UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-11774

INVESTORS TITLE COMPANY

(Exact name of registrant as specified in its charter)

North Carolina	56-1110199
(State of incorporation)	(I.R.S. Employer Identification No.)

121 North Columbia Street, Chapel Hill, North Carolina 27514
(Address of principal executive offices) (Zip Code)

(919) 968-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, no par value	ITIC	The Nasdaq Stock Market LLC
Rights to Purchase Series A Junior Participating Preferred Stock		The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 22, 2025, there were 1,887,574 common shares of the registrant outstanding.

INVESTORS TITLE COMPANY
AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Investors Title Company and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2025 and December 31, 2024
(in thousands)
(unaudited)

		June 30, 2025		December 31, 2024
Assets				
Cash and cash equivalents	**$**	**29,683**	$	24,654
Investments:				
Fixed maturity securities, available-for-sale, at fair value (amortized cost: June 30, 2025: $117,535; December 31, 2024: $112,588)		**118,450**		112,972
Equity securities, at fair value (cost: June 30, 2025: $23,090; December 31, 2024: $25,980)		**34,798**		39,893
Short-term investments		**60,376**		59,101
Other investments		**23,029**		20,578
Total investments		**236,653**		232,544
Premiums and fees receivable		**16,973**		16,054
Accrued interest and dividends		**1,611**		1,469
Prepaid expenses and other receivables		**10,129**		7,033
Property, net		**28,480**		27,935
Goodwill and other intangible assets, net		**10,617**		15,071
Lease assets		**7,781**		6,156
Other assets		**2,703**		2,655
Current income taxes recoverable		**1,194**		—
Total Assets	**$**	**345,824**	$	333,571
Liabilities and Stockholders' Equity				
Liabilities:				
Reserve for claims	**$**	**38,051**	$	37,060
Accounts payable and accrued liabilities		**29,791**		34,011
Lease liabilities		**8,010**		6,356
Current income taxes payable		**—**		276
Deferred income taxes, net		**3,795**		4,095
Total liabilities		**79,647**		81,798
Commitments and Contingencies		**—**		—
Stockholders' Equity:				
Preferred stock (1,000 authorized shares; no shares issued)		**—**		—
Common stock – no par value (10,000 authorized shares; 1,888 and 1,886 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively, excluding in each period 292 shares of common stock held by the Company)		**—**		—
Retained earnings		**265,355**		251,418
Accumulated other comprehensive income		**822**		355
Total stockholders' equity		**266,177**		251,773
Total Liabilities and Stockholders' Equity	**$**	**345,824**	$	333,571

Refer to notes to the Consolidated Financial Statements.

Investors Title Company and Subsidiaries
Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2025 and 2024
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Revenues:				
Net premiums written	**$ 54,496**	$ 51,416	**$ 100,841**	$ 91,596
Escrow and other title-related fees	**5,694**	4,801	**9,586**	8,524
Non-title services	**5,477**	4,304	**10,086**	8,608
Interest and dividends	**2,361**	2,568	**4,700**	5,088
Other investment income	**609**	890	**1,019**	1,001
Net investment gains	**2,104**	1,242	**925**	3,664
Other	**2,908**	161	**3,057**	360
Total Revenues	**73,649**	65,382	**130,214**	118,841
Operating Expenses:				
Commissions to agents	**29,077**	26,550	**53,934**	46,420
Provision for claims	**2,080**	905	**2,403**	1,815
Personnel expenses	**17,460**	18,154	**35,794**	36,736
Office and technology expenses	**4,327**	4,308	**8,867**	8,773
Other expenses	**4,907**	4,198	**9,365**	8,033
Total Operating Expenses	**57,851**	54,115	**110,363**	101,777
Income before Income Taxes	**15,798**	11,267	**19,851**	17,064
Provision for Income Taxes	**3,520**	2,396	**4,402**	3,668
Net Income	**$ 12,278**	$ 8,871	**$ 15,449**	$ 13,396
Basic Earnings per Common Share	**$ 6.51**	$ 4.71	**$ 8.19**	$ 7.10
Weighted Average Shares Outstanding – Basic	**1,887**	1,884	**1,886**	1,886
Diluted Earnings per Common Share	**$ 6.48**	$ 4.70	**$ 8.16**	$ 7.10
Weighted Average Shares Outstanding – Diluted	**1,894**	1,886	**1,894**	1,887

Refer to notes to the Consolidated Financial Statements.

Investors Title Company and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2025 and 2024
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Net income	**$ 12,278**	$ 8,871	**$ 15,449**	$ 13,396
Other comprehensive income (loss), before income tax:				
Accumulated postretirement (benefit) expense obligation adjustment	**(8)**	—	**63**	—
Net unrealized gains (losses) on investments arising during the period	**311**	(246)	**536**	(670)
Reclassification adjustment for sale of securities included in net income	**(2)**	—	**(5)**	—
Reclassification adjustment for write-down of securities included in net income	**—**	21	**—**	74
Other comprehensive income (loss), before income tax	**301**	(225)	**594**	(596)
Income tax (benefit) expense related to postretirement health benefits	**(2)**	—	**13**	—
Income tax expense (benefit) related to net unrealized gains (losses) on investments arising during the period	**67**	(53)	**115**	(144)
Income tax benefit related to reclassification adjustment for sale of securities included in net income	**(1)**	—	**(1)**	—
Income tax expense related to reclassification adjustment for write-down of securities included in net income	**—**	6	**—**	18
Net income tax expense (benefit) on other comprehensive income (loss)	**64**	(47)	**127**	(126)
Other comprehensive income (loss)	**237**	(178)	**467**	(470)
Comprehensive Income	**$ 12,515**	$ 8,693	**$ 15,916**	$ 12,926

Refer to notes to the Consolidated Financial Statements.

Investors Title Company and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the Three and Six Months Ended June 30, 2025 and 2024
(in thousands, except per share amounts)
(unaudited)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount			
Balance, March 31, 2024	1,884	$ —	$ 253,616	$ 346	$ 253,962
Net income			8,871		8,871
Dividends paid ($0.46 per share)			(866)		(866)
Repurchases of common stock	—		(45)		(45)
Share-based compensation expense related to stock appreciation rights			72		72
Net unrealized loss on investments				(178)	(178)
Balance, June 30, 2024	1,884	$ —	$ 261,648	$ 168	$ 261,816
Balance, March 31, 2025	**1,886**	**$ —**	**$ 253,827**	**$ 585**	**$ 254,412**
Net income			**12,278**		**12,278**
Dividends paid ($0.46 per share)			**(868)**		**(868)**
Exercise of stock appreciation rights	**2**		—		—
Share-based compensation expense related to stock appreciation rights			**118**		**118**
Accumulated postretirement benefit obligation adjustment				**(6)**	**(6)**
Net unrealized gain on investments				**243**	**243**
Balance, June 30, 2025	**1,888**	**$ —**	**$ 265,355**	**$ 822**	**$ 266,177**

Consolidated Statements of Stockholders' Equity, continued

	Common Stock				
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, December 31, 2023	1,891	$ —	$ 250,915	$ 638	$ 251,553
Net income			13,396		13,396
Dividends paid ($0.92 per share)			(1,733)		(1,733)
Repurchases of common stock	(7)		(1,098)		(1,098)
Share-based compensation expense related to stock appreciation rights			168		168
Net unrealized loss on investments				(470)	(470)
Balance, June 30, 2024	1,884	$ —	$ 261,648	$ 168	$ 261,816
Balance, December 31, 2024	**1,886**	**$ —**	**$ 251,418**	**$ 355**	**$ 251,773**
Net income			**15,449**		**15,449**
Dividends paid ($0.92 per share)			**(1,736)**		**(1,736)**
Exercise of stock appreciation rights	**2**		**—**		**—**
Share-based compensation expense related to stock appreciation rights			**224**		**224**
Accumulated postretirement expense obligation adjustment				**50**	**50**
Net unrealized gain on investments				**417**	**417**
Balance, June 30, 2025	**1,888**	**$ —**	**$ 265,355**	**$ 822**	**$ 266,177**

Refer to notes to the Consolidated Financial Statements.

Investors Title Company and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2025 and 2024
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	2024
Operating Activities		
Net income	**$ 15,449**	$ 13,396
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**1,884**	1,701
Accretion of investments, net	**(733)**	(2,174)
Amortization of other intangible assets, net	**418**	619
Share-based compensation expense related to stock appreciation rights	**224**	168
Net gain on disposals of property	**(6)**	(16)
Net investment gains	**(925)**	(3,664)
Net gains on sale of other assets	**(2,768)**	—
Net earnings from other investments	**(787)**	(640)
Provision for claims	**2,403**	1,815
Benefit for deferred income taxes	**(426)**	(2)
Changes in assets and liabilities:		
Increase in premium and fees receivable	**(919)**	(140)
Decrease in other assets	**1,981**	999
(Increase) decrease in lease assets	**(1,625)**	98
(Increase) decrease in current income taxes recoverable	**(1,194)**	523
Decrease in accounts payable and accrued liabilities	**(4,157)**	(1,033)
Increase (decrease) in lease liabilities	**1,654**	(22)
Decrease in current income taxes payable	**(276)**	—
Payments of claims, net of recoveries	**(1,412)**	(1,758)
Net cash provided by operating activities	**8,785**	9,870
Investing Activities		
Purchases of fixed maturity securities	**(32,796)**	(31,974)
Purchases of equity securities	**(4,900)**	(5,097)
Purchases of short-term investments	**(28,510)**	(73,317)
Purchases of other investments	**(3,316)**	(5,244)
Purchases of other assets	**(4,536)**	—
Proceeds from sales and maturities of fixed maturity securities	**28,356**	2,505
Proceeds from sales of equity securities	**11,333**	9,209
Proceeds from sales and maturities of short-term investments	**27,468**	99,662
Proceeds from sales and distributions of other investments and assets	**7,304**	4,186
Purchases of property	**(2,886)**	(4,342)
Proceeds from the sale of property	**463**	28
Net cash used in investing activities	**(2,020)**	(4,384)
Financing Activities		
Repurchases of common stock	**—**	(1,098)
Dividends paid	**(1,736)**	(1,733)
Net cash used in financing activities	**(1,736)**	(2,831)
Net Increase in Cash and Cash Equivalents	**5,029**	2,655
Cash and Cash Equivalents, Beginning of Period	**24,654**	24,031
Cash and Cash Equivalents, End of Period	**$ 29,683**	$ 26,686

Consolidated Statements of Cash Flows, continued

	Six Months Ended June 30,	
	2025	2024
Supplemental Disclosures:		
Cash Paid During the Year for:		
Income tax payments, net	**$ 6,299**	$ 3,147
Non-Cash Investing and Financing Activities:		
Non-cash net unrealized (gain) loss on investments, net of deferred tax (provision) benefit of $(114) and $126 for June 30, 2025 and 2024, respectively	**$ (417)**	$ 470
Adjustments to postretirement benefits obligation, net of deferred tax expense of $(13) and $0 for June 30, 2025 and 2024, respectively	**$ (50)**	$ —

Refer to notes to the Consolidated Financial Statements.

INVESTORS TITLE COMPANY
AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2025
(unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies

Reference should be made to the "Notes to Consolidated Financial Statements" appearing in the Annual Report on Form 10-K for the year ended December 31, 2024 of Investors Title Company (the "Company") for a complete description of the Company's significant accounting policies.

Principles of Consolidation – The accompanying unaudited Consolidated Financial Statements include the accounts and operations of Investors Title Company and its subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information, with the instructions to Form 10-Q and with Article 10 of Regulation S-X. Accordingly, certain information and footnote disclosures normally included in annual consolidated financial statements have been condensed or omitted. All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, all adjustments considered necessary for a fair presentation of the financial position, results of operations and cash flows of the Company in the accompanying unaudited Consolidated Financial Statements have been included. All such adjustments are of a normal recurring nature. Operating results for the three- and six-month periods ended June 30, 2025 are not necessarily indicative of the financial condition and results that may be expected for the year ending December 31, 2025 or any other interim period.

