

STATE OF INDIANA)
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Dreibelbiss Title Company, Inc.)
1021 South Calhoun Street)
Fort Wayne, IN 46802)

Examination of: **Dreibelbiss Title Company, Inc.**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Dreibelbiss Title Company, Inc., any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on June 13, 2017, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Dreibelbiss Title Company, Inc. shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

Date 6/28/2017 _____
Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7016 2070 0001 1479 8858

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Dreibelbiss Title Company, Inc.)
1021 South Calhoun Street)
Fort Wayne, IN 46802)

Examination of: **Dreibelbiss Title Company, Inc.**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Dreibelbiss Title Company, Inc. (hereinafter “Company”) for the time period January 1, 2011 through December 31, 2015.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on April 26, 2017.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 13, 2017 and was received by the Company on June 15, 2017.

The Company did not file any objections.


NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Dreibelbiss Title Company, Inc. as of December 31, 2015.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Dreibelbiss Title Company, Inc. to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 28th day of
June, 2017.


Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

A handwritten signature in black ink, appearing to read "Robert L. ...". The signature is written in a cursive style with a large initial letter.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION
OF

DREIBELBISS TITLE COMPANY, INC.
NAIC COMPANY CODE 51381

As of

December 31, 2015

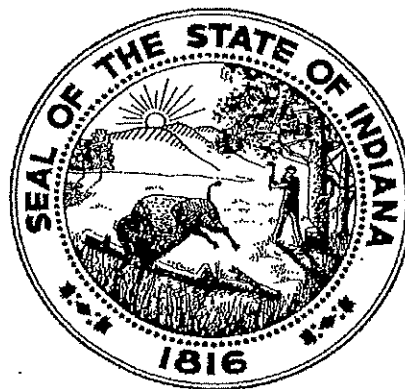


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STATE OF INDIANA

IDOI

ERIC HOLCOMB, Governor

Indiana Department of Insurance

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Stephen W. Robertson, Commissioner

April 26, 2017

Honorable Stephen W. Robertson
Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3904, an examination has been made of the affairs and financial condition of:

Dreibelbiss Title Company, Inc.
1021 S. Calhoun Street
Fort Wayne, Indiana 46802

an Indiana domestic title insurance company hereinafter referred to as the "Company." The examination was conducted at the main administrative offices of the Company located at 1021 S. Calhoun Street, Fort Wayne, Indiana 46802.

The Report of Examination, showing the status of the Company as of December 2015, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
(317) 232-2413

COMPANY COMPLIANCE
(317) 233-0697

CONSUMER SERVICES
(317) 232-2395
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EXAMINATIONS/FINANCIAL SERVICES
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MEDICAL MALPRACTICE
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COMPANY RECORDS
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STATE HEALTH INSURANCE PROGRAM
1-800-332-4674

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of December 31, 2010. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. (Thomas Consulting) and covered the period from January 1, 2011 through December 31, 2015, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

In conducting the risk-focused examination, the INDOI, by its representatives, relied upon the independent audit reports and opinions contained therein rendered by Krouse, Kern & Co., Inc. for the years 2011 through 2014 and BKD, LLP for year 2015 of the examination period. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

In accordance with the 2015 NAIC *Financial Condition Examiners Handbook*, Thomas Consulting planned and performed the risk-focused examination to evaluate the financial condition of the Company, and to identify prospective risks related to its operations. The examination process included an evaluation of corporate governance, identification and assessment of inherent risks, and documentation of system controls and procedures used to mitigate the identified risks. In addition, the Examiners performed an assessment of the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The examination also included a review of the Company's compliance with Statutory Accounting Principles, Annual Statement Instructions, Indiana Insurance Code, and Indiana Business Corporation Law. All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

The Company commenced business in 1886 and was incorporated on August 1, 1916, as Dreibelbiss Abstract of Title Co., Inc. Effective December 31, 1977, the name was changed to Dreibelbiss Title Company, Inc. The Company received its Certificate of Authority, dated March 5, 1979. Effective December 31, 1986, the Company merged with Titles by Commonwealth, Inc., an agency that wrote title insurance for Commonwealth Land Title Insurance Company (Commonwealth), with the Company being the surviving entity. On October 29, 2012, the Company was purchased by Equity Financial Holdings, LLC (Equity), an Indiana Limited Liability Company (LLC). The sole owner of Equity is GBH Holdings, LLC (GBH), an Indiana LLC. GBH is 90% owned by George B. Huber. On January 7, 2015, the majority ownership of the Company was acquired by Thomas M. Shoaff.

