WESBANCO INC
Form 425
January 05, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 5, 2018

WesBanco, Inc.
(Exact name of registrant as specified in its charter)

West Virginia	000-08467	55-0571723
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1 Bank Plaza, Wheeling, WV	26003
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (304) 234-9000

Former name or former address, if changed since last report Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). 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.

Item 2.02 Results of Operations and Financial Condition

WesBanco, Inc. issued a press release announcing that the Company's financial results for the fourth quarter of 2017 will be released after the market close on Tuesday, January 23, 2018. Management will also host a conference call to discuss the Company's financial results for the fourth quarter of 2017 on Wednesday, January 24, 2018 at 10:00 a.m. ET.

The press release is attached as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits

d) Exhibits – 99.1 - Press release announcing the scheduled release of fourth quarter 2017 earnings and conference call.

Information About the Merger and Where to Find It

In connection with the proposed merger with First Sentry Bancshares, Inc. ("First Sentry"), WesBanco filed with the SEC a Registration Statement on Form S-4 which was declared effective on January 5, 2018, that includes a Proxy Statement of First Sentry and a Prospectus of WesBanco, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS OF FIRST SENTRY AND OTHER INTERESTED PARTIES ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The Proxy Statement/Prospectus will be mailed to shareholders of First Sentry prior to the First Sentry shareholder meeting, which is scheduled for February 9, 2018. In addition, the Registration Statement on Form S-4, which includes the Proxy Statements/Prospectus, and other related documents filed by WesBanco with the SEC, may be obtained for free at the SEC's website at http://www.sec.gov, on the NASDAQ website at http://www.nasdaq.com and from WesBanco's website at http://www.wesbanco.com.

Participants in the Solicitation

WesBanco and First Sentry and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of First Sentry in connection with the proposed merger. Information about the directors and executive officers of WesBanco is set forth in the proxy statement for WesBanco's 2017 annual meeting of shareholders, as filed with the SEC on March 14, 2017. Information about any other persons who may, under the rules of the SEC, be considered participants in the solicitation of First Sentry shareholders in connection with the proposed merger is included in the Proxy Statement/Prospectus. You can obtain free copies of these documents from the SEC or WesBanco using the website information above. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

FIRST SENTRY SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS CAREFULLY BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS WITH RESPECT TO THE PROPOSED MERGER.

SIGNATURE

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

WesBanco, Inc.
(Registrant)

Date: January 5, 2018 /s/ Robert H. Young
Robert H. Young
Executive Vice President and
Chief Financial Officer

60; In June 2009, the FASB changed the methodology used to determine whether or not an entity is a primary beneficiary with respect to a variable interest entity and introduced a requirement to reassess on an ongoing basis whether an entity is the primary beneficiary of a variable interest entity. This update was effective for annual reporting periods beginning after November 15, 2009, and for interim periods during the first annual reporting period. The Company does not expect this update to have a material impact on its financial condition or results of operations.

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In June 2009, the FASB changed the hierarchy of U.S. generally accepted accounting principles such that the newly released FASB Codification replaced other sources of authoritative GAAP, with the exception of rules and interpretive releases of the SEC, which will continue to be authoritative.

In May 2009, the FASB set forth (1) the period after the balance sheet date during which management should evaluate events of transactions for potential recognition or disclosure in the financial statements, (2) the circumstances under which an entity should recognize in its financial statements events or transactions occurring after the balance sheet date and (3) the related disclosures that an entity should make. The Company has implemented this standard. The Company has concluded that there were no material subsequent events through March 5, 2010, which is the date of financial statement issuance.

In April 2009, a new model for evaluating other-than-temporary impairment ("OTTI") for debt securities was established. If the Company intends to sell a debt security, or cannot assert it is more likely than not that it will not have to sell the security before recovery, OTTI must be taken. If the Company does not intend to sell the debt security before recovery, but the entity does not expect to recover the entire amortized cost basis, then OTTI must be taken, but the amount of impairment is bifurcated between impairment due to credit (which is recorded through earnings) and noncredit impairment, which becomes a component of other comprehensive income ("OCI") for both available-for-sale ("AFS") and held-to-maturity ("HTM") securities. Upon adoption of the Position, a cumulative effect adjustment must be made to opening retained earnings in the period adopted that reclassifies the noncredit portion of previously taken OTTI from retained earnings to accumulated OCI. The Company did not have any cumulative effect adjustment at the time of adoption.

In April 2009, the FASB provided additional guidance for estimating fair value when the volume and level of activity for the asset or liability has significantly decreased and also included guidance on identifying circumstances that indicated a transaction was not orderly. This Position was effective for interim and annual reporting periods. The Company has implemented this standard with no material impact on its financial position or results of operations.

In April 2009, the FASB required summarized disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies. This standard was effective for interim reporting periods ending after June 15, 2009. The Company included additional disclosures in its 10-Qs.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements, and the reported amounts of revenues and expenses during the reporting period and accompanying notes. Actual results could differ materially from those estimates and assumptions used. The more significant of these estimates and assumptions include the following:

Claims

The Company's reserves for claims 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 incurred claims of policyholders which may be reported in the future (incurred but not reported, or "IBNR"). A provision for estimated future claims payments is recorded at the time policy revenue is recorded as a percentage of premium income. By their nature, title claims can often be complex, vary greatly in dollar amounts, vary in number due to economic and market conditions such as an increase in mortgage foreclosures, and involve uncertainties as to ultimate exposure. In addition, some claims may require a number of years to settle and determine the final liability for indemnity and loss adjustment expense. The payment experience may extend for more than 20 years after the issuance of a policy. Events such as fraud, defalcation and multiple property defects can substantially and unexpectedly cause increases in estimates of losses. Due to the length of time over which claim payments are made and regularly occurring changes in underlying economic and market conditions, these estimates are subject to variability.

Management considers factors such as the Company's historical claims experience, case reserve estimates on reported claims, large claims, actuarial projections and other relevant factors in determining loss provision rates and the aggregate recorded expected liability for claims. In establishing reserves, actuarial projections are compared with recorded reserves to evaluate the adequacy of such recorded claims reserves and any necessary adjustments are then recorded in current operations. As the most recent claims experience develops and new information becomes available, the loss reserve estimate related to prior periods will change to more accurately reflect updated and improved emerging data. The Company reflects any adjustments to reserves in the results of operations in the period in which new information (principally claims experience) becomes available.

