

AMENDED FILING COVER SHEET

Amended File Title	Amended Explanation
Jurat	Required for amended filing
Assets	The amended filing reflects a change in the prior year amounts due to year end audit adjustments
Liabilities, Surplus and Other Funds	The amended filing reflects a change in the prior year amounts due to year end audit adjustments
Statement of Income	The amended filing reflects a change in the prior year amounts due to year end audit adjustments
Cash	The amended filing reflects a change in the prior year amounts due to year end audit adjustments
Notes to Financial Statements	The amended filing reflects a change in the prior year amounts due to year end audit adjustments



51632201920100106

QUARTERLY STATEMENT

AS OF MARCH 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Radian Title Insurance, Inc.

NAIC Group Code	0766	0766	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	OH		
Country of Domicile	US					
Incorporated/Organized	April 7, 1978		Commenced Business	April 7, 1978		
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		216-524-3400	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Website Address	www.entitledirect.com					
Statutory Statement Contact	Ruby Gass		216-524-3400			
	(Name)		(Area Code) (Telephone Number)		(Extension)	
	rgass@entitleins.com				216-524-3488	
	(E-Mail Address)				(Fax Number)	

OFFICERS

	Name	Title
1.	Eric Ray #	President
2.	Edward Hoffman	Secretary
3.	J. Franklin Hall	Executive VP/Chief Financial Officer

VICE-PRESIDENTS

Name	Title	Name	Title
Lee H Baskey	Senior Vice President		

DIRECTORS OR TRUSTEES

Richard Thornberry	J. Franklin Hall	Derek Brummer	Brien McMahon
Edward Hoffman	Zoe Devaney	Eric Ray	

State of

County ofss

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)
Eric Ray	Edward Hoffman	J. Franklin Hall
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Executive VP/Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
 day of , 2019

a. Is this an original filing? [] Yes [X] No
b. If no: 1. State the amendment number 1
2. Date filed 08/02/2019
3. Number of pages attached 6

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	8,392,408		8,392,408	10,803,020
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
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)				
5. Cash (\$ 904,531), cash equivalents (\$ 14,631,661), and short-term investments (\$ 6,239,574)	21,775,766		21,775,766	18,927,350
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	30,168,174		30,168,174	29,730,370
13. Title plants less \$ 0 charged off (for Title insurers only)	42,852		42,852	42,852
14. Investment income due and accrued	58,381		58,381	89,361
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	209,446		209,446	161,411
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				111,245
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	44,963	44,963		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	55,837		55,837	76,590
21. Furniture and equipment, including health care delivery assets (\$ 0)	45,575	45,575		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	31,003		31,003	18,980
24. Health care (\$ 0) and other amounts receivable	12,041		12,041	12,041
25. Aggregate write-ins for other than invested assets	168,534	168,534		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	30,836,806	259,072	30,577,734	30,242,850
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	30,836,806	259,072	30,577,734	30,242,850

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. PREPAID EXPENSE	155,045	155,045		
2502. SECURITY DEPOSIT	13,489	13,489		
2503. SUSPENSE				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	168,534	168,534		

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Known claims reserve	120,000	166,347
2. Statutory premium reserve	6,045,208	6,094,125
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)	365,486	561,791
7. Taxes, licenses and fees (excluding federal and foreign income taxes)	(29,512)	547
8.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
8.2 Net deferred tax liability		
9. Borrowed money \$ 0 and interest thereon \$ 0		
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		
15. Provision for unauthorized and certified reinsurance		
16. Net adjustment in assets and liabilities due to foreign exchange rates		
17. Drafts outstanding		
18. Payable to parent, subsidiaries and affiliates	3,194,386	2,298,054
19. Derivatives		
20. Payable for securities		
21. Payable for securities lending		
22. Aggregate write-ins for other liabilities	(5,547,171)	(5,838,453)
23. Total liabilities (Lines 1 through 22)	4,148,397	3,282,411
24. Aggregate write-ins for special surplus funds	2,065,801	2,065,801
25. Common capital stock	2,000,000	2,000,000
26. Preferred capital stock		
27. Aggregate write-ins for other-than-special surplus funds		
28. Surplus notes		
29. Gross paid in and contributed surplus	46,332,700	46,332,700
30. Unassigned funds (surplus)	(23,969,164)	(23,438,062)
31. Less treasury stock, at cost:		
31.1 0 shares common (value included in Line 25 \$ 0)		
31.2 0 shares preferred (value included in Line 26 \$ 0)		
32. Surplus as regards policyholders (Lines 24 to 30 less 31)	26,429,337	26,960,439
33. Totals (Page 2, Line 28, Col. 3)	30,577,734	30,242,850