CAPITAL AND SURPLUS

Pursuant to the provisions of its Articles of Incorporation, the Company has 500 authorized common shares with a par value of \$300 per share. As of December 31, 2015, the Company reported a total capital and surplus of \$447,829, which included: common capital stock of \$117,000, consisting of 390 issued and outstanding shares; and unassigned funds (surplus) of \$330,829. As of December 31, 2015, the outstanding shares were held by four (4) shareholders in the following percentages: Thomas M. Shoaff (66.85%), George B. Huber (14.33%), BND Commercial, LLC (BND) (9.90%), and Robert Shoaff (8.92%).

DIVIDENDS TO STOCKHOLDERS

There were no common stock dividends declared or paid during the period covered by this examination.

TERRITORY AND PLAN OF OPERATION

The Company is authorized to issue title insurance and is licensed solely in the state of Indiana. Effective May 31, 2012, the Company ceased writing new business and is currently in runoff. Formerly, the Company issued title insurance in the Indiana counties of Allen, Grant, and Marion. Most of its business was conducted from its home office in Fort Wayne, Indiana. However, the Company was also represented by four (4) independent agencies. In addition, the Company was also a title insurance agent for Stewart Title Guaranty Company.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital & Surplus</u>	<u>Net Premiums Earned</u>	<u>Net Income/ (loss)</u>
2015	\$ 679,147	\$231,318	\$ 447,829	\$ 0	\$(265,061)
2014	785,350	94,456	690,894	0	(168,810)
2013	990,677	117,288	873,389	0	(163,709)
2012	1,190,297	136,868	1,053,429	31,396	(486,457)
2011	1,454,359	285,966	1,168,393	78,202	(565,738)

The Company's net loss reported in 2011 to 2015 occurred due to operating expenses exceeding operating income. The net losses and decline in the Company's premiums, assets, liabilities, and capital & surplus are primarily related to the termination of its title insurance operations in 2012. The 2015 net loss of \$265,061 presented above is greater than the Company's 2015 reported net loss of \$130,811 due to financial statement adjustments made as a result of this examination. **(Please see the "Comments on the Financial Statements" section of this report of examination.)**

MANAGEMENT AND CONTROL

Directors

The Company's Bylaws specify that the business of the Company shall be managed by a Board of three (3) directors, who shall be elected annually by the common shareholders. The following is a listing of persons serving as directors at December 31, 2015:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Tom M. Shoaff Fort Wayne, Indiana	Retired Attorney
Eric J. Stetzel Fort Wayne, Indiana	Chief Strategic Officer Practice Protection, Inc.
Eric N. Stine Fort Wayne, Indiana	Chief Operating & Marketing Officer Practice Protection, Inc.

Although the persons listed above were designated by the Company as its directors, they were not duly elected by the common shareholders as required by Article 2, Sec. 1 of the Company's Bylaws. **(Please see the "Other Significant Findings" section of this report of examination regarding this issue.)**

Officers

The Company's Bylaws state that the officers of the Company shall consist of a President, a Secretary, and a Treasurer. The Company's operations were managed by the following officers as of December 31, 2015.

<u>Name</u>	<u>Office</u>
Eric N. Stine	President
Eric J. Stetzel	Secretary and Treasurer

Although the persons listed above were designated by the Company as its officers, they were not duly elected by the Board of Directors as required by Article 4, Sec. 1 of the Company's Bylaws. **(Please see the "Other Significant Findings" section of this report of examination regarding this issue.)**

CONFLICT OF INTEREST

The Company has in place an established conflict of interest policy and procedures for the disclosure of any material interest or affiliation by any director, officer, or employee, which is likely to conflict with their official duties. From a review of the officers and directors signed statements, there were no material conflicts of interest noted for the period under examination.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Company's Articles of Incorporation during the period under examination.

Bylaws

There were no amendments made to the Company's Bylaws during the period under examination.

