

AMENDED FILING COVER SHEET

Amended File Title	Amended Explanation
Jurat Notes to Financial Statements	Included for amended Filing Additional Subsequent Event



51632201720100107

QUARTERLY STATEMENT

AS OF JUNE 30, 2017
OF THE CONDITION AND AFFAIRS OF THE

EnTitle Insurance Company

NAIC Group Code	3483	3483	NAIC Company Code	51632	Employer's ID Number	34-1252928
	(Current Period)	(Prior Period)				
Organized under the Laws of	OH			State of Domicile or Port of Entry		
Country of Domicile	US					
Incorporated/Organized	April 7, 1978			Commenced Business		
Statutory Home Office	3 Summit Park Drive, Suite 525			Independence, OH US 44131		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	3 Summit Park Drive, Suite 525					
	(Street and Number)					
	Independence, OH US 44131			216-524-3400		
	(City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	3 Summit Park Drive, Suite 525			Independence, OH US 44131		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	3 Summit Park Drive, Suite 525			Independence, OH US 44131		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Internet Website Address	www.entitledirect.com					
Statutory Statement Contact	Maryse Jean-Pierre			216-524-3400		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	Maryse.Jean-Pierre@Entitledirect.com			216-524-3488		
	(E-Mail Address)			(Fax Number)		

OFFICERS

	Name	Title
1.	Lee H. Baskey	President
2.	Steven R. Palmer	Secretary
3.	Maryse Jean-Pierre	Assistant Secretary

VICE-PRESIDENTS

Name	Title	Name	Title
Kimberly Lauderbaugh	Vice President of Operations	Valerie Bradford	Vice President - California Operations
Maria Boccardi	Vice President - Claims Counsel		

DIRECTORS OR TRUSTEES

Steven R. Palmer	Timothy M. Dwyer	Hanley C. Clark	Lee H. Baskey

State of Ohio

County of Cuyahoga 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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Lee H. Baskey	Steven R. Palmer	Maryse Jean-Pierre
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Assistant Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of August, 2017

a. Is this an original filing? [] Yes [X] No

b. If no:

1. State the amendment number	1
2. Date filed	10/05/2017
3. Number of pages attached	2

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of EnTitle Insurance Company (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance and the National Association of Insurance Commissioners (“NAIC”).

The Ohio Department of Insurance does not allow any prescribed or permitted practices for determining and reporting the financial condition and results of operations of a title insurance company and for assessing its solvency.

Reconciliation of the Company’s net income and capital & surplus between NAIC SAP and the State of Ohio is shown below.

Net Income	<u>06/30/2017</u>	<u>12/31/2016</u>
EnTitle Insurance Company – Ohio Basis	(1,937,645)	(2,327,632)
State Prescribed Practices that increase/decrease NAIC SAP	-	-
State Permitted Practices that increase/decrease NAIC SAP	-	-
NAIC SAP	(1,937,645)	(2,327,632)
Surplus	<u>06/30/2017</u>	<u>12/31/2016</u>
EnTitle Insurance Company – Ohio Basis	6,725,179	8,509,955
State Prescribed Practices that increase/decrease NAIC SAP	-	-
State Permitted Practices that increase/decrease NAIC SAP	-	-
NAIC SAP	6,725,179	8,509,955

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements, in conformity with Statutory Accounting Principles, requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known and impacts the amounts reported and disclosed in the Financial Statements.

C. Accounting Policy

For premiums written in Ohio, Ohio insurance law requires the Company to establish an unearned premium reserve equal to 10% of the premium retained by the Company. The Company may release .5% of that which was added to the reserve during the previous 20 years. For all other states where the Company writes insurance, the Company follows the various state insurance department regulations when determining what statutory premium reserves are established. Premiums on title insurance policies issued by the Company are recognized as revenue when the Company is legally or contractually entitled to collect the premium. Premiums from title policies issued by the Company through independent agents are recognized when the policies are reported by the agent.

NOTES TO FINANCIAL STATEMENTS

Case loss and loss adjustment expense reserves are recorded for outstanding known claims at the time of determination.

