

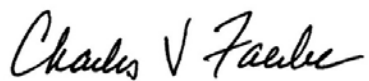
Texas Land Title Association

Rate Study

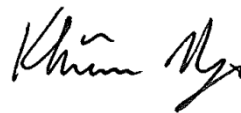
January 23, 2019

Prepared for:
Texas Land Title Association

Prepared by:



Charles V. Faerber, F.S.A., A.C.A.S.



Khiem D. Ngo, F.S.A., A.C.A.S.

Rudd and Wisdom, Inc.

I. Actuarial Certification

We, Charles V. Faerber and Khiem D. Ngo are principals with the firm of Rudd and Wisdom, Inc., Consulting Actuaries (Rudd and Wisdom). We are Fellows of the Society of Actuaries, Associates of the Casualty Actuarial Society and members of the American Academy of Actuaries.

We meet the Academy's qualification standards for rendering this opinion.

II. Introduction

Rudd and Wisdom, Inc. has been asked by the Texas Land Title Association (TLTA) to develop indicated rate change for Texas title insurance firms. This report presents the indicated rate change calculations and assumptions used in developing the indicated rates.

Rudd and Wisdom has relied on the following data sources:

- State of Texas Title Insurance Industry Experience Reports from 1998 through 2016.
- Texas Title Insurance Statistical Plan data call provided by underwriting companies.
- Annual Statement experience from 2003 through 2016 provided by Texas Department of Insurance (TDI).
- Suggested cost of capital provided by Dr. Jay Hartzell.

Although the above data was reviewed for reasonableness, Rudd and Wisdom did not audit the data.

III. Overview of the Rating Methodology

This report details the development of the indicated rate for title insurance firms in Texas. The actuarial model used to derive the indicated rate relies primarily on the experience of title insurance companies and agencies in Texas. This includes data from independent agents, affiliated agents, direct operations, and underwriters. The loss, LAE, and expense ratio were compiled and analyzed for each year from 1998 through 2016. The indicated rate provides a reasonable provision to cover i) expected expense, ii) expected loss & LAE, iii) catastrophic load, and iv) underwriting profit. The weighted averages of the loss, LAE, and expense ratios for the past 10 and 15 years were used to determine the indicated rates.

The indicated rate also considers proposed changes including 1) the impact of increasing the discounts for refinance policies issued within eight years since loan origination, 2) increasing the lowest rate tier from a policy amount of \$10,000 to \$25,000 and 3) add new rate tiers for policies in excess of \$25M.

We recommend using at least ten years of financial experience to set the rates due to the cyclical nature of the title insurance industry. There is volatility from year to year and using more years in the experience period has the advantage of smoothing these fluctuations. Based on our study, a reasonable rate decrease range would be between -4.4% to -8.1%.

	<i>Past 10 Yrs (2007- 2016)</i>	<i>Past 15 Yrs (2002- 2016)</i>	
(1) Loss & LAE Ratio	2.80%	2.87%	Attachment 2 - Exhibit A
(2) Expense Ratio	78.64%	81.92%	Attachment 2 - Exhibit A
(3) Provision for Catastrophic Claims	1.00%	1.00%	
(4) Total Loss, Expense, and Catastrophic Ratio	82.45%	85.78%	= (1) + (2) + (3)
Adjustments to Loss, Expense, and Catastrophic Ratio			
(5) Impact of Refinance Credit	-1.91%	-1.91%	Attachment 4 - Exhibit A
(6) Increase Limit to \$25K	0.15%	0.15%	Attachment 4 - Exhibit B
(7) Add New Large Policy Tiers	-0.18%	-0.18%	Attachment 4 - Exhibit C
(8) Adjusted Loss, Expense, and Catastrophic Ratio	84.08%	87.48%	=(4) / [1 + (5)+(6)+(7)]
(9) Profit Load - 8.50%	8.50%	8.50%	Attachment 3 - Exhibit A
(10) Indicated Rate Change	-8.1%	-4.4%	=(8) / [1 - (9)] - 1

IV. Underwriting Profit Load

The indicated rates include a profit load provision that together with investment and miscellaneous income provides an adequate return to the title insurance firms considering the capital required, the expenses incurred, and risks involved with selling title insurance.

The suggested cost of capital was provided by Dr. Jay Hartzell. He has recommended using a cost of capital of 13.10%. We removed the return on investment to determine the appropriate underwriting profit load to include in the rates. We have determined the underwriting profit load to be 8.50%. Attachment 3 presents the underwriting profit load calculations.

V. Adjustments to Loss, LAE and Expense Ratio

Re-finance Credit Change

The current rate schedule provides discounted title insurance rates for property owners, who refinance their mortgage loans in the first seven years after the original loan is issued. As part of this rate analysis, we have studied the impact of increasing the discounts to 50% through the first four years since load origination and 25% for years five through eight since load origination. Please note that we do not have historical data for loans refinanced in the eighth year. For the purposes of this analysis, we assumed that the premium volume in year eight is 80% of the premium volume from year seven. Attachment 4 - Exhibit A presents the derivation of the impact of the proposed refinance credit change. We've estimated that this will reduce aggregate premiums by 1.91%.

Increase Lowest Rate Tier

The current rate schedule starts with a policy amount of \$10,000. The proposed rate schedule will start with a policy amount of \$25,000. Attachment 4 - Exhibit B presents the derivation of the impact of the increasing the lowest rate tier from a policy amount of \$10,000 to \$25,000. We've estimated this change will increase aggregate premiums by 0.15%.

Add New Large Policy Rate Tiers

The current rate schedule's largest rate tier is policies greater than \$25M. The proposed rate schedule will add new rate tiers for policy range \$25M-\$50M, \$50M-\$100M and Over \$100M. Attachment 4 - Exhibit C presents the derivation of the impact of adding rate tiers for policy in excess of \$25M. We've estimated this change will reduce aggregate premiums by 0.18%.

VI. Attachments

Attachment 1 - Summary of Indicated Rate Change

Attachment 1 presents information regarding the suggested rate change. The averages of the loss, LAE, and expense ratios, weighted by retained premium volume, for the past 10, and 15 years were used to determine the indicated rates. We recommend using at least ten years of financial experience to set the rates due to the cyclical nature of title insurance in order to reduce volatility from year to year. The indicated rate was calculated using a profit load of 8.50% based on a cost of capital of 13.1% provided by Dr. Jay Hartzell. The indicated rate provides a reasonable provision to cover i) expected expense, ii) expected loss & LAE, iii) catastrophic load, and iv) underwriting profit. The weighted averages of the loss, LAE, and expense ratios for the past 10 and 15 years were used to determine the indicated rates.

The indicated rate also considers proposed changes including 1) the impact of increasing the discounts for refinance policies issued within eight years since loan origination, 2) increasing the lowest rate tier from a policy amount of \$10,000 to \$25,000 and 3) add new rate tiers for policies in excess of \$25M.

We recommend using at least ten years of financial experience to set the rates due to the cyclical nature of the title insurance industry. There is volatility from year to year and using more years in the experience period has the advantage of smoothing these fluctuations.

Based on our study, a reasonable rate decrease range would be between -4.4% to -8.1%.

Texas Land Title Association

Review Of Title Experience All Agencies And Underwriters Combined

Summary Of Overall Rate Indications

	<u>Past 10 Yrs (2007-2016)</u>	<u>Past 15 Yrs (2002-2016)</u>	
(1) Loss & LAE Ratio	2.80%	2.87%	Attachment 2 - Exhibit A
(2) Expense Ratio	78.64%	81.92%	Attachment 2 - Exhibit A
(3) Provision for Catastrophic Claims	1.00%	1.00%	
(4) Total Loss, Expense, and Catastrophic Ratio	82.45%	85.78%	= (1) + (2) + (3)
Adjustments to Loss, Expense, and Catastrophic Ratio			
(5) Impact of Refinance Credit	-1.91%	-1.91%	Attachment 4 - Exhibit A
(6) Increase Limit to \$25K	0.00%	0.00%	Attachment 4 - Exhibit B
(7) Add New Large Policy Tiers	0.00%	0.00%	Attachment 4 - Exhibit C
(8) Adjusted Loss, Expense, and Catastrophic Ratio	84.05%	87.45%	=(4) / [1 + (5)+(6)+(7)]
(9) Profit Load - 8.50%	8.50%	8.50%	Attachment 3 - Exhibit A
(10) Indicated Rate Change	-8.1%	-4.4%	=(8) / [1 - (9)] - 1

Attachment 2 - Summary of Claim and Expense Experience

Attachment 2 presents information regarding on-level premiums, expenses, and losses & LAE from 1998 through 2016. Income and expenses have been adjusted to eliminate the double counting of income and expense arising when underwriters or agents pay another agent for title services. Tax certificates and recording fees were excluded from both income and expense. In addition, expense also excludes damages for bad faith suits, fines or penalties, donations and lobbying expenses, trade association fees, and loss & LAE. A summary of each exhibit in Attachment 2 is shown below. The experience data included in Attachment 2 relied on the Texas Title Insurance Industry Report presented in Attachment 5.

Exhibit A - Summary of Loss & Expense Ratios for All Title Firms

Exhibit B - Summary of Loss & Expense Ratios for Underwriting Company

Exhibit C – Summary of Loss & Expense Ratios for All Agents, including Independent Agents, Affiliated Agents and Direct Operations.

*Texas Land Title Association
Summary Of Loss & Expense Ratios
Total - Agents & Underwriters*

<i>Calendar Year</i>	<i>Adjusted Gross Title Income</i>	<i>Adjusted Retained Premiums</i>	<i>On-Level Factor</i>	<i>On-Level Adjusted Retained Premium</i>	<i>Additional Unearned Premium</i>	<i>Adjusted Expense</i>	<i>Expense Included In Rate</i>	<i>Loss & LAE</i>	<i>On-Level Expense Ratio</i>	<i>On-Level Loss & LAE Ratio</i>
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)	(7)=(5)+(6)*(2)/(1)	(8)	(9) = (7)/(3)	(10) = (8)/(4)
1998	949,638,033	911,711,319	0.867	790,763,757	3,574,018	742,995,556	716,895,762	16,509,731	90.7%	2.1%
1999	973,110,419	935,539,697	0.883	825,891,110	8,927,714	820,544,016	797,791,428	21,140,434	96.6%	2.6%
2000	952,441,217	915,693,575	0.883	808,371,025	4,193,778	808,041,488	781,058,939	19,842,088	96.6%	2.5%
2001	1,112,337,771	1,070,034,314	0.883	944,622,479	7,045,092	934,471,547	905,977,635	18,335,658	95.9%	1.9%
2002	1,299,156,976	1,257,265,049	0.892	1,121,438,631	8,878,506	1,082,071,056	1,056,057,673	31,096,918	94.2%	2.8%
2003	1,571,751,663	1,524,050,379	0.939	1,431,784,747	20,833,908	1,296,525,144	1,278,010,651	40,870,014	89.3%	2.9%
2004	1,453,828,619	1,413,365,012	0.971	1,371,826,779	24,143,714	1,241,098,275	1,230,699,188	41,479,307	89.7%	3.0%
2005	1,518,947,104	1,476,774,422	1.005	1,483,686,003	18,484,082	1,305,470,232	1,287,708,692	49,224,084	86.8%	3.3%
2006	1,652,594,699	1,604,845,858	1.005	1,612,356,837	11,502,725	1,418,102,121	1,388,631,259	47,719,447	86.1%	3.0%
2007	1,586,578,605	1,534,635,009	1.035	1,588,914,704	12,551,994	1,370,023,287	1,337,721,571	51,647,343	84.2%	3.3%
2008	1,231,818,985	1,186,560,246	1.038	1,231,498,467	(4,283,461)	1,168,401,591	1,121,189,434	55,226,701	91.0%	4.5%
2009	1,061,512,988	1,012,985,878	1.038	1,051,350,371	(18,186,359)	1,001,565,471	937,592,505	35,639,008	89.2%	3.4%
2010	1,101,517,063	1,057,366,312	1.038	1,097,411,611	(11,471,165)	940,674,910	891,499,832	40,018,351	81.2%	3.6%
2011	1,159,156,164	1,123,190,641	1.038	1,165,728,884	(5,899,805)	959,754,427	924,076,003	58,064,437	79.3%	5.0%
2012	1,468,634,606	1,429,571,222	1.038	1,483,712,920	1,500,493	1,115,553,983	1,087,382,484	32,209,248	73.3%	2.2%
2013	1,745,176,656	1,688,812,893	1.013	1,710,055,822	10,090,537	1,278,579,990	1,247,376,381	39,906,444	72.9%	2.3%
2014	1,770,360,695	1,706,997,361	1.000	1,706,997,361	(22,601,407)	1,318,863,043	1,249,057,944	33,991,728	73.2%	2.0%
2015	1,958,529,236	1,900,163,117	1.000	1,900,163,117	23,228,575	1,454,183,401	1,434,075,865	34,869,621	75.5%	1.8%
2016	2,085,970,799	2,028,753,873	1.000	2,028,753,873	18,596,511	1,562,814,074	1,538,543,533	38,102,470	75.8%	1.9%
10 Years Total	15,169,255,797	14,669,036,552		14,964,587,131	3,525,912	12,170,414,176	11,768,515,553	419,675,351	78.6%	2.8%
15 Years Total	22,665,534,859	21,945,337,272		21,985,680,128	87,368,847	18,513,681,004	18,009,623,015	630,065,121	81.9%	2.9%

<i>Calendar Year</i>	<i>Adjusted Gross Title Income ²</i>	<i>Adjusted Retained Premiums ³</i>	<i>On-Level Factor</i>	<i>On-Level Adjusted Retained Premium</i>	<i>Additional Unearned Premium</i>	<i>Adjusted Expense ⁴</i>	<i>Expense Included In Rate</i>	<i>Loss & LAE</i>	<i>On-Level Expense Ratio</i>	<i>On-Level Loss & LAE Ratio</i>
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)	(7)=(5)+(6)*(2)/(1)	(8)	(9) = (7)/(3)	(10) = (8)/(4)
1998	153,514,570	149,366,025	0.867	129,551,138	3,574,018	76,679,013	78,180,873	14,943,440	60.3%	11.5%
1999	177,523,572	173,062,302	0.883	152,778,783	8,927,714	111,682,768	117,803,829	18,770,606	77.1%	12.3%
2000	154,990,964	151,336,201	0.883	133,599,059	4,193,778	99,960,370	101,797,033	17,929,279	76.2%	13.4%
2001	153,402,190	149,295,813	0.883	131,797,812	7,045,092	110,556,485	114,642,124	16,237,440	87.0%	12.3%
2002	180,940,518	176,963,002	0.892	157,845,115	8,878,506	118,761,288	125,029,130	29,527,514	79.2%	18.7%
2003	232,337,075	229,288,753	0.939	215,407,669	20,833,908	155,521,873	174,315,294	38,634,987	80.9%	17.9%
2004	243,003,200	239,068,029	0.971	232,041,916	24,143,714	164,758,100	186,233,737	38,220,749	80.3%	16.5%
2005	252,466,605	244,525,755	1.005	245,670,181	18,484,082	178,683,284	191,547,227	42,472,425	78.0%	17.3%
2006	241,155,830	236,026,074	1.005	237,130,721	11,502,725	175,575,888	183,343,843	43,538,927	77.3%	18.4%
2007	232,056,765	220,531,871	1.035	228,332,034	12,551,994	179,007,500	182,669,245	40,232,513	80.0%	17.6%
2008	196,543,091	188,909,285	1.038	196,063,787	(4,283,461)	177,833,407	166,642,831	38,765,768	85.0%	19.8%
2009	167,297,656	151,983,272	1.038	157,739,286	(18,186,359)	177,161,988	142,758,267	33,541,313	90.5%	21.3%
2010	174,826,619	160,730,358	1.038	166,817,648	(11,471,165)	136,201,991	113,748,867	37,811,090	68.2%	22.7%
2011	184,591,883	174,406,432	1.038	181,011,672	(5,899,805)	124,976,867	112,181,061	55,730,084	62.0%	30.8%
2012	223,513,435	214,772,511	1.038	222,906,522	1,500,493	135,847,464	132,035,380	28,028,121	59.2%	12.6%
2013	269,334,028	258,272,511	1.013	261,521,222	10,090,537	148,453,524	152,447,092	37,876,813	58.3%	14.5%
2014	284,357,868	275,922,965	1.000	275,922,965	(22,601,407)	145,739,971	118,815,481	31,586,849	43.1%	11.4%
2015	316,107,043	310,069,797	1.000	310,069,797	23,228,575	153,274,017	173,575,252	32,644,416	56.0%	10.5%
2016	337,902,347	331,583,841	1.000	331,583,841	18,596,511	156,970,838	172,632,118	33,120,651	52.1%	10.0%
10 Years Total	2,386,530,735	2,287,182,842		2,331,968,773	3,525,912	1,535,467,567	1,467,505,593	369,337,618	62.9%	15.8%
15 Years Total	3,536,433,964	3,413,054,456		3,420,064,374	87,368,847	2,328,767,999	2,327,974,824	561,732,220	68.1%	16.4%

Notes

- (1) Experience reported by Underwriting Company in the Texas Title Insurance Industry Experience Report. See Attachment 5 - Exhibit A.
- (2) Adjusted Gross Title Income includes the gross title income reported by Underwriters, excluding the following
 - Expense Line 3a. Evidence/Examination Fees (industry transfer item, removed from both income and expense)
 - Expense Line 4a. Closing Fees Paid (industry transfer item, removed from both income and expense)
- (3) Adjusted Retained Premiums includes income from Line 3. Title Premiums Remitted to Underwriters, excluding the following
 - Expense Line 3a. Evidence/Examination Fees (industry transfer item, removed from both income and expense)
 - Expense Line 4a. Closing Fees Paid (industry transfer item, removed from both income and expense)
- (4) Adjusted Expense includes title operating expense reported by Underwriters, excluding the following
 - Expense Line 3a. Evidence/Examination Fees (industry transfer item, removed from both income and expense)
 - Expense Line 4a. Closing Fees Paid (industry transfer item, removed from both income and expense)
 - Expense Line 24. Loss Adjustment Expenses Incurred - This is captured as Loss/LAE instead of Expense
 - Expense Line 25. Losses Incurred - This is captured as Loss/LAE instead of Expense
 - Expense Line 28. Net Addition to Unearned Premium Reserve. This is captured in Unearned Premiums Reserve instead of Expense
 - Expense Line 29 thru 32 - Ineligible Expense not included in rating analysis.