Minutes

The requirements of IC 23-1-29-1(1) (a) provide that a corporation shall hold a meeting of the shareholders annually at a time stated in or fixed in accordance with the Bylaws. Article 1, Sec. 3 of the Company's Bylaws specifies that the Annual Meeting of the Shareholders shall be held on the second Tuesday of December. The Company did not hold any Annual Meetings of the Shareholders during the five (5) year period covered by the examination. **(Please see the "Other Significant Findings" section of this report of examination regarding this issue.)**

The Company did not hold any regular or special Board of Directors Meetings as provided for in Article 3 of its Bylaws during the five (5) year period covered by the examination. **(Please see the "Other Significant Findings" section of this report of examination regarding this issue.)**

AFFILIATED COMPANIES

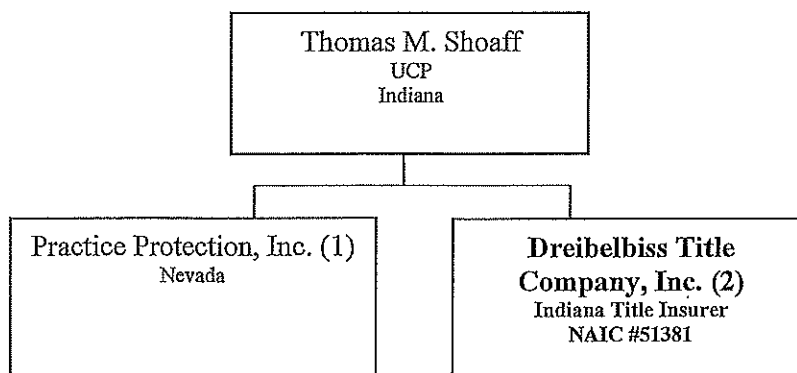
Organizational Structure

The Company's ultimate controlling person (UCP) is Thomas M. Shoaff, who is also an owner of Practice Protection, Inc. (PPI). PPI was formed to be a Managing General Agent for a Nevada Risk Retention Group (RRG), Practice Protection Mutual RRG. The RRG was not formed or licensed as of the date of the examination; however it will become a dentist-owned RRG for the purpose of providing its members with dental malpractice insurance.

The Company was formed under IC-23 and is therefore not subject to the provisions of IC 27-1-23, Regulation of Insurance Holding Company Systems. The Company submitted a request for exemption from the Holding Company Registration requirement on September 2, 2008. The exemption was approved by the INDOI on November 13, 2008.

Organizational Chart

The following organizational chart depicts the Company's relationship with its UCP and PPI, as of December 31, 2015.



Ownership footnotes:

(1) Thomas M. Shoaff 39.50%, Other Investors 60.50%

(2) Thomas M. Shoaff 66.85%, Other Investors 33.15%

Affiliated Agreements

Service Agreement

Effective August 14, 2015, the Company entered into a Service Agreement with BND whereby BND agrees to provide certain services and facilities for a specified time; including office space and back office support. In exchange for providing services and facilities, BND agrees to accept 38.57 shares of the Company's common stock pursuant to a Subscription Agreement dated August 14, 2015. As a result, of this transaction, BND owns approximately 10% of the Company's outstanding common shares.

Subscription Agreement

Effective August 14, 2015, the Company entered into a Subscription Agreement with its affiliate, BND, whereby BND agrees to purchase from the Company and, the Company agrees to issue and sell 38.57 shares of its common stock in consideration for entering into the Services Agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company did not have evidence of fidelity bond coverage as of the examination date of December 31, 2015. However, subsequent to the period covered by this examination the Company obtained the proper fidelity bond coverage as required by the NAIC. Other various interests of the Company are protected by appropriate policies of insurance. **(Please see the "Other Significant Findings" and the "Subsequent Events" sections of this report of examination regarding this issue.)**

STATUTORY AND SPECIAL DEPOSITS

The Company reported a statutory deposit, held by the INDOI for the benefit of all policyholders, with a book value of \$50,000 and a fair value of \$51,707. The deposit was comprised of a Certificate of Deposit and Money Market Funds as of December 31, 2015.

REINSURANCE

Reinsurance Assumed

The Company does not assume reinsurance.

Reinsurance Ceded

From December 2008 until it ceased writing business effective June 1, 2012, the Company self-insured risks up to \$125,000. The Company is however reinsured for losses related to policies issued before December 2008 under the following Reinsurance Agreements.

Effective January 1, 2002, the Company entered into a Reinsurance Agreement with Commonwealth that provided coverage for losses in excess of \$125,000 per policy. The agreement was terminated in November

2008. Prior to the Reinsurance Agreement with Commonwealth, First American Title Insurance Company provided reinsurance coverage for losses in excess of \$75,000 per policy.

RESERVES

John Pierce, FCAS, MAAA, was the Company's Appointed Actuary. Mr. Pierce was appointed by the Board of Directors to render an actuarial opinion on the statutory-basis reserves of the Company for all years covered by this examination.

