX
0799999 Total Mortgages in good standing							250,000		377,000	XXX
9999999 Totals							250,000		377,000	XXX

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

1 Loan Number	2 Location		3 State	4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Foreign Exchange Adjustment	8 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	9 Foreign Exchange Profit (Loss) on Sale	10 Consideration Received	11 Realized Profit (Loss) on Sale	12 Total Profit (Loss) on Sale
	2 City	3 State										
1 Greensboro	NC	NC			01/01/2000		71,000	71,000				
0199999 Mortgages closed by repayment												
9999999 Totals							71,000	71,000				

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 City	3 State							
Illinois Real Estate Title Center Investors Title of Nebraska	Springfield Lincoln	IL NE	Illinois Real Estate Title Center Investors Title of Nebraska	09/01/2002 09/01/2002	144,000 200,000		144,000 200,000		
1499999 Subtotal - Any Other Class of Admitted Assets					344,000		344,000		
9999999 Totals					344,000		344,000		

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	Location		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										

NONE **Schedule D Part 3**

SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal	Increase (Decrease) by Foreign Exchange Adjustment	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)		
462461LD0	Iowa Finance Authority	07/01/2002	Called		30,000	30,000.00	30,000	30,000				1,441		1PE		
17116996	Bonds - States, Territories and Possessions - IA			XXX	30,000	30,000.00	30,000	30,000				1,441	XXX	XXX		
1799999	Total - Bonds - States, Territories and Possessions			XXX	30,000	30,000.00	30,000	30,000				1,441	XXX	XXX		
567643LJ8	Marietta Georgia School District	8/12/2002	Called		204,000	200,000.00	193,948	202,813	(1,182)			1,187	1,187	1PE		
2411996	Bonds - Political Subdivisions of States, Territories and Possessions - GA			XXX	204,000	200,000.00	193,948	202,813	(1,182)			1,187	1,187	XXX		
2499999	Total - Bonds - Political Subdivisions of States, Territories and Possessions			XXX	204,000	200,000.00	193,948	202,813	(1,182)			1,187	1,187	XXX		
584631BF0	Medical University of South Carolina	07/01/2002	Matured		155,000	155,000.00	157,325	155,000	5,000			11,083		2PE		
83712DG0	South Carolina Housing Finance Authority	07/01/2002	Called		5,000	5,000.00	5,000	5,000				300		1PE		
3141996	Bonds - Special Revenue and Special Assessment Obligations - SC			XXX	160,000	160,000.00	162,325	160,000				11,383	XXX	XXX		
3199999	Total - Bonds - Special Revenue and Special Assessment Obligations			XXX	160,000	160,000.00	162,325	160,000				11,383	XXX	XXX		
6099997	Subtotal - Bonds - Part 4			XXX	394,000	390,000.00	386,273	392,813	(1,182)			1,187	1,187	XXX		
6099999	Total Bonds			XXX	394,000	390,000.00	386,273	392,813	(1,182)			1,187	1,187	XXX		
309550108	General Dynamics	07/17/2002	Nike		500,000	47,329	38,634	38,634				8,695		440 L		
6899999	Subtotal - Common Stock - Industrial and Miscellaneous			XXX	47,329	XXX	38,634	38,634				8,695	XXX	440 XXX		
7099997	Subtotal - Common Stock - Part 4			XXX	47,329	XXX	38,634	38,634				8,695	XXX	440 XXX		
7099999	Total Common Stock			XXX	47,329	XXX	38,634	38,634				8,695	XXX	440 XXX		
7199999	Total Preferred and Common Stock			XXX	47,329	XXX	38,634	38,634				8,695	XXX	440 XXX		
7299999	Totals				441,329	XXX	424,907	431,447	(1,182)			9,882	25,459	440 XXX		

(a) For all common stock bearing the NAIC designation "U" provide the number of such issues

NONE **Schedule DB Part A and B Section 1**

NONE **Schedule DB Part C and D Section 1**

SCHEDULE E - PART 1 - CASH
Month End Depository Balances

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *
				5 First Month	6 Second Month	7 Third Month	
Open Depositories - Section (A)-Segregated Funds Held for Others							
Wachovia Bank	Chapel Hill NC		5,000	5,000	5,000	5,000	
First Citizens Bank	Chapel Hill NC		5,969,930	6,640,910	6,520,057		
Paragon Commercial Bank	Raleigh NC		879,852	829,521	696,070		
BB&T	Chapel Hill NC		94,146	94,146	94,146		
0199998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0199999 Total Segregated Funds Held For Others	XXX		6,948,928	7,569,577	7,315,273	XXX	
Open Depositories - Section (B) - General Funds							
Central Carolina Bank	Chapel Hill NC		999,255	661,554	817,409		
Central Carolina Bank Sweep	Chapel Hill NC	0.020	1,325	334,456	311,525	368,454	
Central Carolina Bank Commercial	Chapel Hill NC			776	776	746	
Central Carolina Bank Settlement Services	Chapel Hill NC		39,704				
First Citizens Bank Escrow	Chapel Hill NC		2,876	2,876	2,876		
Paragon Bank Escrow	Raleigh NC		75	75	75		
Wachovia Bank	Columbia SC		3,867	3,423	850		
Harris Bank	Chicago IL		5,000	5,000	5,000		
First Citizens Payroll	Chapel Hill NC		33,833	33,384	33,742		
Central Carolina Bank FSA	Chapel Hill NC		5,898	5,898	5,898		
0299998 Deposits in (13) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX	4,469	10,709	1,032,597	1,032,597	1,032,597	XXX
0299999 Total General Funds	XXX	5,794	10,709	2,458,337	2,057,108	2,267,647	XXX
Open Depositories - Section (C) - Reinsurance Reserve Funds							
0399998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0399999 Total Reinsurance Reserve Funds	XXX						XXX
0499999 Total Open Depositories	XXX	5,794	10,709	9,407,265	9,626,685	9,582,920	XXX
Suspended Depositories - Section (A) - Seg. Funds Held for Others							
0599998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0599999 Total Segregated Funds held for others	XXX						XXX
Suspended Depositories - Section (B) - General Funds							
0699998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0699999 Total General Funds	XXX						XXX
Suspended Depositories - Section (C) - Reinsurance Reserve Funds							
0799998 Deposits in (0) depositories which do not exceed the allowable limit in any one depository (see instructions)	XXX						XXX
0799999 Total Reinsurance Reserve Funds	XXX						XXX
0899999 Total Suspended Depositories	XXX						XXX
0999999 Total cash on Deposit	XXX	5,794	10,709	9,407,265	9,626,685	9,582,920	XXX
1099999 Cash in Company's Office	XXX	XXX	XXX	16,975	16,975	17,175	XXX
1199999 TOTAL CASH	XXX	5,794	10,709	9,424,240	9,643,660	9,600,095	XXX