Impairments

Securities are regularly evaluated and reviewed for differences between the cost and estimated fair value of each security for factors that may indicate that a decline in fair value is other-than-temporary. When, in the opinion of management, a decline in the fair value of an investment is considered to be other-than-temporary, such investment is written down to its fair value. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include the duration and extent to which the fair value has been less than cost, the probability that the Company will be unable to collect all amounts due under the contractual terms of the security; with respect to equity securities, whether the Company's ability and intent to retain the investment for a period of time sufficient to allow for a recovery in value; with respect to fixed maturity securities, whether the Company has the intent to sell or will more likely than not be required to sell a particular security before recovery in value; and the financial condition and prospects of the issuer (including credit ratings). These factors are reviewed quarterly and any material degradation in the prospect for recovery will be considered in the other-than-temporary impairment analysis. Such reviews 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 fair values of the majority of the Company's investments are based on quoted market prices from independent pricing services.

2. Statutory Restrictions on Consolidated Stockholders' Equity and Investments

The Company has designated approximately $41,474,000 and $40,638,000 of retained earnings as of December 31, 2009 and 2008, respectively, as appropriated to reflect the required statutory premium reserve. See Note 8 for the tax treatment of the statutory premium reserve.

As of December 31, 2009 and 2008 approximately $62,822,000 and $55,987,000, respectively, of consolidated stockholders' equity represents net assets of the Company's subsidiaries that cannot be transferred in the form of dividends, loans or advances to the parent company under statutory regulations without prior insurance department approval.

Bonds totaling approximately $6,960,000 and $6,540,000 at December 31, 2009 and 2008 respectively, are deposited with the insurance departments of the states in which business is conducted.

3. Investments in Securities

The aggregate fair value, gross unrealized holding gains, gross unrealized holding losses, and amortized cost for securities by major security type at December 31 were as follows:

December 31, 2009	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed Maturities-				
Held-to-maturity, at amortized cost-				
Obligations of states and political subdivisions	$ 2,000	$ -	$ -	$ 2,000
Total	$ 2,000	$ -	$ -	$ 2,000
Fixed Maturities-				
Available-for-sale, at fair value:				
Obligations of states and political subdivisions	$ 70,311,741	$ 3,373,339	$ 676,038	$ 73,009,042
Corporate debt securities	14,735,742	1,056,402	-	15,792,144
Total	$ 85,047,483	$ 4,429,741	$ 676,038	$ 88,801,186
Equity Securities, available-for-sale at fair value-				
Common stocks and nonredeemable preferred stocks	$ 8,241,767	$ 3,643,832	$ 31,298	$ 11,854,301
Total	$ 8,241,767	$ 3,643,832	$ 31,298	$ 11,854,301
Short-term investments-				
Certificates of deposit and other	$ 20,717,434	$ -	$ -	$ 20,717,434
Total	$ 20,717,434	$ -	$ -	$ 20,717,434

December 31, 2008	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed Maturities-				
Held-to-maturity, at amortized cost-				
Obligations of states and political subdivisions	$ 451,681	$ 10,899	$ -	$ 462,580
Total	$ 451,681	$ 10,899	$ -	$ 462,580
Fixed Maturities-				
Available-for-sale, at fair value:				
Obligations of states and political subdivisions	$ 72,818,413	$ 2,178,686	$ 986,503	$ 74,010,596
Corporate debt securities	13,105,170	606,001	13,267	13,697,904
Total	$ 85,923,583	$ 2,784,687	$ 999,770	$ 87,708,500
Equity Securities, available-for sale at fair value-				
Common stocks and nonredeemable preferred stocks	$ 9,158,785	$ 1,446,389	$ 639,877	$ 9,965,297
Total	$ 9,158,785	$ 1,446,389	$ 639,877	$ 9,965,297
Short-term investments-				
Certificates of deposit and other	$ 15,725,513	$ -	$ -	$ 15,725,513
Total	$ 15,725,513	$ -	$ -	$ 15,725,513

The scheduled maturities of fixed maturity securities at December 31, 2009 were as follows:

	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 8,077,093	$ 8,216,779	$ 2,000	$ 2,000
Due after one year through five years	24,465,295	26,099,121	-	-
Due five years through ten years	35,484,243	37,445,716	-	-
Due after ten years	17,020,852	17,039,570	-	-
Total	$ 85,047,483	$ 88,801,186	$ 2,000	$ 2,000

Earnings on investments for the years ended December 31 were as follows:

	2009	2008
Fixed maturities	$ 3,459,975	$ 3,415,009
Equity securities	249,932	266,860
Invested cash and other short-term investments	68,563	779,468
Miscellaneous interest	4,646	97,398
Investment income	$ 3,783,116	$ 4,558,735

Gross realized gains and losses on sales of available-for-sale securities for the years ended December 31 are summarized as follows:

	2009	2008
Gross realized gains:		
Obligations of states and political subdivisions	$ 5,496	$ 25,203
Common stocks and nonredeemable preferred stocks	438,982	295,992
Total	444,478	321,195
Gross realized losses:		
Obligations of states and political subdivisions	(38,000)	(363,633)
Common stocks and nonredeemable preferred stocks	(630,581)	(2,759,845)
Total	(668,581)	(3,123,478)
Net realized loss	$ (224,103)	$ (2,802,283)

Also included in net realized loss on investments in the Consolidated Statements of Income (Loss) for the years ended December 31, 2009 and 2008 is ($273,986) and ($120,093), respectively, of losses from the sale of other investments.

The following table presents the gross unrealized losses on investment securities and the 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 December 31, 2009 and 2008.

	Less than 12 Months		12 Months or Longer		Total	
December 31, 2009	Fair Value	Unrealized loss	Fair Value	Unrealized loss	Fair Value	Unrealized loss
Obligations of states and political subdivisions	$ 4,343,398	$ (87,703)	$ -	$ -	$ 4,343,398	$ (87,703)
Auction rate securities	-	-	7,283,395	(588,335)	7,283,395	(588,335)
Total Fixed Maturity Securities	$ 4,343,398	$ (87,703)	$ 7,283,395	$ (588,335)	$ 11,626,793	$ (676,038)
Equity Securities	494,367	(15,284)	285,874	(16,014)	780,241	(31,298)
Total temporarily impaired securities	$ 4,837,765	$ (102,987)	$ 7,569,269	$ (604,349)	$ 12,407,034	$ (707,336)
December 31, 2008						
Obligations of states and political subdivisions	$ 7,783,709	$ (221,100)	$ 777,257	$ (15,590)	$ 8,560,966	$ (236,690)
Auction rate securities	7,596,920	(763,080)	-	-	7,596,920	(763,080)
Total Fixed Maturity Securities	$ 15,380,629	$ (984,180)	$ 777,257	$ (15,590)	$ 16,157,886	$ (999,770)
Equity Securities	3,002,004	(559,410)	337,970	(80,467)	3,339,974	(639,877)
Total temporarily impaired securities	$ 18,382,633	$ (1,543,590)	$ 1,115,227	$ (96,057)	$ 19,497,860	$ (1,639,647)