Use of Estimates and Assumptions – The preparation of the Company's unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions used.

Subsequent Events – On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We are currently assessing its impact on our consolidated financial statements.

Note 2 – Reserve for Claims

Activity in the reserve for claims for the six-month period ended June 30, 2025 and the year ended December 31, 2024 is summarized as follows:

(in thousands)	**June 30, 2025**	December 31, 2024
Balance, beginning of period	**$ 37,060**	$ 37,147
Provision charged to operations	**2,403**	4,530
Payments of claims, net of recoveries	**(1,412)**	(4,617)
Balance, end of period	**$ 38,051**	$ 37,060

The total reserve for all reported and unreported losses the Company incurred through June 30, 2025 is represented by the reserve for claims on the unaudited Consolidated Balance Sheets. The Company's reserves for unpaid losses and loss adjustment expenses are established using estimated amounts required to settle claims for which notice has been received (reported) and the amount estimated to be required to satisfy claims that have been incurred but not yet reported ("IBNR"). Despite the variability of such estimates, management believes that the total reserve for claims is adequate to cover claim losses which might result from pending and future claims under title insurance policies issued through June 30, 2025. Management continually reviews and adjusts its reserve for claims estimates to reflect its loss experience and any new information that becomes available. Adjustments resulting from such reviews could be significant.

A summary of the Company's reserve for claims, broken down into its components of known title claims and IBNR, follows:

(in thousands, except percentages)	June 30, 2025	%	December 31, 2024	%
Known title claims	**$ 3,205**	**8.4**	$ 2,650	7.2
IBNR	**34,846**	**91.6**	34,410	92.8
Total reserve for claims	**$ 38,051**	**100.0**	$ 37,060	100.0

Claims and losses paid are charged to the reserve for claims. Although claims losses are typically paid in cash, occasionally claims are settled by purchasing the interest of the insured or the claimant in the real property. When this event occurs, the Company carries assets at the lower of cost or estimated fair value, net of any indebtedness on the property.

Note 3 – Earnings Per Common Share and Share Awards

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per common share is computed by dividing net income by the combination of dilutive potential common stock, comprised of shares issuable under the Company's share-based compensation plans, and the weighted average number of common shares outstanding during the reporting period. Dilutive common share equivalents include the dilutive effect of in-the-money share-based awards, which are calculated based on the average share price for each period using the treasury stock method. Under the treasury stock method, when share-based awards are assumed to be exercised, (a) the exercise price of a share-based award and (b) the amount of compensation cost, if any, for future services that the Company has not yet recognized, are assumed to be used to repurchase shares in the current period.

The following table sets forth the computation of basic and diluted earnings per share for the three- and six-month periods ended June 30:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share amounts)	**2025**	2024	**2025**	2024
Net income	**$ 12,278**	$ 8,871	**$ 15,449**	$ 13,396
Weighted average common shares outstanding – Basic	**1,887**	1,884	**1,886**	1,886
Incremental shares outstanding assuming the exercise of dilutive SARs (share-settled)	**7**	2	**8**	1
Weighted average common shares outstanding – Diluted	**1,894**	1,886	**1,894**	1,887
Basic earnings per common share	**$ 6.51**	$ 4.71	**$ 8.19**	$ 7.10
Diluted earnings per common share	**$ 6.48**	$ 4.70	**$ 8.16**	$ 7.10

There were 5 thousand and 13 thousand potential shares excluded from the computation of diluted earnings per share for the three-month periods ended June 30, 2025 and 2024, respectively, due to the out-of-the-money status of the related share-based awards. There were 5 thousand and 13 thousand potential shares excluded from the computation of diluted earnings per share for the six-month periods ended June 30, 2025 and 2024, respectively, due to the out-of-the-money status of the related share-based awards.

The Company historically has adopted employee stock award plans under which restricted stock, options or stock appreciation rights ("SARs") exercisable for the Company's stock may be granted to key employees or directors of the Company. There is currently one active plan from which the Company may grant share-based awards and one legacy plan under which equity awards remain outstanding. The awards eligible to be granted under the active plan are limited to SARs, and the maximum aggregate number of shares of common stock of the Company available pursuant to the plan for the grant of SARs is 250 thousand shares. SARs give the holder the right to receive stock equal to the appreciation in the value of shares of stock from the grant date for a specified period of time, and as a result, are accounted for as equity instruments.

As of June 30, 2025, the only outstanding awards under the plans were SARs, which expire within seven years or less from the date of grant. All outstanding SARs vest and are exercisable within five years or less from the date of grant, and all SARs issued to date have been share-settled only. There have been no stock options or SARs granted where the exercise price was less than the market price on the date of grant.

A summary of share-based award transactions for all share-based award plans follows:

(in thousands, except weighted average exercise price and average remaining contractual term)	Number Of Shares	Weighted Average Exercise Price	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2024	42	$ 160.83	3.69	$ 428
SARs granted	5	160.94		
SARs exercised	(19)	170.21		
Outstanding as of December 31, 2024	**28**	**$ 154.71**	**3.90**	**$ 2,312**
SARs granted	**5**	**246.75**		
SARs exercised	**(7)**	**160.62**		
SARs forfeited or expired	**—**	**—**		
Outstanding as of June 30, 2025	**26**	**$ 169.23**	**4.30**	**$ 1,240**
Exercisable as of June 30, 2025	**19**	**$ 159.94**	**3.90**	**$ 1,000**
Unvested as of June 30, 2025	**7**	**$ 194.15**	**5.35**	**$ 239**

During the second quarters of both 2024 and 2025, the Company issued 5 thousand share-settled SARs to directors of the Company. The fair value of each SAR is estimated on the date of grant using the Black-Scholes option valuation model. Expected volatilities are based on both the implied and historical volatility of the Company's stock. The Company uses historical data to project SAR exercises and pre-exercise forfeitures within the valuation model. The expected term of awards represents the period of time that SARs granted are expected to be outstanding. The interest rate assumed for the expected life of the award is based on the U.S. Treasury yield curve in effect at the time of the grant. The weighted average fair values for the SARs issued during 2025 and 2024 were $105.31 and $64.00, respectively, and were estimated using the weighted average assumptions shown in the table below:

	2025	2024
Expected Life in Years	**7.0**	7.0
Volatility	**36.6%**	35.0%
Interest Rate	**4.4%**	4.4%
Yield Rate	**0.8%**	1.1%

There was approximately $225 thousand and $168 thousand of compensation expense relating to SARs vesting on or before June 30, 2025 and 2024, respectively, included in personnel expenses in the unaudited Consolidated Statements of Operations. As of June 30, 2025, there was $550 thousand of unrecognized compensation expense related to unvested share-based compensation arrangements granted under the Company's stock award plans.

Note 4 – Segment Information

The Company has two reportable segments, title insurance and exchange services. The remaining immaterial segments have been combined into a group called "All Other." The Company's chief operating decision makers ("CODMs") are the Chief Executive Officer; President, Chief Financial Officer, Chief Accounting Officer, and Treasurer; and Executive Vice President and Secretary. The CODMs use financial metrics such as consolidated operating margin and net income to assess financial performance and to make key operating decisions, such as resource allocation and the rate at which the Company invests in growth opportunities.

The title insurance segment primarily issues title insurance policies through approved attorneys from underwriting offices and through independent issuing agents. Title insurance policies insure titles to real estate.

The exchange services segment acts as an intermediary in tax-deferred exchanges of property held for productive use in a trade or business or for investments and serves as exchange accommodation titleholder, holding property for exchangers in reverse exchange transactions.

Provided below is selected financial information about the Company's operations by segment for the periods ended June 30, 2025 and 2024:

Three Months Ended June 30, 2025 (in thousands)	**Title Insurance**	**Exchange Services**	**All Other**	**Intersegment Eliminations**	**Total**
Insurance and other services revenues	**$ 66,682**	**$ 3,448**	**$ 2,727**	**$ (4,282)**	**$ 68,575**
Net investment income	**3,966**	**85**	**1,023**	**—**	**5,074**
Total revenues	**70,648**	**3,533**	**3,750**	**(4,282)**	**73,649**
Commissions to agents	**32,061**	**—**	**—**	**(2,984)**	**29,077**
Provision for claims	**2,080**	**—**	**—**	**—**	**2,080**
Personnel expenses	**15,011**	**596**	**1,853**	**—**	**17,460**
Other	**8,731**	**97**	**1,550**	**(1,144)**	**9,234**
Operating expenses	**57,883**	**693**	**3,403**	**(4,128)**	**57,851**
Income before income taxes	**$ 12,765**	**$ 2,840**	**$ 347**	**$ (154)**	**$ 15,798**
Total assets	**$ 236,262**	**$ 9,081**	**$ 100,481**	**$ —**	**$ 345,824**

Three Months Ended June 30, 2024 (in thousands)	Title Insurance	Exchange Services	All Other	Intersegment Eliminations	Total
Insurance and other services revenues	$ 60,767	$ 2,706	$ 1,994	$ (4,785)	$ 60,682
Net investment income	3,342	97	1,261	—	4,700
Total revenues	64,109	2,803	3,255	(4,785)	65,382
Commissions to agents	30,335	—	—	(3,785)	26,550
Provision for claims	905	—	—	—	905
Personnel expenses	16,116	606	1,432	—	18,154
Other	8,439	86	827	(846)	8,506
Operating expenses	55,795	692	2,259	(4,631)	54,115
Income before income taxes	$ 8,314	$ 2,111	$ 996	$ (154)	$ 11,267
Total assets	$ 223,317	$ 8,786	$ 108,229	$ —	$ 340,332

Six Months Ended June 30, 2025 (in thousands)	Title Insurance	Exchange Services	All Other	Intersegment Eliminations	Total
Insurance and other services revenues	**$ 120,464**	**$ 6,440**	**$ 4,753**	**$ (8,087)**	**$ 123,570**
Net investment income	**4,806**	**129**	**1,709**	**—**	**6,644**
Total revenues	**125,270**	**6,569**	**6,462**	**(8,087)**	**130,214**
Commissions to agents	**59,739**	**—**	**—**	**(5,805)**	**53,934**
Provision for claims	**2,403**	**—**	**—**	**—**	**2,403**
Personnel expenses	**31,107**	**1,222**	**3,465**	**—**	**35,794**
Other	**17,509**	**196**	**2,501**	**(1,974)**	**18,232**
Operating expenses	**110,758**	**1,418**	**5,966**	**(7,779)**	**110,363**
Income before income taxes	**$ 14,512**	**$ 5,151**	**$ 496**	**$ (308)**	**$ 19,851**
Total assets	**$ 236,262**	**$ 9,081**	**$ 100,481**	**$ —**	**$ 345,824**

Six Months Ended June 30, 2024 (in thousands)	Title Insurance	Exchange Services	All Other	Intersegment Eliminations	Total
Insurance and other services revenues	$ 108,495	$ 5,486	$ 3,904	$ (8,797)	$ 109,088
Net investment income	6,994	165	2,594	—	9,753
Total revenues	115,489	5,651	6,498	(8,797)	118,841
Commissions to agents	53,166	—	—	(6,746)	46,420
Provision for claims	1,815	—	—	—	1,815
Personnel expenses	32,639	1,199	2,898	—	36,736
Other	16,735	163	1,633	(1,725)	16,806
Operating expenses	104,355	1,362	4,531	(8,471)	101,777
Income before income taxes	$ 11,134	$ 4,289	$ 1,967	$ (326)	$ 17,064
Total assets	$ 223,317	$ 8,786	$ 108,229	$ —	$ 340,332