DETAILS OF WRITE-INS			
0301.	NONE		
0302.			
0303.			
0398. Summary of remaining write-ins for Line 03 from overflow page			
0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)			
2201. Reserve for retroactive reinsurance	(5,547,171)	(5,838,453)	
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)	(5,547,171)	(5,838,453)	
2401. Retroactive Reinsurance Gain	2,065,801	2,065,801	
2402. Retroactive Reinsurance - Change			
2403.			
2498. Summary of remaining write-ins for Line 24 from overflow page			
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	2,065,801	2,065,801	
2701.	NONE		
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)			

OPERATIONS AND INVESTMENT EXHIBIT

STATEMENT OF INCOME	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
OPERATING INCOME			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	1,797,488	1,959,343	9,191,858
1.2 Escrow and settlement services	276,220	303,912	1,129,796
1.3 Other title fees and service charges	151,044	118,719	527,803
2. Aggregate write-ins for other operating income			
3. Total Operating Income (Lines 1 through 2)	2,224,752	2,381,974	10,849,457
EXPENSES:			
4. Losses and loss adjustment expenses incurred	(18,287)	111,059	417,572
5. Operating expenses incurred	2,629,385	3,371,860	14,692,520
6. Aggregate write-ins for other operating expenses			
7. Total Operating Expenses	2,611,098	3,482,919	15,110,092
8. Net operating gain or (loss) (Lines 3 minus 7)	(386,346)	(1,100,945)	(4,260,635)
INVESTMENT INCOME			
9. Net investment income earned	180,701	16,651	369,109
10. Net realized capital gains (losses) less capital gains tax of \$ 0			(11,799)
11. Net investment gain (loss) (Lines 9 + 10)	180,701	16,651	357,310
OTHER INCOME			
12. Aggregate write-ins for miscellaneous income or (loss) or other deductions	(165,344)	1,828,478	2,018,458
13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12)	(370,989)	744,184	(1,884,867)
14. Federal and foreign income taxes incurred			
15. Net income (Lines 13 minus 14)	(370,989)	744,184	(1,884,867)
CAPITAL AND SURPLUS ACCOUNT			
16. Surplus as regards policyholders, December 31 prior year	26,960,439	5,350,930	5,350,930
17. Net income (from Line 15)	(370,989)	744,184	(1,884,867)
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (101)	(571)	(53)	6,160
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes	10,265		39,273
21. Change in nonadmitted assets	(58,561)	18,873	448,943
22. Change in provision for unauthorized and certified reinsurance			
23. Change in supplemental reserves			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in		3,000,000	23,000,000
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			
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)	(419,856)	3,763,004	21,609,509
32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)	26,540,583	9,113,934	26,960,439