Investments in bonds are generally reported at amortized cost, using the effective interest method, unless the National Association of Insurance Commissioners’ (NAIC) rating specifies another value. Held-to-maturity investments are reported at amortized cost, and the remaining investments are at fair value, with unrealized holding gains and losses reported in operations for those designated as trading, and as a separate component of shareholder’s equity for those designated as available-for-sale. Non-agency residential mortgage backed securities (RMBS) are valued using the NAIC financial model as approved by the Valuation of Securities Task Force and Financial Condition Committee.

Common stock is carried at NAIC prescribed market values.

D. Going Concern: Not applicable

2. Accounting Changes and Correction of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans - Not applicable

B. Debt Restructuring - Not applicable

C. Reverse Mortgages - Not applicable

D. Loan-Backed Securities – Not applicable

E. Repurchase Agreements – Not applicable

F. Real Estate – Not applicable

G. Low Income Housing Tax Credits – Not applicable

H. Restricted Assets – Refer to General Interrogatories Part 2 – 5.2

I. Working Capital Finance Investments – Not applicable

J. Offsetting and Netting of Assets and Liabilities – Not applicable

K. Structured Notes – Not applicable

L. 5* Securities – Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

a. None

7. Investment Income

a. Investment income is recorded on the accrual basis of accounting with the appropriate adjustments made for amortization of premium and accretion of discounts relating to bonds and notes acquired at other than par value. Dividends on stocks are credited to

NOTES TO FINANCIAL STATEMENTS

income on the ex-dividend date. Realized gains or losses on disposition of securities owned are determined on a specific identification basis and are reflected in the statement of income. Unrealized investment gains or losses are credited or charged directly to unassigned surplus net of allowed deferred income taxes. At June 30, 2017, the Company had no bonds or note investments in default as to principal and/or interest. Excluding U.S. Government fixed maturity securities; the company is not exposed to any significant concentration of credit risk.

8. Derivative Instruments

a. None

9. Income Taxes

A. The components of the net deferred tax asset (liability) at June 30, 2017 are as follows:

1.

	06/30/2017		
	Ordinary	Capital	Total
	(1)	(2)	(3)
(a) Gross Deferred Tax Assets	-	-	-
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	-	-	-
(d) Deferred Tax Assets Non Admitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset(1c-1d)	-	-	-
(f) Deferred Tax Liabilities	-	-	-
(g) Net Admitted Deferred Tax asset/(liability) (1e-1f)	-	-	-

	12/31/2016		
	Ordinary	Capital	Total
	(4)	(5)	(6)
(a) Gross Deferred Tax Assets	5,799,180	5,122	5,804,302
(b) Statutory Valuation Allowance Adjustment	5,799,180	5,122	5,804,302
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	-	-	-
(d) Deferred Tax Assets Non Admitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset(1c-1d)	-	-	-
(f) Deferred Tax Liabilities	-	-	-
(g) Net Admitted Deferred Tax asset/(liability) (1e-1f)	-	-	-

	Change		
	Ordinary	Capital	Total
	(7)	(8)	(9)
(a) Gross Deferred Tax Assets	(5,799,180)	(5,122)	(5,804,302)
(b) Statutory Valuation Allowance Adjustment	(5,799,180)	(5,122)	(5,804,302)
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	-	-	-
(d) Deferred Tax Assets Non Admitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset(1c-1d)	-	-	-
(f) Deferred Tax Liabilities	-	-	-
(g) Net Admitted Deferred Tax asset/(liability) (1e-1f)	-	-	-

2. Admission Calculation Components SSAP No. 101

	06/30/2017		
	Ordinary	Capital	Total
	(1)	(2)	(3)
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.)			
1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	-	-	-
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount			

NOTES TO FINANCIAL STATEMENTS

Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by
Gross Deferred Tax Liabilities.

d. Deferred Tax Assets Admitted as the result of application of SSAP			
No. 101. Total (2(a) + 2(b) + 2(c))	-	-	-