As of December 31, 2009, the Company held $11,626,793 in fixed maturity securities with unrealized losses of $676,038. As of December 31, 2008, the Company held $16,157,886 in fixed maturity securities with unrealized losses of $999,770. Due to the credit market disruption in 2008 which reduced liquidity and led to wider credit spreads, the Company saw an increase in unrealized losses in its securities portfolio. The maturity duration of the debt securities range from less than one to more than ten years. The decline in 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. Because the Company does not have the intent to sell these securities and will likely maintain them until a recovery of the cost basis, the Company does not consider these investments to be other-than-temporarily impaired.

The unrealized losses related to holdings of equity securities were caused by market changes that the Company considers to be temporary. Since the Company has the intent and ability to hold these equity securities until a recovery of fair value, the Company does not consider these investments other-than-temporarily impaired at December 31, 2009.

Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been below cost, the financial condition and prospects of the issuer (including credit ratings and analyst reports) and macro-economic changes. A total of 31 and 67 securities had unrealized losses at December 31, 2009 and December 31, 2008, respectively. Reviews of the values of 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. During 2009, the Company recorded an other-than-temporary impairment charge in the amount of $758,661 related to securities. During 2008, the Company recorded an other-than-temporary impairment charge in the amount of approximately $1.2 million related to securities.

Valuation Hierarchy. The FASB establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy categorizes the inputs into three broad levels as follows. Level 1 inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs to the valuation methodology 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 used to measure assets and liabilities at fair value.

The following table presents, by level, the financial assets carried at fair value measured on a recurring basis as of December 31, 2009 and 2008. The table does not include cash on hand and also does not include assets which are measured at historical cost or any basis other than fair value.

Available-for-sale securities	Carrying Balance	Level 1	Level 2	Level 3
December 31, 2009				
Fixed maturities	$ 88,801,186	$ -	$ 78,703,391	$ 10,097,795
Equity	11,854,301	11,854,301	-	-
Total	$ 100,655,487	$ 11,854,301	$ 78,703,391	$ 10,097,795
December 31, 2008				
Fixed maturities	$ 87,708,500	$ -	$ 80,111,580	$ 7,596,920
Equity	9,965,297	9,965,297	-	-
Total	$ 97,673,797	$ 9,965,297	$ 80,111,580	$ 7,596,920

The following table presents a reconciliation of the Company’s assets measured at fair value using significant unobservable inputs (Level 3) as defined for the year ended December 31, 2009:

Changes in fair value during the year ended December 31:	2009	2008
Beginning balance at January 1	$ 7,596,920	$ -
Transfers into Level 3	3,708,280	8,087,630
Redemptions	(1,200,000)	-
Unrealized loss - included in other comprehensive income	(7,405)	(490,710)
Ending balance at December 31	$ 10,097,795	$ 7,596,920

Valuation Techniques. 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 within which any significant input falls.

Equity securities are measured at fair value using quoted active market prices and are classified within Level 1 of the valuation hierarchy. The fair value of fixed maturity investments included in the Level 2 category was based on the market values obtained from pricing services.

The Level 2 category generally includes corporate bonds, U.S. government corporations and agency bonds and municipal bonds. The fair value of fixed maturity investments included in the Level 2 category was based on the market values obtained from pricing services. A number of the Company's investment grade corporate bonds are frequently traded in active markets and traded market prices for these securities existed at December 31, 2009. However, these securities were classified as Level 2 at December 31, 2009, because the third party pricing services from which the Company has obtained fair values for such instruments also use valuation models, which use observable market inputs, in addition to traded prices. Substantially all of these model input assumptions are observable in the marketplace or can be derived or supported by observable market data.

The Company's investments in student loan auction rate securities ("ARS") are its only Level 3 assets, and were transferred from Level 2 because quoted prices from broker-dealers were unavailable due to the failure of auctions. Valuations using discounted cash flow models were used to determine the estimated fair value of these investments as of December 31, 2009. Some of the inputs to this model are unobservable in the market and are significant.

ARS were structured to provide purchase and sale liquidity through a Dutch auction process. Due to the increasingly stressed and liquidity-constrained environment in money markets, the auction process for ARS began failing in February 2008 as broker-dealers ceased supporting auctions with their own capital. The credit quality of the ARS the Company holds is high, as all are rated investment grade and are comprised entirely of student loan ARS, substantially guaranteed by government-sponsored enterprises, and the Company continues to receive interest income.

4. Property and Equipment

Property and equipment and estimated useful lives at December 31 are summarized as follows:

	2009	2008
Land	$ 1,107,582	$ 1,107,582
Office buildings and improvements (25 years)	3,186,567	3,173,432
Furniture, fixtures and equipment (3 to 10 years)	4,926,727	5,476,101
Automobiles (3 years)	636,157	667,659
Total	9,857,033	10,424,774
Less accumulated depreciation	(5,962,309)	(6,002,456)
Property and equipment, net	$ 3,894,724	$ 4,422,318

5. Reinsurance

The Company assumes and cedes reinsurance with other insurance companies in the normal course of business. Premiums assumed and ceded were approximately $12,000 and $96,000, respectively, for 2009 and $167,000 and $275,000, respectively, for 2008. Ceded reinsurance is comprised of excess of loss treaties, which protects against losses over certain amounts. The Company remains liable to the insured for claims under ceded insurance policies in the event that the assuming insurance companies are unable to meet their obligations under these contracts. The Company has not paid or recovered any reinsured losses during the two years ended December 31, 2009.

6. Reserves for Claims

Changes in the reserves for claims for the years ended December 31 are summarized as follows based on the year in which the policies were written:

	2009	2008
Balance, beginning of year	$ 39,238,000	$ 36,975,000
Provisions related to:		
Current year	7,726,693	15,564,722
Prior years	738,430	(358,085)
Total provision charged to operations	8,465,123	15,206,637
Claims paid, net of recoveries, related to:		
Current year	(424,364)	(5,937,616)
Prior years	(7,788,759)	(7,006,021)
Total claims paid, net of recoveries	(8,213,123)	(12,943,637)
Balance, end of year	$ 39,490,000	$ 39,238,000

The Company continually refines its reserve estimates as current loss experience develops and credible data emerges. Movements in the reserves related to prior periods were primarily the result of changes to estimates to better reflect the latest reported loss data.