Note 5 – Retirement Agreements and Other Postretirement Benefits

The Company's subsidiary, Investors Title Insurance Company ("ITIC"), is a party to employment agreements with key executives that provide for the continuation of certain employee benefits and other payments due under the agreements upon retirement, estimated to total $15.5 million and $15.4 million as of June 30, 2025 and December 31, 2024, respectively. The executive employee benefits include health, dental, vision and life insurance and are unfunded. These amounts are classified as accounts payable and accrued liabilities in the unaudited Consolidated Balance Sheets. The following sets forth the net periodic benefit cost for the executive benefits for the periods ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Service cost – benefits earned during the year	**$ —**	$ —	**$ —**	$ —
Interest cost on the projected benefit obligation	**23**	12	**24**	23
Amortization of unrecognized gain	**(8)**	—	**(8)**	—
Net periodic benefit cost	**$ 15**	$ 12	**$ 16**	$ 23

Note 6 – Investments and Estimated Fair Value

Investments in Fixed Maturity Securities

The estimated fair value, gross unrealized holding gains, gross unrealized holding losses and amortized cost for fixed maturity securities by major classification are as follows:

As of June 30, 2025 (in thousands)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**
Fixed maturity securities, available-for-sale, at fair value:				
Government obligations	**$ 300**	**$ —**	**$ —**	**$ 300**
General obligations of U.S. states, territories and political subdivisions	**9,052**	**21**	**(77)**	**8,996**
Special revenue issuer obligations of U.S. states, territories and political subdivisions	**17,040**	**47**	**(79)**	**17,008**
Corporate debt securities	**91,143**	**1,012**	**(9)**	**92,146**
Total	**$ 117,535**	**$ 1,080**	**$ (165)**	**$ 118,450**

As of December 31, 2024 (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed maturity securities, available-for-sale, at fair value:				
Government obligations	$ 300	$ 2	$ —	$ 302
General obligations of U.S. states, territories and political subdivisions	8,129	11	(31)	8,109
Special revenue issuer obligations of U.S. states, territories and political subdivisions	16,523	51	(73)	16,501
Corporate debt securities	87,636	556	(132)	88,060
Total	$ 112,588	$ 620	$ (236)	$ 112,972

The special revenue category for both periods presented includes approximately 20 individual fixed maturity securities with revenue sources from a variety of industry sectors.

The scheduled maturities of fixed maturity securities at June 30, 2025 are as follows:

	Available-for-Sale	
(in thousands)	**Amortized Cost**	**Estimated Fair Value**
Due in one year or less	**$ 45,770**	**$ 45,869**
Due one year through five years	**59,990**	**60,606**
Due five years through ten years	**6,587**	**6,682**
Due after ten years	**5,188**	**5,293**
Total	**$ 117,535**	**$ 118,450**

Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties.

The following table presents the gross unrealized losses on fixed maturity securities and the estimated fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous loss position at June 30, 2025 and December 31, 2024:

	Less than 12 Months		12 Months or Longer		Total	
As of June 30, 2025 (in thousands)	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**	**Estimated Fair Value**	**Unrealized Losses**
General obligations of U.S. states, territories and political subdivisions	**$ 1,849**	**$ (66)**	**$ 4,805**	**$ (11)**	**$ 6,654**	**$ (77)**
Special revenue issuer obligations of U.S. states, territories and political subdivisions	**2,643**	**(55)**	**1,564**	**(24)**	**4,207**	**(79)**
Corporate debt securities	**7,525**	**(9)**	**50**	**—**	**7,575**	**(9)**
Total	**$ 12,017**	**$ (130)**	**$ 6,419**	**$ (35)**	**$ 18,436**	**$ (165)**

	Less than 12 Months		12 Months or Longer		Total	
As of December 31, 2024 (in thousands)	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
General obligations of U.S. states, territories and political subdivisions	$ 1,960	$ (2)	$ 2,780	$ (29)	$ 4,740	$ (31)
Special revenue issuer obligations of U.S. states, territories and political subdivisions	5,477	(45)	2,828	(28)	8,305	(73)
Corporate debt securities	22,641	(131)	149	(1)	22,790	(132)
Total	$ 30,078	$ (178)	$ 5,757	$ (58)	$ 35,835	$ (236)

Management evaluates available-for-sale fixed maturity securities in unrealized loss positions to determine whether the impairment is due to credit-related factors or noncredit-related factors. The decline in estimated fair value of the fixed maturity securities can be attributed primarily to changes in market interest rates and changes in credit spreads over Treasury securities.

Factors considered in determining whether a loss is credit-related include the financial condition and prospects of the issuer (including credit ratings and analyst reports) and macro-economic changes. A total of 28 and 60 fixed maturity securities had unrealized losses at June 30, 2025 and December 31, 2024, respectively. The Company does not intend to sell any of these securities and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline. The Company believes that the unrealized losses detailed in the previous table are due to noncredit-related factors, including changes in market interest rates and other market conditions, and therefore the unrealized loss is recorded in accumulated other comprehensive income.

Reviews of the values of fixed maturity securities are inherently uncertain and the value of the investment may not fully recover, or may decline in future periods, resulting in a realized loss. The Company recorded impairment charges related to fixed maturity securities totaling $0 for the three- and six-month periods ended June 30, 2025, respectively, and $21 thousand and $74 thousand for the three- and six-month periods ended June 30, 2024, respectively. Expenses related to impairments are recorded in net investment gains in the unaudited Consolidated Statements of Operations when recognized.

Investments in Equity Securities

The cost and estimated fair value of equity securities are as follows:

As of June 30, 2025 (in thousands)	**Cost**	**Estimated Fair Value**
Equity securities, at fair value:		
Common stocks	**$ 23,090**	**$ 34,798**
Total	**$ 23,090**	**$ 34,798**

As of December 31, 2024 (in thousands)	Cost	Estimated Fair Value
Equity securities, at fair value:		
Common stocks	$ 25,980	$ 39,893
Total	$ 25,980	$ 39,893

Unrealized holding gains and losses are reported in the unaudited Consolidated Financial Statements of Operations as net investment gains.

Net Investment Gains

Gross investment gains and losses for the three- and six-month periods ended June 30, 2025 and 2024 are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Gross realized gains from securities:				
Corporate debt securities	**$ 2**	$ —	**$ 5**	$ —
Common stocks	**1,599**	1,906	**4,156**	4,713
Total	**$ 1,601**	$ 1,906	**$ 4,161**	$ 4,713
Gross realized losses from securities:				
Common stocks	**$ (326)**	$ (55)	**$ (613)**	$ (217)
Write-down of securities	**—**	(21)	**—**	(74)
Total	**$ (326)**	$ (76)	**$ (613)**	$ (291)
Net realized gains from securities	**$ 1,275**	$ 1,830	**$ 3,548**	$ 4,422
Gross realized gains (losses) on other investments:				
Gains on other investments	**$ —**	$ 1	**$ 1**	$ 1
Write-down of other assets	**(144)**	—	**(419)**	—
Total	**$ (144)**	$ 1	**$ (418)**	$ 1
Net realized investment gains	**$ 1,131**	$ 1,831	**$ 3,130**	$ 4,423
Changes in the estimated fair value of equity security investments	**$ 973**	$ (589)	**$ (2,205)**	$ (759)
Net investment gains	**$ 2,104**	$ 1,242	**$ 925**	$ 3,664

Realized gains and losses are determined on the specific identification method.

Variable Interest Entities

The Company holds investments in variable interest entities ("VIEs") that are not consolidated in the Company's financial statements as the Company is not the primary beneficiary. These entities are considered VIEs as the equity investors at risk, including the Company, do not have the power over the activities that most significantly impact the economic performance of the entities; this power resides with a third-party general partner or managing member that cannot be removed except for cause and no participation rights exist. The following table sets forth details about the Company's variable interest investments in VIEs, which are structured either as limited partnerships ("LPs") or limited liability companies ("LLCs"), as of June 30, 2025:

(in thousands)	**Balance Sheet Classification**	**Carrying Value**	**Estimated Fair Value**	**Maximum Potential Loss (a)**
Real estate LLCs or LPs	**Other investments**	**$ 13,356**	**$ 14,705**	**$ 19,422**
Small business investment LPs	**Other investments**	**358**	**358**	**80**
Total		**$ 13,714**	**$ 15,063**	**$ 19,502**

(a) Maximum potential loss is calculated as the total investment in the LLC or LP, including any capital commitments that may have not yet been called. The Company is not exposed to any loss beyond the total commitment of its investment.

Valuation of Financial Assets

The Financial Accounting Standards Board ("FASB") has established a valuation hierarchy for disclosure of the inputs used to measure estimated fair value of financial assets and liabilities, such as securities. This hierarchy categorizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions intended to represent market participant assumptions used to measure assets and liabilities at fair value.

A financial instrument's classification within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement – consequently, if there are multiple significant valuation inputs that are categorized in different levels of the hierarchy, the instrument's hierarchy level is the lowest level (with Level 3 being the lowest level) within which any significant input falls.

The Level 1 category includes equity securities and U.S. Treasury securities that are measured at estimated fair value using quoted active market prices.

The Level 2 category includes fixed maturity securities such as corporate debt securities, U.S. government obligations, and obligations of U.S. states, territories, and political subdivisions. Estimated fair value is principally based on market values obtained from a third-party pricing service. Factors that are used in determining estimated fair market value include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. The Company receives one quote per security from a third-party pricing service, although as discussed below, the Company does consult other pricing resources when confirming that the prices it obtains reflect the fair values of the instruments in accordance with GAAP. Generally, quotes obtained from the pricing service for instruments classified as Level 2 are not adjusted and are not binding. As of June 30, 2025 and December 31, 2024, the Company did not adjust any Level 2 fair values.

A number of the Company's investment grade corporate debt securities are frequently traded in active markets, and trading prices are consequently available for these securities. However, these securities are classified as Level 2 because the pricing service from which the Company has obtained estimated fair values for these instruments uses valuation models that use observable market inputs in addition to trading prices. Substantially all of the input assumptions used in the service's model are observable in the marketplace or can be derived or supported by observable market data.

In the measurement of the estimated fair value of certain financial instruments, other valuation techniques were utilized if quoted market prices were not available. These derived fair value estimates are significantly affected by the assumptions used. Additionally, certain financial instruments, including those related to insurance contracts, pension and other postretirement benefits, and equity method investments are excluded from the scope of disclosures.

In estimating the fair value of the financial instruments presented, the Company used the following methods and assumptions:

Cash and cash equivalents

The carrying amount for cash and cash equivalents is a reasonable estimate of fair value due to the short-term maturity of these investments.

Measurement alternative equity investments

The measurement alternative method requires investments without readily determinable fair values to be recorded at cost, less impairments, and plus or minus any changes resulting from observable price changes. The Company monitors any events or changes in circumstances that may have had a significant adverse effect on the fair value of these investments and makes any necessary adjustments.

Notes receivable

Notes receivable are recorded at amortized cost and are included in prepaid expenses and other receivables in the unaudited Consolidated Balance Sheets. The amortized cost is the amount at which a receivable is originated and adjusted for applicable accrued interest, accretion, or amortization of premium, discount, and net deferred fees or costs, collection of cash, writeoffs, foreign exchange, and fair value hedge accounting adjustments. The Company monitors any events or changes in circumstances that may have had a significant adverse effect on the fair value of these investments and makes any necessary adjustments.

Accrued interest and dividends

The carrying amount for accrued interest and dividends is a reasonable estimate of fair value due to the short-term maturity of these assets.