	12/31/2016		
	Ordinary	Capital	Total
	(4)	(5)	(6)
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.)			
1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	-	-	-
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	-	-	-
d. Deferred Tax Assets Admitted as the result of application of SSAP			
No. 101. Total (2(a) + 2(b) + 2(c))	-	-	-

	Change		
	Ordinary	Capital	Total
	(7)	(8)	(9)
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) after Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 below.)			
1. Adjusted Gross Deferred Tax Assets to be Realized following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	-	-	-
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.			
d. Deferred Tax Assets Admitted as the result of application of SSAP			
No. 101. Total (2(a) + 2(b) + 2(c))	-	-	-

3.	<u>2017</u>	<u>2016</u>
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	0%	0%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	8,266,699	8,266,699

4. Impact of Tax Planning Strategies

	06/30/2017		
	Ordinary	Capital	Total
	(1)	(2)	(3)
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1 Adjusted Gross DTAs Amount From Note 9A1(c)	-	-	-

NOTES TO FINANCIAL STATEMENTS

2 Percentage of Adjusted Gross DTAs By Tax
Character Attributable To The Impact of Tax Planning Strategies
3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e) - - -
4 Percentage of Net Admitted Adjusted Gross DTAs by Tax
Character Attributable To The Impact of Tax Planning Strategies

12/31/2016		
Ordinary	Capital	Total
(4)	(5)	(6)

a) Determination of Adjusted Gross Deferred Tax
Assets and Net Admitted Deferred Tax Assets,
By Tax Character As A Percentage
1 Adjusted Gross DTAs Amount From Note 9A1(c) - - -
2 Percentage of Adjusted Gross DTAs By Tax
Character Attributable To The Impact of Tax Planning Strategies
3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e) - - -
4 Percentage of Net Admitted Adjusted Gross DTAs by Tax
Character Attributable To The Impact of Tax Planning Strategies

Change		
Ordinary	Capital	Total
(7)	(8)	(9)

a) Determination of Adjusted Gross Deferred Tax
Assets and Net Admitted Deferred Tax Assets,
By Tax Character As A Percentage
1 Adjusted Gross DTAs Amount From Note 9A1(c)) - - -
2 Percentage of Adjusted Gross DTAs By Tax
Character Attributable To The Impact of Tax Planning Strategies
3 Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e) - - -
4 Percentage of Net Admitted Adjusted Gross DTAs by Tax
Character Attributable To The Impact of Tax Planning Strategies

c. Does the Company's Tax-planning Strategies include
the use of reinsurance? No

C. Current income taxes incurred consist of the following major components:

1. Current Income Tax	06/30/2017	12/31/2016	Change
	(1)	(2)	(3)
a. Federal	-	-	-
b Foreign	-	-	-
c. Subtotal	-	-	-
d. Federal Income Tax on net capital gains	-	-	-
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	-	-	-
2. Deferred Tax Assets			
a. Ordinary	06/30/2017	12/31/2016	Change
	(1)	(2)	(3)
(1) Discounting of unpaid losses	2,070	2,070	-
(2) Unearned premium reserve	281,562	281,562	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	57,133	57,133	-
(8) Compensation and benefits accrual	22,125	22,125	-
(9) Pension accrual	-	-	-

NOTES TO FINANCIAL STATEMENTS

(10) Receivables – non-admitted	233,298	233,298	-
(11) Net operating loss carry-forward	5,202,992	5,202,992	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	5,799,180	5,799,180	-
b. Statutory valuation allowance adjustment	5,799,180	5,799,180	-
c. Non-admitted	-	-	-
d. Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	-	-	-
e. Capital:			
(1) Investments	5,122	5,122	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate.	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal.	5,122	5,122	-
f. Statutory valuation allowance adjustment	5,122	5,122	-
g. Non-admitted	-	-	-
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
i. Admitted deferred tax assets (2d + 2h)	-	-	-
3. Deferred Tax Liabilities:			
a. Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	-	-	-
b. Capital:			
(1) Investments	-	-	-
(2) Real Estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	-	-
c. Deferred tax liabilities (3a99 + 3b99)	-	-	-
4. Net deferred tax assets/liabilities (2i - 3c)	-	-	-