The provision for claims as a percentage of net premiums written was 13.6% and 23.9% in 2009 and 2008, respectively. The change in estimate for calendar year 2009 from 2008 resulted from 2008 being impacted by two large fraud related claims and one unusually large mechanic's lien claim totaling approximately $6,800,000. Calendar year 2009 experienced unfavorable development of approximately $740,000, of which $500,000 was related to a large claim associated with policy year 2006. The favorable development in 2008 versus prior years was primarily related to policy years 2004, 2005 and 2007 experiencing lower claim volumes, offset by unfavorable development in 2006 related to large fraud claims and a mechanic's lien. Due to variances between actual and expected loss payments, loss development is subject to significant variability.

A large claim is defined as a claim with incurred losses exceeding $250,000. Due to the small volume of large claims, the long-tail nature of title insurance claims and the inherent uncertainty in loss emergence patterns, large claim activity can vary significantly between policy years. The estimated development of large claims by policy year is therefore subject to significant changes as experience develops.

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

	2009	Percentage	2008	Percentage
Known title claims	$ 6,398,623	16.2%	$ 6,447,345	16.4%
IBNR	33,091,377	83.8%	32,790,655	83.6%
Total loss reserves	$ 39,490,000	100.0%	$ 39,238,000	100.0%

In management's opinion, the reserves are adequate to cover claim losses which might result from pending and future claims.

7. Earnings (Loss) Per Share and Stock Options

Basic earnings per common share is computed by dividing net income (loss) 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 includes 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, the exercise price of a share-based award, the amount of compensation cost, if any, for future service that the Company has not yet recognized, and the amount of estimated tax benefits that would be recorded in additional paid-in capital, if any, when the share-based awards are exercised are assumed to be used to repurchase shares in the current period. The incremental dilutive potential common shares, calculated using the

treasury stock method was 7,613 for 2009. Due to a net loss in 2008, the treasury stock method for the calculation of diluted shares was antidilutive. The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31:

For the Years Ended December 31,	2009	2008
Net income (loss)	$ 4,828,779	$ (1,182,799)
Weighted average common shares outstanding - Basic	2,291,816	2,364,361
Incremental shares outstanding assuming		
the exercise of dilutive stock options and SARs (share settled)	7,613	-
Weighted average common shares outstanding - Diluted	2,299,429	2,364,361
Basic earnings per common share	$ 2.11	$ (0.50)
Diluted earnings per common share	$ 2.10	$ (0.50)

In 2009, 17,200 awards were excluded from the computation of diluted earnings per share because their exercise price was greater than the stock price and therefore considered anti-dilutive.

The Company has adopted Employee stock award plans (the “Plans”) under which restricted stock, and options or stock appreciation rights (“SARs”) to purchase shares (not to exceed 500,000 shares) of the Company’s stock may be granted to key employees or directors of the Company at a price not less than the market value on the date of grant. SARs and options (which have predominantly been incentive stock options) awarded under the Plans thus far are exercisable and vest immediately or within one year or at 10% to 20% per year beginning on the date of grant and generally expire in five to ten years. All SARs issued to date have been share settled only. No SARs were exercised in 2009 or 2008.

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

	Number of Shares	Weighted Average Exercise Price	Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2008	60,480	$ 22.77	4.11	$ 1,377,390
SARs granted	3,000	47.88		
Options exercised	(12,360)	18.67		
Options/SARs cancelled/forfeited/expired	(4,050)	29.96		
Outstanding as of December 31, 2008	47,070	$ 24.83	3.67	$ 666,079
SARs granted	78,000	28.13		
Options exercised	(5,775)	15.91		
Options/SARs cancelled/forfeited/expired	(2,050)	20.61		
Outstanding as of December 31, 2009	117,245	$ 27.54	5.10	$ 541,543
Unvested as of December 31, 2009	39,342	$ 27.35	5.76	$ 140,637

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company’s common stock at December 31, 2009. The intrinsic value of options exercised during 2009 was approximately $89,000.

The following tables summarize information about fixed stock options outstanding at December 31, 2009:

				Options Outstanding at Year-End			Options Exercisable at Year-End	
Range of Exercise Prices				Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$	10.00	-	$ 12.00	5,895	0.3	$ 11.21	5,895	$ 11.21
	13.06	-	15.58	5,000	1.2	14.93	4,300	14.91
	17.25	-	19.35	2,050	2.3	19.05	1,350	19.07
	20.00	-	22.75	9,100	2.9	21.28	6,600	21.20
	25.28	-	27.96	3,000	3.9	26.25	3,000	26.25
	27.97	-	31.99	3,700	4.4	31.08	2,340	31.08
	32.00	-	36.79	2,500	5.4	36.79	2,500	36.79
$	10.00	-	$ 36.79	31,245	2.6	$ 21.09	25,985	$ 20.75

				SARs Outstanding at Year-End			SARs Exercisable at Year-End	
Range of Exercise Prices				Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$	27.97	-	$ 27.97	75,000	6.17	$ 27.97	41,668	$ 27.97
	32.00	-	32.00	3,000	6.39	32.00	2,250	32.00
	43.78	-	49.04	8,000	4.44	46.96	8,000	46.96
$	27.97	-	$ 49.04	86,000	6.02	$ 29.88	51,918	$ 31.07

In 2009, 50,353 options and SARs vested with a fair value of approximately $399,419.

During the first and second quarter of 2009, the Company issued 78,000 share settled SARs to the select officers and directors of the Company. 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 such, these were valued using the Black-Scholes option valuation model. The fair value of each award is estimated on the date of grant using the Black-Scholes option valuation model with the weighted-average assumptions noted in the following table. Expected volatilities are based on both the implied and historical volatility of the Company's stock. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The expected term of awards represents the period of time that options granted are expected to be outstanding. The interest rate for periods during 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 value for the SARs issued was $8.50 and was estimated using the following weighted-average assumptions:

	2009
Expected Life in Years	5.0
Volatility	32.8-38.8
Interest Rate	1.87%
Yield Rate	0.92%

The fair value of each SAR granted is estimated on the date of grant using the Black-Scholes option pricing method with the following weighted-average assumptions:

	2009	2008
Expected Life in Years	5.0	5.0
Volatility	34%	24%
Interest Rate	1.9%	3.1%
Yield Rate	0.9%	0.6%

There was approximately $429,000 and $93,000 of compensation expense relating to shares vesting on or before December 31, 2009 and December 31, 2008, respectively, included in salaries, employee benefits and payroll taxes of the Consolidated Statements of Income (Loss). As of December 31, 2009, there was approximately $389,000 of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Company's stock awards plans. That cost is expected to be recognized over a weighted-average period of 1.1 years.