DETAILS OF WRITE-IN LINES			
0201.			
0202.			
0203.			
0298. Summary of remaining write-ins for Line 02 from overflow page			
0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)			
0601.			
0602.			
0603.			
0698. Summary of remaining write-ins for Line 06 from overflow page			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)			
1201. Retroactive Reinsurance Gain		1,828,478	2,065,801
1202. Change in Retroactive Reinsurance	(165,344)		(47,343)
1203.			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)	(165,344)	1,828,478	2,018,458
3001.			
3002.			
3003.			
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	1,703,876	1,921,523	9,267,165
2. Net investment income	209,634	17,910	262,273
3. Miscellaneous income	427,264	422,631	1,657,599
4. Total (Lines 1 to 3)	2,340,774	2,362,064	11,187,037
5. Benefit and loss related payments	28,060	4,040,893	217,812
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	2,837,792	3,435,468	11,991,555
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	2,865,852	7,476,361	12,209,367
11. Net cash from operations (Line 4 minus Line 10)	(525,078)	(5,114,297)	(1,022,330)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	2,811,663	129,000	4,073,877
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			110,187
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			(10,847)
12.7 Miscellaneous proceeds		2,359	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,811,663	131,359	4,173,217
13. Cost of investments acquired (long-term only):			
13.1 Bonds	400,000	994,406	12,495,613
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	(525)	921	5,191
13.7 Total investments acquired (Lines 13.1 to 13.6)	399,475	995,327	12,500,804
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,412,188	(863,968)	(8,327,587)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		3,000,000	23,000,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	961,305	27,795	(3,907,514)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	961,305	3,027,795	19,092,486
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,848,415	(2,950,470)	9,742,569
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	18,927,350	9,184,783	9,184,781
19.2 End of period (Line 18 plus Line 19.1)	21,775,765	6,234,313	18,927,350

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

a. Accounting Practices

The accompanying statutory financial statements of EnTitle Insurance Company (“EnTitle or the Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, (“NAIC SAP”), the NAIC Annual Statement Instructions, and other accounting practices as prescribe or permitted by the State of Ohio – Ohio Department of Insurance (“ODI”). Entitle has adopted certain prescribed accounting practices that differ from those found in the NAIC SAP. Specifically, *SSAP No. 57, “Title Insurance”* and the timing of amounts released from the statutory premium reserve. The Company practice differs from NAIC SAP resulting in total statutory capital and surplus that was lower by \$3.86 million and \$3.85 million at March 31, 2019 and December 31, 2018, respectively, than if reported in accordance with NAIC SAP.”

	SSAP #	F/S Page	F/S Line #	2019	2018
Net Income					
(1) Entitle state basis (Page 4, Line 15, Columns 1 &2)				\$ (370,989)	\$ (1,884,867)
(2) State Prescribed Practices that are an increase / (decrease) from NAIC SAP: Premium Reserve Recovery	57	4	5	(16,274)	(97,517)
(3) State Permitted Practices that are an increase / (decrease) from NAIC SAP:	-	-	-	-	-
(4) NAIC SAP (1-2-3=4)				<u>\$ (354,715)</u>	<u>\$ (1,787,350)</u>
Surplus					
(5) Entitle state basis (Page 3, Line 32, Columns 1 &2)				\$ 26,540,583	\$26,960,439
(6) State Prescribed Practices that are an increase / (decrease) from NAIC SAP: Premium Reserve Recovery	57	3	30	(3,863,377)	(3,847,103)
(7) State Permitted Practices that are an increase / (decrease) from NAIC SAP:	-	-	-	-	-
(8) NAIC SAP (5-6-7=8)				<u>\$ 30,403,960</u>	<u>\$ 30,807,542</u>

b. Use of estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c. Accounting Policies

Cash and short-term investments include interest bearing deposits purchased with an original or remaining maturity of twelve months or less.

The Company maintains a Special Premium Reserve (“SPR”) for premiums written in the 40 states within which the Company is a licensed title insurer. Additions to the reserve and subsequent SPR release are based on regulatory requirements established by each respective state’s Insurance Commissioner. 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 subsequently reduces the Ohio portion of the SPR by 0.5% each of the succeeding 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. As noted above, the SPR release differs from *NAIC SAP 57, “Title Insurance”* guidance.

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.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern (continued)

Investments in bonds are generally reported at amortized cost, using the effective interest method, unless 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, including Mezzanine Real Estate Loans* – Not applicable

b. *Debt Restructuring* – Not applicable

c. *Reverse Mortgages* – Not applicable

d. *Loan-Backed Securities*

- 1. Sources of Prepayment Assumptions - Prepayment assumptions are determined using a combination of prepayment speeds from Mortgage Industry Advisory Corporation and Moody's cash flows
- 2. Securities with a Recognized Other-than-Temporary-Impairment - None
- 3. Information Pertaining to Each Security with a Recognized Other-than-Temporary-Impairment - None
- 4. All impaired securities (fair value is less than amortized cost) for which other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1.	Less than 12 months	<u>\$ -</u>
2.	12 Months or Longer	<u>\$ 3,340</u>

b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 months	<u>\$ -</u>
2.	12 Months or Longer	<u>\$ 35,796</u>