All Agent Experience - Independent Agents, Affiliated Agents & Direct Operations¹

Calendar Year	Adjusted Gross Title Income ²	Adjusted Retained Premiums ³	On-Level Factor	On-Level Adjusted Retained Premium	Additional Unearned Premium	Adjusted Expense ⁴	Expense Included In Rate	Loss & LAE	On-Level Expense Ratio	On-Level Loss & LAE Ratio
	(1)	(2)	(3)	(4)=(2)*(3)	(5)	(6)	(7)=(5)+(6)*(2)/(1)	(8)	(9) = (7)/(3)	(10) = (8)/(4)
1998	796,123,463	762,345,294	0.867	661,212,619	-	666,316,543	638,045,862	1,566,291	96.5%	0.2%
1999	795,586,847	762,477,395	0.883	673,112,326	-	708,861,248	679,361,002	2,369,828	100.9%	0.4%
2000	797,450,253	764,357,374	0.883	674,771,966	-	708,081,119	678,696,913	1,912,809	100.6%	0.3%
2001	958,935,581	920,738,501	0.883	812,824,667	-	823,915,062	791,096,226	2,098,217	97.3%	0.3%
2002	1,118,216,457	1,080,302,047	0.892	963,593,516	-	963,309,768	930,647,647	1,569,404	96.6%	0.2%
2003	1,339,414,588	1,294,761,626	0.939	1,216,377,078	-	1,141,003,271	1,102,964,880	2,235,027	90.7%	0.2%
2004	1,210,825,419	1,174,296,983	0.971	1,139,784,864	-	1,076,340,175	1,043,868,918	3,258,558	91.6%	0.3%
2005	1,266,480,500	1,232,248,667	1.005	1,238,015,821	-	1,126,786,949	1,096,330,907	6,751,659	88.6%	0.5%
2006	1,411,438,869	1,368,819,784	1.005	1,375,226,117	-	1,242,526,233	1,205,007,547	4,180,520	87.6%	0.3%
2007	1,354,521,840	1,314,103,138	1.035	1,360,582,670	-	1,191,015,786	1,155,476,078	11,414,830	84.9%	0.8%
2008	1,035,275,894	997,650,961	1.038	1,035,434,680	-	990,568,184	954,568,059	16,460,933	92.2%	1.6%
2009	894,215,332	861,002,606	1.038	893,611,085	-	824,403,483	793,783,692	2,097,695	88.8%	0.2%
2010	926,690,444	896,635,954	1.038	930,593,964	-	804,472,919	778,382,196	2,207,261	83.6%	0.2%
2011	974,564,281	948,784,209	1.038	984,717,213	-	834,777,560	812,695,255	2,334,353	82.5%	0.2%
2012	1,245,121,171	1,214,798,711	1.038	1,260,806,398	-	979,706,519	955,847,707	4,181,127	75.8%	0.3%
2013	1,475,842,628	1,430,540,382	1.013	1,448,534,601	-	1,130,126,466	1,095,436,272	2,029,631	75.6%	0.1%
2014	1,486,002,827	1,431,074,396	1.000	1,431,074,396	-	1,173,123,072	1,129,759,891	2,404,879	78.9%	0.2%
2015	1,642,422,193	1,590,093,320	1.000	1,590,093,320	-	1,300,909,384	1,259,461,380	2,225,205	79.2%	0.1%
2016	1,748,068,452	1,697,170,032	1.000	1,697,170,032	-	1,405,843,236	1,364,909,370	4,981,819	80.4%	0.3%
10 Years Total	12,782,725,062	12,381,853,709		12,632,618,358	-	10,634,946,609	10,300,319,900	50,337,733	81.5%	0.4%
15 Years Total	19,129,100,895	18,532,282,816		18,565,615,754	-	16,184,913,005	15,679,139,799	68,332,901	84.5%	0.4%

Notes

(1) Experience reported by Independent Agents, Affiliated Agents and Direct Operations in the Texas Title Insurance Industry Experience Report. See Attachment 5 - Exhibit B.

(2) Adjusted Gross Title Income includes the gross title income reported by all agents, excluding the following
 Income Line 6. Tax Certificates (pass through item, removed from both income and expense)
 Income Line 7. Recording Fees (pass through item, removed from both income and expense)
 Expense Line 3a. Evidence/Examination Fees - Title Agents (industry transfer item, removed from both income and expense)
 Expense Line 4a. Closing Fees Paid - Title Agents (industry transfer item, removed from both income and expense)

(3) Adjusted Retained Premiums includes income reported by all agents from
 Line 3. Premiums Retained, Line 4. Examination/Evidence Fees, and Line 5. Closing Fees, excludes the following
 Expense Line 3a. Evidence/Examination Fees - Title Agents (industry transfer item, removed from both income and expense)
 Expense Line 4a. Closing Fees Paid - Title Agents (industry transfer item, removed from both income and expense)

(4) Adjusted Expense includes title operating expense reported by all agents, excluding the following
 Expense Line 3a. Evidence/Examination Fees - Title Agents (industry transfer item, removed from both income and expense)
 Expense Line 4a. Closing Fees Paid - Title Agents (industry transfer item, removed from both income and expense)
 Expense Line 24. Loss & Loss Adjustment Expense - This is captured as Loss/LAE instead of Expense
 Expense Line 25. Tax Certificates (pass through item, removed from both income and expense)
 Expense Line 26. Recording Fees (pass through item, removed from both income and expense)
 Expense Line 28 thru 31 - Ineligible Expense not included in rating analysis.

Attachment 3 - Summary of Cost of Capital and Underwriting Profit

The indicated rates include a profit load provision that together with investment income and miscellaneous income provides an adequate return to the title insurance companies and agents.

Exhibit A presents a summary of the development of the target underwriting profit. The cost of capital was determined by Dr. Jay Hartzell to be 13.10%. The pre-tax investment gain (Exhibit 2), financial leverage ratios (Exhibit 2) and the tax rate on investment (Exhibit 3) were used to determine the pre-tax underwriting profit load. We have determined the underwriting profit load to be 8.50% using a 13.10% cost of capital.

Exhibit B presents a summary of the development of the investment returns and financial leverage ratios. We have relied on Annual Statement data from 2003 through 2016 for all companies licensed in Texas. The Annual Statement data for each company does not separate the experience by states other than direct premiums written in Texas. In order to give more weight to companies that do more business in Texas, we used a weighted average of the numbers using direct premiums written in Texas as weights. The average pre-tax gain on invested assets was determined to be 5.5%. The invested asset to capital leverage ratio was determined to be 1.49 and the premium to capital leverage ratio was determined to be 0.91.

Exhibit C presents a summary of the development of the average tax rate on investments. We assumed the tax rate on investment income – tax exempt is 5.25%, tax rate on investment income – dividends is 10% and tax rate of 21% for all other investment income. We have determined that the weighted average tax rate on investment income is 14.28%.

Attachment 3 - Exhibit A

Texas Land Title Association

Development of Target Underwriting Profit

	<i>Weighted Average</i> ¹	
1. Basis For Financial Leverage Factors		
2. Target Return on Capital	13.10%	From Dr. Jay Hartzell
3. Pre-Tax Return on Invested Assets	5.45%	Att. 3 - Exh. 2
4. Tax on Investment Return	14.28%	Att. 3 - Exh. 3
5. After-Tax Return on Invested Assets	4.67%	= (3) x [1 - (4)]
6. Invested Assets / Capital Leverage Factor	1.49	Att. 3 - Exh. 2
7. After-Tax Return on Investments / Capital	6.98%	= (5) * (6)
8. Required After-Tax Return From Underwriting/Capital [(2) - (7)]	6.12%	= (2) - (7)
9. Premium / Capital Leverage Factor	0.91	Att. 3 - Exh. 2
10. Indicated After-Tax Return From Underwriting / Premium [(8) / (9)]	6.72%	= (8) / (9)
11. Indicated Pre-Tax Return From Underwriting / Premium [(10) / 0.79]²	8.5%	= (10) / 0.79

Notes:

(1) Used weighted average Annual Statement data for all companies licensed in Texas using written premium as weights

(2) Assumed corporate tax rate of 21%

Attachment 3 - Exhibit B

Texas Land Title Association

Development of Investment Returns and Financial Leverage Ratios

		2003	2004	2005	2006
<i>Investment Gain:</i>					
1.	Invested Assets AS Page 2, Line 10	604,476,903	721,992,095	879,297,349	861,178,025
2.	Average Invested Assets Average of (1)		663,234,499	800,644,722	870,237,687
3.	Investment Gain (Annualized) AS Page 4, Line 11	57,340,432	44,179,440	69,901,716	60,801,255
4.	Capital Gains Tax Adjustment AS Exh. of Cap. Gain				
5.	Pre-Tax Investment Gain (3) + (4)	57,340,432	44,179,440	69,901,716	60,801,255
6.	Pre-Tax Inv Gain / Avg Invested Assets (5) / (2)		6.7%	8.7%	7.0%
 <i>Calculation of GAAP Adjusted Capital:</i>					
7.	Statutory Reserve on Known Claims AS Page 3, Line 1	45,784,476	54,927,847	70,309,432	72,218,689
8.	Statutory Premium Reserve AS Page 3, Line 2	290,043,576	353,352,668	405,955,837	432,968,656
9.	Statutory Premium and Loss Reserves (7) + (8)	335,828,052	408,280,515	476,265,269	505,187,345
10.	Schedule P Reserves AS Part 2B, Col 4, Line 7	234,586,965	283,096,895	350,143,205	393,762,068
11.	Equity in Reserves (Gross of Tax) (9) - (10)	101,241,087	125,183,620	126,122,064	111,425,277
12.	Equity in Reserves (Net of Tax) 79% of (11)	79,980,459	98,895,060	99,636,431	88,025,969
13.	Non-Admitted Assets AS Page 2, Col 2, Line 26	109,491,546	121,557,340	171,586,849	207,874,534
14.	Surplus as Regards Policyholders AS Page 3, Line 30	296,868,691	326,672,105	370,356,503	365,155,886
15.	GAAP Adjusted Capital (Year End) (12) + (13) + (14)	486,340,696	547,124,505	641,579,783	661,056,389
16.	GAAP Adjusted Capital Yearly Avg Average of (15)		516,732,600	594,352,144	651,318,086
 <i>Operating Income:</i>					
17.	Total Operating Income AS Page 4, Line 3	1,497,144,764	1,632,169,937	1,867,042,519	1,866,604,697
18.	Amount Paid to or Retained by Title Agents AS O&I Ex Part 3, Line 2, Col 8	1,010,150,240	1,110,572,338	1,252,481,225	1,211,032,037
19.	Underwriting Retained Operating Income (17) - (18)	486,994,524	521,597,599	614,561,294	655,572,660
 <i>Financial Leverage Ratios To (GAAP Adjusted) Capital:</i>					
20.	Invested Assets / Capital (1) / (16)		1.40	1.48	1.32
21.	Operating Income / Capital (19) / (16)		1.01	1.03	1.01

Note: Invested assets, investment gains, statutory reserves, statutory premium reserves, Schedule P reserves, non-admitted assets, surplus, total operating income, and amounts paid to title agents are weighted averages of all companies licensed in Texas using written premium as weights.

Attachment 3 - Exhibit B

Texas Land Title Association

Development of Investment Returns and Financial Leverage Ratios

		2007	2008	2009	2010
<i>Investment Gain:</i>					
1.	Invested Assets AS Page 2, Line 10	797,650,876	769,547,489	815,250,336	998,681,678
2.	Average Invested Assets Average of (1)	829,414,450	783,599,183	792,398,913	906,966,007
3.	Investment Gain (Annualized) AS Page 4, Line 11	57,155,997	31,323,183	64,583,705	41,679,350
4.	Capital Gains Tax Adjustment AS Exh. of Cap. Gain				
5.	Pre-Tax Investment Gain (3) + (4)	57,155,997	31,323,183	64,583,705	41,679,350
6.	Pre-Tax Inv Gain / Avg Invested Assets (5) / (2)	6.9%	4.0%	8.2%	4.6%
 <i>Calculation of GAAP Adjusted Capital:</i>					
7.	Statutory Reserve on Known Claims AS Page 3, Line 1	84,867,185	104,566,395	103,941,408	125,153,750
8.	Statutory Premium Reserve AS Page 3, Line 2	456,795,831	442,958,438	434,165,213	532,212,220
9.	Statutory Premium and Loss Reserves (7) + (8)	541,663,016	547,524,833	538,106,621	657,365,970
10.	Schedule P Reserves AS Part 2B, Col 4, Line 7	486,873,127	554,883,024	545,434,304	616,154,558
11.	Equity in Reserves (Gross of Tax) (9) - (10)	54,789,888	(7,358,191)	(7,327,683)	41,211,412
12.	Equity in Reserves (Net of Tax) 79% of (11)	43,284,012	(5,812,971)	(5,788,870)	32,557,016
13.	Non-Admitted Assets AS Page 2, Col 2, Line 26	239,891,404	209,633,222	189,783,427	213,056,512
14.	Surplus as Regards Policyholders AS Page 3, Line 30	266,669,185	264,550,119	347,831,800	385,007,902
15.	GAAP Adjusted Capital (Year End) (12) + (13) + (14)	549,844,601	468,370,370	531,826,357	630,621,430
16.	GAAP Adjusted Capital Yearly Avg Average of (15)	605,450,495	509,107,485	500,098,363	581,223,894
 <i>Operating Income:</i>					
17.	Total Operating Income AS Page 4, Line 3	1,630,050,134	1,273,983,337	1,239,754,219	1,404,364,962
18.	Amount Paid to or Retained by Title Agents AS O&I Ex Part 3, Line 2, Col 8	1,004,880,377	759,865,795	758,783,882	865,816,228
19.	Underwriting Retained Operating Income (17) - (18)	625,169,757	514,117,542	480,970,338	538,548,734
 <i>Financial Leverage Ratios To (GAAP Adjusted) Capital:</i>					
20.	Invested Assets / Capital (1) / (16)	1.32	1.51	1.63	1.72
21.	Operating Income / Capital (19) / (16)	1.03	1.01	0.96	0.93

Note: Invested assets, investment gains, statutory reserves, statutory premium reserves, Schedule P reserves, non-admitted assets, surplus, total operating income, and amounts paid to title agents are weighted averages of all companies licensed in Texas using written premium as weights.

Attachment 3 - Exhibit B

Texas Land Title Association

Development of Investment Returns and Financial Leverage Ratios

		2011	2012	2013	2014
<i>Investment Gain:</i>					
1. Invested Assets	AS Page 2, Line 10	987,553,078	1,095,710,696	1,080,406,865	1,078,738,541
2. Average Invested Assets	Average of (1)	993,117,378	1,041,631,887	1,088,058,780	1,079,572,703
3. Investment Gain (Annualized)	AS Page 4, Line 11	54,834,932	52,415,660	40,683,334	35,785,276
4. Capital Gains Tax Adjustment	AS Exh. of Cap. Gain				
5. Pre-Tax Investment Gain	(3) + (4)	54,834,932	52,415,660	40,683,334	35,785,276
6. Pre-Tax Inv Gain / Avg Invested Assets	(5) / (2)	5.5%	5.0%	3.7%	3.3%
 <i>Calculation of GAAP Adjusted Capital:</i>					
7. Statutory Reserve on Known Claims	AS Page 3, Line 1	134,609,178	84,863,197	77,025,352	74,484,072
8. Statutory Premium Reserve	AS Page 3, Line 2	500,731,919	511,907,428	518,988,492	466,075,476
9. Statutory Premium and Loss Reserves	(7) + (8)	635,341,096	596,770,625	596,013,843	540,559,548
10. Schedule P Reserves	AS Part 2B, Col 4, Line 7	527,772,427	512,912,166	517,803,889	518,517,498
11. Equity in Reserves (Gross of Tax)	(9) - (10)	107,568,669	83,858,459	78,209,954	22,042,049
12. Equity in Reserves (Net of Tax)	79% of (11)	84,979,249	66,248,183	61,785,864	17,413,219
13. Non-Admitted Assets	AS Page 2, Col 2, Line 26	208,546,180	196,347,721	112,326,119	90,418,412
14. Surplus as Regards Policyholders	AS Page 3, Line 30	378,395,873	508,464,621	539,380,496	559,445,621
15. GAAP Adjusted Capital (Year End)	(12) + (13) + (14)	671,921,302	771,060,525	713,492,479	667,277,252
16. GAAP Adjusted Capital Yearly Avg	Average of (15)	651,271,366	721,490,913	742,276,502	690,384,866
 <i>Operating Income:</i>					
17. Total Operating Income	AS Page 4, Line 3	1,349,298,981	1,608,682,576	1,761,468,172	1,653,660,952
18. Amount Paid to or Retained by Title Agents	AS O&I Ex Part 3, Line 2, Col 8	807,181,023	1,021,588,357	1,155,381,497	1,029,410,745
19. Underwriting Retained Operating Income	(17) - (18)	542,117,958	587,094,218	606,086,675	624,250,207
 <i>Financial Leverage Ratios To (GAAP Adjusted) Capital:</i>					
20. Invested Assets / Capital	(1) / (16)	1.52	1.52	1.46	1.56
21. Operating Income / Capital	(19) / (16)	0.83	0.81	0.82	0.90

Note: Invested assets, investment gains, statutory reserves, statutory premium reserves, Schedule P reserves, non-admitted assets, surplus, total operating income, and amounts paid to title agents are weighted averages of all companies licensed in Texas using written premium as weights.