The estimated weighted-average grant-date fair value of SARs granted for the years ended December 31 was as follows:

For the Years Ended December 31,	2009	2008
Exercise price equal to market price on date of grant:		
Weighted-average market price	$ 28.13	$ 47.88
Weighted-average grant-date fair value	8.50	12.26

There are no stock options or SARs granted where the exercise price is less than the market price on the date of grant.

8. Income Taxes

The components of income tax expense (benefit) for the years ended December 31 are summarized as follows:

For the Years Ended December 31,	2009	2008
Current:		
Federal	$ 717,000	$ (1,857,000)
State	23,000	24,000
Total	740,000	(1,833,000)
Deferred:		
Federal	329,203	(147,097)
State	17,797	(53,903)
Total	347,000	(201,000)
Total	$ 1,087,000	$ (2,034,000)

For state income tax purposes, ITIC and N-ITIC generally pay only a gross premium tax found in premium and retaliatory taxes in the Consolidated Statements of Income (Loss).

At December 31, the approximate tax effect of each component of deferred income tax assets and liabilities is summarized as follows:

For the Years Ended December 31,	2009	2008
Deferred income tax assets:		
Recorded reserves for claims, net of statutory premium reserves	$ 612,740	$ 847,755
Accrued benefits and retirement services	2,122,144	2,568,958
Postretirement benefit obligation	56,605	59,022
Other-than-temporary impairment of assets	459,662	428,609
Reinsurance and commissions payable	2,610	18,263
Allowance for doubtful accounts	505,240	440,980
Net operating loss carryforward	55,000	83,000
AMT	35,000	-
Capital loss carryforward	166,763	-
Excess of book over tax depreciation	99,183	73,594
Other	378,560	260,205
Total	4,493,507	4,780,386
Deferred income tax liabilities:		
Net unrealized gain on investments	2,525,717	867,044
Discount accretion on tax-exempt obligations	20,204	18,984
Other	114,379	53,063
Total	2,660,300	939,091
Net deferred income tax assets	$ 1,833,207	$ 3,841,295

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At December 31, 2009 and 2008, no valuation allowance was recorded. Based upon the Company's historical results of operations, the existing financial condition of the Company and management's assessment of all other available information, management believes that it is more likely than not that the benefit of these net deferred income tax assets will be realized.

A reconciliation of income tax as computed for the years ended December 31 at the U.S. federal statutory income tax rate (34%) to income tax expense follows:

For the Years Ended December 31,	2009	2008
Anticipated income tax expense	$ 2,011,365	$ (1,093,712)
Increase (decrease) related to:		
State income taxes, net of federal income tax benefit	15,180	15,840
Tax-exempt interest income (net of amortization)	(822,274)	(970,303)
Other, net	(117,271)	14,175
Provision (benefit) for income taxes	$ 1,087,000	$ (2,034,000)

In accounting for uncertainty in income taxes, the Company is required to recognize in its financial statements the impact of a tax position if that position is more likely than not of being sustained on an audit, based on the technical merits of the position. As a result of the implementation, the Company made a comprehensive review of its uncertain tax positions in accordance with recognition standards. In this regard, an uncertain tax position represents the Company's expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes.

The amount of unrecognized tax benefit or liability may increase or decrease in the future for various reasons, including adding amounts for current tax year positions, expiration of open income tax returns due to the expiration of the applicable statute of limitations, changes in management's judgment about the level of uncertainty, status of examinations, litigation and legislative activity and the additions or eliminations of uncertain tax positions.

The Company's policy is to report interest and penalties related to unrecognized tax benefits or liabilities in the Consolidated Statements of Income (Loss).

The Company, or one of its subsidiaries, files income tax returns in the U.S. federal jurisdiction and various states. With few exceptions, the Company is no longer subject to U.S. federal or state and local examinations by taxing authorities for years before 2006.

The following table sets forth the total amounts of unrecognized tax benefits.

Balance January 1, 2008	$ 123,605
Additions related to prior years	10,437
Reductions related to prior years	(47,540)
Settlements	-
Balance December 31, 2008	$ 86,502
Additions related to prior years	52
Reductions related to prior years	(87,646)
Settlements	-
Balance at December 31, 2009	$ (1,092)

9. Leases

The Company leases certain office facilities and equipment under operating leases. Rental expense also includes occasional rental of automobiles. Rent expense totaled approximately $887,000 and $964,000 in 2009 and 2008, respectively. The future minimum lease payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2009, are summarized as follows:

Year Ended:	
2010	$ 495,814
2011	202,743
2012	56,238

2013		-
2014		-
Total	$	754,795

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10. Retirement Agreements and Other Postretirement Benefit Plan

In 2008, the Company adopted a 401(k) savings plan. To participate, individuals must be employed for one full year and work at least 1,000 hours annually. The Company makes a 3% Safe Harbor contribution and also has the option annually to make a discretionary profit share contribution. Individuals may elect to make contributions up to the maximum deductible amount as determined by the Internal Revenue Code. Expenses related to the 401(k) were $443,000 and $513,000 for 2009 and 2008, respectively.

In November 2003, ITIC, a wholly owned subsidiary of the Company, entered into employment agreements with the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer of ITIC. These individuals also serve as the Chief Executive Officer, President and Executive Vice President, respectively, of the Company. The agreements provide compensation and life, health, dental and vision benefits upon the occurrence of specific events, including death, disability, retirement, termination without cause or upon a change in control. The agreements provide for annual salaries to be fixed by the Compensation Committee and, among other benefits, required ITIC to make quarterly contributions pursuant to a supplemental executive retirement account on behalf of each executive equal to 22% of the base salary and bonus paid to each during each quarter through September 30, 2008. The obligation to make contributions to the supplemental executive retirement agreements has expired and has been removed from the amended employment agreement effective January 1, 2009. The employment agreements also prohibit each of these executives from competing with ITIC and its parent, subsidiaries and affiliates in the state of North Carolina while employed by ITIC and for a period of two years following termination of their employment.