NOTES TO FINANCIAL STATEMENTS

5. Investments (continued)

5. In evaluating whether a decline in value is other-than-temporary, Company consider several factors, including, but not limited to the following:

- the extent and the duration of the decline in value;
- the reasons for the decline in value (credit event, interest related or market fluctuations);
- the financial position and access to capital of the issuer, including the current and future impact of any specific events;
- our intent to sell the security, or whether it is more likely than not that Company will be required to sell it before recovery; and
- the financial condition of and near-term prospects of the issuer.

A debt security impairment is deemed other-than-temporary if:

- Company either intend to sell the security, or do not have the ability to retain the security for a period of time sufficient to recover the amortized cost basis; or
- Company will be unable to collect cash flows sufficient to recover the amortized cost basis of the security.

Impairments due to deterioration in credit that result in a conclusion that the present value of cash flows expected to be collected will not be sufficient to recover the amortized cost basis of the security are considered other-than-temporary. Other declines in fair value (for example, due to interest rate changes, sector credit rating changes or company-specific rating changes) that result in a conclusion that the present value of cash flows expected to be collected will not be sufficient to recover the amortized cost basis of the security may also result in a conclusion that other-than-temporary impairment has occurred. To the extent Company determines that a security is deemed to be other-than-temporarily impaired, an impairment loss is recognized.

- e. *Dollar Repurchase Agreements and/or Securities Lending Transactions*— Not applicable
- f. *Repurchase Agreements Transactions Accounted for as Secured Borrowing*— Not applicable
- g. *Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing*— Not applicable
- h. *Repurchase Agreements Transactions Accounted for as a Sale*— Not applicable
- i. *Reverse Repurchase Agreements Transactions Accounted for as a sale*— Not applicable
- j. *Real Estate*— Not applicable
- k. *Low Income Housing Tax Credits (LIHTC)* – Not applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments (continued)

I. Restricted Assets

	1	2	3	4	5	6	7
Restricted Assets Category	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase / (decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a) Subject to contractual obligation for which liability is not known	\$ -	-	-	-	\$ -	0.00%	0.00%
b) Collateral held under security lending agreements	\$ -	-	-	-	\$ -	0.00%	0.00%
c) Subject to repurchase agreements	\$ -	-	-	-	\$ -	0.00%	0.00%
d) Subject to reverse repurchase agreements	\$ -	-	-	-	\$ -	0.00%	0.00%
e) Subject to dollar repurchase agreements	\$ -	-	-	-	\$ -	0.00%	0.00%
f) Subject to reverse dollar repurchase agreements	\$ -	-	-	-	\$ -	0.00%	0.00%
g) Placed under option contracts	\$ -	-	-	-	\$ -	0.00%	0.00%
h) Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	-	-	-	\$ -	0.00%	0.00%
i) FHLB capital stock	\$ -	-	-	-	\$ -	0.00%	0.00%
j) On deposit with states	\$ 4,721,772	5,719,924	(998,152)	-	\$ 4,721,772	15.31%	15.44%
k) On deposit with other regulatory bodies	\$ -	-	-	-	\$ -	0.00%	0.00%
l) Pledged as collateral to FHLB (including assets backing funding agreements)	\$ -	-	-	-	\$ -	0.00%	0.00%
m) Pledged as collateral not captured in other categories	\$ -	-	-	-	\$ -	0.00%	0.00%
n) Other restricted assets	\$ -	-	-	-	\$ -	0.00%	0.00%
o) Total restricted assets	\$ 4,721,772	\$ 5,719,924	\$ (998,152)	\$ -	\$ 4,721,772	15.31%	15.44%

- m. Working Capital Finance Investments– Not applicable
- n. Offsetting and Netting of Assets and Liabilities– Not applicable
- o. Structured Notes– Not applicable
- p. 5* Securities– Not applicable
- q. Short Sales– Not applicable
- r. Prepayment Penalty and Acceleration Fees – Not applicable or required for the quarter