Attachment 3 - Exhibit B

Texas Land Title Association

Development of Investment Returns and Financial Leverage Ratios

		2015	2016	2017	Total
<i>Investment Gain:</i>					
1. Invested Assets	AS Page 2, Line 10	1,006,896,586	964,199,600	925,777,837	12,982,881,052
2. Average Invested Assets	Average of (1)	1,042,817,563	985,548,093	944,988,719	12,822,230,585
3. Investment Gain (Annualized)	AS Page 4, Line 11	40,560,696	50,651,670	54,375,697	698,931,910
4. Capital Gains Tax Adjustment	AS Exh. of Cap. Gain				0
5. Pre-Tax Investment Gain	(3) + (4)	40,560,696	50,651,670	54,375,697	698,931,910
6. Pre-Tax Inv Gain / Avg Invested Assets	(5) / (2)	3.9%	5.1%	5.8%	5.5%
<i>Calculation of GAAP Adjusted Capital:</i>					
7. Statutory Reserve on Known Claims	AS Page 3, Line 1	52,305,230	76,012,216	71,291,278	1,186,575,229
8. Statutory Premium Reserve	AS Page 3, Line 2	455,155,640	428,190,682	404,706,391	6,344,164,890
9. Statutory Premium and Loss Reserves	(7) + (8)	507,460,870	504,202,898	475,997,669	7,530,740,119
10. Schedule P Reserves	AS Part 2B, Col 4, Line 7	458,805,558	403,991,385	390,048,280	6,560,198,386
11. Equity in Reserves (Gross of Tax)	(9) - (10)	48,655,313	100,211,513	85,949,388	970,541,733
12. Equity in Reserves (Net of Tax)	79% of (11)	38,437,697	79,167,095	67,900,017	766,727,969
13. Non-Admitted Assets	AS Page 2, Col 2, Line 26	95,714,696	72,096,771	62,214,081	2,191,047,267
14. Surplus as Regards Policyholders	AS Page 3, Line 30	522,335,517	491,654,830	466,176,127	5,792,096,586
15. GAAP Adjusted Capital (Year End)	(12) + (13) + (14)	656,487,909	642,918,696	596,290,224	8,749,871,822
16. GAAP Adjusted Capital Yearly Avg	Average of (15)	661,882,581	649,703,303	619,604,460	8,694,897,058
<i>Operating Income:</i>					
17. Total Operating Income	AS Page 4, Line 3	1,623,182,280	1,562,946,424	1,578,598,312	22,051,807,502
18. Amount Paid to or Retained by Title Agents	AS O&I Ex Part 3, Line 2, Col 8	1,072,369,066	1,048,259,488	1,031,553,650	14,129,175,708
19. Underwriting Retained Operating Income	(17) - (18)	550,813,214	514,686,936	547,044,662	7,922,631,794
<i>Financial Leverage Ratios To (GAAP Adjusted) Capital:</i>					
20. Invested Assets / Capital	(1) / (16)	1.52	1.48	1.49	1.49
21. Operating Income / Capital	(19) / (16)	0.83	0.79	0.88	0.91

Note: Invested assets, investment gains, statutory reserves, statutory premium reserves, Schedule P reserves, non-admitted assets, surplus, total operating income, and amounts paid to title agents are weighted averages of all companies licensed in Texas using written premium as weights.

Attachment 3 - Exhibit C

Texas Land Title Association

Income from Investments

Description	2006	2007	2008	2009	2010	2011
(1) Investment Income - Tax Exempt - Before Expenses	9,557,935	10,446,493	7,782,624	4,520,835	3,947,375	3,892,258
(2) Investment Income - Dividends - Before Expenses	11,508,213	14,683,323	11,439,154	15,507,304	9,477,292	17,409,991
(3) Investment Income - Other - Before Expenses	35,013,627	38,244,048	20,904,109	28,622,042	20,666,457	17,254,191
(4) Net Realized Capital Gains (Losses)	506,631	(3,308,268)	(23,958,833)	(1,233,647)	(7,446,060)	5,145,278
(5) Net Unrealized Capital Gains (Losses)	(522,235)	(20,008,442)	(29,654,319)	9,476,733	37,401,546	(9,200,180)
Investment Expenses and Other Deductions (Excludes Interest Paid on Borrowed Money, Notes and Encumbrances on Real Estate, See Line 13)	3,361,238	2,515,885	2,735,988	1,934,096	1,917,063	2,145,166
(6) TOTAL INCOME FROM INVESTMENTS						
(7) (1 + 2 + 3 + 4 + 5 - 6)	52,702,933	37,541,268	(16,223,253)	54,959,170	62,129,547	32,356,371

Attachment 3 - Exhibit C

Texas Land Title Association

Income from Investments

Description	2012	2013	2014	2015	Totals	Tax Rate
(1) Investment Income - Tax Exempt - Before Expenses	3,844,994	5,012,078	3,545,609	2,967,099	55,517,300	5.25%
(2) Investment Income - Dividends - Before Expenses	14,803,620	16,011,934	12,985,866	14,901,538	138,728,234	10.00%
(3) Investment Income - Other - Before Expenses	18,118,643	18,329,026	19,163,417	16,424,981	232,740,541	21.00%
(4) Net Realized Capital Gains (Losses)	3,394,643	892,545	(1,256,007)	(1,121,107)	(28,384,825)	21.00%
(5) Net Unrealized Capital Gains (Losses)	10,155,944	5,091,368	(7,405,669)	(8,671,755)	(13,337,010)	21.00%
Investment Expenses and Other Deductions (Excludes Interest Paid on Borrowed Money, Notes and Encumbrances on Real Estate, See Line 13)	2,453,397	3,588,330	3,984,333	3,223,205	27,858,701	21.00%
(6) TOTAL INCOME FROM INVESTMENTS						
(7) (1 + 2 + 3 + 4 + 5 - 6)	47,864,447	41,748,622	23,048,883	21,277,551	357,405,540	14.28%

Attachment 4

Exhibit A - Refinance Credit Change

The current rate schedule provides discounted title insurance rates for property owners, who refinance their mortgage loans in the first seven years after the original loan is issued. As part of this rate analysis, we have studied the impact of increasing the discounts to 50% through the first four years since load origination and 25% for years five through eight since load origination. Please note that we do not have historical data for loans refinanced in the eighth year. For the purposes of this analysis, we assumed that the premium volume in year eight is 80% of the premium volume from year seven.

The table below presents the current and proposed discounts for refinanced mortgages.

Title Insurance Rate Discounts for Refinanced Mortgages		
<i>Years Since Original</i>	<i>Current Discounts</i>	<i>Proposed Discounts</i>
1	40%	50%
2	40%	50%
3	35%	50%
4	30%	50%
5	25%	25%
6	20%	25%
7	15%	25%
8	0%	25%

Refinance data is not provided in the Texas Title Insurance Industry Experience Report. However, refinance data is provided by the Underwriting Company in their statistical plan data call in Schedule S-3 Codes 4001-4007. Refinance policies for the 2012-2016 years were repriced assuming the proposed refinance discounts and the difference in premiums were determined. Please note that not all Underwriting Company submitted data. Our refinance study only included 71.4% of total premiums. As a result, we grossed up the estimated impact of the refinance credit change to estimate the impact to all title companies.

Attachment 4 – Exhibit A presents the derivation of the impact of the proposed refinance credit change. We've estimated that this will reduce premiums by 1.91%.

Exhibit B – Increase Lowest Rate Tier

The current rate schedule starts with a policy amount of \$10,000. The proposed rate schedule will start with a policy amount of \$25,000. We used data from Schedule S-3 of the Texas Title Insurance Industry Experience Report for the Underwriting Company to estimate the impact of this change. Schedule S-3 includes premiums by policy range. We estimated the current and proposed rate by policy range assuming the midpoint of each policy range. We estimated the premiums under the proposed rate schedule by applying an adjustment factor equal to the propose rate divided by the current rate and multiply to the current premiums.

Attachment 4 - Exhibit B presents the derivation of the impact of the increasing the lowest rate tier from a policy limit of \$10,000 to \$25,000. We've estimated this change will increase aggregate premiums by 0.15%.

Exhibit C – Add New Large Policy Rate Tier

The current rate schedule's largest rate tier is policies greater than \$25M. The proposed rate schedule will add new rate tiers for policy range \$25M-\$50M, \$50M-\$100M and Over \$100M. The table below presents the current and propose large policy rate tiers.

Current Large Policy Rate Tier

Policy Range	Subtract	Multiply by	Add
[\$100,001 - \$1,000,000]	100,000	0.00554	875
[\$1,000,001 - \$5,000,000]	1,000,000	0.00456	5,861
[\$5,000,001 - \$15,000,000]	5,000,000	0.00376	24,101
[\$15,000,001 - \$25,000,000]	15,000,000	0.00267	61,701
[Greater than \$25,000,000]	25,000,000	0.00160	88,401

Proposed Large Policy Rate Tier

Policy Range	Subtract	Multiply by	Add
[\$100,001 - \$1,000,000]	100,000	0.00554	875
[\$1,000,001 - \$5,000,000]	1,000,000	0.00456	5,861
[\$5,000,001 - \$15,000,000]	5,000,000	0.00376	24,101
[\$15,000,001 - \$25,000,000]	15,000,000	0.00267	61,701
[\$25,000,001 - \$50,000,000]	25,000,000	0.00160	88,401
[\$50,000,001 - \$100,000,000]	50,000,000	0.00145	128,401
[Greater than \$100,000,000]	100,000,000	0.00130	200,901

We used data from Schedule S-3 of the Texas Title Insurance Industry Experience Report for the Underwriting Company to estimate the impact of this change. Schedule S-3 includes premiums by policy range. We estimated the current and proposed rate by policy range assuming the midpoint of each policy range. We estimated the premiums under the proposed rate schedule by applying an adjustment factor equal to the propose rate divided by the current rate and multiply to the current premiums.

**Texas Land Title Association
Texas Refinance Transactions**

<i>Years Since Original</i>	<i>2012 - 2016 Combined¹</i>					<i>Proposed</i>		
	<i>Re-Fi Policy Count²</i> (1)	<i>Schedule S-3 All Premium</i> (3)	<i>Re-Fi Discount</i> (4)	<i>Re-Fi Premiums Prior to Discount</i> (5)=(6)/[1-(4)]	<i>Re-Fi Premiums With Discount²</i> (6)	<i>Re-Fi Discount</i> (8)	<i>Re-Fi Premiums With Discount</i> (9)=(5)*[1-(8)]	<i>Difference</i> (10)=(9)-(6)
<i>1</i>	74,398	5,366,131,873	40%	146,693,268	88,015,961	50%	73,346,634	(14,669,327)
<i>2</i>	78,604	5,366,131,873	40%	168,837,587	101,302,552	50%	84,418,793	(16,883,759)
<i>3</i>	77,986	5,366,131,873	35%	165,074,126	107,298,182	50%	82,537,063	(24,761,119)
<i>4</i>	73,805	5,366,131,873	30%	145,286,657	101,700,660	50%	72,643,328	(29,057,331)
<i>5</i>	68,270	5,366,131,873	25%	125,321,073	93,990,805	25%	93,990,805	-
<i>6</i>	68,470	5,366,131,873	20%	113,967,714	91,174,171	25%	85,475,786	(5,698,386)
<i>7</i>	54,469	5,366,131,873	15%	98,558,797	83,774,977	25%	73,919,098	(9,855,880)
<i>8</i>	43,575	5,366,131,873	0%	78,847,037	78,847,037	25%	59,135,278	(19,711,759)
Total	539,577	5,366,131,873		1,042,586,260	746,104,346		625,466,785	(120,637,561)

Premium Impact 2012-2016 (120,637,561) (1)
 % of Total Premiums in Study 71.4% (2)
 Gross up Impact 2012-2016 (168,861,323) (3)=(1)/(2)
 On-Level Premiums 2012-2016 8,829,683,093 (4)

Refinance Impact **-1.91%** (5)=(3)/(4)

Notes:

- (1) Experience from 2012-2016 from Underwriter's Schedule S-3 Experience Report.
 Not all underwriters provided data. This study accounts for 71.4% of total Texas title premiums.
- (2) Policy count and policy premiums for years 1 through 7 since original load pulled from Schedule S-3 Codes 4001-4007.
 Policy count and policy premiums for years 8 assumed to be 80% of year 7.

Impact of Increasing Rate Tier Lower Policy Limit from \$10,000 to \$25,000

Policy Range (\$000)			Gross Revenue Excluding Special Charges and Credits And Endorsements ¹			Current Premiums per Midpoint Policy	Proposed Premiums per Midpoint Policy	Impact of Increasing Rate Tier Lower Limit Increase to \$25K		
More Than	No More Than	Midpoint	2015	2016	Average			Adjustment Factor ²	Projected Revenue	Difference
(1)	(2)	(3)=Avg[(1),(2)]	(4)	(5)	(6)=Avg[(4),(5)]	(7)	(8)	(9) = (8)/(7)	(10)=(6)*(9)	(11)=(10)-(6)
	0	0	1,101,451	1,284,763	1,193,107	238	345	1.45	1,729,504	536,397
0 -	4.5	2.25	892,745	849,451	871,098	238	345	1.45	1,262,726	391,628
4.5 -	10	7.25	1,738,816	1,687,889	1,713,352	238	345	1.45	2,483,641	770,289
10 -	20	15	4,153,207	3,853,491	4,003,349	272	345	1.27	5,077,777	1,074,428
20 -	30	25	5,448,762	5,696,267	5,572,514	345	345	1.06	5,725,886	153,372
30 -	40	35	6,926,391	7,408,971	7,167,681	415	415	1.00	7,167,681	-
40 -	50	45	8,873,307	9,545,039	9,209,173	487	487	1.00	9,209,173	-
50 -	60	55	10,955,491	11,543,569	11,249,530	556	556	1.00	11,249,530	-
60 -	70	65	13,384,585	13,864,664	13,624,625	628	628	1.00	13,624,625	-
70 -	80	75	17,475,059	17,464,016	17,469,538	700	700	1.00	17,469,538	-
80 -	90	85	19,434,506	19,489,774	19,462,140	770	770	1.00	19,462,140	-
90 -	100	95	22,228,942	22,140,431	22,184,686	842	842	1.00	22,184,686	-
100 -	200	150	311,050,083	317,509,876	314,279,980	1,152	1,152	1.00	314,279,980	-
200 -	300	250	248,000,858	278,289,103	263,144,981	1,706	1,706	1.00	263,144,981	-
300 -	400	350	152,231,941	175,777,295	164,004,618	2,260	2,260	1.00	164,004,618	-
400 -	500	450	92,140,297	103,276,857	97,708,577	2,814	2,814	1.00	97,708,577	-
500 -	1000	750	161,070,185	172,250,074	166,660,129	4,476	4,476	1.00	166,660,129	-
1,000 -	2000	1500	96,428,920	98,703,598	97,566,259	8,141	8,141	1.00	97,566,259	-
2,000 -	3000	2500	49,080,106	50,318,272	49,699,189	12,701	12,701	1.00	49,699,189	-
3,000 -	4000	3500	32,798,267	33,550,776	33,174,522	17,261	17,261	1.00	33,174,522	-
4,000 -	5000	4500	27,069,289	26,984,251	27,026,770	21,821	21,821	1.00	27,026,770	-
5,000 -	15000	10000	128,674,286	127,815,864	128,245,075	42,901	42,901	1.00	128,245,075	-
15,000 -	25000	20000	59,676,966	61,813,861	60,745,414	75,051	75,051	1.00	60,745,414	-
25,000 -	50000	37500	74,905,375	73,111,275	74,008,325	108,401	108,401	1.00	74,008,325	-
50,000 -	75000	62500	27,042,639	28,734,018	27,888,328	148,401	148,401	1.00	27,888,328	-
75,000 -	100000	87500	16,017,880	14,789,764	15,403,822	188,401	188,401	1.00	15,403,822	-
Over 100,000		125000	41,583,184	50,777,434	46,180,309	248,401	248,401	1.00	46,180,309	-
Total			1,630,383,539	1,728,530,642	1,679,457,090				1,682,383,204	2,926,114

Average On-Level Premiums 2015-2016 1,964,458,495

Increasing Lower Policy Limit Impact **0.15%**

Notes:

(1) Revenue from Underwriter's Schedule S-3 Experience Report - All Companies, All Transactions

(2) Assumes the minimum premiums are based on policy limit of \$25K. Adjustment Factors equal \$325 (premiums for \$25k policy) divided by average midpoint premiums.

For policy range 20-30, Adjustment factor based on policy limit of \$22,500. Adjustment factors only apply for half of premiums.