The scope of the opinion was to examine the actuarial assumptions and methods used in determining reserves and related actuarial items, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2015. In forming the opinion, information prepared by the Company was relied upon. This information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and methods used, and such tests of the calculations as considered necessary.

The 2015 opinion stated the reserves: 1) meet the requirements of the insurance laws of the State of Indiana, 2) are computed in accordance with accepted loss reserving standards and principles, and 3) make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its contracts and agreements.

During the examination, it was determined by Thomas Consulting that the significant actuarial items in the Company's 2015 Annual Statement were materially correct and fairly stated in accordance with statutory accounting practices prescribed or permitted by the INDOI.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The detail trial balance prepared from the Company's general ledger for the year ending December 31, 2015, was agreed to the Annual Statement without exception. The Company's independent auditors issued unqualified opinions on the Company's audited Statutory Financial Statements for each year during the examination period. The audited Statutory Financial Statements were agreed to the Annual Statement for the year ending December 31, 2015, with no exceptions noted. All of the independent audit work papers were made available to the Examiners during the examination.

The Company's accounts and records are maintained using electronic data processing with the exception of certain title policy records. Generally, the Company maintains adequate supporting work papers, which were reviewed during the examination.

Overall, the Examiners determined the Company's accounting procedures, practices, and account records were satisfactory. However, adjustments have been made to the Company's Financial Statements to reclassify certain accounts. (Please see the "Comments on the Financial Statements" section of this report of examination.)

FINANCIAL EXHIBITS

Comparative Exhibit – Statutory Statement of Assets
Comparative Exhibit – Statutory Statement of Liabilities, Surplus, and Other Funds
Comparative Exhibit - Statutory Statement of Income
Comparative Exhibit – Statutory Capital and Surplus Account

NOTE: Amounts are shown in whole dollars and columns may not total due to rounding.

DREIBELBISS TITLE COMPANY, INC.

FINANCIAL STATEMENTS

Assets

As of December 31, 2015

	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Assets:				
Bonds	\$ 39,355	\$ -	\$ 39,355	\$ 25,270
Preferred stocks (stocks)	216,570	-	216,570	149,827
Common stocks (stocks)	102,258	-	102,258	181,357
Cash and short-term investments	<u>320,926</u>	<u>-</u>	<u>320,926</u>	<u>428,896</u>
Subtotals, cash and invested assets	<u>\$ 679,109</u>	<u>\$ -</u>	<u>\$ 679,109</u>	<u>\$ 785,350</u>
Net deferred tax asset	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>\$ 679,147</u>	<u>\$ -</u>	<u>\$ 679,147</u>	<u>\$ 785,350</u>
Totals	<u><u>\$ 679,147</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 679,147</u></u>	<u><u>\$ 785,350</u></u>

DREIBELBISS TITLE COMPANY, INC.

FINANCIAL STATEMENTS

Liabilities, Surplus and Other Funds

	<u>As of December 31, 2015</u>			<u>December</u>
	<u>Per Annual</u>	<u>Examination</u>	<u>Per</u>	<u>31,</u>
	<u>Statement</u>	<u>Adjustments</u>	<u>Examination</u>	<u>Prior Year</u>
Liabilities:				
Known claims reserve	\$ 23,000	\$ -	\$ 23,000	\$ 6,000
Statutory premium reserve	50,000	-	50,000	50,000
Supplemental reserve	19,000	-	19,000	34,000
Other expenses (excluding taxes, licenses and fees)	44,669	-	44,669	4,456
Net deferred tax liability	38	-	38	-
Amounts withheld or retained by company for account of others	94,611	-	94,611	-
Total liabilities	<u>\$ 231,318</u>	<u>\$ -</u>	<u>\$ 231,318</u>	<u>\$ 94,456</u>
Common capital stock	\$ 117,000	\$ -	\$ 117,000	\$ 117,000
Gross paid in and contributed surplus (<i>Note I</i>)	-	30,000	30,000	-
Unassigned funds (surplus) (<i>Note I</i>)	<u>330,829</u>	<u>(30,000)</u>	<u>300,829</u>	<u>573,894</u>
Surplus as regards policyholders	<u>\$ 447,829</u>	<u>\$ -</u>	<u>\$ 447,829</u>	<u>\$ 690,894</u>
Totals	<u><u>\$ 679,147</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 679,147</u></u>	<u><u>\$ 785,350</u></u>

DREIBELBISS TITLE COMPANY, INC.