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. Investment Income

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 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 March 31, 2019, 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 – None

9. Income Taxes – No significant change

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- a. EnTitle Insurance Company (EIC) is a member of a holding company group with Entitle Direct Group (EDG) as its parent. On March 27, 2018 EDG completed a merger with Radian Title Services, Inc. (RTS). RTS' and EIC's ultimate parent is Radian Group Inc. (NYSE: RDN) a Delaware corporation. See Schedule Y – Part I.
- b. On March 29, 2018 and June 25, 2018, EDG contributed \$3MM and \$20MM to EIC respectively.

On December 31, 2017, EDG entered into a definitive merger agreement with RTS and was effective March 27, 2018. The transaction was subject to certain closing conditions, including regulatory approval. Immediately following the closing of this transaction, the Company entered into a Loss Portfolio Transfer Reinsurance transaction with PartnerRe in which all policies issued by the Company and outstanding at the time will be 100% reinsured by a subsidiary of PartnerRe.

- c. The Company provides title insurance on residential and commercial property in 39 states and the District of Columbia in which it holds certificates of authority. The Company provides title insurance policies as well as escrow and settlement services through a network of direct operations and independent agents.

The Company provides EDG with accounts payable support and processes payment transactions on behalf of EDG. Intercompany balances are settled periodically throughout the year.

On June 22, 2018, the Company entered into dual Master Services Agreements (MSA's) with ValuAmerica, an affiliate and wholly owned subsidiary of Radian Group, Inc. The Company will provide title search and underwriting services and receive support and facilitation services on title insurance policies. Fees for services are based upon approved pricing and can be changed upon mutual consent of the parties and approval from the Ohio Department of Insurance (ODI). The MSA's may be terminated without cause upon seven days written notice. For the three months ending March 31, 2019 the Company billed \$34,603 for services provided and was invoiced \$297,158 for services received under the MSA's. For the period ending December 31, 2018, the Company billed \$15,878 for services provided and was invoiced \$123,369 for services received under the MSA's.

Beginning in May of 2018, the Company began receiving payroll, health, other employee benefit and administrative support services from its parent, Radian. Administration and funding are provided by Radian and invoiced to the Company on a monthly basis. When available, the Company remits excess operating cash to Radian for reimbursement. During the three months ending March 31, 2019, the Company was invoiced \$943,010.

- d. The following table identifies the intercompany balances as of March 31, 2019 and December 31, 2018.

	3/31/2019	12/31/2018
Due From/ (To) Radian	\$ (3,122,735)	\$ (2,179,725)
Due From/ (To) RSS	\$ (40,648)	(99,349)
Due From / (To) EDG	-	-
Due From / (To) Entitle LLC	-	-
	<u>\$ (3,163,383)</u>	<u>\$ (2,279,074)</u>

- e. On December 27, 2017, PartnerRe (the "Guarantor") entered into an Amended and Restated Guaranty Agreement that was approved by ODI whereby the Guarantor guaranteed that all documented and agreed policyholder liabilities shall be paid by the Company to the extent it has the ability to do so and if not, the Guarantor shall pay such liabilities as and when they are due. The initial Guaranty was effective as of September 7, 2017 and the Amended and Restated Guaranty Agreement was effective on December 27, 2017 and was in effect until the change of control at EDG on March 27, 2018.
- f. The Company is a party to a tax sharing agreement with Radian Group Inc. and its subsidiaries ("the Group"). Commencing with the 2018 tax year the Company will be included in the consolidated federal income tax return of the Group.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

- g. All outstanding shares of the Company are owned by the parent company, EDG.
- 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

At March 31, 2019 and December 31, 2018, the Company had no debt outstanding.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

EnTitle administered a defined contribution plan for eligible employees. Employer contributions and costs are based on a percentage of employee's eligible compensation. At December 31, 2018 plan expense was \$4,709. As part of the merger agreement, the Company terminated the Plan effective March 26, 2018.