Texas Land Title Association
Impact of Adding Large Policy Rate Tiers

Policy Range (\$000)			Gross Revenue Excluding Special Charges and Credits And Endorsements ¹			Current Premiums per Midpoint Policy	Proposed Premiums per Midpoint Policy	Impact of Adding Large Policy Rate Tiers ²		
More Than	No More Than	Midpoint	2015	2016	Average			Adjustment Factor	Projected Revenue	Difference
(1)	(2)	(3)=Avg[(1),(2)]	(4)	(5)	(6)=Avg[(4),(5)]	(7)	(8)	(9) = (8)/(7)	(10)=(6)*(9)	(11)=(10)-(6)
	0	0	1,101,451	1,284,763	1,193,107	238	238	1.00	1,193,107	-
0 -	4.5	2.25	892,745	849,451	871,098	238	238	1.00	871,098	-
4.5 -	10	7.25	1,738,816	1,687,889	1,713,352	238	238	1.00	1,713,352	-
10 -	20	15	4,153,207	3,853,491	4,003,349	272	272	1.00	4,003,349	-
20 -	30	25	5,448,762	5,696,267	5,572,514	345	345	1.00	5,572,514	-
30 -	40	35	6,926,391	7,408,971	7,167,681	415	415	1.00	7,167,681	-
40 -	50	45	8,873,307	9,545,039	9,209,173	487	487	1.00	9,209,173	-
50 -	60	55	10,955,491	11,543,569	11,249,530	556	556	1.00	11,249,530	-
60 -	70	65	13,384,585	13,864,664	13,624,625	628	628	1.00	13,624,625	-
70 -	80	75	17,475,059	17,464,016	17,469,538	700	700	1.00	17,469,538	-
80 -	90	85	19,434,506	19,489,774	19,462,140	770	770	1.00	19,462,140	-
90 -	100	95	22,228,942	22,140,431	22,184,686	842	842	1.00	22,184,686	-
100 -	200	150	311,050,083	317,509,876	314,279,980	1,152	1,152	1.00	314,279,980	-
200 -	300	250	248,000,858	278,289,103	263,144,981	1,706	1,706	1.00	263,144,981	-
300 -	400	350	152,231,941	175,777,295	164,004,618	2,260	2,260	1.00	164,004,618	-
400 -	500	450	92,140,297	103,276,857	97,708,577	2,814	2,814	1.00	97,708,577	-
500 -	1000	750	161,070,185	172,250,074	166,660,129	4,476	4,476	1.00	166,660,129	-
1,000 -	2000	1500	96,428,920	98,703,598	97,566,259	8,141	8,141	1.00	97,566,259	-
2,000 -	3000	2500	49,080,106	50,318,272	49,699,189	12,701	12,701	1.00	49,699,189	-
3,000 -	4000	3500	32,798,267	33,550,776	33,174,522	17,261	17,261	1.00	33,174,522	-
4,000 -	5000	4500	27,069,289	26,984,251	27,026,770	21,821	21,821	1.00	27,026,770	-
5,000 -	15000	10000	128,674,286	127,815,864	128,245,075	42,901	42,901	1.00	128,245,075	-
15,000 -	25000	20000	59,676,966	61,813,861	60,745,414	75,051	75,051	1.00	60,745,414	-
25,000 -	50000	37500	74,905,375	73,111,275	74,008,325	108,401	108,401	1.00	74,008,325	-
50,000 -	75000	62500	27,042,639	28,734,018	27,888,328	148,401	146,526	0.99	27,535,968	(352,360)
75,000 -	100000	87500	16,017,880	14,789,764	15,403,822	188,401	182,776	0.97	14,943,918	(459,905)
Over 100,000		125000	41,583,184	50,777,434	46,180,309	248,401	233,401	0.94	43,391,654	(2,788,655)
Total			1,630,383,539	1,728,530,642	1,679,457,090				1,675,856,171	(3,600,920)

Average On-Level Premiums 2015-2016 1,964,458,495
 Adding Large Policy Tiers Impact **(-0.18%)**

Notes:

- (1) Revenue from Underwriter's Schedule S-3 Experience Report - All Companies, All Transactions
- (2) Impact of adding new rate tiers for policy range \$25M-\$50M, \$50M-\$100M and Over \$100M

Attachment 5

Attachment 5 presents the Texas Title Insurance Industry Experience Report. This information is published on the Texas Department of Insurance's website <https://www.tdi.texas.gov/reports/report8.html>.

Exhibit A presents the experience report for the Underwriting Company.

Exhibit B presents the experience report for all agents, including Independent Agents, Affiliated Agents and Direct Operations.

Exhibit C presents the experience report for the Independent Agents.

Exhibit D presents the experience report for the Affiliated Agents.

Exhibit E presents the experience report for the Direct Operation Agents.

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
UNDERWRITING COMPANY EXPERIENCE

INCOME	1998	1999	2000	2001	2002	2003	2004
1. Gross Title Premiums	884,853,671	979,769,012	935,342,381	1,044,401,160	1,262,176,918	1,526,183,583	1,492,641,821
2. Title Premiums Retained by Agents	745,726,638	813,275,313	794,066,622	894,015,079	1,074,979,764	1,285,294,007	1,234,418,328
3. Title Premiums Remitted to Underwriters	157,204,201	181,581,877	163,914,407	167,419,757	187,197,154	240,889,576	258,223,493
4. Service Charges	2,742,712	1,247,922	1,216,030	3,411,760	2,644,882	1,606,194	2,126,421
5. Other Income	1,405,833	3,213,348	2,438,733	694,617	1,332,635	1,442,128	1,808,750
GROSS INCOME	161,352,746	186,043,147	167,569,170	171,526,134	191,174,671	243,937,898	262,158,664
EXPENSES							
1. Salaries:	23,339,760	41,729,747	38,911,918	48,611,936	49,119,502	57,493,531	56,385,631
2. Employee Benefits, Relations & Welfare	7,886,357	12,398,267	11,991,521	7,586,041	11,150,203	16,258,182	13,837,154
3. Examination Costs Paid Nonemployees:							
3a. Title Agents	901,517	1,339,166	3,025,612	1,099,246	1,275,348	1,812,881	1,670,541
3b. Others	272,294	256,463	10,193	67,679	465,111	658,765	782,269
4. Closing Costs Paid Nonemployees:							
4a. Title Agents	6,936,659	7,180,409	9,552,594	17,024,698	8,958,805	9,787,942	17,484,923
4b. Others	0	767	555,126	507,926	62,236	522,517	2,884,917
5. Rent	2,936,882	6,593,089	7,172,374	7,211,897	5,829,890	7,075,377	9,794,033
6. Utilities	25,000	14,463	29,039	234,798	196,414	206,026	340,033
7. Accounting & Auditing	1,027,482	1,050,900	1,300,908	1,360,273	1,733,341	2,586,119	2,480,500
8. Advertising and promotions	2,808,680	5,088,297	4,053,396	2,976,387	3,584,891	8,906,873	7,131,811
9. Employee travel, lodging and education	3,685,540	4,811,610	3,985,200	5,334,901	5,034,516	5,268,370	4,292,709
10. Insurance	403,559	607,279	242,596	586,170	404,246	774,204	1,244,516
11. Interest	392,188	431,759	450,187	183,317	128,194	114,069	87,405
12. Legal Expenses	1,162,745	650,613	769,371	615,830	1,341,857	1,557,754	5,806,261
13. Licenses, Taxes & Fees	13,977,010	17,721,447	12,417,556	13,970,912	17,196,367	23,450,119	24,042,036
14. Postage & Freight	763,903	3,749,897	4,520,057	499,366	567,017	440,229	678,795
15. Courier & Overnight Delivery	158,423	339,197	477,950	1,431,577	1,152,597	1,257,253	1,712,702
16. Telephone & Facsimile	1,412,126	619,325	654,271	1,846,267	2,205,359	2,452,774	3,254,096
17. Printing/Photocopying	2,049,403	3,541,476	2,248,848	1,095,458	2,120,118	1,620,723	1,937,758
18. Office Supplies	672,683	648,962	612,327	1,455,373	1,355,459	2,508,761	2,128,271
19. Equipment & Vehicle Leases	1,336,649	4,155,554	2,373,992	2,228,256	2,560,389	4,626,566	3,554,318
20. Depreciation	1,849,672	620,637	802,326	1,573,529	3,490,703	4,647,362	10,352,985
21. Directors' Fees	68,774	766,949	611,650	8,741	7,470	13,153	12,920
22. Dues, Boards & Associations	452,216	397,118	128,013	187,924	289,666	398,269	400,519
23. Bad Debts	-445,158	388,897	218,940	909,128	206,787	393,208	799,546
24. Loss Adjustment Expenses Incurred	5,932,177	6,011,115	6,244,824	5,962,340	8,951,858	8,650,764	15,806,288
25. Losses Incurred	9,011,263	12,759,491	11,684,455	10,275,100	20,575,656	29,984,223	22,414,461
26. Other	10,442,825	5,100,055	5,422,611	10,072,801	8,525,611	12,282,371	10,816,915
27. Allowances to Managers & Agents	0	0	0	0	33,344	9,299	0
28. Net Addition to Unearned Premium Rese	3,574,018	8,927,714	4,193,778	7,045,092	8,878,506	20,833,908	24,143,714
29. Damages Paid for Bad Faith Suits	0	0	0	0	0	0	0
30. Fines or Penalties for Violation of Law	2,000	0	195	17,517	0	81	17,391
31. Donations/Lobbying	86,829	140,591	116,041	172,299	161,460	255,542	275,903
32. Trade Associations	189,589	289,643	99,420	150,330	211,779	464,762	400,937
TOTAL OPERATING EXPENSES	103,313,065	148,330,897	134,877,288	152,303,108	167,774,699	227,311,976	246,972,258
INCOME OR (LOSS) FROM OPERATIONS	58,039,681	37,712,250	32,691,882	19,223,026	23,399,972	16,625,922	15,186,406

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
UNDERWRITING COMPANY EXPERIENCE

INCOME	2005	2006	2007	2008	2009	2010	2011
1. Gross Title Premiums	1,484,609,993	1,664,529,304	1,620,546,437	1,246,852,968	1,016,438,905	1,061,962,979	1,159,950,952
2. Title Premiums Retained by Agents	1,227,436,713	1,387,875,843	1,373,443,558	1,057,903,593	863,642,687	900,828,360	985,578,640
3. Title Premiums Remitted to Underwriters	257,173,280	276,653,461	247,102,879	188,949,375	152,796,218	161,134,619	174,372,312
4. Service Charges	2,971,939	1,340,337	2,572,232	2,892,425	5,248,827	7,026,951	7,569,389
5. Other Income	4,968,911	3,789,419	8,952,662	4,741,381	10,065,557	7,069,310	2,616,062
GROSS INCOME	265,114,130	281,783,217	258,627,773	196,583,181	168,110,602	175,230,880	184,557,763
EXPENSES							
1. Salaries:	75,904,501	68,754,328	79,564,377	60,876,776	58,741,571	49,021,050	43,881,360
2. Employee Benefits, Relations & Welfare	16,691,209	12,628,945	13,367,372	10,959,209	10,173,174	8,348,797	7,693,149
3. Examination Costs Paid Nonemployees:							
3a. Title Agents	3,272,615	11,266,571	1	40,090	389,300	152,027	-68,786
3b. Others	1,130,353	507,116	265,087	681,604	1,880,224	1,719,698	2,835,652
4. Closing Costs Paid Nonemployees:							
4a. Title Agents	9,374,910	29,360,816	26,571,007	0	423,646	252,234	34,666
4b. Others	3,217,330	1,766,612	2,732,211	5,296,844	7,639,563	5,316,637	1,684,701
5. Rent	8,115,546	7,381,671	8,666,350	10,434,660	14,803,161	6,613,263	4,983,156
6. Utilities	266,916	104,111	286,614	202,113	445,596	283,037	228,181
7. Accounting & Auditing	3,621,524	2,811,215	2,502,606	2,651,265	2,368,745	3,775,846	2,293,154
8. Advertising and promotions	6,189,516	6,514,783	6,405,833	3,828,868	2,315,904	1,083,688	1,655,515
9. Employee travel, lodging and education	6,343,195	4,783,034	4,902,678	4,129,812	3,473,123	3,436,727	3,351,576
10. Insurance	930,398	760,027	507,842	1,583,457	1,226,968	925,717	1,066,011
11. Interest	159,509	452,577	355,424	133,636	155,469	56,798	138,159
12. Legal Expenses	5,379,905	7,502,748	6,633,568	5,667,582	6,688,340	5,017,333	6,967,031
13. Licenses, Taxes & Fees	23,775,144	17,569,957	16,968,862	12,260,043	12,953,945	14,541,640	18,006,594
14. Postage & Freight	864,965	804,576	374,522	1,313,230	1,024,504	675,566	683,280
15. Courier & Overnight Delivery	-164,236	-679,031	-1,999,978	-572,902	847,380	808,753	711,026
16. Telephone & Facsimile	2,573,898	5,972,796	2,921,993	2,838,286	2,388,461	1,651,415	1,057,066
17. Printing/Photocopying	1,218,171	1,428,124	1,079,276	1,185,304	992,704	657,120	433,802
18. Office Supplies	2,897,475	1,971,105	149,284	959,411	1,454,177	962,972	776,977
19. Equipment & Vehicle Leases	4,248,572	4,580,028	4,567,897	9,973,304	6,984,882	3,001,350	4,668,974
20. Depreciation	10,429,987	11,012,139	9,624,029	19,467,581	15,096,126	11,797,831	5,599,863
21. Directors' Fees	9,058	7,511	10,618	183,672	11,296	8,106	13,106
22. Dues, Boards & Associations	250,117	562,048	622,444	728,281	309,100	187,039	511,930
23. Bad Debts	123,115	212,142	1,982,818	2,178,721	5,136,304	1,343,059	615,367
24. Loss Adjustment Expenses Incurred	18,676,305	19,633,295	15,721,684	13,937,428	20,444,362	14,119,748	15,122,340
25. Losses Incurred	23,796,120	23,905,632	24,510,829	24,828,340	13,096,951	23,691,342	40,607,744
26. Other	4,497,576	18,161,712	16,515,775	20,872,650	20,027,096	14,968,549	15,121,237
27. Allowances to Managers & Agents	9,538	5,613	0	0	24,175	0	0
28. Net Addition to Unearned Premium Rese	18,484,082	11,502,725	12,551,994	-4,283,461	-18,186,359	-11,471,165	-5,899,805
29. Damages Paid for Bad Faith Suits	0	1,440	0	0	0	0	0
30. Fines or Penalties for Violation of Law	12,516	1,498,848	519,668	-491,357	18,364	108,852	-30,319
31. Donations/Lobbying	314,335	306,272	354,035	140,087	62,542	50,057	156,863
32. Trade Associations	280,375	368,202	382,222	44,617	187,975	237,588	225,895
TOTAL OPERATING EXPENSES	252,894,541	273,419,689	259,618,940	212,049,151	193,598,769	163,342,674	175,125,465
INCOME OR (LOSS) FROM OPERATIONS	12,219,589	8,363,529	-991,167	-15,465,970	-25,488,167	11,888,206	9,432,298

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
UNDERWRITING COMPANY EXPERIENCE

INCOME	2012	2013	2014	2015	2016
1. Gross Title Premiums	1,428,938,173	1,703,670,373	1,720,074,777	1,883,729,161	2,041,418,863
2. Title Premiums Retained by Agents	1,213,832,540	1,443,895,345	1,442,443,041	1,571,811,465	1,707,727,443
3. Title Premiums Remitted to Underwriters	215,105,633	259,775,028	277,631,736	311,917,695	333,691,419
4. Service Charges	6,166,431	8,104,085	5,805,765	3,815,140	3,373,624
5. Other Income	2,574,493	2,957,432	2,629,138	2,222,106	2,944,883
GROSS INCOME	223,846,557	270,836,545	286,066,639	317,954,941	340,009,926
EXPENSES					
1. Salaries:	54,334,936	64,277,441	69,901,780	63,740,686	65,807,257
2. Employee Benefits, Relations & Welfare	8,970,966	10,527,101	10,720,315	11,555,113	11,493,503
3. Examination Costs Paid Nonemployees:					
3a. Title Agents	333,122	1,502,517	1,708,771	1,847,899	2,106,668
3b. Others	2,994,588	607,413	1,781,579	1,742,138	3,899,678
4. Closing Costs Paid Nonemployees:					
4a. Title Agents	0	0	0	0	911
4b. Others	298,710	196,661	-924,659	-935,909	-804,817
5. Rent	6,266,219	5,503,104	4,918,970	4,571,297	4,429,378
6. Utilities	227,865	218,208	905,162	1,143,047	1,339,610
7. Accounting & Auditing	2,306,242	2,194,922	1,752,169	1,090,252	2,077,553
8. Advertising and promotions	2,323,579	2,593,767	2,802,941	2,420,434	3,301,497
9. Employee travel, lodging and education	3,416,322	3,835,018	4,471,869	4,856,286	4,389,805
10. Insurance	853,827	920,622	1,032,568	938,567	788,963
11. Interest	216,750	231,627	274,507	952,988	261,307
12. Legal Expenses	4,746,307	5,194,665	4,309,842	4,169,293	5,734,047
13. Licenses, Taxes & Fees	26,324,995	29,148,168	22,994,727	31,846,306	33,801,626
14. Postage & Freight	340,854	618,785	501,622	750,359	704,261
15. Courier & Overnight Delivery	757,762	641,437	578,354	286,334	216,962
16. Telephone & Facsimile	932,513	828,401	663,577	621,055	697,887
17. Printing/Photocopying	515,531	590,076	478,211	313,426	427,802
18. Office Supplies	502,040	465,602	285,028	395,129	408,544
19. Equipment & Vehicle Leases	4,918,905	4,526,006	5,075,113	4,599,126	5,496,249
20. Depreciation	1,928,015	1,186,049	1,260,717	1,116,965	951,295
21. Directors' Fees	9,502	4,553	22,965	21,672	56,647
22. Dues, Boards & Associations	465,821	465,501	419,662	607,989	821,045
23. Bad Debts	598,610	513,513	446,201	433,736	315,886
24. Loss Adjustment Expenses Incurred	10,734,489	10,229,319	13,447,454	15,787,330	12,114,408
25. Losses Incurred	17,293,632	27,647,494	18,139,395	16,857,086	21,006,243
26. Other	11,596,606	13,164,884	11,000,116	15,382,260	10,354,853
27. Allowances to Managers & Agents	0	0	66,635	0	0
28. Net Addition to Unearned Premium Rese	1,500,493	10,090,537	-22,601,407	23,228,575	18,596,511
29. Damages Paid for Bad Faith Suits	0	0	0	0	0
30. Fines or Penalties for Violation of Law	107,069	38,298	267,390	37,063	47,438
31. Donations/Lobbying	117,951	181,285	325,005	257,995	220,621
32. Trade Associations	206,435	205,789	229,963	142,254	200,071
TOTAL OPERATING EXPENSES	166,140,655	198,348,762	157,256,542	211,432,219	211,263,708
INCOME OR (LOSS) FROM OPERATIONS	57,705,903	72,487,782	128,810,097	106,522,723	128,183,484