The following table presents, by level, fixed maturity securities carried at estimated fair value as of June 30, 2025 and December 31, 2024:

As of June 30, 2025 (in thousands)	**Level 1**	**Level 2 ***	**Level 3**	**Total**
Fixed maturity securities:				
Obligations of U.S. states, territories and political subdivisions	**$ 300**	**$ 26,004**	**$ —**	**$ 26,304**
Corporate debt securities	**—**	**92,146**	**—**	**92,146**
Total	**$ 300**	**$ 118,150**	**$ —**	**$ 118,450**

As of December 31, 2024 (in thousands)	Level 1	Level 2 *	Level 3	Total
Fixed maturity securities:				
Obligations of U.S. states, territories and political subdivisions	$ 302	$ 24,610	$ —	$ 24,912
Corporate debt securities	—	88,060	—	88,060
Total	$ 302	$ 112,670	$ —	$ 112,972

*Denotes fair market value obtained from pricing services.

The following table presents, by level, estimated fair values of equity investments and other financial instruments as of June 30, 2025 and December 31, 2024:

As of June 30, 2025 (in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	**$ 29,683**	**$ —**	**$ —**	**$ 29,683**
Accrued interest and dividends	**1,611**	**—**	**—**	**1,611**
Equity securities, at fair value:				
Common stocks	**34,798**	**—**	**—**	**34,798**
Short-term investments:				
Money market funds and U.S. Treasury bills	**60,376**	**—**	**—**	**60,376**
Total	**$ 126,468**	**$ —**	**$ —**	**$ 126,468**

As of December 31, 2024 (in thousands)	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	$ 24,654	$ —	$ —	$ 24,654
Accrued interest and dividends	1,469	—	—	1,469
Equity securities, at fair value:				
Common stocks	39,893	—	—	39,893
Short-term investments:				
Money market funds and U.S. Treasury bills	59,101	—	—	59,101
Total	$ 125,117	$ —	$ —	$ 125,117

The Company did not hold any Level 3 category debt or marketable equity investment securities as of June 30, 2025 or December 31, 2024.

There were no transfers into or out of Levels 1, 2 or 3 during the periods presented.

To help ensure that estimated fair value determinations are consistent with GAAP, prices from our pricing services go through multiple review processes to ensure appropriate pricing. Pricing procedures and inputs used to price each security include, but are not limited to, the following: unadjusted quoted market prices for identical securities such as stock market closing prices; non-binding quoted prices for identical securities in markets that are not active; interest rates; yield curves observable at commonly quoted intervals; volatility; prepayment speeds; loss severity; credit risks; and default rates. The Company reviews the procedures and inputs used by its pricing services, and verifies a sample of the services' quotes by comparing them to values obtained from other pricing resources. In the event the Company disagrees with a price provided by its pricing services, the respective service reevaluates the price to corroborate the market information and then reviews inputs to the evaluation in light of potentially new market data.

Certain measurement alternative equity investments and notes receivable are measured at estimated fair value on a non-recurring basis and are reviewed for impairment quarterly. If any such investment is determined to be impaired, an impairment charge is recorded against such investment and reflected in the unaudited Consolidated Statements of Operations. There were two impairments for such investments for a total of $419 thousand made during the six-month period ended June 30, 2025. The following table presents assets measured at fair value on a non-recurring basis as of June 30, 2025 and December 31, 2024:

As of June 30, 2025 (in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Equity investments in unconsolidated affiliates, measurement alternative	**$ —**	**$ —**	**$ 7,942**	**$ 7,942**
Notes receivable	**—**	**—**	**1,541**	**1,541**
Total	**$ —**	**$ —**	**$ 9,483**	**$ 9,483**

As of December 31, 2024 (in thousands)	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity investments in unconsolidated affiliates, measurement alternative	$ —	$ —	$ 8,166	$ 8,166
Notes receivable	—	—	641	641
Total	$ —	$ —	$ 8,807	$ 8,807

Note 7 – Commitments and Contingencies

Legal Proceedings – The Company and its subsidiaries are involved in legal proceedings that are incidental to their business. In the Company's opinion, based on the present status of these proceedings, any potential liability of the Company or its subsidiaries with respect to these legal proceedings is not expected to, in the aggregate, be material to the Company's consolidated financial condition or operations.

Regulation – The Company's title insurance and trust subsidiaries are regulated by various federal, state and local governmental agencies and are subject to various audits and inquiries. It is the opinion of management based on its present expectations that these audits and inquiries will not have a material impact on the Company's consolidated financial condition or operations.

Escrow and Trust Deposits – As a service to its customers, the Company, through ITIC, administers escrow and trust deposits representing earnest money received under real estate contracts, escrowed funds received under escrow agreements, undisbursed amounts received for settlement of mortgage loans and indemnities against specific title risks. These amounts are not considered assets of the Company and, therefore, are excluded from the accompanying unaudited Consolidated Balance Sheets; however, the Company remains contingently liable for the disposition of these deposits.

Like-Kind Exchanges Proceeds – In administering tax-deferred like-kind exchanges pursuant to § 1031 of the Internal Revenue Code, the Company's wholly owned subsidiary, Investors Title Exchange Corporation ("ITEC"), serves as a qualified intermediary, holding the net sales proceeds from relinquished property to be used for purchase of replacement property. Another wholly owned subsidiary of the Company, Investors Title Accommodation Corporation ("ITAC"), serves as exchange accommodation titleholder and, through LLCs that are wholly owned subsidiaries of ITAC, holds property in reverse exchange transactions. Like-kind exchange deposits and reverse exchange property totaled approximately $347.4 million and $323.5 million as of June 30, 2025 and December 31, 2024, respectively. These amounts are not considered assets of the Company and, therefore, are excluded from the accompanying unaudited Consolidated Balance Sheets; however, the Company remains contingently liable for the disposition of the transfers of property, disbursements of proceeds and the return on the proceeds at the agreed upon rate. Exchange services revenue includes earnings on these deposits; therefore, investment income is shown as non-title services rather than investment income. These like-kind exchange funds are primarily invested in money market funds and other short-term investments.

Note 8 – Related Party Transactions

The Company does business with, and has investments in, unconsolidated LLCs that are primarily title insurance agencies. The Company utilizes the equity method to account for its investment in these LLCs. The following table sets forth the approximate values by year found within each financial statement classification:

Financial Statement Classification, Consolidated Balance Sheets (unaudited) (in thousands)		**As of June 30, 2025**		As of December 31, 2024
Other investments	**$**	**7,657**	$	4,950
Premium and fees receivable	**$**	**2,360**	$	1,701

Financial Statement Classification, Consolidated Statements of Operations (unaudited) (in thousands)	**Three Months Ended June 30,**				**Six Months Ended June 30,**			
		2025		2024		**2025**		2024
Net premiums written	**$**	**9,585**	$	7,638	**$**	**15,258**	$	12,845
Non-title services and other investment income	**$**	**647**	$	843	**$**	**1,262**	$	1,039
Commissions to agents	**$**	**5,890**	$	5,103	**$**	**9,916**	$	8,790

Note 9 – Intangible Assets, Goodwill and Title Plants

Intangible Assets

The estimated fair values of intangible assets recognized as the result of title insurance agency acquisitions are principally based on values obtained from an independent third-party valuation service and are all Level 3 inputs. Management determined that no events or changes in circumstances occurred during the six-month periods ended June 30, 2025 and 2024 that would indicate the carrying amounts may not be recoverable, and therefore, determined that no identifiable intangible assets were impaired. During the six-month period ended June 30, 2025, the Company experienced a decline in goodwill and intangible assets due to a transfer of assets to a joint venture.

Identifiable intangible assets consist of the following:

(in thousands)		**As of June 30, 2025**		As of December 31, 2024
Referral relationships	**$**	**7,039**	$	8,898
Non-compete agreements		**1,626**		3,155
Tradename		**747**		747
Total		**9,412**		12,800
Accumulated amortization		**(5,567)**		(7,354)
Identifiable intangible assets, net	**$**	**3,845**	$	5,446

The following table provides the estimated aggregate amortization expense, as of June 30, 2025, for each of the five succeeding fiscal years:

Year Ended (in thousands)	
2025	**$ 287**
2026	**575**
2027	**530**
2028	**526**
2029	**526**
Thereafter	**1,214**
Total	**$ 3,658**

Goodwill and Title Plants

As of June 30, 2025, the Company recognized $6.8 million in goodwill and $1.6 million in title plants, net of impairments, as the result of title insurance agency acquisitions. The title plants are included with other assets in the unaudited Consolidated Balance Sheets. The fair values of goodwill and the title plants as of the date of acquisition, both Level 3 inputs, were principally based on values obtained from an independent third-party valuation service. In accordance with FASB's Accounting Standards Codification ("ASC") 350, the Company determined that no events or changes in circumstances occurred during the six-month periods ended June 30, 2025 and 2024 that would indicate the carrying amounts may not be recoverable, and therefore, determined that there were no goodwill or title plant impairments.

Note 10 – Accumulated Other Comprehensive Income

The following table provides changes in the balances of each component of accumulated other comprehensive income, net of tax, for the three- and six-month periods ended June 30, 2025 and 2024:

Three Months Ended June 30, 2025 (in thousands)	**Unrealized Gains and Losses On Available-for-Sale Securities**	**Postretirement Benefits Plans**	**Total**
Beginning balance at March 31, 2025	**$ 474**	**$ 111**	**$ 585**
Other comprehensive income (loss) before calculations	**244**	**(6)**	**238**
Amounts reclassified from accumulated other comprehensive income	**(1)**	**—**	**(1)**
Net current-period other comprehensive income (loss)	**243**	**(6)**	**237**
Ending balance	**$ 717**	**$ 105**	**$ 822**

Three Months Ended June 30, 2024 (in thousands)	Unrealized Gains and Losses On Available-for-Sale Securities	Postretirement Benefits Plans	Total
Beginning balance at March 31, 2024	$ 291	$ 55	$ 346
Other comprehensive loss before calculations	(193)	—	(193)
Amounts reclassified from accumulated other comprehensive income	15	—	15
Net current-period other comprehensive loss	(178)	—	(178)
Ending balance	$ 113	$ 55	$ 168

Six Months Ended June 30, 2025 (in thousands)	**Unrealized Gains and Losses On Available-for-Sale Securities**	**Postretirement Benefits Plans**	**Total**
Beginning balance at December 31, 2024	**$ 300**	**$ 55**	**$ 355**
Other comprehensive income before calculations	**421**	**50**	**471**
Amounts reclassified from accumulated other comprehensive income	**(4)**	**—**	**(4)**
Net current-period other comprehensive income	**417**	**50**	**467**
Ending balance	**$ 717**	**$ 105**	**$ 822**

Six Months Ended June 30, 2024 (in thousands)	Unrealized Gains and Losses On Available-for-Sale Securities	Postretirement Benefits Plans	Total
Beginning balance at December 31, 2023	$ 583	$ 55	$ 638
Other comprehensive loss before calculations	(526)	—	(526)
Amounts reclassified from accumulated other comprehensive income	56	—	56
Net current-period other comprehensive loss	(470)	—	(470)
Ending balance	$ 113	$ 55	$ 168

The following table provides significant amounts reclassified out of each component of accumulated other comprehensive income for the three- and six-month periods ended June 30, 2025 and 2024:

Three Months Ended June 30, 2025 (in thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Consolidated Statements of Operations
Unrealized gains and losses on available-for-sale securities:		
Net realized gain on investments	**$ 2**	
Write-down of securities	**—**	
Total	**$ 2**	**Net investment gains**
Tax	**(1)**	**Provision for income taxes**
Net of Tax	**$ 1**	
Reclassifications for the period	**$ 1**	

Three Months Ended June 30, 2024 (in thousands)

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Consolidated Statements of Operations
Unrealized gains and losses on available-for-sale securities:		
Net realized gain on investments	$ —	
Write-down of securities	(21)	
Total	$ (21)	Net investment gains
Tax	6	Provision for income taxes
Net of Tax	$ (15)	
Reclassifications for the period	$ (15)	

Six Months Ended
June 30, 2025 (in thousands)

Details about Accumulated Other Comprehensive Income Components		Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Consolidated Statements of Operations
Unrealized gains and losses on available-for-sale securities:			
Net realized gain on investments	**$**	**5**	
Write-down of securities		**—**	
Total	**$**	**5**	**Net investment gains**
Tax		**(1)**	**Provision for income taxes**
Net of Tax	**$**	**4**	
Reclassifications for the period	**$**	**4**	

Six Months Ended
June 30, 2024 (in thousands)

Details about Accumulated Other Comprehensive Income Components		Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Consolidated Statements of Operations
Unrealized gains and losses on available-for-sale securities:			
Net realized gain on investments	$	—	
Write-down of securities		(74)	
Total	$	(74)	Net investment gains
Tax		18	Provision for income taxes
Net of Tax	$	(56)	
Reclassifications for the period	$	(56)	

Note 11 – Revenue from Contracts with Customers

ASC 606, *Revenue from Contracts with Customers*, requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance does not apply to revenue associated with insurance contracts (including title insurance policies), financial instruments and lease contracts; and therefore, is primarily applicable to the following Company revenue categories.