In addition, during the second quarter of 2004, ITIC entered into nonqualified deferred compensation plan agreements with these executives. The amount accrued for these agreements at December 31, 2009 and 2008 was approximately $4,826,000 and $6,574,000, respectively, which includes postretirement compensation and health benefits, and was calculated based on the terms of the contract. These executive contracts are accounted for on an individual contract basis. On December 24, 2008, the executive contracts were amended effective January 1, 2009 to bring them into compliance with Section 409A of the Internal Revenue Code, and to permit a special 2008 distribution election as permitted under Section 409A. The special distribution election provided that each participant may elect, no later than December 31, 2008, to receive a one-time lump sum distribution on January 15, 2009 of all amounts in the participant’s account. Payouts in January 2009 associated with this distribution were approximately $2,456,000. In addition, the nonqualified deferred compensation agreement was amended and restated to terminate all Company contributions to this plan beginning January 1, 2009. In connection with such termination, the employment agreements were amended and restated to provide for an annual cash payment to the officers equal to the amounts the Company would have contributed to their accounts under its 401(k) Plan if such contributions were not limited by the federal tax laws, less the amount of any contributions that the Company actually makes to their accounts under the Company’s 401(k) Plan.

On November 17, 2003, ITIC entered into employment agreements with key executives that provide for the continuation of certain employee benefits upon retirement. The executive employee benefits include health insurance, dental insurance, vision insurance and life insurance. The benefits are unfunded. Estimated future benefit payouts expected to be paid for each of the next five years are $3,752 in 2010, $3,976 in 2011, $5,161 in 2012, $6,579 in 2013, $7,199 in 2014 and $71,847 in the next five years thereafter.

Cost of the Company’s postretirement benefits included the following components:

	2009	2008
Net periodic benefit cost		
Service cost – benefits earned during the year	$ 23,832	$ 17,335
Interest cost on projected benefit obligation	26,970	19,044
Amortization of unrecognized prior service cost	20,388	20,388
Amortization of unrecognized loss	2,014	-
Net periodic benefit cost at end of year	$ 73,204	$ 56,767

The Company is required to recognize the funded status (i.e., the difference between the fair value of the assets and the accumulated postretirement benefit obligations of its postretirement benefits) in its consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The net amount in accumulated other comprehensive income is $166,487 ($109,881 net of tax) and $173,594 ($114,573 net of tax) for December 31, 2009 and 2008, respectively, and represents the net unrecognized actuarial losses and unrecognized prior service costs. The effects of the funded status on the Company's consolidated balance sheets at December 31, 2009 and 2008 are presented in the following table:

	2009	2008
Funded status		
Actuarial present value of future benefits:		
Fully eligible active employee	$ (44,089)	$ (41,001)
Non-eligible active employees	(492,657)	(429,648)
Plan assets	-	-
Funded status of accumulated postretirement benefit obligation, recognized in other liabilities	$ (536,746)	$ (470,649)

Development of the accumulated postretirement benefit obligation for the years ended December 31, 2009 and 2008 includes the following:

	2009	2008
Accrued postretirement benefit obligation at beginning of year	$ (297,055)	$ (240,288)
Service cost – benefits earned during the year	(23,832)	(17,335)
Interest cost on projected benefit obligation	(26,970)	(19,044)
Amortization cost, net	(20,388)	(20,388)
Amortization of loss, net	(2,014)	-
Unrecognized prior service cost	(73,575)	(93,963)
Unrecognized loss	(92,912)	(79,631)
Funded status of accumulated postretirement benefit obligation at end of year	$ (536,746)	$ (470,649)

The changes in amounts related to accumulated other comprehensive income, pre-tax, are as follows:

	2009	2008
Balance at beginning of year	$ 173,594	$ 92,132
Components of Accumulated Other Comprehensive Income		
Unrecognized prior service cost	$ (20,388)	$ (20,388)
Unrecognized loss	(2,014)	-
Unrecognized gain	15,295	101,850
Balance at end of year	$ 166,487	$ 173,594

For 2010, the amounts in accumulated other comprehensive income, pre-tax, to be recognized as components of net periodic benefit costs are:

	Projected 2010
Amortization of unrecognized prior service cost	$ 20,388
Amortization of unrecognized loss	2,572
Net periodic benefit cost at end of year	$ 22,960

Assumed health care cost trend rates do have an effect on the amounts reported for the postretirement benefit obligations. The following illustrates the effects on the net periodic postretirement benefit cost (NPPBC) and the accumulated postretirement benefit obligation (APBO) of a one percentage point increase and one percentage point decrease in the assumed health care cost trend rate as of December 31, 2009:

	One-Percentage Point Increase	One-Percentage Point Decrease
1. Net periodic postretirement benefit cost		
Effect on the service cost component	$ 6,304	$ (4,792)
Effect on interest cost	6,873	(5,341)
Total effect on the net periodic postretirement benefit cost	$ 13,177	$ (10,133)
2. Accumulated postretirement benefit obligation (including active employees who are not fully eligible)		
Effect on those currently receiving benefits (retirees and spouses)	$ -	$ -
Effect on active fully eligible	2,929	(2,672)
Effect on actives not yet eligible	116,595	(90,209)
Total effect on the accumulated postretirement benefit obligation	$ 119,524	$ (92,881)

11. Commitments and Contingencies

The Company and its subsidiaries are involved in various routine 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, will not, in the aggregate, be material to the Company's consolidated financial condition or operations.

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 that these audits and inquiries will not have a material impact on the Company's consolidated financial condition or operations.

Escrows and Like-Kind Exchanges

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. Cash held by the Company for these purposes was approximately $19,947,000 and $14,492,000 as of December 31, 2009 and 2008, respectively. These amounts are not considered assets of the Company and are excluded from the accompanying consolidated balance sheets. However, the Company remains contingently liable for the disposition of these deposits.

In administering tax-deferred property exchanges, the Company's subsidiary, ITEC, serves as a qualified intermediary for exchanges, holding the net proceeds from sales transactions from relinquished property to be used for purchase of replacement property. Another Company subsidiary, ITAC, serves as exchange accommodation titleholder and, through limited liability companies ("LLCs") that are wholly owned subsidiaries of ITAC, holds property for exchangers in reverse exchange transactions. Like-kind exchange deposits and reverse exchange property totaled approximately $16,518,000 and $88,125,000 as of December 31, 2009 and 2008, respectively. These amounts are not considered assets of the Company and, therefore, are excluded from the accompanying 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 revenues include earnings on these deposits; therefore, investment income is shown as exchange services revenue, rather than investment income. These like-kind exchange funds are primarily invested in money market and other short-term investments, including approximately $1 million of auction rate securities, as of December 31, 2009. The Company does not believe the current illiquidity of the ARS will impact its operations, as it believes it has sufficient capital to provide continuous and immediate liquidity as necessary.