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
ALL AGENTS - INDEPENDENT, AFFILIATED & DIRECT OPERATION

INCOME	1998	1999	2000	2001	2002	2003	2004
1. Title Premiums	925,103,435	921,224,392	896,843,228	1,070,580,215	1,260,827,554	1,508,659,519	1,262,493,104
2. Premiums Remitted to Underwriters	164,111,428	163,529,121	145,465,802	160,719,254	189,168,223	226,407,682	189,431,534
3. Premiums Retained	760,992,007	757,695,271	751,377,428	909,860,962	1,071,659,331	1,282,251,836	1,073,061,569
4. Examination/Evidence Fees	23,081,967	26,322,185	28,851,994	35,653,785	44,498,131	54,289,801	61,401,421
5. Closing Fees	24,604,466	25,576,966	25,789,543	27,095,733	24,023,788	32,017,876	93,233,457
6. Tax Certificates	16,409,936	19,792,244	19,115,314	27,747,888	35,014,493	43,404,792	32,443,078
7. Recording Fees	30,352,518	33,687,258	32,834,291	43,255,756	52,648,390	65,788,074	54,998,764
8. Restrictions	2,041,646	2,703,788	1,641,528	2,427,295	2,435,451	2,403,259	1,802,674
9. Inspection Fees	47,227	105,559	47,647	70,276	105,046	119,359	137,725
10. Courier and Overnight Fees	17,167,266	18,096,762	17,469,962	21,969,299	23,461,035	27,497,063	19,187,869
11. Telephone and Facsimile	570,375	581,271	734,987	766,408	786,996	1,063,505	1,031,431
12. Interest Income	2,807,611	3,001,599	3,657,900	3,229,856	1,792,417	1,500,473	1,853,060
13. Other Income	11,144,044	8,620,475	9,540,854	9,733,946	9,333,465	12,069,303	12,515,677
GROSS INCOME	889,219,063	896,183,376	891,061,448	1,081,811,204	1,265,758,544	1,522,405,342	1,351,666,725
Number of Agencies Reporting	546	548	547	549	548	562	577
EXPENSES							
1a. Salaries-Employees	293,549,419	312,690,796	303,814,799	369,623,366	439,297,513	516,364,194	491,080,486
1b. Salaries-Owners/Partners	24,204,676	24,142,304	19,376,986	22,625,361	27,490,706	29,487,091	25,583,715
2a. Benefits, Relations & Welfare-Employee	45,356,352	52,710,555	52,473,027	60,497,449	74,302,237	90,703,396	86,394,251
2b. Benefits, Relations & Welfare - Owners/I	2,997,743	3,114,235	2,669,853	2,574,570	2,783,813	3,287,507	3,306,593
3a. Evidence/Examination Fees - Title Agen	28,638,718	28,465,787	26,616,579	35,630,088	41,493,679	54,637,013	33,762,010
3b. Evidence/Examination Fees - Others	17,355,757	18,107,869	19,183,147	15,676,645	15,424,305	15,776,639	20,526,121
4a. Closing Fees Paid - Title Agents	17,694,428	18,651,240	15,045,011	16,241,890	18,385,525	19,160,875	19,637,454
4b. Closing Fees Paid - Others	79,188,653	77,188,594	82,955,402	93,269,110	110,286,878	144,335,498	126,569,810
5. Rent	34,950,785	40,250,041	43,245,364	50,905,696	58,275,841	61,075,046	63,350,166
6. Utilities	3,858,826	3,981,318	4,328,759	4,951,392	5,009,052	5,986,721	6,167,430
7. Accounting & Auditing	4,105,915	3,444,527	3,255,427	3,982,097	4,563,581	5,673,340	4,883,856
8. Advertising	11,904,401	14,916,518	16,432,203	19,475,102	23,652,423	26,709,344	18,480,551
9. Travel, Lodging & Education	6,661,199	6,881,573	7,514,510	9,221,799	10,364,938	12,371,103	11,347,172
10. Insurance	4,486,996	4,525,590	4,302,302	4,321,843	4,750,379	5,709,299	6,274,826
11. Interest Expense	3,092,003	2,846,881	3,523,344	3,291,820	2,575,229	2,398,612	1,896,807
12. Legal Expense	2,360,896	3,388,246	2,447,188	3,194,582	4,058,064	3,817,593	3,440,963
13. Licenses, Taxes, & Fees	6,966,214	5,833,616	4,924,202	5,238,925	5,990,518	3,341,748	4,132,057
14. Postage & Freight	3,899,081	3,639,118	3,417,058	3,737,924	4,602,442	4,659,521	4,657,084
15. Courier & Overnight Delivery	18,494,215	20,570,459	20,349,637	24,456,735	26,229,202	33,639,627	27,675,094
16. Telephone & Facsimile	12,530,766	13,778,127	14,426,551	15,888,698	17,578,605	19,003,537	18,797,678
17. Printing & Photocopying	4,672,879	5,771,101	5,688,991	6,723,702	7,917,913	7,987,772	7,698,705
18. Office Supplies	14,584,466	15,188,826	14,042,795	16,543,493	19,903,435	23,610,343	19,438,735
19. Equipment & Vehicle Leases	10,217,913	10,909,947	11,432,236	12,444,953	14,783,824	14,522,970	14,541,920
20. Depreciation	12,697,927	15,542,750	17,717,977	19,265,124	18,216,314	19,912,823	18,780,283
21. Directors Fees	765,240	739,123	870,517	945,936	1,367,883	1,432,227	1,076,671
22. Dues, Boards, & Associations	1,964,039	2,142,022	2,091,442	2,225,731	2,596,803	2,768,692	2,779,722
23. Bad Debts	462,382	113,821	389,005	385,546	240,484	177,681	230,950
24. Loss & Loss Adjustment Expense	1,566,291	2,369,828	1,912,809	2,098,217	1,569,404	2,235,027	3,258,558
25. Tax Certificates Paid Tax Authorities	15,320,459	19,507,306	19,219,350	28,688,945	35,487,526	44,797,028	33,572,806
26. Recording Fees Paid County Clerk	30,422,803	32,451,803	31,573,033	41,603,763	51,063,831	64,602,569	60,168,522
27. Plant Lease/Updates	22,804,781	22,880,128	22,391,876	25,051,428	30,168,413	37,276,045	35,327,020
28. Damages for Bad Faith Suits	5,825	10,000	10,000	4,175	499,861	0	16,147
29. Fines or Penalties	93,277	105,243	132,077	361,198	137,586	135,109	131,183
30. Donations/Lobbying	1,575,148	1,456,823	1,335,601	1,401,062	1,880,044	2,172,465	1,845,462
31. Trade Association Fees	360,739	475,394	491,016	541,440	669,929	981,231	981,230
32. Other Expenses	22,183,019	23,563,163	24,816,519	27,396,035	30,878,973	48,974,903	51,901,509
TOTAL OPERATING EXPENSES	761,994,231	812,354,671	804,416,595	950,485,841	1,114,497,153	1,329,724,587	1,229,713,547
INCOME OR (LOSS) FROM OPERATIONS	127,224,832	83,828,705	86,644,853	131,325,363	151,261,391	192,680,755	121,953,178

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
All AGENTS - INDEPENDENT, AFFILIATED & DIRECT OPERATION

INCOME	2005	2006	2007	2008	2009	2010	2011
1. Title Premiums	1,295,222,550	1,424,539,611	1,343,969,207	1,022,409,952	888,273,573	910,314,448	953,355,626
2. Premiums Remitted to Underwriters	194,346,788	213,877,472	201,731,843	153,414,798	133,299,737	136,673,377	142,965,925
3. Premiums Retained	1,100,880,343	1,210,662,139	1,142,237,368	868,995,155	754,973,836	773,641,071	810,389,700
4. Examination/Evidence Fees	63,553,179	69,803,342	72,805,427	53,420,390	42,599,977	48,391,367	50,182,562
5. Closing Fees	127,767,551	144,964,910	151,264,295	113,415,045	95,135,856	104,145,019	117,896,357
6. Tax Certificates	30,856,476	31,881,868	27,698,780	22,089,981	24,142,687	22,046,767	20,758,835
7. Recording Fees	64,006,708	92,375,339	86,403,283	65,908,146	64,984,067	63,940,332	60,130,099
8. Restrictions	1,980,125	1,807,639	1,649,642	1,399,169	1,576,457	1,310,697	1,172,157
9. Inspection Fees	100,731	104,811	83,449	76,050	63,107	45,638	27,263
10. Courier and Overnight Fees	17,855,058	20,313,570	19,484,283	15,800,721	14,701,592	12,561,292	10,888,312
11. Telephone and Facsimile	532,397	494,908	400,590	369,368	345,635	261,560	254,570
12. Interest Income	3,150,975	5,201,079	5,810,336	3,513,443	3,019,717	1,725,016	1,500,083
13. Other Income	10,612,547	14,697,078	12,990,400	16,466,181	13,506,218	14,150,287	11,937,687
GROSS INCOME	1,421,296,091	1,592,306,683	1,520,827,854	1,161,453,650	1,015,049,149	1,042,219,046	1,085,137,625
Number of Agencies Reporting	614	622	630	634	616	585	562
EXPENSES							
1a. Salaries-Employees	517,137,757	577,589,486	553,756,886	450,491,233	370,070,285	376,937,511	404,798,046
1b. Salaries-Owners/Partners	26,737,861	28,091,229	27,211,599	25,372,040	22,005,552	21,148,854	24,566,140
2a. Benefits, Relations & Welfare-Employee	88,939,037	102,747,732	101,640,109	82,460,063	66,689,717	63,639,617	64,663,615
2b. Benefits, Relations & Welfare - Owners/I	3,134,960	3,532,262	3,523,260	2,835,923	2,673,402	2,579,068	2,656,996
3a. Evidence/Examination Fees - Title Agen	17,440,802	19,685,745	13,377,334	14,175,385	10,327,376	9,132,561	8,348,138
3b. Evidence/Examination Fees - Others	13,961,255	18,889,700	14,016,497	11,125,023	8,132,098	7,685,114	7,406,101
4a. Closing Fees Paid - Title Agents	42,511,605	36,924,862	38,826,618	24,004,244	21,379,687	20,408,942	21,336,272
4b. Closing Fees Paid - Others	134,727,781	142,650,820	118,245,891	91,071,501	78,235,300	76,197,462	76,860,066
5. Rent	69,210,823	76,595,007	80,439,051	73,717,048	63,241,673	59,385,744	57,883,801
6. Utilities	6,981,340	9,081,306	8,821,181	7,998,978	6,563,176	6,125,357	5,986,934
7. Accounting & Auditing	5,154,964	5,645,643	5,560,837	6,202,444	4,394,652	5,358,575	5,523,030
8. Advertising	18,810,851	23,097,767	24,252,238	18,539,911	12,238,912	12,597,625	14,504,162
9. Travel, Lodging & Education	10,785,545	11,247,167	8,592,502	6,738,348	5,584,079	5,920,171	7,072,407
10. Insurance	6,614,149	6,208,561	6,087,491	6,038,229	5,600,169	5,542,674	5,450,944
11. Interest Expense	2,358,678	2,927,361	3,195,330	2,995,643	2,518,966	2,670,898	2,389,079
12. Legal Expense	4,477,140	5,198,290	4,267,339	3,977,175	3,802,693	4,365,162	4,957,463
13. Licenses, Taxes, & Fees	5,372,625	4,384,685	4,497,652	3,888,071	3,865,313	3,495,549	4,069,511
14. Postage & Freight	5,115,322	5,789,990	5,655,855	5,029,372	3,994,662	3,682,282	4,474,295
15. Courier & Overnight Delivery	27,156,668	30,950,966	28,266,724	21,373,257	17,076,520	15,173,631	13,677,752
16. Telephone & Facsimile	18,183,643	18,329,411	17,166,793	15,255,624	12,943,868	12,020,755	11,951,010
17. Printing & Photocopying	7,211,466	7,445,775	7,855,364	5,769,690	4,665,305	4,416,784	3,749,887
18. Office Supplies	20,365,783	21,057,701	27,061,950	13,679,713	11,513,028	10,625,955	10,572,872
19. Equipment & Vehicle Leases	15,977,277	15,848,734	14,234,304	12,612,222	10,210,239	8,727,290	6,817,928
20. Depreciation	18,725,660	20,269,009	20,031,870	17,911,942	15,119,128	12,888,490	12,597,757
21. Directors Fees	1,023,534	1,005,883	1,076,368	725,031	903,667	1,065,229	1,169,005
22. Dues, Boards, & Associations	2,589,707	2,370,295	2,246,019	2,093,703	1,848,124	1,987,950	2,852,299
23. Bad Debts	212,475	477,451	297,377	260,830	347,670	271,669	153,777
24. Loss & Loss Adjustment Expense	6,751,659	4,180,520	11,414,830	16,460,933	2,097,695	2,207,261	2,334,353
25. Tax Certificates Paid Tax Authorities	33,284,841	32,552,203	28,918,009	22,558,124	24,394,282	22,382,948	21,036,307
26. Recording Fees Paid County Clerk	68,304,949	93,864,251	87,163,109	65,263,992	62,650,127	62,671,533	59,454,782
27. Plant Lease/Updates	39,791,912	46,814,617	46,079,566	48,464,808	51,007,166	46,684,774	43,099,682
28. Damages for Bad Faith Suits	0	7	2	70,772	0	41,466	0
29. Fines or Penalties	411,939	180,770	162,525	166,674	62,801	220,905	263,093
30. Donations/Lobbying	2,642,197	2,451,527	2,504,497	1,539,516	1,263,314	1,241,883	1,668,370
31. Trade Association Fees	1,034,986	1,185,646	1,197,125	1,359,097	877,869	651,090	719,109
32. Other Expenses	56,028,736	54,279,385	56,935,732	53,940,365	39,158,119	33,278,729	34,873,001
TOTAL OPERATING EXPENSES	1,299,169,927	1,433,551,764	1,374,579,837	1,136,166,921	947,456,634	923,431,508	949,937,984
INCOME OR (LOSS) FROM OPERATIONS	122,126,164	158,754,919	146,248,018	25,286,727	67,592,515	118,787,538	135,199,641

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
All AGENTS - INDEPENDENT, AFFILIATED & DIRECT OPERATION

INCOME	2012	2013	2014	2015	2016
1. Title Premiums	1,239,417,001	1,438,534,586	1,474,097,681	1,637,939,495	1,764,875,239
2. Premiums Remitted to Underwriters	185,976,188	215,802,171	221,237,087	245,884,458	264,747,390
3. Premiums Retained	1,053,440,811	1,222,732,416	1,252,860,594	1,392,662,884	1,500,127,848
4. Examination/Evidence Fees	55,580,916	67,627,254	61,278,856	63,347,388	67,225,196
5. Closing Fees	139,368,551	179,862,058	170,048,111	178,941,835	173,301,923
6. Tax Certificates	26,787,490	30,342,013	27,131,028	30,781,483	27,521,170
7. Recording Fees	74,523,011	82,495,789	82,893,262	88,936,225	100,046,474
8. Restrictions	1,312,443	1,443,416	616,710	384,970	223,171
9. Inspection Fees	54,873	85,166	72,507	100,042	42,240
10. Courier and Overnight Fees	12,825,426	13,914,688	12,279,042	11,693,223	11,430,426
11. Telephone and Facsimile	257,878	263,706	220,584	249,114	289,201
12. Interest Income	369,962	393,691	463,069	507,896	448,746
13. Other Income	15,501,879	29,201,580	41,276,524	39,393,624	38,464,636
GROSS INCOME	1,380,023,239	1,628,361,776	1,649,140,282	1,806,998,688	1,919,121,031
Number of Agencies Reporting	568	574	552	563	574
EXPENSES					
1a. Salaries-Employees	484,646,540	565,673,335	598,017,047	656,975,408	705,582,401
1b. Salaries-Owners/Partners	26,012,221	32,262,656	31,930,412	36,438,154	35,596,983
2a. Benefits, Relations & Welfare-Employee	75,409,515	88,407,032	91,574,400	96,668,220	111,255,682
2b. Benefits, Relations & Welfare - Owners/I	2,903,541	3,472,890	3,415,614	3,701,292	4,150,964
3a. Evidence/Examination Fees - Title Agen	11,788,993	13,070,150	23,049,691	15,933,564	10,017,458
3b. Evidence/Examination Fees - Others	8,655,555	10,392,876	8,434,141	9,062,115	16,818,148
4a. Closing Fees Paid - Title Agents	21,802,574	26,611,196	30,063,474	28,925,223	33,467,477
4b. Closing Fees Paid - Others	95,640,086	100,221,219	103,559,083	118,881,541	129,166,401
5. Rent	58,059,048	62,423,218	68,509,808	74,837,221	80,599,996
6. Utilities	5,561,731	5,949,482	6,112,074	6,116,869	6,738,793
7. Accounting & Auditing	5,139,495	7,244,219	6,764,076	7,681,993	7,786,795
8. Advertising	17,179,430	21,460,866	23,184,771	26,391,669	28,158,221
9. Travel, Lodging & Education	8,261,141	9,468,472	10,694,970	12,233,008	12,644,731
10. Insurance	6,467,918	7,683,565	8,377,228	8,355,558	9,029,891
11. Interest Expense	2,177,501	1,931,236	1,661,987	1,781,545	1,751,987
12. Legal Expense	4,494,252	5,078,093	5,056,920	5,619,534	6,668,946
13. Licenses, Taxes, & Fees	4,525,951	4,911,984	4,759,971	6,234,569	6,371,349
14. Postage & Freight	4,573,832	6,844,421	5,929,886	7,428,876	7,432,580
15. Courier & Overnight Delivery	16,395,284	17,510,769	16,184,957	15,862,368	17,482,355
16. Telephone & Facsimile	12,081,485	12,251,970	12,406,999	12,730,523	13,436,476
17. Printing & Photocopying	4,285,627	4,618,373	4,584,143	4,533,710	3,906,647
18. Office Supplies	12,430,881	14,824,304	13,974,655	15,200,289	16,281,752
19. Equipment & Vehicle Leases	6,849,656	6,667,647	7,389,984	7,847,500	7,904,105
20. Depreciation	12,366,013	13,817,969	13,766,078	16,084,576	15,778,451
21. Directors Fees	1,642,655	1,383,825	2,123,558	1,968,148	1,489,844
22. Dues, Boards, & Associations	2,616,354	3,046,050	3,126,993	3,479,577	4,121,199
23. Bad Debts	84,596	88,540	416,465	310,709	409,071
24. Loss & Loss Adjustment Expense	4,181,127	2,029,631	2,404,879	2,225,205	4,981,819
25. Tax Certificates Paid Tax Authorities	27,303,478	30,594,793	27,275,244	30,934,778	28,043,599
26. Recording Fees Paid County Clerk	73,867,873	83,385,649	84,355,468	89,753,212	102,580,876
27. Plant Lease/Updates	61,561,248	70,688,478	67,156,596	72,436,038	76,743,712
28. Damages for Bad Faith Suits	0	98,776	0	31,482	23,000
29. Fines or Penalties	105,486	228,510	150,162	124,790	137,181
30. Donations/Lobbying	1,782,525	2,240,178	2,731,422	2,654,877	2,601,157
31. Trade Association Fees	810,152	1,038,050	1,087,212	1,109,958	1,129,503
32. Other Expenses	39,684,991	51,802,995	54,010,287	72,044,708	78,535,756
TOTAL OPERATING EXPENSES	1,121,348,727	1,289,423,399	1,344,240,624	1,472,602,473	1,588,825,306
INCOME OR (LOSS) FROM OPERATIONS	258,674,514	338,938,380	304,899,666	334,396,211	330,295,725