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company’s effective income tax rate are as follows:

	06/30/2017	Effective Tax Rate
Provision computed at statutory rate	(790,375)	34.0%
Change in non-admitted assets	(93,527)	4.0%
Nondeductible Expenses	2,722	-0.1%
Dividends received deduction	-	0.0%
Effect of deferred income taxes		
Adjusted through equity	881,180	37.9%
Other	-	0.0%

NOTES TO FINANCIAL STATEMENTS

Totals	-	0.0%
Change in statutory valuation allowance	-	0.0%
Realized capital gains (losses) tax	-	0.0%
Change in net deferred income taxes	-	0.0%
	-	0.0%

E. Operating Loss and Tax Credit Carryforwards

- 1. At June 30, 2017, the Company has net operating loss carryforwards of \$15,302,469 available to offset against future taxable income.
- 2. The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

Year	Amount
2016	\$0
2015	\$0

- 3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- 1. The Company’s federal income tax return is consolidated with the following entities:
Entitle Direct Group
- 2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

For the quarter ended June 30, 2017 the Company has no current tax expense.

- a. The Company’s tax expense at June 30, 2017 differs from the federal statutory rate applied to its pretax net income primarily due to permanent differences between book income and taxable income as a result of tax-exempt interest income, the dividends received deduction, and IRC Section 832 (b)(5)(B).
- b. At June 30, 2017, the Company had an estimated net operating loss of \$15,302,469 available to offset against future taxable income. This net operating loss will begin to expire in 2028.
- c. On September 2, 2008, EnTitle Insurance Company entered into a federal income tax allocation agreement with Entitle Direct Group, Inc. formerly BDT Holdings Inc. EnTitle Insurance Company is included in the Entitle Direct Group, Inc. affiliated group under federal income tax law and such affiliated group plans to file consolidated federal income tax returns. The tax allocation agreement was approved by the Ohio Department of Insurance on August 21, 2008.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. EnTitle Insurance Company (EIC) is a member of a holding company group as described in schedule Y- Part I.
- B. EnTitle Insurance Company is the sole member and parent of EnTitle LLC, an Ohio limited

NOTES TO FINANCIAL STATEMENTS

liability company (the “Company”) incorporated on December 22, 2011. On October 28, 2015, EnTitle Insurance Company became the sole member of EnTitle LLC and on January 12, 2016, EnTitle LLC received a tax identification number. The purpose for which EnTitle LLC was formed was to acquire and invest in real estate and, engage in any other business or activity for which limited liability companies may be formed under Chapter 1705.

There had not been activity recorded into EnTitle LLC’s books prior to December 31, 2015 at which time, the Company purchased a residential property with the intent to resell. The transaction has been accounted for under SSAP 40R, Real Estate Investments, into the LLC book and recorded at a fair value price of \$111,243 inclusive of closing costs, less estimated costs to sell the property.

EnTitle Insurance Company advanced all costs to EnTitle LLC under an intercompany agreement that establishes payment terms as soon as the property is sold and proceeds collected.

On March 18, 2016, EXOR S.p.A., a publicly traded Italian corporation (“EXOR”), acquired, through certain wholly-owned subsidiaries, all the outstanding common shares of PartnerRe Ltd. (“PRE”), the holding company of the PartnerRe Group, including Entitle Insurance Company (“EIC”). EXOR filed a Form A for the transaction with the Department on September 8, 2015. By Order dated March 7, 2016, the Superintendent of the Ohio Insurance Department approved the acquisition of control of EIC by EXOR. Following the transaction PRE was 100% owned by Exor N.V.; Exor N.V. was 100% owned by EXOR S.A.; and EXOR S.A. was 100% owned by EXOR. Approximately 51.87% of the ordinary shares of EXOR were held by Giovanni Agnelli e C. S.a.p.az.; Dicembre s.s. held 32.25% of the voting interest in Giovanni Agnelli e C. S.a.p.az.; and John Elkann (an individual) was the general partner of Dicembre s.s. Accordingly, John Elkann became the “Ultimate Controlling Person” of EIC by way of John Elkann’s controlling interest in EXOR and EXOR’s indirect ownership of 100% of PRE’s outstanding stock.