In April of 2018 the eligible employees of Entitle participated in a defined contribution plan administered by Radian. For the three months ended March 31, 2019 Entitle matching contributions and other expenses were \$25,380.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- 1) At March 31, 2019, the Company has 800 shares of common stock authorized, and 400 shares outstanding with a par value of \$5,000.
- 2) The Company has no preferred stock outstanding.
- 3) Under Ohio's insurance laws, dividends and other distributions may only be paid out of an insurer's positive unassigned surplus, measured as of the end of the prior fiscal year, unless the ODI approves the payment of dividends or other distributions from another source. While all proposed dividends and distributions to stockholders must be filed with the ODI prior to payment, if an Ohio domiciled insurer had positive unassigned surplus as of the end of the prior fiscal year, then unless the prior approval of the ODI is obtained, such insurer could only pay dividends or other distributions during any 12-month period in an aggregate amount less than or equal to the greater of: (i) 10% of the preceding year-end statutory policyholders' surplus; or (ii) the preceding year's statutory net income. The Company had negative unassigned surplus at December 31, 2018 of \$23.9 million, therefore it is unable to pay ordinary dividends or other distributions in 2019 without approval from the Ohio Department of Insurance.
- 4) The Company has not paid any dividends to date.
- 5) As of December 31, 2018, a special surplus of \$2,065,801 was established as a result of the retroactive reinsurance purchased as of March 27, 2018. The retroactive reinsurance is a Loss Portfolio Transfer with PartnerRe in which all policies issued by the Company and outstanding at the time will be 100% reinsured by a subsidiary of PartnerRe.
- 6) There were no restrictions in addition to the special surplus placed on the Company's unassigned funds.
- 7) There were no advances to surplus.
- 8) There are no stocks held by the Company, including stock of affiliated companies, for special purposes.
- 9) There are no changes in the special surplus fund from the prior year.
- 10) The portion of unassigned funds reduced by cumulative unrealized losses is \$ 2,509
- 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. Liabilities, Contingencies and Assessments - None

15. Leases

The Company leases its office facilities, title plants and some of its equipment under non-cancellable operating leases expiring at various times through October 2022. Rental expense for the three months ending March 31, 2019 and the year ending December 31, 2018 was \$224,932 and \$533,190, respectively.

Certain rental commitments have renewal options extending through the year 2022. Some of these renewals are subject to adjustment in future periods.

At March 31, 2019, the minimum aggregate rental commitments are as follows:

NOTES TO FINANCIAL STATEMENTS

Year Ending December 31,	Operating Leases
2019	\$ 160,684
2020	102,170
2021	47,021
2022	18,568
2023 and beyond	-
	<u>\$ 328,443</u>

16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk – None.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – None.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not Applicable to Title Companies.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators– Not Applicable to Title Companies.
20. Fair Value Measurements

a. For assets and liabilities measured and reported at fair value

1. Fair Value Measurements at Reporting Date

As of March 31, 2019	Level 1	Level 2	Level 3	Total
<u>Bonds</u>				
Industrial and Misc.	\$ -	\$ 34,037	\$ -	\$ 34,037
Total Bonds	\$ -	\$ 34,037	\$ -	\$ 34,037
<u>Preferred Stocks</u>				
Industrial and Misc.	\$ -	\$ -	\$ -	\$ -
Total Preferred Stocks	\$ -	\$ -	\$ -	\$ -
<u>Common Stocks</u>				
Industrial and Misc.	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	<u>\$ -</u>	<u>\$ 34,037</u>	<u>\$ -</u>	<u>\$ 34,037</u>
As of December 31, 2018	Level 1	Level 2	Level 3	Total
<u>Bonds</u>				
Industrial and Misc.	\$ -	\$ 38,523	\$ -	\$ 38,523
Total Bonds	\$ -	\$ 38,523	\$ -	\$ 38,523
<u>Preferred Stocks</u>				
Industrial and Misc.	\$ -	\$ -	\$ -	\$ -
Total Preferred Stocks	\$ -	\$ -	\$ -	\$ -
<u>Common Stocks</u>				
Industrial and Misc.	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	<u>\$ -</u>	<u>\$ 38,523</u>	<u>\$ -</u>	<u>\$ 38,523</u>