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
INDEPENDENT AGENTS

INCOME	1998	1999	2000	2001	2002	2003	2004
1. Title Premiums	392,647,402	351,466,893	337,906,266	390,725,222	457,816,465	539,096,884	481,472,349
2. Premiums Remitted to Underwriters	69,700,694	62,400,510	55,032,786	58,727,656	68,704,403	80,918,386	72,274,746
3. Premiums Retained	322,946,708	289,066,383	282,873,481	331,997,566	389,112,062	458,178,498	409,197,602
4. Examination/Evidence Fees	13,480,056	14,680,995	14,076,502	16,158,092	20,552,703	24,516,689	32,031,015
5. Closing Fees	7,206,906	7,949,484	6,275,066	6,793,012	7,220,213	7,444,085	26,139,004
6. Tax Certificates	6,125,735	7,078,386	6,603,346	9,031,335	11,385,977	14,782,058	12,439,830
7. Recording Fees	13,486,345	12,654,651	11,647,140	15,729,639	18,493,923	24,207,305	22,811,849
8. Restrictions	923,395	762,776	520,265	625,262	755,921	852,158	630,815
9. Inspection Fees	39,282	95,626	41,585	67,262	77,392	116,234	132,775
10. Courier and Overnight Fees	6,439,078	5,238,079	4,965,103	6,795,300	7,991,212	9,687,508	7,799,526
11. Telephone and Facsimile	467,844	469,551	419,186	427,595	483,838	540,851	520,354
12. Interest Income	1,132,903	1,294,931	1,428,439	1,532,760	1,000,955	976,720	1,086,669
13. Other Income	5,682,115	4,400,269	3,840,626	4,071,681	3,808,776	3,310,255	3,522,230
GROSS INCOME	377,930,367	343,691,130	332,690,741	393,229,506	460,882,971	544,612,361	516,311,669
Number of Agencies Reporting	470	462	462	462	466	479	489
EXPENSES							
1a. Salaries-Employees	122,982,289	115,986,594	113,461,771	130,707,584	154,825,894	182,843,065	178,921,102
1b. Salaries-Owners/Partners	23,913,587	23,753,647	19,043,967	21,773,305	27,160,228	29,369,444	25,354,165
2a. Benefits, Relations & Welfare-Employee	16,912,596	17,866,419	18,394,156	19,781,210	24,009,948	29,367,152	29,702,401
2b. Benefits, Relations & Welfare - Owners/I	2,964,101	3,052,507	2,595,279	2,516,330	2,713,569	3,229,056	3,232,522
3a. Evidence/Examination Fees - Title Agen	12,143,778	11,050,920	11,025,488	12,663,404	16,458,291	20,940,818	12,295,667
3b. Evidence/Examination Fees - Others	10,766,460	10,711,064	10,326,337	11,472,209	12,799,724	13,571,480	14,376,228
4a. Closing Fees Paid - Title Agents	8,604,623	9,014,704	8,601,825	8,331,188	8,896,816	9,252,730	10,082,544
4b. Closing Fees Paid - Others	23,185,188	14,651,582	13,271,727	17,199,830	22,506,811	29,333,985	28,724,583
5. Rent	14,964,561	14,277,591	14,889,074	16,883,541	18,844,076	20,201,289	20,444,723
6. Utilities	2,296,377	2,076,762	2,175,344	2,488,715	2,541,322	3,069,931	3,208,187
7. Accounting & Auditing	2,678,377	2,033,802	2,154,950	2,954,466	3,289,188	4,293,013	3,511,259
8. Advertising	4,567,455	5,632,691	5,649,468	6,190,464	7,400,418	8,898,295	6,998,039
9. Travel, Lodging & Education	3,476,081	2,862,747	2,673,352	2,721,218	3,218,630	4,062,843	4,033,048
10. Insurance	3,503,580	3,241,901	3,135,041	2,858,805	3,133,546	3,588,176	4,044,362
11. Interest Expense	2,794,123	2,542,047	3,163,743	3,135,072	2,492,572	2,352,393	1,869,582
12. Legal Expense	1,946,786	2,349,767	1,610,589	1,561,968	2,332,181	2,056,486	1,637,397
13. Licenses, Taxes, & Fees	2,858,471	2,330,880	2,105,880	1,710,274	2,274,854	2,139,780	2,440,416
14. Postage & Freight	1,679,579	1,495,771	1,470,855	1,531,578	1,653,575	1,744,774	2,073,759
15. Courier & Overnight Delivery	7,431,582	6,278,285	5,789,410	7,123,913	8,241,885	10,310,580	8,901,228
16. Telephone & Facsimile	6,140,463	5,920,914	5,837,195	6,133,806	6,786,893	7,384,057	7,595,920
17. Printing & Photocopying	1,598,488	1,606,916	1,530,279	1,700,327	1,922,466	2,118,489	2,158,705
18. Office Supplies	8,580,244	6,973,863	6,810,355	7,561,501	8,878,992	10,557,644	9,894,458
19. Equipment & Vehicle Leases	4,209,434	4,239,461	4,010,783	4,230,276	5,015,187	5,546,608	5,405,755
20. Depreciation	6,531,122	6,991,171	7,371,096	7,816,361	8,659,304	10,529,281	9,082,878
21. Directors Fees	708,440	679,248	817,994	888,053	1,303,123	1,373,393	1,017,697
22. Dues, Boards, & Associations	1,101,419	1,052,165	1,051,427	1,028,492	1,058,236	1,135,730	1,286,632
23. Bad Debts	315,015	63,019	272,908	60,232	80,662	120,138	222,148
24. Loss & Loss Adjustment Expense	700,368	715,412	338,883	523,764	562,198	1,045,683	1,212,283
25. Tax Certificates Paid Tax Authorities	5,917,074	6,839,789	6,623,409	9,488,290	11,772,777	15,504,838	12,819,000
26. Recording Fees Paid County Clerk	13,005,263	12,584,670	11,653,080	15,414,404	18,347,336	23,469,489	23,353,612
27. Plant Lease/Updates	10,337,989	9,676,832	10,109,798	12,270,116	15,091,547	18,756,601	19,876,481
28. Damages for Bad Faith Suits	5,825	10,000	10,000	4,175	499,861	0	16,147
29. Fines or Penalties	69,714	95,429	109,958	48,021	93,395	134,189	121,310
30. Donations/Lobbying	888,301	856,437	667,188	718,028	897,306	1,211,098	876,632
31. Trade Association Fees	194,659	206,298	192,121	200,224	378,649	390,124	418,942
32. Other Expenses	11,175,286	10,700,852	9,676,856	9,468,191	13,116,346	16,246,719	19,318,106
TOTAL OPERATING EXPENSES	341,148,698	320,422,155	308,621,586	351,159,334	419,257,808	496,149,375	476,527,918
INCOME OR (LOSS) FROM OPERATIONS	36,781,669	23,268,975	24,069,155	42,070,172	41,625,164	48,462,986	39,783,751

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
INDEPENDENT AGENTS

INCOME	2005	2006	2007	2008	2009	2010	2011
1. Title Premiums	477,885,779	534,030,954	521,182,350	411,919,896	388,287,699	400,148,225	417,878,182
2. Premiums Remitted to Underwriters	71,740,758	80,113,748	78,207,441	61,891,847	58,300,488	60,055,336	62,641,989
3. Premiums Retained	406,149,603	453,917,205	442,974,914	350,028,050	329,987,211	340,092,889	355,236,193
4. Examination/Evidence Fees	34,102,487	42,987,018	41,332,559	31,985,359	27,668,310	31,242,906	33,809,411
5. Closing Fees	46,913,106	51,880,600	49,450,764	38,530,537	39,973,198	36,390,794	39,197,530
6. Tax Certificates	10,534,503	11,631,110	9,199,415	7,567,259	9,956,212	8,760,274	8,981,669
7. Recording Fees	26,454,558	40,503,358	35,787,682	25,858,613	30,901,350	29,818,945	29,148,008
8. Restrictions	874,499	718,968	524,717	783,879	1,123,324	398,564	348,097
9. Inspection Fees	62,393	101,301	77,487	68,910	58,607	44,388	25,563
10. Courier and Overnight Fees	7,090,111	7,865,636	7,750,641	6,308,117	6,429,268	5,296,451	5,115,467
11. Telephone and Facsimile	519,828	484,986	393,350	369,368	345,361	260,039	252,244
12. Interest Income	1,154,269	2,110,879	2,629,572	1,287,948	630,896	424,457	404,442
13. Other Income	4,716,083	10,469,631	6,237,327	6,806,121	5,354,967	4,502,898	4,040,040
GROSS INCOME	538,571,442	622,670,692	596,358,428	469,594,162	452,428,704	457,232,605	476,558,664
Number of Agencies Reporting	513	517	517	526	525	506	490
EXPENSES							
1a. Salaries-Employees	186,383,441	217,208,345	217,993,665	182,758,412	165,254,504	170,371,122	177,871,028
1b. Salaries-Owners/Partners	24,943,708	27,902,115	26,917,814	25,053,671	21,741,782	20,639,942	23,969,007
2a. Benefits, Relations & Welfare-Employee	29,263,680	33,696,691	36,528,659	29,943,493	25,078,491	25,965,154	25,499,778
2b. Benefits, Relations & Welfare - Owners/I	3,013,179	3,348,910	3,487,714	2,791,350	2,632,040	2,458,381	2,579,233
3a. Evidence/Examination Fees - Title Agen	5,392,640	4,751,114	4,504,460	4,806,027	4,321,381	4,467,564	3,954,467
3b. Evidence/Examination Fees - Others	12,179,135	14,695,186	12,775,550	9,896,438	7,328,137	6,775,841	6,788,947
4a. Closing Fees Paid - Title Agents	13,306,635	18,844,834	13,866,093	9,886,234	8,000,553	8,146,484	7,459,163
4b. Closing Fees Paid - Others	33,387,885	28,725,161	28,033,514	18,816,774	20,021,410	19,872,341	21,856,058
5. Rent	22,416,314	27,958,798	30,740,040	28,750,279	25,675,400	26,492,862	26,160,676
6. Utilities	3,601,795	4,785,832	4,739,818	4,551,873	3,991,765	3,878,042	3,978,203
7. Accounting & Auditing	3,649,177	3,390,891	3,920,911	3,806,839	3,364,441	3,103,451	3,126,420
8. Advertising	6,687,866	8,200,091	8,954,232	7,593,998	5,562,562	5,713,868	6,773,570
9. Travel, Lodging & Education	4,136,291	4,757,373	4,161,651	3,630,614	3,042,678	3,039,520	3,663,085
10. Insurance	4,616,083	4,462,706	4,352,023	4,116,781	3,834,623	4,039,826	4,070,411
11. Interest Expense	2,289,017	2,742,354	3,005,179	2,833,996	2,495,690	2,610,090	2,340,015
12. Legal Expense	2,357,902	3,426,361	2,744,899	2,316,790	2,454,604	2,977,935	3,775,837
13. Licenses, Taxes, & Fees	2,848,537	3,017,541	2,849,758	2,485,381	2,222,280	2,253,080	2,469,770
14. Postage & Freight	2,251,693	2,980,847	2,383,439	2,319,298	1,723,228	1,803,648	2,043,754
15. Courier & Overnight Delivery	8,741,689	10,604,624	10,252,231	8,246,486	7,800,665	6,796,666	6,560,354
16. Telephone & Facsimile	7,603,148	8,304,220	7,622,443	7,025,888	6,456,929	6,130,872	6,278,125
17. Printing & Photocopying	2,438,367	2,489,597	2,690,354	2,165,288	2,114,480	2,079,708	2,077,564
18. Office Supplies	9,989,714	11,084,526	10,119,841	8,131,712	7,156,504	6,773,635	6,773,234
19. Equipment & Vehicle Leases	5,978,482	6,516,858	6,501,782	6,254,503	5,520,949	5,167,748	4,464,770
20. Depreciation	9,296,968	10,620,740	10,179,605	8,645,155	8,271,374	7,641,200	7,112,970
21. Directors Fees	960,896	944,645	1,017,283	669,386	860,506	1,019,064	999,305
22. Dues, Boards, & Associations	1,325,231	1,412,847	1,405,410	1,251,171	1,028,645	1,092,814	1,849,584
23. Bad Debts	154,415	386,085	168,709	148,209	218,261	124,960	105,037
24. Loss & Loss Adjustment Expense	975,266	1,678,141	2,148,774	1,031,184	1,113,928	1,219,600	1,360,915
25. Tax Certificates Paid Tax Authorities	11,401,462	12,059,574	10,151,510	7,969,839	10,265,857	8,932,726	9,205,390
26. Recording Fees Paid County Clerk	26,884,133	41,194,747	35,911,152	25,908,638	30,231,228	29,398,202	28,923,296
27. Plant Lease/Updates	22,646,629	25,363,520	25,060,171	19,357,703	18,137,204	18,259,433	17,160,500
28. Damages for Bad Faith Suits	0	7	0	0	0	41,466	0
29. Fines or Penalties	407,016	166,100	104,142	71,943	40,776	165,086	217,717
30. Donations/Lobbying	1,188,571	1,404,696	1,483,370	1,045,710	815,481	765,640	955,043
31. Trade Association Fees	371,248	416,096	421,261	522,635	368,783	264,805	291,769
32. Other Expenses	19,683,105	27,154,118	31,167,412	28,293,080	18,670,115	14,916,888	14,896,960
TOTAL OPERATING EXPENSES	492,771,316	576,696,291	568,364,867	473,096,775	427,817,254	425,399,664	437,611,955
INCOME OR (LOSS) FROM OPERATIONS	45,800,125	45,974,401	27,993,561	-3,502,615	24,611,450	31,832,941	38,946,709

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
INDEPENDENT AGENTS

INCOME	2012	2013	2014	2015	2016
1. Title Premiums	521,265,252	649,086,035	696,421,405	773,018,666	815,616,896
2. Premiums Remitted to Underwriters	78,259,228	97,380,342	104,589,933	116,138,531	122,371,092
3. Premiums Retained	443,006,022	551,705,694	591,831,472	657,487,980	693,245,803
4. Examination/Evidence Fees	38,897,563	47,825,800	44,804,336	44,610,808	50,644,273
5. Closing Fees	52,911,623	64,613,356	62,519,868	65,914,587	71,000,572
6. Tax Certificates	11,628,363	13,537,799	13,337,259	15,292,585	14,956,807
7. Recording Fees	35,522,960	40,779,555	43,143,496	48,203,506	48,384,933
8. Restrictions	225,084	439,394	340,705	384,609	223,171
9. Inspection Fees	44,653	68,541	59,807	75,665	34,623
10. Courier and Overnight Fees	5,475,590	6,991,590	6,847,020	6,343,997	6,644,709
11. Telephone and Facsimile	257,878	263,706	220,584	246,227	268,412
12. Interest Income	324,320	317,196	354,051	356,515	274,912
13. Other Income	3,965,260	4,374,563	7,400,571	6,306,606	8,696,567
GROSS INCOME	592,259,315	730,917,193	770,859,164	845,223,089	894,374,782
Number of Agencies Reporting	499	508	489	498	501
EXPENSES					
1a. Salaries-Employees	207,494,883	256,920,979	273,728,809	299,174,461	310,037,110
1b. Salaries-Owners/Partners	24,816,744	31,224,391	31,611,461	33,408,925	34,168,431
2a. Benefits, Relations & Welfare-Employee	28,841,207	35,968,322	38,778,911	41,855,824	46,215,411
2b. Benefits, Relations & Welfare - Owners/I	2,768,947	3,375,048	3,393,490	3,684,643	3,976,021
3a. Evidence/Examination Fees - Title Agen	5,837,350	6,129,828	11,968,290	8,748,567	9,813,181
3b. Evidence/Examination Fees - Others	8,165,900	10,055,338	8,076,253	8,795,930	8,349,375
4a. Closing Fees Paid - Title Agents	8,171,023	8,369,906	8,643,645	8,198,804	10,963,461
4b. Closing Fees Paid - Others	26,545,417	30,487,757	32,400,603	32,330,928	26,665,403
5. Rent	25,425,659	30,792,544	34,371,543	36,758,235	39,277,761
6. Utilities	3,636,998	4,024,137	4,276,521	4,264,304	4,051,264
7. Accounting & Auditing	3,119,003	4,065,935	3,925,400	4,600,188	4,439,567
8. Advertising	8,059,818	10,680,001	11,091,768	12,340,562	13,147,062
9. Travel, Lodging & Education	3,880,223	5,071,813	5,375,229	5,944,579	5,934,800
10. Insurance	4,767,113	5,893,344	6,375,576	6,420,087	6,890,241
11. Interest Expense	2,134,447	1,898,796	1,621,609	1,699,901	1,645,550
12. Legal Expense	3,824,509	3,921,844	4,202,590	4,867,646	5,702,861
13. Licenses, Taxes, & Fees	2,652,749	3,299,607	3,120,652	3,469,662	3,609,164
14. Postage & Freight	2,080,831	2,891,536	2,934,865	3,454,670	3,554,603
15. Courier & Overnight Delivery	8,001,366	9,369,162	9,204,270	9,063,459	9,825,995
16. Telephone & Facsimile	5,896,858	6,262,140	6,457,195	7,002,983	6,818,976
17. Printing & Photocopying	2,257,771	2,448,176	2,602,585	2,536,316	2,079,340
18. Office Supplies	7,960,778	10,071,140	9,667,188	10,633,322	10,828,221
19. Equipment & Vehicle Leases	4,121,456	4,543,239	5,157,160	5,376,521	4,588,246
20. Depreciation	6,965,429	9,012,647	8,676,081	10,540,201	9,647,492
21. Directors Fees	1,234,522	1,364,950	2,105,923	1,946,912	1,447,075
22. Dues, Boards, & Associations	1,350,863	1,534,471	1,710,254	1,916,705	1,998,872
23. Bad Debts	33,689	61,781	253,350	202,933	135,225
24. Loss & Loss Adjustment Expense	2,397,511	1,262,112	1,617,316	1,474,646	2,742,039
25. Tax Certificates Paid Tax Authorities	12,099,031	13,711,514	13,391,084	15,343,900	15,334,925
26. Recording Fees Paid County Clerk	35,964,981	41,364,449	43,824,765	48,453,992	49,002,818
27. Plant Lease/Updates	19,585,150	21,508,596	21,976,185	22,369,346	22,917,995
28. Damages for Bad Faith Suits	0	98,776	0	31,482	23,000
29. Fines or Penalties	70,852	106,153	127,872	39,349	95,119
30. Donations/Lobbying	1,237,142	1,523,072	1,639,289	1,569,511	1,475,094
31. Trade Association Fees	310,541	385,110	370,469	362,125	391,750
32. Other Expenses	17,458,244	26,385,368	28,648,817	36,907,779	41,604,529
TOTAL OPERATING EXPENSES	499,168,977	606,083,964	643,326,989	695,793,066	719,397,977
INCOME OR (LOSS) FROM OPERATIONS	93,090,340	124,833,232	127,532,183	149,430,020	174,976,852