On September 3, 2016, EXOR’s shareholders approved the Restructuring of EXOR, the “Restructuring,” which closed on December 11, 2016. EXOR and its majority shareholder, Giovanni Agnelli e C. S.a.p.az (“GA”) each merged into newly formed wholly-owned subsidiaries organized in the Netherlands with such Dutch subsidiary being the surviving company.

As part of the Restructuring, (i) GA merged into GA BV (which was renamed Giovanni Agnelli BV), a newly formed wholly-owned subsidiary of GA organized in the Netherlands (“GA BV”), with GA BV being the surviving company, and (ii) EXOR merged into Exor Holding N.V., a newly formed wholly-owned subsidiary of EXOR organized in the Netherlands as a naamloze vennootschap and renamed EXOR N.V. (“EXOR NV”), with EXOR NV being the surviving company.

As a result of the Restructuring, the ultimate controlling person of the EXOR holding company group, John Elkann; Dicembre s.s., which controls GA through a 33.82% investment; and EXOR’s indirect ownership of PRE, the holding company of the PartnerRe Group, including EIC, did not change.

- C. Entitle Direct Group (EDG, the parent company of EnTitle Insurance Company made the following contributions to EIC which are recorded as type 1 subsequent events:

On February 29, 2016, EDG contributed \$1 million to EIC recorded as subsequent event type 1 as of December 31, 2015.

On August 12, 2016, EDG contributed \$.5 million to EIC recorded as subsequent event type 1 as of June 30, 2016.

NOTES TO FINANCIAL STATEMENTS

On February 17, 2017, EDG contributed \$1 million to EIC recorded as subsequent type 1 as of December 31, 2016.

As of June 30, 2017, the company had receivables of \$144,912 of which \$133,454 is due from EnTitle, LLC, its sole subsidiary and \$11,458 from Entitle Direct Group, its parent company.

As of December 31, 2016, the company had receivables of \$1,125,360 from parent, subsidiaries and affiliates of which \$1,000,000 was due from EDG, its parent company and \$125,360 from Entitle LLC, its sole subsidiary.

- D.** As of June 30, 2017 and December 31, 2016, the Company had a receivable from parent subsidiaries and affiliates of \$144,912 and \$1,125,360 respectively. Intercompany balances, between EIC and its parent Company, EDG, are settled monthly.
- E.** Guarantees or undertakings: Not Applicable- The Company does not have such transactions with its parent, subsidiaries or affiliates.
- F.** The Company is a party to a tax sharing agreement approved by the Ohio Department of Insurance on August 21, 2008 and, effective as of September 2, 2008 beginning with 2007 tax year.

EDG, the parent company provides certain management advisory and administrative services to EIC under the company's Intercompany Management Advisory, Administrative Services, and Cost Allocation Agreement (The "Agreement"). This agreement was approved by the Ohio Department of Insurance on May 17, 2016 and, is effective for a 5-year term starting April 15, 2016 barring withdrawal from either party with 30 days' written notice. The allocation method of these costs sharing arrangements between the parties is provided in the Agreement. These costs are included in the Statement of Income under operating expenses incurred-line 5.

- G.** All outstanding shares of the Company are owned by the Parent Company, Entitle Direct Group.
- H.** The company owns no shares of stock of its ultimate parent.
- I.** Shares of stock of affiliated or related parties: Not Applicable
- J.** Impairment Write Downs: Not Applicable
- K.** Foreign Insurance company subsidiaries: Not Applicable
- L.** Downstream non-insurance holding companies: Not Applicable
- M.** All Subsidiary, Controlled or Affiliated (SCA) investments (except investments in U.S. insurance SCA entities): Not Applicable
- N.** Insurance SCA investments for which the audited statutory equity reflects a departure from NAIC SAP: Not applicable

11. Debt

- a. At June 30, 2017, the Company had no debt outstanding.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

- a. The Company's employees participate in a joint-contributory 401(k) plan, which includes Entitle Direct Group, Inc., the Company's parent.