12. Statutory Accounting

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which differ in some respects from statutory accounting practices prescribed or permitted in the preparation of financial statements for submission to insurance regulatory authorities.

Consolidated capital and surplus on a statutory basis was $87,278,340 and $82,305,151 as of December 31, 2009 and 2008, respectively. Net income (loss) on a statutory basis was $5,180,443 and $(3,148,117) for the twelve months ended December 31, 2009 and 2008.

13. Segment Information

Consistent with the requirements of reporting segment information, the Company has one reportable segment, title insurance services. The remaining immaterial segments have been combined into a group called "All Other."

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 residential, institutional, commercial and industrial properties.

Provided below is selected financial information about the Company's operations by segment for the two years ended December 31, 2009 and 2008:

2009	Title Insurance	All Other	Intersegment Elimination	Total
Operating revenues	$ 64,303,556	$ 4,496,493	$ (776,916)	$ 68,023,133
Investment income	3,155,822	776,454	(149,160)	3,783,116
Net realized loss on investments	(214,627)	(283,462)	-	(498,089)
Total revenues	$ 67,244,751	$ 4,989,485	$ (926,076)	$ 71,308,160
Operating expenses	61,843,530	4,393,258	(844,407)	65,392,381
Income before taxes	$ 5,401,221	$ 596,227	$ (81,669)	$ 5,915,779
Assets	$ 109,380,484	$ 37,047,220	$ -	$ 146,427,704

2008	Title Insurance	All Other	Intersegment Elimination	Total
Operating revenues	$ 65,507,644	$ 4,758,263	$ (779,005)	$ 69,486,902
Investment income	3,576,758	1,063,646	(81,669)	4,558,735
Net realized loss on investments	(2,661,018)	(261,358)	-	(2,922,376)
Total revenues	$ 66,423,384	$ 5,560,551	$ (860,674)	$ 71,123,261
Operating expenses	69,901,591	5,217,474	(779,005)	74,340,060
(Loss) Income before taxes	$ (3,478,207)	$ 343,077	$ (81,669)	$ (3,216,799)
Assets	$ 102,408,285	$ 37,449,903	$ -	$ 139,858,188

14. Stockholders' Equity

On November 12, 2002, the Company's Board of Directors amended the Company's Articles of Incorporation, creating a series of Class A Junior Participating Preferred Stock (the "Class A Preferred Stock"). There are 1,000,000 shares of Preferred Stock authorized and 100,000 of these shares have been designated Class A Junior Participating Preferred Stock. The Class A Preferred Stock is senior to common stock in dividends or distributions of assets upon liquidations, dissolutions or winding up of the Company. Dividends on the Class A Preferred Stock are cumulative and accrue from the quarterly dividend payment date. Each share of Class A Preferred Stock entitles the holder thereof to 100 votes on all matters submitted to a vote of shareholders of the Company. These shares were reserved for issuance under the Shareholder Rights Plan (the "Plan"), which was adopted on November 21, 2002, by the Company's Board of Directors. Under the terms of the Plan, the Company's common stock acquired by a person or a group buying 15% or more of the Company's common stock would be diluted, except in transactions approved by the Board of Directors.

In connection with the Plan, the Company's Board of Directors declared a dividend distribution of one right (a "Right") for each outstanding share of the Company's common stock paid on December 16, 2002, to shareholders of record at the close of business on December 2, 2002. Each Right entitles the registered holder to purchase from the Company a unit (a "Unit") consisting of one one-hundredth of a share of Class A Preferred Stock at a purchase price of $80 per Unit. Under the Plan, the Rights detach and become exercisable upon the earlier of (a) ten (10) days following public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of the Company's common stock, or (b) ten (10) business days following the commencement of, or first public announcement of the intent of a person or group to commence, a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of such outstanding shares of the Company's common stock. The exercise price, the kind and the number of shares covered by each right are subject to adjustment upon the occurrence of certain events described in the Plan.

If the Company is acquired in a merger or consolidation in which the Company is not the surviving corporation, or the Company engages in a merger or consolidation in which the Company is the surviving corporation and the Company's common stock is changed or exchanged, or more than 50% of the Company's assets or earning power is sold or transferred, the Rights entitle a holder (other than the acquiring person or group) to buy, at the exercise price, stock of the acquiring company having a market value equal to twice the exercise price. Following an acquisition by such person or group of 50% or more of the outstanding common stock, the Company's Board of Directors may exchange the Rights (other than the Rights owned by such person or group), in whole or in part, at an exchange ratio of one share of the Company's common stock, or one one-hundredth of a share of Preferred Stock, per Right.

The Rights expire on November 11, 2012, and are redeemable upon action by the Board of Directors at a price of $0.01 per right at any time before they become exercisable. Until the Rights become exercisable, they are evidenced only by the common stock certificates and are transferred with and only with such certificates.

15. Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company invests its cash and cash equivalents into high credit quality security instruments. Deposits which exceed $250,000 at each institution are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Of the $8.7 million in cash and cash equivalents on the Consolidated Balance Sheets at December 31, 2009, $4.7 million was not insured by the FDIC. Of the $5.2 million in cash and cash equivalents at December 31, 2008, $5.4 million was not insured by FDIC. The total amount not insured in 2008 is higher than cash and cash equivalents due to larger bank than book balances.

The Company generates a significant amount of title insurance premiums in North Carolina. In 2009 and 2008, North Carolina accounted for 43.6% and 47.9% of total direct title premiums, respectively.

16. Related Party Transactions

During 2008, the Company repurchased 106,000 shares of common stock at a value of approximately $4,922,000 from a non-employee director and family member of that director. The shares were repurchased in three separate transactions pursuant to the purchase plan that was publicly announced on June 5, 2000. The shares were purchased at the current bid price on the day of each transaction.