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
AFFILIATED AGENTS

INCOME	1998	1999	2000	2001	2002	2003	2004
1. Title Premiums	344,150,319	443,280,354	437,530,282	516,227,274	603,484,554	719,722,680	562,512,038
2. Premiums Remitted to Underwriters	61,011,198	78,678,920	70,926,982	77,447,439	90,534,840	108,013,302	84,380,481
3. Premiums Retained	283,139,121	364,601,434	366,603,301	438,779,837	512,949,714	611,709,377	478,131,557
4. Examination/Evidence Fees	5,296,323	7,277,737	9,908,503	12,013,818	16,376,389	22,188,549	21,206,821
5. Closing Fees	14,972,098	15,911,609	16,958,029	18,657,720	15,316,237	20,190,119	51,460,234
6. Tax Certificates	6,499,830	8,603,635	8,399,781	13,530,614	15,727,583	20,024,526	15,092,525
7. Recording Fees	12,010,881	15,826,571	15,662,283	20,531,056	24,574,100	30,225,519	25,623,606
8. Restrictions	902,694	1,737,704	1,057,329	1,633,880	1,575,210	1,499,513	1,135,404
9. Inspection Fees	6,370	5,733	5,197	2,614	27,329	2,650	4,300
10. Courier and Overnight Fees	7,165,416	9,208,169	8,910,949	11,020,666	12,075,229	14,137,957	9,703,370
11. Telephone and Facsimile	34,876	38,053	251,764	338,813	303,158	522,654	511,077
12. Interest Income	879,326	1,407,232	1,805,599	1,696,508	791,388	523,753	766,391
13. Other Income	1,318,783	3,660,545	4,979,810	5,070,328	4,921,078	8,662,438	8,758,590
GROSS INCOME	332,225,718	428,278,422	434,542,546	523,275,853	604,637,414	729,687,056	612,393,875
Number of Agencies Reporting	54	68	68	70	67	68	71
EXPENSES							
1a. Salaries-Employees	114,094,658	156,568,299	149,083,621	182,766,480	215,143,094	245,736,423	226,199,040
1b. Salaries-Owners/Partners	291,089	388,657	333,019	852,056	330,478	117,647	229,550
2a. Benefits, Relations & Welfare-Employee	18,052,254	27,163,724	26,189,563	32,394,076	39,068,391	47,271,745	43,358,836
2b. Benefits, Relations & Welfare - Owners/I	33,642	61,728	74,574	58,240	70,244	58,451	74,071
3a. Evidence/Examination Fees - Title Agen	11,312,532	14,261,143	12,136,675	14,677,039	15,668,663	23,809,556	11,771,876
3b. Evidence/Examination Fees - Others	5,551,372	6,494,422	8,214,974	2,782,448	2,532,282	2,198,873	1,754,017
4a. Closing Fees Paid - Title Agents	5,548,605	6,125,536	4,603,416	7,153,747	7,401,396	5,902,629	7,596,579
4b. Closing Fees Paid - Others	36,330,389	54,372,237	58,905,030	63,723,217	69,424,157	88,332,693	74,286,065
5. Rent	12,596,658	19,748,188	21,406,598	25,848,394	29,651,649	30,529,971	32,286,949
6. Utilities	1,200,867	1,678,668	1,902,488	2,148,365	2,133,686	2,245,810	2,491,243
7. Accounting & Auditing	1,353,877	1,362,595	1,049,552	884,360	1,105,407	1,207,674	1,182,715
8. Advertising	5,337,352	7,388,611	8,301,026	9,051,722	10,760,841	12,435,338	8,384,624
9. Travel, Lodging & Education	1,854,707	3,141,459	3,630,160	5,155,395	5,562,761	6,604,201	5,127,701
10. Insurance	837,081	1,128,860	1,038,926	1,096,470	1,244,756	1,558,136	1,513,445
11. Interest Expense	154,124	134,452	178,744	156,733	82,492	46,218	27,225
12. Legal Expense	356,842	992,898	664,259	1,279,608	1,407,387	1,310,826	1,526,699
13. Licenses, Taxes, & Fees	1,495,307	1,941,016	1,541,088	2,997,607	3,412,567	941,510	1,363,466
14. Postage & Freight	1,534,472	1,776,731	1,446,803	1,796,616	2,336,651	2,371,322	1,962,665
15. Courier & Overnight Delivery	7,699,549	10,342,118	11,141,076	12,697,275	13,637,655	17,135,307	13,471,940
16. Telephone & Facsimile	4,139,433	6,159,105	6,855,008	7,770,945	8,479,670	8,188,569	8,192,053
17. Printing & Photocopying	2,036,353	3,008,006	3,057,266	3,494,556	4,572,379	4,598,001	4,378,161
18. Office Supplies	3,908,639	6,670,576	5,281,423	6,872,073	8,191,660	9,979,770	7,447,025
19. Equipment & Vehicle Leases	3,459,672	4,578,023	5,013,952	7,132,716	7,910,705	6,178,176	6,037,844
20. Depreciation	4,348,380	6,692,855	7,988,369	9,723,906	8,153,128	8,279,671	8,694,983
21. Directors Fees	56,800	59,875	52,523	57,883	64,760	58,834	58,974
22. Dues, Boards, & Associations	577,012	816,061	847,835	1,029,618	1,244,304	1,144,317	1,004,794
23. Bad Debts	112,629	50,100	104,569	275,376	147,913	37,751	11,987
24. Loss & Loss Adjustment Expense	814,221	1,625,287	1,456,599	1,457,220	795,265	889,635	1,558,946
25. Tax Certificates Paid Tax Authorities	5,807,682	8,746,653	8,550,297	13,658,035	15,864,508	20,467,396	15,192,299
26. Recording Fees Paid County Clerk	11,214,223	15,045,521	14,888,899	19,491,154	23,425,112	29,258,757	26,611,814
27. Plant Lease/Updates	9,342,179	10,684,778	9,886,402	10,078,883	11,713,661	13,807,209	12,361,293
28. Damages for Bad Faith Suits	0	0	0	0	0	0	0
29. Fines or Penalties	23,563	9,814	22,119	313,137	44,049	920	9,873
30. Donations/Lobbying	429,687	439,542	509,973	573,033	729,592	717,957	735,056
31. Trade Association Fees	105,946	197,762	210,231	239,877	201,597	491,981	468,525
32. Other Expenses	8,754,281	11,013,319	13,310,401	15,031,685	14,590,573	28,687,678	28,081,151
TOTAL OPERATING EXPENSES	280,766,077	390,868,618	389,877,459	464,719,940	527,103,432	622,600,951	555,453,484
INCOME OR (LOSS) FROM OPERATIONS	51,459,641	37,409,804	44,665,086	58,555,913	77,533,982	107,086,105	56,940,391

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
AFFILIATED AGENTS

INCOME	2005	2006	2007	2008	2009	2010	2011
1. Title Premiums	603,980,782	663,665,297	623,346,881	459,207,051	432,572,669	435,674,072	436,467,538
2. Premiums Remitted to Underwriters	90,602,633	99,737,220	93,608,406	68,813,161	64,887,267	65,444,218	65,472,451
3. Premiums Retained	513,378,148	563,928,078	529,738,475	390,393,890	367,685,402	370,229,854	370,995,086
4. Examination/Evidence Fees	18,252,648	20,361,659	21,268,725	15,089,623	11,871,333	14,316,136	13,278,527
5. Closing Fees	57,970,442	74,626,862	74,773,782	51,332,087	40,180,501	44,451,264	48,473,035
6. Tax Certificates	15,370,575	14,980,173	13,011,420	10,862,274	12,341,664	11,174,412	9,758,468
7. Recording Fees	29,601,025	41,150,710	41,471,367	31,133,797	28,399,388	28,816,095	26,542,873
8. Restrictions	1,022,048	968,625	998,021	472,679	333,872	765,912	628,351
9. Inspection Fees	37,988	3,060	5,562	5,590	1,250	900	700
10. Courier and Overnight Fees	9,346,987	10,307,109	9,750,211	7,548,191	7,282,035	6,052,971	5,017,500
11. Telephone and Facsimile	12,568	9,922	7,240	0	274	0	71
12. Interest Income	1,996,706	3,090,200	3,175,095	1,950,495	2,009,872	1,300,559	1,095,641
13. Other Income	5,781,015	3,986,715	6,630,984	8,255,124	8,101,629	9,550,295	7,102,251
GROSS INCOME	652,770,150	733,413,113	700,830,884	517,043,750	478,207,220	486,658,398	482,892,503
Number of Agencies Reporting	84	88	95	91	79	69	63
EXPENSES							
1a. Salaries-Employees	248,646,217	272,212,552	257,915,582	208,505,299	174,050,413	173,796,255	183,917,148
1b. Salaries-Owners/Partners	1,794,153	189,114	293,785	318,369	263,770	508,912	597,133
2a. Benefits, Relations & Welfare-Employee	45,786,693	54,613,280	52,867,282	42,792,543	36,837,468	32,514,760	32,296,049
2b. Benefits, Relations & Welfare - Owners/I	121,781	183,352	35,546	44,573	41,362	120,687	77,763
3a. Evidence/Examination Fees - Title Agen	10,809,828	14,118,533	7,611,079	5,408,788	5,716,516	4,299,037	4,034,282
3b. Evidence/Examination Fees - Others	1,781,700	1,611,423	1,240,947	1,228,585	803,961	907,997	609,867
4a. Closing Fees Paid - Title Agents	13,133,969	12,267,091	17,548,067	12,686,470	13,234,954	12,145,507	13,724,148
4b. Closing Fees Paid - Others	72,326,623	86,110,222	66,073,791	52,434,868	48,042,977	44,120,828	44,244,515
5. Rent	35,728,606	36,979,638	37,716,706	34,179,645	32,672,064	28,833,866	27,016,371
6. Utilities	2,856,709	3,658,688	3,379,964	2,820,360	2,384,666	2,072,666	1,835,075
7. Accounting & Auditing	1,304,776	2,098,574	1,476,067	2,212,784	939,393	1,888,692	1,876,533
8. Advertising	9,043,185	11,805,184	11,895,679	8,786,835	5,601,851	5,595,588	5,529,443
9. Travel, Lodging & Education	4,394,157	3,528,356	2,926,102	2,173,019	1,966,151	2,289,059	2,698,503
10. Insurance	1,344,265	1,190,275	1,267,782	1,339,634	1,409,301	1,204,344	1,031,776
11. Interest Expense	69,661	184,937	184,627	125,340	23,276	60,808	49,064
12. Legal Expense	1,723,127	1,559,093	1,427,510	1,573,959	1,309,060	1,293,490	1,157,000
13. Licenses, Taxes, & Fees	2,201,386	1,189,103	1,387,928	1,157,393	1,425,916	934,717	1,016,020
14. Postage & Freight	2,126,969	2,181,898	2,063,950	1,728,818	2,056,554	1,726,978	1,896,183
15. Courier & Overnight Delivery	13,831,878	15,029,019	14,105,483	10,304,751	7,931,893	7,077,249	5,890,170
16. Telephone & Facsimile	8,060,015	8,129,772	7,620,363	6,640,526	5,690,606	5,222,208	4,890,768
17. Printing & Photocopying	3,527,921	3,562,750	3,590,895	2,805,110	2,207,168	2,073,501	1,301,563
18. Office Supplies	8,194,124	7,746,341	8,602,512	4,415,478	3,764,492	3,244,224	3,092,644
19. Equipment & Vehicle Leases	6,826,917	6,612,374	5,682,787	4,952,905	4,159,435	3,191,762	2,015,912
20. Depreciation	8,623,165	8,919,375	8,839,198	8,464,549	6,313,109	4,820,200	4,698,132
21. Directors Fees	62,638	61,238	59,085	52,132	43,161	46,165	169,700
22. Dues, Boards, & Associations	867,675	672,548	546,653	623,021	615,524	747,038	797,069
23. Bad Debts	31,245	91,849	112,549	72,762	123,757	139,937	46,329
24. Loss & Loss Adjustment Expense	5,279,787	2,097,216	8,765,563	15,080,860	933,115	968,652	913,332
25. Tax Certificates Paid Tax Authorities	15,302,915	15,203,792	13,018,788	11,024,476	12,295,275	11,366,341	9,786,092
26. Recording Fees Paid County Clerk	29,840,113	41,680,268	41,802,922	30,593,188	27,068,671	28,055,249	25,940,163
27. Plant Lease/Updates	12,999,407	16,320,162	16,650,464	17,093,525	29,860,688	26,400,332	24,323,353
28. Damages for Bad Faith Suits	0	0	0	70,772	0	0	0
29. Fines or Penalties	4,887	14,395	11,217	33,600	21,780	55,819	45,358
30. Donations/Lobbying	1,038,477	818,463	780,438	323,520	347,039	336,742	573,943
31. Trade Association Fees	517,589	639,297	645,051	650,446	468,980	350,152	369,605
32. Other Expenses	31,404,284	23,031,086	22,696,403	18,171,073	18,161,240	15,716,178	15,929,121
TOTAL OPERATING EXPENSES	601,606,842	656,311,258	620,842,763	510,889,976	448,785,586	424,125,940	424,390,127
INCOME OR (LOSS) FROM OPERATIONS	51,163,308	77,101,855	79,988,121	6,153,774	29,421,634	62,532,458	58,502,376

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
AFFILIATED AGENTS

INCOME	2012	2013	2014	2015	2016
1. Title Premiums	670,349,202	733,359,114	700,240,012	770,051,623	859,770,175
2. Premiums Remitted to Underwriters	100,547,396	110,008,414	105,031,715	115,515,546	128,953,071
3. Premiums Retained	569,801,806	623,350,700	595,208,297	654,536,079	730,817,104
4. Examination/Evidence Fees	15,616,224	19,089,701	15,962,205	18,047,369	15,640,229
5. Closing Fees	65,150,997	83,218,305	84,243,920	83,545,172	75,954,757
6. Tax Certificates	14,646,955	15,913,943	13,021,797	14,768,788	11,641,775
7. Recording Fees	37,562,925	40,118,677	37,832,209	38,284,357	49,133,498
8. Restrictions	1,087,359	1,004,022	276,005	361	0
9. Inspection Fees	10,600	16,625	12,700	24,377	7,617
10. Courier and Overnight Fees	7,144,254	6,732,102	5,270,423	5,161,290	4,640,037
11. Telephone and Facsimile	0	0	0	887	20,789
12. Interest Income	45,642	76,495	109,018	151,354	173,818
13. Other Income	11,359,802	24,430,384	33,407,781	32,264,316	28,572,978
GROSS INCOME	722,426,564	813,950,954	785,344,355	846,784,350	916,602,602
Number of Agencies Reporting	64	61	55	57	62
EXPENSES					
1a. Salaries-Employees	250,661,347	277,544,817	288,070,779	309,326,518	347,197,103
1b. Salaries-Owners/Partners	1,195,477	1,038,265	318,951	3,029,229	1,428,552
2a. Benefits, Relations & Welfare-Employee	42,985,132	48,408,439	48,234,337	49,292,456	58,933,199
2b. Benefits, Relations & Welfare - Owners/I	134,594	97,842	22,124	16,649	174,943
3a. Evidence/Examination Fees - Title Agen	5,647,573	6,588,048	6,544,603	6,035,673	191,987
3b. Evidence/Examination Fees - Others	489,295	337,538	177,798	220,090	6,014,357
4a. Closing Fees Paid - Title Agents	13,341,037	17,824,484	20,626,808	20,587,073	22,346,091
4b. Closing Fees Paid - Others	66,031,045	65,690,573	66,780,753	81,259,640	96,346,744
5. Rent	30,431,498	29,670,462	31,207,887	34,507,220	37,766,904
6. Utilities	1,839,713	1,835,264	1,739,946	1,714,667	2,570,125
7. Accounting & Auditing	1,838,391	2,965,114	2,595,721	2,818,914	3,012,800
8. Advertising	7,330,280	8,265,549	8,865,378	9,619,282	11,280,021
9. Travel, Lodging & Education	3,914,951	3,836,771	4,695,981	5,410,684	5,758,670
10. Insurance	1,469,137	1,519,464	1,694,395	1,584,705	1,808,740
11. Interest Expense	43,054	32,440	40,378	44,379	74,002
12. Legal Expense	657,044	1,135,616	741,845	705,672	933,023
13. Licenses, Taxes, & Fees	1,270,940	1,080,887	1,018,098	1,303,943	1,611,557
14. Postage & Freight	2,284,307	3,708,091	2,755,385	3,648,777	3,582,939
15. Courier & Overnight Delivery	8,096,282	7,824,661	6,635,596	6,449,788	7,267,804
16. Telephone & Facsimile	5,867,936	5,678,659	5,625,605	5,364,248	6,243,028
17. Printing & Photocopying	1,908,668	2,093,249	1,907,163	1,811,000	1,668,056
18. Office Supplies	4,144,254	4,368,536	3,804,640	4,077,905	4,992,480
19. Equipment & Vehicle Leases	2,479,282	1,867,542	1,991,080	2,115,366	2,921,414
20. Depreciation	4,916,900	4,252,482	4,342,765	4,581,977	5,189,127
21. Directors Fees	408,133	18,875	17,635	21,236	42,769
22. Dues, Boards, & Associations	1,000,472	1,271,976	1,130,190	1,309,552	1,868,922
23. Bad Debts	48,913	26,759	161,780	104,708	267,021
24. Loss & Loss Adjustment Expense	1,783,616	767,519	787,563	737,691	2,239,780
25. Tax Certificates Paid Tax Authorities	14,697,605	15,981,965	13,066,698	14,880,513	11,771,694
26. Recording Fees Paid County Clerk	36,458,229	40,320,566	38,315,348	38,717,056	50,715,856
27. Plant Lease/Updates	40,796,637	48,184,631	43,998,243	48,203,793	52,731,540
28. Damages for Bad Faith Suits	0	0	0	0	0
29. Fines or Penalties	34,634	122,357	22,290	77,794	38,724
30. Donations/Lobbying	410,087	480,151	806,058	712,737	941,767
31. Trade Association Fees	492,503	639,024	694,485	681,339	701,486
32. Other Expenses	19,686,720	22,369,430	19,849,031	20,027,928	20,639,168
TOTAL OPERATING EXPENSES	574,795,686	627,848,046	629,287,337	681,000,202	771,272,393
INCOME OR (LOSS) FROM OPERATIONS	147,630,878	186,102,908	156,057,018	165,784,147	145,330,208