Escrow and other title-related fees: The Company's title segment recognizes commission revenue and fees related to items such as searches, settlements, commitments and other ancillary services. Escrow and other title-related fees are recognized as revenue at the time of the related transactions as the earnings process, or performance obligation, is then considered to be complete.

Non-title services: Through various subsidiaries, the Company offers management services, tax-deferred real property exchange services, investment management and trust services. Nonrefundable exchange fees are recognized as revenue upon receipt of the funds, which is at the time of closing of the initial sale of property. All other non-title service fees are recognized as revenue as performance obligations are completed.

Other: The Company occasionally recognizes revenue from other miscellaneous contracts which can include, but are not limited to, seminar and education registration fees and software licensing contracts. These revenue streams are deemed immaterial to the operations of the Company, and revenue is recognized when, or as, performance obligations are completed.

The following table provides a breakdown of the Company's revenue by major business activity:

(in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue from contracts with customers:				
Escrow and other title-related fees	$ 5,694	$ 4,801	$ 9,586	$ 8,524
Non-title services	5,477	4,304	10,086	8,608
Total revenue from contracts with customers	11,171	9,105	19,672	17,132
Other sources of revenue:				
Net premiums written	54,496	51,416	100,841	91,596
Investment-related revenue	5,074	4,700	6,644	9,753
Other	2,908	161	3,057	360
Total revenues	$ 73,649	$ 65,382	$ 130,214	$ 118,841

Note 12 – Leases

The Company enters into lease agreements that are primarily used for office space. These leases are accounted for as operating leases, with lease expense recognized on a straight-line basis over the term of the lease. The Company occasionally assumes equipment lease agreements through business acquisitions. These leases are accounted for as finance leases.

Included in a portion of the Company's current leases are options to extend or cancel the lease term. The exercise of such options is solely at the Company's discretion. The lease liability recorded in the unaudited Consolidated Balance Sheets includes lease payments related to options to extend or cancel the lease term if the Company determined at the inception date that the lease was expected to be renewed or extended. The Company, in determining the present value of lease payments, utilized the average rate over a 10-year term based upon the Moody's seasoned Aaa corporate bond yields, as explicit rates of interest were not readily determinable in the lease contracts. The Company does not carry debt; thus, no incremental borrowing rate was available to the Company.

Lease expense is included in office and technology expenses in the unaudited Consolidated Statements of Operations. Information regarding the Company's leases is as follows:

(in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating leases	$ 491	$ 707	$ 1,158	$ 1,365
Finance leases:				
Amortization of lease assets	145	61	207	132
Lease expense	$ 636	$ 768	$ 1,365	$ 1,497
Sub-lease income	(22)	(68)	(65)	(120)
Lease cost	$ 614	$ 700	$ 1,300	$ 1,377

Components of the lease liability presented on the unaudited Consolidated Balance Sheets are as follows:

(in thousands)	As of June 30, 2025	As of December 31, 2024
Current:		
Operating lease liabilities	$ 846	$ 2,026
Finance lease liabilities	82	226
Non-current:		
Operating lease liabilities	6,773	3,728
Finance lease liabilities	309	376
Total lease liabilities	$ 8,010	$ 6,356

The future minimum lease payments for leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2025, are summarized as follows:

Year Ended (in thousands)	Operating Leases	Finance Leases	Total
2025	**$ 978**	**$ 90**	**$ 1,068**
2026	**1,607**	**159**	**1,766**
2027	**1,280**	**111**	**1,391**
2028	**964**	**55**	**1,019**
2029	**947**	**—**	**947**
Thereafter	**2,920**	**—**	**2,920**
Total undiscounted payments	**$ 8,696**	**$ 415**	**$ 9,111**
Less: present value adjustment	**(1,077)**	**(24)**	**(1,101)**
Lease liabilities	**$ 7,619**	**$ 391**	**$ 8,010**

Supplemental lease information is as follows:

	As of June 30, 2025	As of December 31, 2024
Weighted average remaining lease term (years)		
Operating leases	**6.33**	3.88
Finance leases	**2.59**	2.84
Weighted average discount rate		
Operating leases	**4.1 %**	4.0 %
Finance leases	**4.6 %**	4.4 %

The Company does not have any material pending operating or financing lease agreements that become effective in future periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Investors Title Company's (the "Company") Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K") as filed with the Securities and Exchange Commission (the "SEC") should be read in conjunction with the following discussion since it contains information which is important for evaluating the Company's operating results and financial condition.

In addition, the Company may make forward-looking statements in the following discussion and analysis. Forward looking statements are based on certain assumptions and expectations of future events that are subject to a number of risks and uncertainties. Actual results may vary. See "Safe Harbor for Forward-Looking Statements" at the end of this discussion and analysis, as well as the sections titled "Risk Factors" in Part I, Item 1A of the 2024 Form 10-K for factors that could affect forward-looking statements.

Overview

Title Insurance

The Company is a holding company that engages primarily in issuing title insurance through two subsidiaries, Investors Title Insurance Company ("ITIC") and National Investors Title Insurance Company ("NITIC"). Through ITIC and NITIC, the Company underwrites land title insurance for owners and mortgagees as a primary insurer. Total revenues from the title segment accounted for 90.5% of the Company's revenues for the six-month period ended June 30, 2025.

Title insurance protects against loss or damage resulting from title defects that affect real property and typically arise prior to the policy date. When real property is conveyed from one party to another, occasionally there is an undisclosed defect in the title or a mistake or omission in a prior deed, will or mortgage that may give a third party a legal claim against such property. If a covered claim is made against real property, title insurance provides indemnification against insured defects.

There are two basic types of title insurance policies – one for the mortgage lender and one for the real property owner. A lender often requires the property owner to purchase a lender's title insurance policy to protect its position as a holder of a mortgage loan, but the lender's title insurance policy does not protect the property owner. The property owner has to purchase a separate owner's title insurance policy to protect its investment.

The Company issues title insurance policies directly and through a network of agents. Issuing agents are typically real estate attorneys, independent agents or subsidiaries of community and regional mortgage lending institutions, depending on local customs and regulations and the Company's marketing strategy in a particular territory. The ability to attract and retain issuing agents is a key determinant of the Company's growth in title insurance premiums written.

Revenues for the title insurance segment primarily result from purchases of new and existing residential and commercial real estate, refinance activity and certain other types of mortgage lending such as home equity lines of credit.

Title insurance premiums vary from state to state and are subject to extensive regulation. Statutes generally provide that rates must not be excessive, inadequate or unfairly discriminatory. The process of implementing a rate change in most states involves pre-approval by the applicable state insurance regulator.

Volume is a factor in the Company's profitability due to fixed operating costs that are incurred by the Company regardless of title insurance premium volume. The resulting operating leverage tends to amplify the impact of changes in volume on the Company's profitability. The Company's profitability also depends, in part, upon its ability to manage its investment portfolio to maximize investment returns and to minimize risks such as interest rate changes, defaults and impairments of assets.

The Company's volume of title insurance premiums is affected by the overall level of residential and commercial real estate activity, which includes property sales, mortgage financing and mortgage refinancing. Real estate activity, home sales and mortgage lending are cyclical in nature. Real estate activity is affected by a number of factors, including the availability of mortgage credit, the cost of real estate, consumer confidence, employment and family income levels, and general United States economic conditions. Interest rate volatility is also an important factor in the level of residential and commercial real estate activity.

The Company's title insurance premiums in future periods are likely to fluctuate due to these and other factors which are beyond management's control.

Historically, the title insurance business tends to be seasonal as well as cyclical. Because home sales are typically strongest in periods of favorable weather, the first calendar quarter tends to have the lowest activity levels, while the spring and summer quarters tend to be more active. Mortgage refinance activity tends to be influenced less by seasonality and more by economic cycles, with activity levels increasing during times of falling interest rates.

Exchange Services

The Company's exchange services division, consisting of the operations of Investors Title Exchange Corporation ("ITEC") and Investors Title Accommodation Corporation ("ITAC"), provides customer services in connection with tax-deferred real property exchanges. ITEC acts as a qualified intermediary in tax-deferred exchanges of real property held for productive use in a trade or business or for investment, and its income is derived from fees for handling exchange transactions and a portion of the interest earned on client deposits held by the Company. In its role as qualified intermediary, ITEC coordinates the exchange aspects of the real estate transaction, and its duties include drafting standard exchange documents, holding the exchange funds between the time the old property is sold and the new property is purchased, and accepting the formal identification of the replacement property within the required identification period. ITAC provides services as an exchange accommodation titleholder for accomplishing "parking transactions" as set forth in the safe harbor contained in Internal Revenue Procedure 2000-37. These transactions include reverse exchanges when taxpayers decide to acquire replacement property before selling the relinquished property, or "build to suit" exchanges, when improvements must be made to the replacement property before the taxpayer acquires the improved replacement property. The services provided by the Company's exchange services division, ITEC and ITAC, are pursuant to provisions in the Internal Revenue Code of 1986. From time to time, these laws are subject to review and changes, which may negatively affect the demand for tax-deferred exchanges in general, and consequently, the revenues and profitability of the Company's exchange services division.

Management Services, Investment Management and Trust Services

Other services provided by operating divisions of the Company are not reported separately, but rather are reported collectively in a category called "All Other." These other services include those offered by the Company and by its wholly owned subsidiaries, Investors Title Management Services, Inc. ("ITMS") and Investors Trust Company ("Investors Trust").

ITMS offers various consulting and management services to provide clients with the technical expertise to start and successfully operate a title insurance agency.

The Company's trust services division, Investors Trust, provides investment management and trust services to individuals, companies, banks and trusts.

Business Trends and Recent Conditions

The housing market is heavily influenced by government policies and overall economic conditions. Regulatory reform and initiatives by various governmental agencies, including the Federal Reserve's monetary policy and other regulatory changes, could impact lending standards or the processes and procedures used by the Company. The current real estate environment, including interest rates and general economic activity, typically influences the demand for real estate. Changes in either of these areas, in addition to any inventory constraints or volatility in the cost and availability of building materials, could impact the Company's results of operations in future periods.

A period of inflation, ongoing geopolitical and military conflicts, and changes in government regulations and policy, including as a result of policies implemented by the Trump administration such as the implementation of widespread tariff reform, have created additional volatile market conditions and uncertainties in the global economy. These events have impacted and could continue to impact the Company in a number of ways including, but not limited to, future fluctuations in the Company's investment portfolio and potential decreases in net premiums written. The Federal Open Market Committee ("FOMC") of the Federal Reserve has been highly attentive to the risks that these events have created, and in response adjusted the target federal funds rate at several meetings held from 2022 to 2024. Although the federal funds rate does not directly impact mortgage interest rates, it can have a significant influence as lenders pass on the costs of rate increases to consumers. Higher mortgage interest rates have impacted the demand and pricing of real estate.