FINANCIAL STATEMENTS

Statement of Income

For the Year Ended December 31, 2015

	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Operating Income				
Title insurance and related income:				
Other title fees and service charges	\$ 27,603	\$ -	\$ 27,603	\$ 37,769
Other operating income (<i>Note 1</i>)	<u>26,694</u>	<u>(30,000)</u>	<u>(3,306)</u>	<u>-</u>
Total operating income	<u>\$ 54,297</u>	<u>\$ (30,000)</u>	<u>\$ 24,297</u>	<u>\$ 37,769</u>
Expenses				
Losses and loss adjustment expenses incurred	\$ 21,404	\$ -	\$ 21,404	\$ 7,750
Other operating expenses incurred (<i>Notes 1 & 2</i>)	<u>191,489</u>	<u>104,250</u>	<u>295,739</u>	<u>255,813</u>
Total operating expenses	<u>\$ 212,893</u>	<u>\$ 104,250</u>	<u>\$ 317,143</u>	<u>\$ 263,563</u>
Net operating gain or (loss)	<u>\$ (158,596)</u>	<u>\$ (134,250)</u>	<u>\$ (292,846)</u>	<u>\$ (225,794)</u>
Investment Income				
Net investment income earned	\$ 15,143	\$ -	\$ 15,143	\$ 15,793
Net realized capital gains (losses) less capital gains tax	<u>3,642</u>	<u>-</u>	<u>3,642</u>	<u>2,191</u>
Net investment gain (loss)	<u>\$ 18,785</u>	<u>\$ -</u>	<u>\$ 18,785</u>	<u>\$ 17,984</u>
Net income after capital gains tax and before all other federal income taxes	\$ (139,811)	\$ (134,250)	\$ (274,061)	\$ (207,810)
Federal and foreign income taxes incurred	<u>(9,000)</u>	<u>-</u>	<u>(9,000)</u>	<u>(39,000)</u>
Net income	<u>\$ (130,811)</u>	<u>\$ (134,250)</u>	<u>\$ (265,061)</u>	<u>\$ (168,810)</u>

DREIBELBISS TITLE COMPANY, INC.

FINANCIAL STATEMENTS

Capital and Surplus Account

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Capital and Surplus Account					
Surplus as regards policyholders, December 31, prior year	<u>\$ 690,894</u>	<u>\$ 873,389</u>	<u>\$ 1,053,429</u>	<u>\$ 1,168,393</u>	<u>\$ 1,770,516</u>
Net income (<i>Notes 1 & 2</i>)	\$ (265,061)	\$ (168,810)	\$ (163,709)	\$ (486,457)	\$ (565,738)
Change in net unrealized capital gains (losses)	(6,252)	9,796	11,042	6,613	27,362
Change in net deferred income tax	63,753	-	-	-	-
Change in nonadmitted assets (<i>Notes 1 & 2</i>)	(80,505)	(39,481)	(40,373)	287,880	(61,747)
Change in supplemental reserves	15,000	16,000	13,000	77,000	(2,000)
Capital Changes: Paid in (<i>Note 1</i>)	30,000	-	-	-	-
Aggregate write-ins for gains and losses to surplus	-	-	-	-	-
Change in surplus as regards policyholders for the year	<u>\$ (243,065)</u>	<u>\$ (182,495)</u>	<u>\$ (180,040)</u>	<u>\$ (114,964)</u>	<u>\$ (602,123)</u>
Surplus as regards policyholders, December 31 current year	<u>\$ 447,829</u>	<u>\$ 690,894</u>	<u>\$ 873,389</u>	<u>\$ 1,053,429</u>	<u>\$ 1,168,393</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no changes to surplus as regards policyholders as of December 31, 2015, based on the results of this examination. However, the following issues were noted that reclassify the balances of certain financial statement accounts.

Note 1 - Affiliate Services

From a review of the Company's Subscription Agreement and related Service Agreement with BND, as described in the Affiliated Agreements section of this report, it was determined that the services provided by BND to the Company in exchange for shares of the Company's common stock, should have been accounted for as an exchange of non-monetary assets per SSAP No. 95. Accordingly, the Company should have reported an increase in its paid-in capital account as an offset to the BND service expenses. At December 31, 2015, the Company reported its service transactions with BND as a non-admitted receivable from affiliates in the amount of \$30,000 and related income in the same amount that represented a transfer of service expenses to BND. As a result, adjustments are shown in the "Examination Adjustments" columns of the Financial Statements to reclassify the Company's service transactions with BND in accordance with the requirements of SSAP No. 95. (See pages 10, 11, and 12).

It is recommended that the Company account for the services received from BND in exchange for shares of its common stock as an exchange of non-monetary assets per SSAP No. 95.