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
DIRECT OPERATION

INCOME	1998	1999	2000	2001	2002	2003	2004
1. Title Premiums	188,305,714	126,477,145	121,406,680	163,627,719	199,526,535	249,839,955	218,508,717
2. Premiums Remitted to Underwriters	33,399,536	22,449,691	19,506,034	24,544,159	29,928,980	37,475,993	32,776,307
3. Premiums Retained	154,906,178	104,027,454	101,900,646	139,083,560	169,597,555	212,363,961	185,732,410
4. Examination/Evidence Fees	4,305,588	4,363,453	4,866,988	7,481,875	7,569,040	7,584,562	8,163,585
5. Closing Fees	2,425,462	1,715,873	2,556,448	1,645,000	1,487,338	4,383,672	15,634,219
6. Tax Certificates	3,784,371	4,110,223	4,112,186	5,185,939	7,900,933	8,598,208	4,910,723
7. Recording Fees	4,855,292	5,206,036	5,524,868	6,995,061	9,580,367	11,355,249	6,563,309
8. Restrictions	215,557	203,308	63,934	168,153	104,320	51,588	36,455
9. Inspection Fees	1,575	4,200	865	400	325	475	650
10. Courier and Overnight Fees	3,562,772	3,650,514	3,593,910	4,153,332	3,394,594	3,671,598	1,684,973
11. Telephone and Facsimile	67,655	73,667	64,036	0	0	0	0
12. Interest Income	795,382	299,436	423,862	588	74	0	0
13. Other Income	4,143,146	559,661	720,418	591,937	603,611	96,611	234,857
GROSS INCOME	179,062,978	124,213,824	123,828,161	165,305,845	200,238,158	248,105,925	222,961,181
Number of Agencies Reporting	22	18	17	17	15	15	17
EXPENSES							
1a. Salaries-Employees	56,472,472	40,135,903	41,269,407	56,149,301	69,328,525	87,784,705	85,960,344
1b. Salaries-Owners/Partners	0	0	0	0	0	0	0
2a. Benefits, Relations & Welfare-Employee	10,391,502	7,680,412	7,889,309	8,322,164	11,223,898	14,064,499	13,333,014
2b. Benefits, Relations & Welfare - Owners/I	0	0	0	0	0	0	0
3a. Evidence/Examination Fees - Title Agen	5,182,408	3,153,724	3,454,417	8,289,645	9,366,726	9,886,640	9,694,467
3b. Evidence/Examination Fees - Others	1,037,925	902,383	641,837	1,421,988	92,300	6,286	4,395,876
4a. Closing Fees Paid - Title Agents	3,541,200	3,511,000	1,839,770	756,956	2,087,313	4,005,516	1,958,331
4b. Closing Fees Paid - Others	19,673,076	8,164,775	10,778,645	12,346,063	18,355,909	26,668,820	23,559,162
5. Rent	7,389,566	6,224,262	6,949,692	8,173,761	9,780,116	10,343,786	10,618,494
6. Utilities	361,582	225,888	250,927	314,313	334,044	670,980	468,000
7. Accounting & Auditing	73,661	48,130	50,926	143,271	168,986	172,653	189,882
8. Advertising	1,999,594	1,895,216	2,481,710	4,232,917	5,491,164	5,375,711	3,097,888
9. Travel, Lodging & Education	1,330,411	877,367	1,210,997	1,345,186	1,583,546	1,704,059	2,186,423
10. Insurance	146,335	154,829	128,335	366,568	372,077	562,986	717,019
11. Interest Expense	143,756	170,382	180,856	15	165	0	0
12. Legal Expense	57,268	45,581	172,340	353,007	318,495	450,281	276,867
13. Licenses, Taxes, & Fees	2,612,436	1,561,720	1,277,234	531,044	303,097	260,458	328,175
14. Postage & Freight	685,030	366,616	499,400	409,730	612,216	543,426	620,660
15. Courier & Overnight Delivery	3,363,084	3,950,056	3,419,152	4,635,548	4,349,662	6,193,740	5,301,926
16. Telephone & Facsimile	2,250,870	1,698,108	1,734,348	1,983,947	2,312,042	3,430,911	3,009,705
17. Printing & Photocopying	1,038,038	1,156,179	1,101,446	1,528,819	1,423,068	1,271,282	1,161,839
18. Office Supplies	2,095,583	1,544,387	1,951,017	2,109,919	2,832,782	3,072,929	2,097,252
19. Equipment & Vehicle Leases	2,548,807	2,092,463	2,407,500	1,081,961	1,857,932	2,798,186	3,098,321
20. Depreciation	1,818,425	1,858,724	2,358,512	1,724,857	1,403,882	1,103,870	1,002,422
21. Directors Fees	0	0	0	0	0	0	0
22. Dues, Boards, & Associations	285,608	273,796	192,180	167,621	294,263	488,644	488,296
23. Bad Debts	34,738	702	11,528	49,938	11,909	19,792	-3,185
24. Loss & Loss Adjustment Expense	51,702	29,129	117,326	117,233	211,941	299,708	487,329
25. Tax Certificates Paid Tax Authorities	3,595,703	3,920,864	4,045,644	5,542,620	7,850,241	8,824,794	5,561,507
26. Recording Fees Paid County Clerk	6,203,317	4,821,612	5,031,054	6,698,205	9,291,383	11,874,324	10,203,096
27. Plant Lease/Updates	3,124,613	2,518,518	2,395,676	2,702,429	3,363,205	4,712,234	3,089,246
28. Damages for Bad Faith Suits	0	0	0	0	0	0	0
29. Fines or Penalties	0	0	0	40	142	0	0
30. Donations/Lobbying	257,160	160,844	158,440	110,001	253,146	243,410	233,774
31. Trade Association Fees	60,134	71,334	88,664	101,339	89,683	99,125	93,763
32. Other Expenses	2,253,452	1,848,993	1,829,261	2,896,159	3,172,053	4,040,506	4,502,252
TOTAL OPERATING EXPENSES	140,079,456	101,063,898	105,917,550	134,606,567	168,135,913	210,974,260	197,732,145
INCOME OR (LOSS) FROM OPERATIONS	38,983,522	23,149,926	17,910,611	30,699,278	32,102,244	37,131,664	25,229,036

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
DIRECT OPERATION

INCOME	2005	2006	2007	2008	2009	2010	2011
1. Title Premiums	213,355,989	226,843,360	199,439,976	151,283,005	67,413,205	74,492,151	99,009,906
2. Premiums Remitted to Underwriters	32,003,397	34,026,504	29,915,996	22,709,790	10,111,982	11,173,823	14,851,485
3. Premiums Retained	181,352,592	192,816,856	169,523,979	128,573,215	57,301,223	63,318,328	84,158,421
4. Examination/Evidence Fees	11,198,044	6,454,665	10,204,143	6,345,408	3,060,334	2,832,325	3,094,624
5. Closing Fees	22,884,003	18,457,448	27,039,749	23,552,421	14,982,157	23,302,961	30,225,792
6. Tax Certificates	4,951,398	5,270,585	5,487,945	3,660,448	1,844,811	2,112,081	2,018,698
7. Recording Fees	7,951,125	10,721,271	9,144,234	8,915,736	5,683,329	5,305,292	4,439,218
8. Restrictions	83,578	120,046	126,903	142,611	119,261	146,221	195,709
9. Inspection Fees	350	450	400	1,550	3,250	350	1,000
10. Courier and Overnight Fees	1,417,960	2,140,825	1,983,432	1,944,413	990,289	1,211,870	755,345
11. Telephone and Facsimile	0	0	0	0	0	1,521	2,255
12. Interest Income	0	0	5,669	275,000	378,949	0	0
13. Other Income	115,449	240,732	122,089	1,404,936	49,622	97,094	795,396
GROSS INCOME	229,954,499	236,222,878	223,638,543	174,815,738	84,413,225	98,328,043	125,686,458
Number of Agencies Reporting	17	17	18	17	12	10	9
EXPENSES							
1a. Salaries-Employees	82,108,099	88,168,589	77,847,639	59,227,522	30,765,368	32,770,134	43,009,870
1b. Salaries-Owners/Partners	0	0	0	0	0	0	0
2a. Benefits, Relations & Welfare-Employee	13,888,664	14,437,761	12,244,168	9,724,027	4,773,758	5,159,703	6,867,788
2b. Benefits, Relations & Welfare - Owners/I	0	0	0	0	0	0	0
3a. Evidence/Examination Fees - Title Agen	1,238,335	816,098	1,261,795	3,960,570	289,479	365,960	359,389
3b. Evidence/Examination Fees - Others	420	2,583,091	0	0	0	1,276	7,287
4a. Closing Fees Paid - Title Agents	16,071,001	5,812,937	7,412,459	1,431,540	144,180	116,951	152,961
4b. Closing Fees Paid - Others	29,013,273	27,815,437	24,138,586	19,819,859	10,170,913	12,204,293	10,759,493
5. Rent	11,065,903	11,656,571	11,982,306	10,787,124	4,894,209	4,059,016	4,706,754
6. Utilities	522,836	636,786	701,400	626,745	186,745	174,649	173,656
7. Accounting & Auditing	201,011	156,178	163,859	182,821	90,818	366,432	520,077
8. Advertising	3,079,800	3,092,492	3,402,327	2,159,078	1,074,499	1,288,169	2,201,149
9. Travel, Lodging & Education	2,255,098	2,961,438	1,504,749	934,715	575,250	591,592	710,819
10. Insurance	653,800	555,580	467,686	581,814	356,245	298,504	348,757
11. Interest Expense	0	70	5,524	36,307	0	0	0
12. Legal Expense	396,111	212,836	94,930	86,426	39,029	93,737	24,626
13. Licenses, Taxes, & Fees	322,703	178,041	259,967	245,297	217,117	307,752	583,721
14. Postage & Freight	736,660	627,245	1,208,467	981,256	214,880	151,656	534,358
15. Courier & Overnight Delivery	4,583,101	5,317,323	3,909,011	2,822,020	1,343,962	1,299,716	1,227,228
16. Telephone & Facsimile	2,520,480	1,895,419	1,923,987	1,589,210	796,333	667,675	782,117
17. Printing & Photocopying	1,245,178	1,393,428	1,574,115	799,292	343,657	263,575	370,760
18. Office Supplies	2,181,945	2,226,834	8,339,597	1,132,523	592,032	608,096	706,994
19. Equipment & Vehicle Leases	3,171,879	2,719,502	2,049,736	1,404,814	529,855	367,780	337,246
20. Depreciation	805,527	728,894	1,013,067	802,238	534,645	427,090	786,655
21. Directors Fees	0	0	0	3,513	0	0	0
22. Dues, Boards, & Associations	396,801	284,900	293,957	219,511	203,955	148,098	205,646
23. Bad Debts	26,815	-483	16,118	39,859	5,652	6,772	2,411
24. Loss & Loss Adjustment Expense	496,605	405,163	500,493	348,889	50,652	19,009	60,106
25. Tax Certificates Paid Tax Authorities	6,580,463	5,288,837	5,747,711	3,563,809	1,833,150	2,083,881	2,044,825
26. Recording Fees Paid County Clerk	11,580,703	10,989,236	9,449,036	8,762,166	5,350,228	5,218,082	4,591,323
27. Plant Lease/Updates	4,145,877	5,130,935	4,368,932	12,013,580	3,009,274	2,025,009	1,615,829
28. Damages for Bad Faith Suits	0	0	2	0	0	0	0
29. Fines or Penalties	36	275	47,166	61,131	245	0	18
30. Donations/Lobbying	415,149	228,368	240,689	170,286	100,794	139,501	139,384
31. Trade Association Fees	146,150	130,253	130,813	186,016	40,106	36,133	57,735
32. Other Expenses	4,941,346	4,094,181	3,071,918	7,476,212	2,326,764	2,645,663	4,046,920
TOTAL OPERATING EXPENSES	204,791,769	200,544,215	185,372,207	152,180,170	70,853,794	73,905,904	87,935,902
INCOME OR (LOSS) FROM OPERATIONS	25,162,731	35,678,663	38,266,336	22,635,568	13,559,431	24,422,139	37,750,556

TEXAS TITLE INSURANCE INDUSTRY EXPERIENCE REPORT
DIRECT OPERATION

INCOME	2012	2013	2014	2015	2016
1. Title Premiums	47,802,547	56,089,437	77,436,264	94,869,206	89,488,168
2. Premiums Remitted to Underwriters	7,169,564	8,413,415	11,615,439	14,230,381	13,423,227
3. Premiums Retained	40,632,983	47,676,022	65,820,825	80,638,825	76,064,941
4. Examination/Evidence Fees	1,067,129	711,753	512,315	689,211	940,694
5. Closing Fees	21,305,931	32,030,397	23,284,323	29,482,076	26,346,594
6. Tax Certificates	512,172	890,271	771,972	720,110	922,588
7. Recording Fees	1,437,126	1,597,557	1,917,557	2,448,362	2,528,043
8. Restrictions	0	0	0	0	0
9. Inspection Fees	-380	0	0	0	0
10. Courier and Overnight Fees	205,582	190,996	161,599	187,936	145,680
11. Telephone and Facsimile	0	0	0	2,000	0
12. Interest Income	0	0	0	27	16
13. Other Income	176,817	396,633	468,172	822,702	1,195,091
GROSS INCOME	65,337,360	83,493,629	92,936,763	114,991,249	108,143,647
Number of Agencies Reporting	5	5	8	8	11
EXPENSES					
1a. Salaries-Employees	26,490,310	31,207,539	36,217,459	48,474,429	48,348,188
1b. Salaries-Owners/Partners	0	0	0	0	0
2a. Benefits, Relations & Welfare-Employee	3,583,176	4,030,271	4,561,152	5,519,940	6,107,072
2b. Benefits, Relations & Welfare - Owners/I	0	0	0	0	0
3a. Evidence/Examination Fees - Title Agen	304,070	352,274	4,536,798	1,149,324	12,290
3b. Evidence/Examination Fees - Others	360	0	180,090	46,095	2,454,416
4a. Closing Fees Paid - Title Agents	290,514	416,806	793,021	139,346	157,925
4b. Closing Fees Paid - Others	3,063,624	4,042,889	4,377,727	5,290,973	6,154,254
5. Rent	2,201,891	1,960,212	2,930,378	3,571,766	3,555,331
6. Utilities	85,020	90,081	95,607	137,898	117,404
7. Accounting & Auditing	182,101	213,170	242,955	262,891	334,428
8. Advertising	1,789,332	2,515,316	3,227,625	4,431,825	3,731,138
9. Travel, Lodging & Education	465,967	559,888	623,760	877,745	951,261
10. Insurance	231,668	270,757	307,257	350,766	330,910
11. Interest Expense	0	0	0	37,265	32,435
12. Legal Expense	12,699	20,633	112,485	46,216	33,062
13. Licenses, Taxes, & Fees	602,262	531,490	621,221	1,460,964	1,150,628
14. Postage & Freight	208,694	244,794	239,636	325,429	295,038
15. Courier & Overnight Delivery	297,636	316,946	345,091	349,121	388,556
16. Telephone & Facsimile	316,691	311,171	324,199	363,292	374,472
17. Printing & Photocopying	119,188	76,948	74,395	186,394	159,251
18. Office Supplies	325,849	384,628	502,827	489,062	461,051
19. Equipment & Vehicle Leases	248,918	256,866	241,744	355,613	394,445
20. Depreciation	483,684	552,840	747,232	962,398	941,832
21. Directors Fees	0	0	0	0	0
22. Dues, Boards, & Associations	265,019	239,603	286,549	253,320	253,405
23. Bad Debts	1,994	0	1,335	3,068	6,825
24. Loss & Loss Adjustment Expense	0	0	0	12,868	0
25. Tax Certificates Paid Tax Authorities	506,842	901,314	817,462	710,365	936,980
26. Recording Fees Paid County Clerk	1,444,663	1,700,634	2,215,355	2,582,164	2,862,202
27. Plant Lease/Updates	1,179,461	995,251	1,182,168	1,862,899	1,094,177
28. Damages for Bad Faith Suits	0	0	0	0	0
29. Fines or Penalties	0	0	0	7,647	3,338
30. Donations/Lobbying	135,296	236,955	286,075	372,629	184,296
31. Trade Association Fees	7,108	13,916	22,258	66,494	36,267
32. Other Expenses	2,540,027	3,048,197	5,512,439	15,109,001	16,292,059
TOTAL OPERATING EXPENSES	47,384,064	55,491,389	71,626,298	95,809,205	98,154,936
INCOME OR (LOSS) FROM OPERATIONS	17,953,296	28,002,240	21,310,465	19,182,044	9,988,712