Regulatory Environment

The FOMC issues disclosures on a periodic basis that include projections of the federal funds rate and expected actions. Starting at the March 2022 meeting of the FOMC, when the target range was 0.00% and 0.25%, the FOMC consistently raised the target federal funds rate range through July 2023, when the FOMC increased the target range to between 5.25% and 5.50%. During several FOMC meetings throughout 2024, the target federal funds rate was reduced, with the most recent adjustment occurring in December 2024, lowering the rate to a range of 4.25% to 4.50%. So far in 2025, the FOMC has opted to keep the target range for the federal funds rate unchanged, emphasizing the need to carefully assess incoming data, shifts in the economic outlook, and the balance of risks before deciding on the timing and magnitude of any future adjustments. In normal economic situations, future adjustments to the FOMC's stance of monetary policy are expected to be based on realized and expected economic developments to achieve maximum employment and inflation near the FOMC's symmetric long-term 2.0% objective.

Real Estate Environment

The Mortgage Bankers Association's ("MBA") July 17, 2025 Mortgage Finance Forecast ("MBA Forecast") projects 2025 purchase activity to increase 5.4% to $1,357 billion and mortgage refinance activity to increase 35.2% to $664 billion, resulting in a net increase in total mortgage originations of 13.6% to $2,021 billion, all from 2024 levels. In 2024, purchase activity accounted for 72.4% of all mortgage originations and is projected in the MBA Forecast to represent 67.1% of all mortgage originations in 2025. According to data published by Freddie Mac, the average 30-year fixed mortgage interest rates in the United States were 6.8% and 6.9% for the six-month periods ended June 30, 2025 and 2024, respectively. Per the MBA Forecast, mortgage interest rates are projected to decrease in subsequent periods, declining to 6.3% in 2027. Due to the rapidly changing environment brought on by inflationary pressures, inventory constraints, geopolitical and military conflicts, and changes in government regulations and policy, including as a result of the policies implemented by the Trump administration, these projections and the impact of actual future developments on the Company could be subject to material change.

Historically, activity in real estate markets has varied over the course of market cycles by geographic region and in response to evolving economic factors. Operating results can vary from year to year based on cyclical market conditions and do not necessarily indicate the Company's future operating results and cash flows.

Critical Accounting Estimates and Policies

The preparation of the Company's unaudited Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosures regarding contingencies and commitments. Actual results could differ from these estimates. During the six-month period ended June 30, 2025, the Company did not make any material changes to its critical accounting policies as previously disclosed in Management's Discussion and Analysis in the 2024 Form 10-K.

Results of Operations

The following table presents certain unaudited Consolidated Statements of Operations data for the three- and six-month periods ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Revenues:				
Net premiums written	**$ 54,496**	$ 51,416	**$ 100,841**	$ 91,596
Escrow and other title-related fees	**5,694**	4,801	**9,586**	8,524
Non-title services	**5,477**	4,304	**10,086**	8,608
Interest and dividends	**2,361**	2,568	**4,700**	5,088
Other investment income	**609**	890	**1,019**	1,001
Net investment gains	**2,104**	1,242	**925**	3,664
Other	**2,908**	161	**3,057**	360
Total Revenues	**73,649**	65,382	**130,214**	118,841
Operating Expenses:				
Commissions to agents	**29,077**	26,550	**53,934**	46,420
Provision for claims	**2,080**	905	**2,403**	1,815
Personnel expenses	**17,460**	18,154	**35,794**	36,736
Office and technology expenses	**4,327**	4,308	**8,867**	8,773
Other expenses	**4,907**	4,198	**9,365**	8,033
Total Operating Expenses	**57,851**	54,115	**110,363**	101,777
Income before Income Taxes	**15,798**	11,267	**19,851**	17,064
Provision for Income Taxes	**3,520**	2,396	**4,402**	3,668
Net Income	**$ 12,278**	$ 8,871	**$ 15,449**	$ 13,396

Insurance Revenues

Insurance revenues include net premiums written and escrow and other title-related income that includes escrow fees, commissions and settlement fees. Non-title services revenue, investment-related revenues and other revenues are discussed separately below.

Net Premiums Written

Net premiums written increased 6.0% and 10.1% for the three- and six-month periods ended June 30, 2025 to $54.5 million and $100.8 million, respectively, compared with $51.4 million and $91.6 million for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to higher levels of real estate activity.

Total premiums include an estimate of premiums for policies that have been issued directly and by agents, but not reported to the Company as of the balance sheet date. To determine the estimated premiums, the Company uses historical experience, as well as other factors, to make certain assumptions about the average elapsed time between the policy effective date and the date the policies are reported. From time to time, the Company adjusts the inputs to the estimation process as reported transactions and new information becomes available. In addition to estimating revenues, the Company also estimates and accrues agent commissions, claims provision, premium taxes, income taxes, and other expenses associated with the estimated revenues that have been accrued. The Company reflects any adjustments to the accruals in the results of operations in the period in which new information becomes available.

Title insurance companies typically issue title insurance policies directly or through title agencies. Following is a breakdown of premiums generated by direct and agency operations for the three- and six-month periods ended June 30, 2025 and 2024:

	Three Months Ended June 30,				**Six Months Ended June 30,**			
(in thousands, except percentages)	**2025**	**%**	2024	%	**2025**	**%**	2024	%
Direct	**$ 15,823**	**29.0**	$ 15,531	30.2	**$ 29,357**	**29.1**	$ 28,852	31.5
Agency	**38,673**	**71.0**	35,885	69.8	**71,484**	**70.9**	62,744	68.5
Total	**$ 54,496**	**100.0**	$ 51,416	100.0	**$ 100,841**	**100.0**	$ 91,596	100.0

Direct Net Premiums – The Company's direct business consists of operations at the home office, branch offices, and wholly owned title insurance agencies. In the Company's direct operations, the Company issues a title insurance policy and retains the entire premium, as no commissions are recognized in connection with these policies. Net premiums written from direct operations increased 1.9% and 1.8% for the three- and six-month periods ended June 30, 2025, respectively, compared with the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily the result of higher levels of real estate activity.

Agency Net Premiums – When a policy is written through a non-wholly owned title agency, the premium is shared between the agency and the Company. The agent retains a majority of the premium as a commission and remits the net amount to the Company. Title insurance commissions earned by the Company's agents are recognized as expenses concurrently with premium recognition. Agency net premiums written increased 7.8% and 13.9% for the three- and six-month periods ended June 30, 2025, compared with the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to higher levels of real estate activity.

Following is a schedule of net premiums written for the three- and six-month periods ended June 30, 2025 and 2024 in select states in which the Company's two insurance subsidiaries, ITIC and NITIC, currently underwrite title insurance:

	Three Months Ended June 30,		Six Months Ended June 30,	
State (in thousands)	**2025**	2024	**2025**	2024
North Carolina	**$ 19,499**	$ 18,161	**$ 34,429**	$ 32,938
Texas	**15,426**	14,088	**29,000**	25,187
Georgia	**4,149**	4,304	**9,675**	6,763
Florida	**4,640**	3,974	**7,377**	6,111
South Carolina	**3,392**	4,592	**7,097**	7,943
All Others	**7,470**	6,330	**13,408**	12,606
Premiums Written	**54,576**	51,449	**100,986**	91,548
Reinsurance Assumed	**—**	—	**—**	—
Reinsurance Ceded	**(80)**	(33)	**(145)**	48
Net Premiums Written	**$ 54,496**	$ 51,416	**$ 100,841**	$ 91,596

Escrow and Other Title-Related Fees

Escrow and other title-related fees consist primarily of commission income, escrow and other various fees associated with the issuance of title insurance policies including settlement, examination and closing fees. Escrow and other title-related fee revenues were $5.7 million and $9.6 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $4.8 million and $8.5 million for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to higher levels of real estate activity.

Revenue from Non-Title Services

Revenue from non-title services includes trust services, agency management services and exchange services income. Non-title service revenues were $5.5 million and $10.1 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $4.3 million and $8.6 million for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily related to increases in like-kind exchange revenues and management services revenue.

Investment-Related Revenues

Investment-related revenues include interest and dividends, other investment income, and net investment gains.

Interest and Dividends

The Company derives a substantial portion of its income from investments in short-term investments, fixed maturity securities, which are primarily municipal and corporate fixed maturity securities, and equity securities. The Company’s investment policy is designed to comply with regulatory requirements and to balance the competing objectives of asset quality and investment returns. The Company's title insurance subsidiaries are required by statute to maintain minimum levels of investments in order to protect the interests of policyholders.

The Company’s investment strategy emphasizes after-tax income and principal preservation. The Company’s investments are primarily in fixed maturity securities, short-term investments and equity securities. The average effective maturity of the majority of the fixed maturity securities at June 30, 2025 is less than 10 years. The Company’s invested assets are managed to fund its obligations and evaluated to ensure long term stability of capital accounts.

As the Company generates cash from operations, it is invested in accordance with the Company's investment policy and corporate goals. The Company's investment policy has been designed to balance multiple goals, including the assurance of a stable source of income from interest and dividends, the preservation of principal, and the provision of liquidity sufficient to meet insurance underwriting and other obligations as they become payable in the future. Securities purchased may include a combination of taxable or tax-exempt fixed maturity securities and equity securities. The Company also invests in short-term investments that typically include money market funds, U.S. Treasury bills, commercial paper and certificates of deposit. The Company strives to maintain a high quality investment portfolio.

Interest and dividends were $2.4 million and $4.7 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $2.6 million and $5.1 million for the same prior year periods. Interest and dividend levels are primarily a function of general market performance, interest rates and the amount of cash available for investments that meet the Company's investment policy. The decreases for the three- and six-month periods ended June 30, 2025 were primarily impacted by prevailing interest rates and the composition of investment holdings.

Other Investment Income

Other investment income consists primarily of income related to investments in unconsolidated affiliates, typically structured as limited liability companies ("LLCs"), accounted for under either the equity method of accounting or the measurement alternative for investments that do not have readily determinable fair values. The measurement alternative method requires investments without readily determinable fair values to be recorded at cost, less impairments, and plus or minus any changes resulting from observable price changes. The Company monitors any events or changes in circumstances that may have had a significant adverse effect on the fair value of these investments and makes any necessary adjustments.

Other investment income was $609 thousand and $1.0 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $890 thousand and $1.0 million for the same prior year periods. Changes in other investment income are impacted by fluctuations in the carrying value of the underlying investment and distributions received.

Net Investment Gains

Net investment gains and losses include realized gains and losses on the sale of investment securities and changes in the estimated fair value of equity security investments.

Net Realized Investment Gains and Losses – Dispositions of equity securities at a realized gain or loss reflect such factors as industry sector allocation decisions, ongoing assessments of issuers' business prospects and tax planning considerations. Additionally, the amounts included in net realized investment gains or losses are affected by assessments of securities' valuation for impairment. As a result of the interaction of these factors and considerations, the net realized investment gain or loss can vary significantly from period to period.

The net realized investment gains were $1.1 million and $3.1 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $1.8 million and $4.4 million for the same prior year periods. The Company recorded impairment charges of $144 thousand and $419 thousand on other investments in the three- and six-month periods ended June 30, 2025, respectively, compared with $21 thousand and $74 thousand on fixed maturity securities for the same prior year periods. Management believes unrealized losses on the remaining fixed maturity securities at June 30, 2025 are temporary in nature.