Note 2 - Organizational Costs

The Company reported \$74,250 of organizational costs associated with the formation of an affiliate, PPI, as a non-admitted capitalized asset contrary to the provisions of SSAP No. 17. The provisions of SSAP No. 17, paragraph 2, specify that preoperating, including organization and startup costs, and research and development costs shall be expensed as incurred. As a result, adjustments are shown in the "Examination Adjustments" columns of the Financial Statements to reclassify the Company's PPI organizational costs as an expense, in accordance with the requirements of SSAP No. 17. (See pages 11 and 12).

It is recommended that the Company report organizational costs as an expense, in accordance with the provisions of SSAP No. 17.

OTHER SIGNIFICANT FINDINGS

Election of Directors

Article 2, Sec. 1 of the Company's Bylaws provides that the business of the Company shall be managed by a Board of three (3) directors, who shall be elected annually by the common shareholders. The shareholders did not elect the Board of Directors during any of the five (5) years covered by this examination (See page 4).

It is recommended that the Company's shareholders annually elect a Board of Directors as required by the provisions of Article 2, Sec. 1 of its Bylaws.

Election of Officers

Article 4, Sec.1 of the Company's Bylaws requires that the Board of Directors annually elect a President, a Secretary, and a Treasurer. The Board of Directors did not elect the officers of the Company during any of the five (5) years covered by this examination (See page 4).

It is recommended that the Company duly elect the required officers in accordance with the provisions of Article 4, Sec. 1 of its Bylaws.

Shareholder Meetings

The requirements of IC 23-1-29-1(1)(a) state that a corporation shall hold a meeting of the shareholders annually at a time stated in or fixed in accordance with the Bylaws. Article 1, Sec. 3 of the Company's Bylaws provides that the Annual Meeting of the Shareholders shall be held on the second Tuesday of December. The Company did not hold an Annual Meeting of the Shareholders during the five (5) year period covered by the examination (See page 5).

It is recommended that the Company hold an Annual Meeting of the Shareholders as required by Article 1, Sec. 3, of its Bylaws. This recommendation is facilitated by the provisions of IC 23-1-29-1(1) (a).

Board Meetings

There were no regular or special Board of Directors Meetings held during the five (5) year period covered by the examination as provided for in Article 3 of the Company's Bylaws (See page 5).

It is recommended that the Company hold Board of Directors Meetings as provided for in Article 3 of its Bylaws.

Fidelity Bond and Required Coverages

The Company did not have evidence of fidelity bond coverage as of the examination date of December 31, 2015. However, subsequent to the period covered by this examination, the Company obtained the proper fidelity bond coverage as required by the NAIC. (See page 6). **See the "Subsequent Events" section of this report of examination.**

SUBSEQUENT EVENTS

Surplus Contribution

On March 8, 2016, the Company received a capital contribution in the amount of \$200,000. The funds were received from a shareholder of one (1) of the Company's affiliates. The amount was recorded as paid in capital.

Fidelity Bond Coverage

On February 7, 2017, the Company obtained a fidelity bond with a limit of \$50,000 with an effective coverage period from February 1, 2017 to February 1, 2018. The fidelity bond meets the prescribed minimum coverage specified by the NAIC.

MANAGEMENT REPRESENTATION

In support of contingencies and accuracy of information provided during the course of the examination, the Examiners obtained a management representation letter in the standard NAIC format. This letter was executed by key financial personnel of the Company and provided to the Examiners.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-In-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from The Thomas Consulting Group, Inc., performed an examination of the **Dreibelbiss Title Company, Inc.** as of **December 31, 2015**.

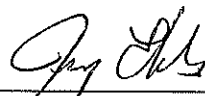
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

The examination was performed in accordance with those procedures required by the 2015 NAIC *Financial Condition Examiner's Handbook* and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standard and no audit opinion is expressed on the financial statements contained in this report.

The attached report of examination is a true and complete report of condition of the **Dreibelbiss Title Company, Inc.** as of **December 31, 2015**, as determined by the undersigned.



D. Patrick Huth, CFE
The Thomas Consulting Group, Inc.



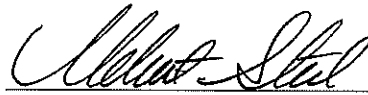
Jerry Ehlers, CFE, CPA
Indiana Department of Insurance

State of:

County of:

On this 9th day of June, 2017, before me personally appeared, D. Patrick Huth, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires 11-14-2021 

Notary Public