13. Capital and Surplus, Dividend Restriction and Quasi-Reorganization

NOTES TO FINANCIAL STATEMENTS

- a. At June 30, 2017, the Company had 800 shares of common stock authorized, and 400 shares outstanding with a par value of \$5,000.
- b. The Company has no preferred stock outstanding.
- c. The Company may pay dividends only from statutory earned surplus, not exceeding the greater of the prior year’s net investment income or 10% of the prior year’s statutory surplus, without the approval of the Superintendent of Insurance.
- d. Not Applicable: The company has not paid any dividends to date.
- e. Portion of profit that may be paid in dividends: There are no other restrictions other than described in (3) above.
- f. Restrictions placed on unassigned funds (surplus): Not applicable
- g. Advances to surplus not repaid: Not Applicable
- h. There are no stocks held by the Company, including stock of affiliated companies, for special purposes such:
 - a. Conversion of preferred stock
 - b. Employee stock options
 - c. Stock purchase warrants
- 9. Changes in balances of special funds: Not Applicable
- 10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (\$13,364)
- 11. Surplus Notes – Not applicable
- 12. Impact of the restatement in a quasi-reorganization: Not applicable
- 13. Effective date of quasi-reorganization: Not applicable

- 14. Contingencies**
 - a. Contingent Commitments - None
 - b. No material Assessments
 - c. Gain Contingencies – None
 - d. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits – None
 - e. Joint and Several Liabilities – None
 - f. All Other Contingencies:

In the ordinary course of business, the Company is subject to, or party to, pending or threatened litigation, assessments and claims. While it is not possible to predict with certainty the outcome of such matters individually or in the aggregate, management believes that the ultimate result will not have a material adverse effect on the results of operations of the Company.

- 15. Leases**
 - 1
 - a. The company leases its office facilities, title plants and some of its equipment under non-cancellable operating leases expiring at various times through December 2020. Rental expense for June 30, 2017 and as of December 31, 2016 was \$302,759 and \$632,295 respectively.
 - b. Certain rental commitments have renewal options extending through the year 2020. Some of these renewals are subject to adjustment in future periods.
 - 2. At June 30, 2017, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
2017	\$618,120
2018	\$458,469
2019	\$288,117
2020	\$131,938
2021	\$ 21,398
	\$1,518,042

NOTES TO FINANCIAL STATEMENTS

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk.

The Company does not invest in swaps, futures, derivatives or options.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

At June 30, 2017, the Company has not sold, transferred or serviced any of its other assets and has not extinguished any of its liabilities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable for title insurance companies.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable for title insurance companies.

20. Fair Value Measurements

Included in bonds in the statutory financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used.

The Company's financial assets and liabilities have been classified, for disclosure purposes, based on the SAP 100 hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTES TO FINANCIAL STATEMENTS

The following table provides information as of June 30, 2017 about the Company’s financial assets measured at fair value.

	Level 1	Level 2	Level 3	Total Fair Value	Assets Carried at Fair Value	Assets Not Carried Fair Value	Total
US Treasuries	\$4,775,547			\$4,775,547		\$4,894,688	\$4,894,688
Mortgage backed securities (Countrywide)		\$ 49,882		\$ 49,882	\$49,882		\$49,882
Mortgage backed securities (Res Asset)		\$ 5,823		\$5,823		\$ 5,880	\$ 5,880
	\$4,775,547	\$55,705	\$0	\$4,831,252	\$49,882	\$4,900,568	\$4,950,450