The securities in the Company's investment portfolio are subject to economic conditions and market risks. The Company considers relevant facts and circumstances in evaluating whether a credit or interest-related impairment of a fixed maturity security has occurred. Relevant facts and circumstances include the extent and length of time the fair value of an investment has been below cost.

There are a number of risks and uncertainties inherent in the process of monitoring impairments and determining if an impairment exists. These risks and uncertainties include the risk that the economic outlook will be worse than expected or have more of an impact on the issuer than anticipated; the risk that the Company's assessment of an issuer's ability to meet all of its contractual obligations will change based on changes in the characteristics of that issuer; the risk that information obtained by the Company or changes in other facts and circumstances leads management to change its intent to sell the fixed maturity security; and the risk that management is making decisions based on inaccurate information in the financial statements provided by the issuers.

Changes in the Estimated Fair Value of Equity Security Investments – Changes in the estimated fair value of equity security investments were $973 thousand and $(2.2) million for the three- and six-month periods ended June 30, 2025, respectively, compared with $(589) thousand and $(759) thousand for the same prior year periods. Such fluctuations are typically the result of changes in general market conditions during the respective periods, however, the sale of appreciated investment securities can result in a reduction in unrealized gains as they are reclassified to net realized investment gains, which is not indicative of a decline in estimated fair value.

Other Revenues

Other revenues primarily include miscellaneous income and gains and losses on the disposal of fixed assets and real estate. Other revenues were $2.9 million and $3.1 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $161 thousand and $360 thousand for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were related to a gain on the disposition of assets transferred to a joint venture.

Expenses

The Company's operating expenses consist primarily of commissions to agents, personnel expenses, office and technology expenses and the provision for claims. Operating expenses increased 6.9% and 8.4% for the three- and six-month periods ended June 30, 2025, compared with the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to increases in commissions to agents, the provision for claims, and other expenses, partially offset by decreases in personnel expenses.

Following is a summary of the Company's operating expenses for the three- and six-month periods ended June 30, 2025 and 2024. Inter-segment eliminations have been netted; therefore, the individual segment amounts will not agree to Note 4 to the unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

	Three Months Ended June 30,				**Six Months Ended June 30,**			
(in thousands, except percentages)	**2025**	**%**	2024	%	**2025**	**%**	2024	%
Title Insurance	**$ 53,806**	**93.0**	$ 51,216	94.7	**$ 103,084**	**93.4**	$ 95,990	94.3
Exchange Services	**667**	**1.2**	670	1.2	**1,366**	**1.2**	1,317	1.3
All Other	**3,378**	**5.8**	2,229	4.1	**5,913**	**5.4**	4,470	4.4
Total	**$ 57,851**	**100.0**	$ 54,115	100.0	**$ 110,363**	**100.0**	$ 101,777	100.0

On a combined basis, the after-tax profit margins were 16.7% and 11.9% for the three- and six-month periods ended June 30, 2025, respectively, compared with 13.6% and 11.3% for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to growth in net premiums written, non-title service revenues, and other revenues, partially offset by increases in commissions to agents, the provision for claims, and other expenses. The Company continually strives to enhance its competitive strengths and market position, including ongoing initiatives to manage its operating expenses.

Total Company

Personnel Expenses – Personnel expenses include base salaries, benefits and payroll taxes, bonuses paid to employees and contract labor expenses. Personnel expenses were $17.5 million and $35.8 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $18.2 million and $36.7 million for the same prior year periods. On a consolidated basis, personnel expenses as a percentage of total revenues were 23.7% and 27.5% for the three- and six-month periods ended June 30, 2025, respectively, compared with 27.8% and 30.9% for the same prior year periods. The decreases in personnel expenses for the three- and six-month periods ended June 30, 2025 were primarily due to lower staffing levels, reduced health insurance costs, and decreased contractors expenditures.

Office and Technology Expenses – Office and technology expenses primarily include facilities expenses, software and hardware expenses, depreciation expense, telecommunications expenses, and business insurance. Office and technology expenses remained relatively consistent with the prior year periods at $4.3 million and $8.9 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $4.3 million and $8.8 million for the same prior year periods.

Other Expenses – Other expenses primarily include business development expenses, premium-related taxes and licensing, professional services, title and service fees, amortization of intangible assets and other general expenses. Other expenses were $4.9 million and $9.4 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $4.2 million and $8.0 million for the same prior year periods. The increases for the three- and six-month periods ended June 30, 2025 were primarily due to increases in professional services, miscellaneous expenditures, and expenses associated with higher title insurance revenues.

Title Insurance

Commissions to Agents – Agent commissions represent the portion of premiums retained by agents pursuant to the terms of their respective agency contracts. Commissions to agents increased 9.5% and 16.2% for the three- and six-month periods ended June 30, 2025, respectively, compared with the same prior year periods. Commission expense as a percentage of net premiums written by agents was 75.2% and 75.4% for the three- and six-month periods ended June 30, 2025, respectively, compared with 74.0% for both corresponding periods in the prior year. The changes in commission expense, and commission expense as a percentage of net premiums written, were commensurate with the increases in agent premium volume. Commission rates vary by market due to local practice, competition and state regulations.

Provision for Claims – The provision for claims increased 129.8% and 32.4% for the three- and six-month periods ended June 30, 2025, respectively, compared with the same prior year periods. The provision for claims as a percentage of net premiums written was 3.8% and 2.4% for the three- and six-month periods ended June 30, 2025, respectively, compared with 1.8% and 2.0% for the same prior year periods. The increases in the provision for claims as a percentage of net premiums written for the three- and six-month periods ended June 30, 2025 were primarily due to higher reserves on reported claims and a reduction in favorable loss development during the current year periods.

Title claims are typically reported and paid within the first several years of policy issuance. The provision for claims reflects actual payments of claims, net of recovery amounts, plus adjustments to the specific and incurred but not reported claims reserves, the latter of which are actuarially determined based on historical claims experience. Actual payments of claims, net of recoveries, were $1.4 million and $1.8 million for the six-month periods ended June 30, 2025 and 2024, respectively.

At June 30, 2025, the total reserve for claims was $38.1 million. Of that total, approximately $3.2 million was reserved for specific claims, and approximately $34.8 million was reserved for claims for which the Company had no notice. Because of the uncertainty of future claims, changes in economic conditions and the fact that claims may not materialize for several years, reserve estimates are subject to variability.

Changes from prior periods in the expected liability for claims reflect the uncertainty of the claims environment, as well as the limited predictive power of historical data. The Company continually updates and refines its reserve estimates as current experience develops and credible data emerges. Such data includes payments on claims closed during the quarter, new details that emerge on open cases that cause claims adjusters to increase or decrease the case reserves, and the impact that these types of changes have on the Company's total loss provision. Adjustments may be required as new information develops, which often varies from past experience.

Income Taxes

The provision for income taxes was $3.5 million and $4.4 million for the three- and six-month periods ended June 30, 2025, respectively, compared with $2.4 million and $3.7 million for the same prior year periods. Income tax expense, including federal and state taxes, as a percentage of income before income taxes was 22.3% and 22.2% for the three- and six-month periods ended June 30, 2025, respectively, compared with 21.3% and 21.5% for the same prior year periods. The effective income tax rates for both 2025 and 2024 differ from the U.S. federal statutory income tax rate of 21% primarily due to the effect of tax-exempt income and state taxes. Tax-exempt income lowers the effective tax rate.

The Company believes it is more likely than not that the tax benefits associated with recognized impairments and unrecognized losses recorded through June 30, 2025 will be realized. However, this judgment could be impacted by further market fluctuations.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We are currently assessing its impact on our consolidated financial statements.

Liquidity and Capital Resources

The Company's material cash requirements include general operating expenses, contractual and other obligations for the future payment of title claims, employment agreements, lease agreements, income taxes, capital expenditures, dividends on its common stock and other contractual commitments for goods and services needed for operations. All other arrangements entered into by the Company are not reasonably likely to have a material effect on liquidity or the availability of capital resources. Cash flows from operations have historically been the primary source of financing for expanding operations, whether through organic growth or outside investments. The Company believes its balances of cash, short-term investments and other readily marketable securities, along with cash flows generated by ongoing operations, will be sufficient to satisfy its cash requirements over the next 12 months and thereafter, including the funding of operating activities and commitments for investing and financing activities. The Company is currently evaluating the potential impact of the OBBBA, which includes certain corporate tax provisions that are expected to affect cash flows in future reporting periods by accelerating certain tax deductions. At this time, the Company is not aware of any other known trends likely to materially affect its capital resources, nor does it anticipate any additional material changes in the composition or relative cost of those resources, except as otherwise disclosed in the Business Trends and Recent Conditions section of this Management's Discussion and Analysis.

The Company evaluates nonorganic growth opportunities, such as mergers and acquisitions, from time to time in the ordinary course of business. Because of the episodic nature of these events, related incremental liquidity and capital resource needs can be difficult to predict.

The Company's operating results and cash flows are heavily dependent on the real estate market. The Company's business has certain fixed costs such as personnel; therefore, changes in the real estate market are monitored closely, and operating expenses such as staffing levels are managed and adjusted accordingly. The Company believes that its significant working capital position and management of operating expenses will aid its ability to manage cash resources through fluctuations in the real estate market.

Cash Flows – Net cash flows provided by operating activities were $8.8 million and $9.9 million for the six-month periods ended June 30, 2025 and 2024, respectively. Cash flows provided by operating activities differ from net income due to adjustments for non-cash items, such as gains and losses on investments and property, the timing of disbursements for taxes, claims and other accrued liabilities, and collections or changes in receivables and other assets.

Cash flows from non-operating activities have historically consisted of purchases and proceeds from investing activities, the issuance of dividends and repurchases of common stock. Net cash was used in investing activities and financing activities for the six-month periods ended June 30, 2025 and 2024.

The Company maintains a high degree of liquidity within its investment portfolio in the form of cash, short-term investments and other readily marketable securities. As of June 30, 2025, the Company held cash and cash equivalents of $29.7 million, short-term investments of $60.4 million, available-for-sale fixed maturity securities of $118.5 million and equity securities of $34.8 million. The net effect of all activities on total cash and cash equivalents was an increase of $5.0 million in 2025.

Capital Resources – The amount of capital resources the Company maintains is influenced by state regulation, the need to maintain superior financial ratings from third-party rating agencies and other marketing and operational considerations.

The Company's significant sources of funds are dividends and distributions from its subsidiaries, primarily its two title insurance subsidiaries. Cash is received from its subsidiaries in the form of dividends and as reimbursements for operating and other administrative expenses that it incurs. The reimbursements are executed within the guidelines of management agreements between the Company and its subsidiaries.

The ability of the Company's title insurance subsidiaries to pay dividends to the Company is subject to state regulation from their respective states of domicile. Each state regulates the extent to which title underwriters can pay dividends or make distributions and requires prior regulatory approval of the payment of dividends and other intercompany transfers. The maximum dividend permitted by law is not necessarily indicative of an insurer's actual ability to pay dividends. Depending on regulatory conditions, the Company may in the future need to retain cash in its title insurance subsidiaries in order to maintain their statutory capital position. As of June 30, 2025, both ITIC and NITIC met the minimum capital, surplus and reserve requirements for each state in which they are licensed.

While state regulations and the need to cover risks may set a minimum level for capital requirements, other factors necessitate maintaining capital resources in excess of the required minimum amounts. For instance, the Company's capital resources help it maintain high ratings from insurance company rating agencies. Superior ratings strengthen the Company's ability to compete with larger, well known title insurers with national footprints.

A strong financial position provides the necessary flexibility to fund potential acquisition activity, to invest in the Company's core business, and to minimize the financial impact of potential adverse developments. Adverse developments that generally require additional capital include adverse financial results, changes in statutory accounting requirements by regulators, reserve charges, investment losses or costs incurred to adapt to a changing regulatory environment, including costs related to Consumer Financial Protection Bureau regulation of the real estate industry.