2. Fair Value Measurements in Level 3 – None

3. Transfers between levels are recognized as of the end of the quarter in which the transfer occurs.
4. The Bond categorized within level 2 of the fair value hierarchy is a CMO. This CRP rated asset backed security is rated a 5, where the fair value is lower than book value. This security’s fair value was obtained from Reuters. Reuters’ valuation techniques reflect market participants’ assumptions and maximize the use of relevant observable inputs including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.
5. There are no derivative assets or liabilities.

b. Not applicable

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

c. Aggregate Fair Value Hierarchy

As of March 31, 2019

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Bonds	\$ 8,459,258	\$ 8,392,408	\$4,788,657	\$ 3,670,601	\$ -	\$ -
Short Term	6,244,645	6,239,574	-	6,244,645	-	-
Cash Equivalents	14,631,661	14,631,661	3,175,709	11,455,952	-	-
	<u>\$ 29,335,564</u>	<u>\$ 29,263,643</u>	<u>\$ 7,964,366</u>	<u>\$ 21,371,198</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2018

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Bonds	\$ 10,848,351	\$ 10,803,020	\$7,074,828	\$ 3,773,523	\$ -	\$ -
Short Term	3,362,453	3,365,662	-	3,362,453	-	-
Cash Equivalents	14,910,488	14,910,413	3,520,083	11,390,405	-	-
	<u>\$ 29,121,292</u>	<u>\$ 29,079,095</u>	<u>\$ 10,594,911</u>	<u>\$ 18,526,381</u>	<u>\$ -</u>	<u>\$ -</u>

d. Not Practicable to Estimate Fair Value – None

21. Other Items

- a. Unusual or Infrequent Items – None
- b. Troubled Debt Restructuring Debtors – None
- c. Other Disclosures

The Company holds \$2,402,631 and \$4,725,149 at March 31, 2019 and December 31, 2018, respectively in segregated escrow bank accounts pending the closing of real estate transactions. These amounts are excluded from the Company’s financial statements.

- d. Business Interruption Insurance Recoveries – None
- e. State Transferable and Non-transferable Tax Credit – None
- f. Sub-Prime Mortgage Related Risk Exposure – None
- g. Insurance Linked Securities (ILS) Contracts – None

22. Events Subsequent

Subsequent events have been considered through May 15, 2019 for the statutory statement issued on May 15, 2019.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

- a. Unsecured Reinsurance Recoverable – None
- b. Reinsurance Recoverable in Dispute – None
- c. Reinsurance Ceded

At March 31, 2019, the Company had no reinsurance liability

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. Uncollected Reinsurance – None
- e. Commutation of Ceded Reinsurance – None
- f. Retroactive Reinsurance

On March 27, 2018 the Company entered into a Loss Portfolio Transfer Reinsurance transaction in which all policies issued by EIC and outstanding at the time, subject to certain limitations, became reinsured by a subsidiary of PartnerRe Ltd. Reimbursement for claims paid by the Company totaled \$125,937 for the three months ending March 31, 2019. Reimbursements in 2018 totaled \$300,590.

- g. Reinsurance Accounted for as a Deposit – The Company did not do deposit accounting for any reinsurance agreements.
- h. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not applicable.

24. Retrospectively Rated Contracts & Contract Subject to Redetermination- Not applicable to title companies

25. Change in Incurred Losses and Loss Adjustment Expenses

	3/31/2019	12/31/2018
Claims Payable		
Beginning Balance	\$ 166,347	\$ 267,177
Incurred Claims:		
Insured Events of Current Year	\$ 15,975	\$ 70,737
Increase / (Decrease) insured events of prior year	(33,394)	346,835
Total Incurred Claims	\$ (17,419)	\$ 417,572
Payment of Claims:		
Claims incurred in prior years	\$ 24,953	\$ 47,746
Claims incurred in current year	3,975	470,656
Total Claims Paid	\$ 28,928	\$ 518,402
Ending Balance	\$ 120,000	\$ 166,347

26. Intercompany Pooling Arrangements – Not applicable to title companies

27. Structured Settlements – None

28. Supplemental Reserve – None