- As of June 30, 2017, the reported fair value of EnTitle Insurance Company’s investments in Level 2, NAIC designated 1, Residential Asset SEC TR Series 200, issued on April 1, 2004, was \$5,823. These securities are Senior, Targeted Amortization Class Tranche that have a weighted-average coupon rate of 5.675 percent and a weighted-average maturity of 2.21 months. The underlying loans for these securities are normal whole loans with an original credit rating of AAA. The underlying loans have a weighted-average coupon rate of 5.675 percent and a weighted-average maturity of 228 months. The geographical concentration of those underlying loans is the United States. These securities are currently rated BBB (sf) by S&P and are collateralized by Residential Whole Loans with original and current credit enhancement of 4.5% and 17% respectively.
- As of June 30, 2017, the reported fair value of EnTitle Insurance Company’s investments in Level 2, \$49,882. These securities are Senior Tranches that have a weighted-average coupon rate of 5.649 percent and a weighted-average maturity of 5.88 months. The underlying loans for these securities are normal whole loans with an original credit rating of AAA. The underlying loans have a weighted-average coupon rate of 5.649 percent and a weighted-average maturity of 250 months. The geographical concentration of those underlying loans is the United States. These securities are collateralized by Residential Whole Loans with original and current credit enhancement of 4.5% and -1% respectively.

21. Other Items

- Unusual or Infrequent Items – Not applicable
- Troubled Debt Restructuring: Debtors Not applicable.
- Other Disclosures: The Company holds \$8,198,168 and \$1,056,259 at June 30, 2017 and December 31, 2016 respectively in segregated escrow bank accounts pending the closing of real estate transactions. These accounts are excluded for the Company’s financial statements.
- Business Interruption Insurance Recoveries – Not applicable
- State Transferable and Non-transferable Tax Credit – Not applicable
- Sub-Prime Mortgage Related Risk Exposure – Not applicable
- Insurance Linked Securities (ILS) Contracts – Not applicable

22. Events Subsequent

On August 8, 2017, Partner Reinsurance Company Ltd. (“PartnerRe”), made an offer to purchase all Preferred Shares in Entitle Direct Group, Inc. (“EDG”) that it did not already own (the “Tender Offer”). As of the date of this filing, PartnerRe has acquired enough Preferred Shares that it now controls the Board of Directors of EDG and EnTitle Insurance Company and therefore, effectively has sole control of the company.

The Company recorded a note receivable of \$1 million as of December 31,2016 as a result of a capital contribution from its parent, Entitle Direct Group. That note was satisfied in cash in February 2017. The note recorded as of December 31,2016 and subsequent receipt of cash prior to the filing date classified the contribution as a Type 1 Subsequent Event. The Company received approval from the Ohio Department of Insurance for the Type 1 Subsequent Event treatment.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

As of June 30, 2017, the company does not have any reinsurance receivable (refer to schedule F). The company does have a policy of reporting individual claims that have combined Known Claims and LAE incurred in excess of \$500,000.

- a. Unsecured Reinsurance Recoverables
At June 30, 2017, the Company had no unsecured reinsurance recoverables.
- b. Reinsurance Recoverable in Dispute
At June 30, 2017, the Company had no reinsurance recoverables in dispute.
- c. Reinsurance Ceded
(1) At June 30, 2017, the Company had no reinsurance liability.
(2) There is no additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements.
- d. Uncollectible Reinsurance
At June 30, 2017, the Company had no uncollectible reinsurance.
- e. Commutation of Ceded Reinsurance
At June 30, 2017, there was no commutation of ceded reinsurance.
- f. Retroactive Reinsurance
At June 30, 2017, the Company had no retroactive reinsurance.
- g. Reinsurance Accounted for as a Deposit
At June 30, 2017, the Company did not do deposit accounting for any reinsurance agreements.

24. Retrospectively Rated Contracts & Contracts Subject to Re-determination

Not applicable for title insurance companies.

25. Change in Incurred Losses and Loss Adjustment Expenses

At June 30, 2017, there were no significant changes to the reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years.

26. Inter-company Pooling Arrangements

Not applicable for title insurance companies.

27. Structured Settlements

At June 30, 2017, the Company had no structured settlements.

28. Supplemental Reserve

The Company does not use any discounting in the calculation of its supplemental reserve.