Due to the Company's historical ability to consistently generate positive cash flows from its consolidated operations and investment income, management believes that funds generated from operations will enable the Company to adequately meet its current operating needs for the foreseeable future. However, given inflationary pressures and geopolitical and military conflicts, there can be no assurance that future experience will be similar to historical experience, since it is influenced by such factors as the interest rate environment, real estate activity, the Company's claims-paying ability and its financial strength ratings. In addition to operational and investment considerations, taking advantage of opportunistic external growth opportunities may necessitate obtaining additional capital resources. The Company is carefully monitoring inflation, geopolitical and military conflicts, and other trends that could potentially result in material adverse liquidity changes, and will continually assess its capital allocation strategy, including decisions relating to payment of dividends, repurchasing the Company's common stock and/or conserving cash.

Purchase of Company Stock – On November 9, 2015, the Board of Directors of the Company approved the purchase of an additional 163,335 shares pursuant to the Company's repurchase plan, such that there was authority remaining under the plan to purchase up to an aggregate of 500,000 shares of the Company's common stock pursuant to the plan immediately after this approval. Unless terminated earlier by resolution of the Board of Directors, the plan will expire when all shares authorized for purchase under the plan have been purchased. Pursuant to the Company's ongoing purchase program, the Company purchased no shares in the six-month period ended June 30, 2025 and 7,039 shares in the corresponding period in 2024. The Company anticipates making further purchases under this plan from time to time in the future, depending on such factors as the prevailing market price of the Company's common stock, the Company's available cash and then existing alternative uses for such cash.

Capital Expenditures – Capital expenditures were approximately $2.9 million for the six-month period ended June 30, 2025. In 2025, the Company has plans for various capital improvement projects, including investment in a number of technology and system development initiatives and hardware purchases which are anticipated to be funded via cash flows from operations. All material anticipated capital expenditures are subject to periodic review and revision and may vary depending on a number of factors.

Contractual Obligations - As of June 30, 2025, the Company had a claims reserve totaling $38.1 million. The amounts and timing of these obligations are estimated and not set contractually. Events such as fraud, defalcation, and multiple property title defects can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments and loss cost trends whereby increases or decreases in inflationary factors (including the value of real estate) will influence the ultimate amount of title insurance loss payments and could increase total obligations and influence claim payout patterns. Due to the length of time over which claim payments are made and regularly occurring changes in underlying economic and market conditions, claim estimates are subject to variability and future payments could increase or decrease from these estimated amounts in the future.

ITIC, a wholly owned subsidiary of the Company, has entered into employment agreements with certain executive officers. The amounts accrued for these agreements at June 30, 2025 and December 31, 2024, were $15.5 million and $15.4 million, respectively, which includes postretirement compensation and health benefits, and were calculated based on the terms of the contracts. These executive contracts are accounted for on an individual contract basis. As payments are based upon the occurrence of specific events, including death, disability, retirement, termination without cause or upon a change in control, payment periods are currently uncertain. Information regarding retirement agreements and other postretirement benefit plans can be found in Note 5 to the unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

The Company enters into lease agreements that are primarily used for office space. These leases are accounted for as operating leases, with lease expense recognized on a straight-line basis over the term of the lease. The Company occasionally assumes equipment lease agreements through business acquisitions. These leases are accounted for as finance leases. Included in a portion of the Company's current leases is an option to extend or cancel the lease term, and the exercise of such an option is solely at the Company's discretion. The total of undiscounted future minimum lease payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year after 2025 is $8.0 million, which includes lease payments related to options to extend or cancel the lease term if the Company determined at the date of adoption that the lease was expected to be renewed or extended. Information about leases can be found in Note 12 to the unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

In the normal course of business, the Company enters into other contractual commitments for goods and services needed for operations. Such commitments are not expected to have a material adverse effect on the Company's liquidity.

Off-Balance Sheet Arrangements

As a service to its customers, the Company, through ITIC, administers escrow and trust deposits representing earnest money received under real estate contracts, undisbursed amounts received for settlement of mortgage loans and indemnities against specific title risks. These amounts are not considered assets of the Company and, therefore, are excluded from the accompanying unaudited Consolidated Balance Sheets. However, the Company remains contingently liable for the disposition of these deposits.

In addition, in administering tax-deferred like-kind exchanges pursuant to § 1031 of the Internal Revenue Code, ITEC serves as a qualified intermediary for exchanges, holding the net sales proceeds from relinquished property to be used for purchase of replacement property. ITAC serves as exchange accommodation titleholder and, through LLCs that are wholly owned subsidiaries of ITAC, holds property for exchangers in reverse exchange transactions. Like-kind exchange deposits and reverse exchange property held by the Company for the purpose of completing such transactions totaled approximately $347.4 million and $323.5 million as of June 30, 2025 and December 31, 2024, respectively. These exchange deposits are held at third-party financial institutions. Exchange deposits are not considered assets of the Company and, therefore, are excluded from the accompanying unaudited Consolidated Balance Sheets; however, the Company remains contingently liable for the disposition of the transfers of property, disbursements of proceeds and the return on the proceeds at the agreed upon rate. Exchange services revenue includes earnings on these deposits; therefore, investment income is shown as non-title services rather than investment income. These like-kind exchange funds are primarily invested in money market funds and other short-term investments.

External assets under management of Investors Trust Company are not considered assets of the Company and, therefore, are excluded from the accompanying unaudited Consolidated Balance Sheets.

It is not the general practice of the Company to enter into off-balance sheet arrangements or issue guarantees to third parties. The Company does not have any material source of liquidity or financing that involves off-balance sheet arrangements. Other than items noted above, off-balance sheet arrangements are generally limited to the future payments due under various agreements with third-party service providers.

Recent Accounting Standards

No recent accounting pronouncements are expected to have a material impact on the Company's financial position and results of operations. Please refer to Note 1 to the unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding the Company's basis of presentation and significant accounting policies.

Safe Harbor for Forward-Looking Statements

This Quarterly Report on Form 10-Q, as well as information included in future filings by the Company with the SEC and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), that reflect management's current outlook for future periods. These statements may be identified by the use of words such as "plan," "expect," "aim," "believe," "project," "anticipate," "intend," "estimate," "should," "could," "would" and other expressions that indicate future events and trends. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product and service development, market share position, claims, expenditures, financial results and cash requirements, are forward-looking statements. Without limitation, projected developments in mortgage interest rates and the overall economic environment set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Trends and Recent Conditions" constitute forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events that are subject to a number of risks and uncertainties. Actual future results and trends may differ materially from historical results or those projected in any such forward-looking statements depending on a variety of factors, including, but not limited to, the following:

- changes in interest rates and real estate values;
- changes in general economic, business, and political conditions, including the performance of the financial and real estate markets, and changes in government regulations and policy, including as a result of the policies implemented by the Trump administration such as tariff and tax reform;
- the impact of inflation;
- the impact of ongoing geopolitical and military conflicts;
- potential reform of government sponsored entities;
- the level of real estate transaction volumes, the level of mortgage origination volumes (including refinancing), the mix of title insurance between markets with varying real estate values, changes to the insurance requirements of the participants in the secondary mortgage market, and the effect of these factors on the demand for title insurance;
- the possible inadequacy of the provision for claims to cover actual claim losses;

- the incidence of fraud-related losses;
- the impact of cyberattacks (including ransomware attacks) and other cybersecurity events involving the Company or its vendors, including damage to the Company's reputation in the event of a serious IT breach or failure;
- the impact of pandemics, climate change, severe weather conditions or the occurrence of another catastrophic event;
- unanticipated adverse changes in securities markets that could result in material losses to the Company's investments;
- significant competition that the Company's operating subsidiaries face, including the Company's ability to develop and offer products and services that meet changing industry standards in a timely and cost-effective manner and expansion into new geographic locations;
- the Company's reliance upon the North Carolina, Texas, Georgia, Florida, and South Carolina markets for a significant portion of its premiums;
- compliance with government regulation, including pricing regulation, and significant changes to applicable regulations or in their application by regulators;
- the impact of governmental oversight of compliance of the Company's service providers, including the application of financial regulation designed to protect consumers;
- possible downgrades from a rating agency, which could result in a loss of underwriting business;
- the inability of the Company to manage, develop and implement technological advancements and prevent system interruptions or unauthorized system intrusions;
- statutory requirements applicable to the Company's insurance subsidiaries that require them to maintain minimum levels of capital, surplus and reserves and that restrict the amount of dividends they may pay the Company without prior regulatory approval;
- the desire to maintain capital above statutory minimum requirements for competitive, marketing and other reasons;
- heightened regulatory scrutiny and investigations of the title insurance industry;
- the Company's dependence on key management and marketing personnel, the loss of whom could have a material adverse effect on the Company's business;
- difficulty managing growth, whether organic or through acquisitions;
- unfavorable economic or other conditions could cause the Company to record impairment charges for all or a portion of its goodwill and other intangible assets;
- policies and procedures for the mitigation of risks may be insufficient to prevent losses;
- the shareholder rights plan could discourage transactions involving actual or potential changes of control; and
- other risks detailed elsewhere in this document and in the Company's other filings with the SEC.

These and other risks and uncertainties may be described from time to time in the Company's other reports and filings with the SEC. For more details on factors that could affect expectations, see the 2024 Form 10-K, including under the heading "Risk Factors." The Company is not under any obligation (and expressly disclaims any such obligation) and does not undertake to update or alter any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. You should consider the possibility that actual results may differ materially from our forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposures are related to fluctuations in interest rates and equity market values, and their potential effect on our investment portfolio. While the Company actively monitors these risks, and employs various strategies to manage them, it does not currently utilize derivative financial instruments for hedging purposes.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that the system of controls has operated effectively in all cases. The Company's disclosure controls and procedures, however, are designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

Pursuant to Rule 13a-15(b) under the Exchange Act, an evaluation was performed under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2025 to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2025, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note 7 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Part II, Item 1.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in our 2024 Form 10-K. There have been no material changes in the risk factors previously disclosed under Item 1A of the Company's 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases by the Company (and all affiliated purchasers), during the quarter ended June 30, 2025, of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act:

	Issuer Purchases of Equity Securities (unrounded)			
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan (1)
Beginning of period				**413,177**
April 1 through April 30, 2025	—	**$** —	—	**413,177**
May 1 through May 31, 2025	—	—	—	**413,177**
June 1 through June 30, 2025	—	—	—	**413,177**
Total	—	**$** —	—	**413,177**

(1) On November 9, 2015, the Board of Directors of the Company approved the purchase of an additional 163,335 shares pursuant to the Company's repurchase plan, such that there was authority remaining under the plan to purchase up to an aggregate of 500,000 shares of the Company's common stock pursuant to the plan immediately after this approval. There were no repurchases of the Company's common stock under the plan during the quarter ended June 30, 2025. As of June 30, 2025, there was authority remaining under the plan to purchase up to an aggregate of 413,177 shares of the Company's common stock. Unless terminated earlier by resolution of the Board of Directors, the plan will expire when all shares authorized for purchase under the plan (as such number may be amended by the Board from time to time) have been purchased. The Company anticipates making further purchases under this plan from time to time in the future, depending on such factors as the prevailing market price of the Company's common stock, the Company's available cash and the existing alternative uses for such cash.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Trading Arrangements

During the three-month period ended June 30, 2025, none of the Company's directors or executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

31(i)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(ii)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* - The instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INVESTORS TITLE COMPANY

By: /s/ James A. Fine, Jr.
James A. Fine, Jr., President, Treasurer, Chief Financial Officer, Chief Accounting Officer and Director (*Principal Financial Officer and Principal Accounting Officer*)

Dated: August 8, 2025