The Company does business with unconsolidated LLCs that it has investments in that are accounted for under the equity method of accounting. These unconsolidated companies are primarily title insurance agencies. The following table sets forth the approximate values by year found within each financial statement classification:

Financial Statement Classification, Consolidated Balance Sheets	2009	2008
Other investments	$ 1,305,000	$ 1,146,000
Premium and fees receivable	545,000	432,000

Financial Statement Classification, Consolidated Statements of Income (Loss)	2009	2008
Other income	$ 1,708,000	$ 1,175,000

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was performed by 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 December 31, 2009 for the purpose of providing reasonable assurance that the information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 (the "Act") (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2009, 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.

Reports of Management and Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Management has assessed, and the Company's independent registered public accounting firm, Dixon Hughes PLLC, has audited, the Company's internal control over financial reporting as of December 31, 2009. The unqualified reports of management and Dixon Hughes PLLC thereon are included in Item 8 of this Annual Report on Form 10-K and are incorporated by reference herein.

ITEM 9B. OTHER INFORMATION

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of the year that has not been reported.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information called for by this item is incorporated by reference to the material under the captions “Proposals Requiring Your Vote,” “General Information - Section 16(a) Beneficial Ownership Reporting Compliance,” “Corporate Governance – Board of Directors and Committees – The Audit Committee” and “Corporate Governance – Code of Business Conduct and Ethics” in the Company’s definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 19, 2010. Other information with respect to the executive officers of the Company is included at the end of Part I of this Form 10-K Annual Report under the separate caption “Executive Officers of the Company.”

ITEM 11. EXECUTIVE COMPENSATION

The information called for by this item is set forth under the captions “Executive Compensation” and “Compensation of Directors” in the Company’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on May 19, 2010 and is incorporated by reference in this Form 10-K Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information pertaining to securities ownership of certain beneficial owners and management is set forth under the caption “Stock Ownership of Certain Beneficial Owners and Management” in the Company’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on May 19, 2010 and is incorporated by reference in this Form 10-K Annual Report.

The following table provides information about the Company’s compensation plans under which equity securities are authorized for issuance as of December 31, 2009. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders	117,245	$27.54	382,300
Equity compensation plans not approved by shareholders	-	-	-
Total	117,245	$27.54	382,300

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by this item is set forth under the captions “Certain Relationships and Related Transactions” and “Corporate Governance – Independent Directors” set forth in the Company’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on May 19, 2010 and is incorporated by reference in this Form 10-K Annual Report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information pertaining to principal accountant fees and services is set forth under the caption “Independent Registered Public Accounting Firm” in the Company’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on May 19, 2010 is incorporated by reference in this Form 10-K Annual Report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements.

The following financial statements are filed under Item 8 of this Form 10-K Annual Report:
Report of Independent Registered Public Accounting Firm
Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2009 and 2008
Consolidated Statements of Income (Loss) for the Years Ended December 31, 2009 and 2008
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2009 and 2008
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2009 and 2008
Consolidated Statements of Cash Flows for the Years Ended December 31, 2009 and 2008
Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules.

The following is a list of financial statement schedules filed as part of this Form 10-K Annual Report:

Schedule Number	Description
I	Summary of Investments - Other Than Investments in Related Parties
II	Condensed Financial Information of Registrant
III	Supplementary Insurance Information
IV	Reinsurance
V	Valuation and Qualifying Accounts

All other schedules are omitted, as the required information either is not applicable, is not required, or is presented in the consolidated financial statements or the notes thereto.

(a)(3) Exhibits.

The exhibits filed as a part of this report and incorporated herein by reference to other documents are listed in the Index to Exhibits to this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities 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
(Registrant)

By: /s/ J. Allen Fine
J. Allen Fine, Chairman and Chief Executive Officer
(Principal Executive Officer)

March 5, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 5th day of March, 2010.

/s/ J. Allen Fine
J. Allen Fine, Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

/s/ R. Horace Johnson
R. Horace Johnson, Director

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

/s/ H. Joe King, Jr.
H. Joe King, Jr., Director

/s/ W. Morris Fine
W. Morris Fine, Executive Vice President, Secretary and Director

/s/ James R. Morton
James R. Morton, Director

/s/ David L. Francis
David L. Francis, Director

/s/ A. Scott Parker III
A. Scott Parker III, Director

/s/ Richard M. Hutson, II
Richard M. Hutson, II, Director

SCHEDULE I

INVESTORS TITLE COMPANY AND SUBSIDIARIES
SUMMARY OF INVESTMENTS – OTHER THAN INVESTMENTS IN RELATED PARTIES
As of December 31, 2009

Type of Investment	Cost (1)	Market Value	Amount at which shown in the Balance Sheet (2)
Fixed Maturities:			
Bonds:			
States, municipalities & political subs	$ 70,313,741	$ 73,011,042	$ 73,011,042
All other corporate bonds	14,735,742	15,792,144	15,792,144
Short-term investments	20,717,434	20,717,434	20,717,434
Total fixed maturities	105,766,917	109,520,620	109,520,620
Equity Securities:			
Common Stocks:			
Public Utilities	533,369	736,925	736,925
Banks, trust and insurance companies	137,580	158,274	158,274
Industrial, miscellaneous and all other	7,152,793	10,426,912	10,426,912
Nonredeemable preferred stocks	418,025	532,190	532,190
Total equity securities	8,241,767	11,854,301	11,854,301
Other Investments	1,002,220	1,002,220	1,002,220
Total investments per the consolidated balance sheet	$ 115,010,904	$ 122,377,141	$ 122,377,141

(1) Fixed maturities are shown at amortized cost and equity securities are shown at original cost
(2) Bonds of states, municipalities and political subdivisions are shown at amortized cost for held-to-maturity bonds and fair value for available-for-sale bonds. Equity securities are shown at fair value.

SCHEDULE II

INVESTORS TITLE COMPANY (PARENT COMPANY)
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
BALANCE SHEETS
AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
Assets		
Cash and cash equivalents	$ 1,017,465	$ 1,476,574
Investments in fixed maturities, available-for-sale	18,350,376	13,975,353
Investments in equity securities, available-for-sale	98,640	89,100
Short-term investments	11,396,807	14,391,860
Investments in affiliated companies	63,075,321	55,363,938
Other investments	327,100	470,481
Other receivables	189,070	710,860
Income taxes receivable	437,100	1,054,569
Accrued interest and dividends	172,529	218,070
Property, net	2,805,308	2,914,630
Deferred income taxes, net	98,873	243,298
Total Assets	$ 97,968,589	$ 90,908,733
Liabilities and Stockholders' Equity Liabilities:		
Accounts payable and accrued liabilities	$ 709,512	$ 1,050,845
Total liabilities	709,512	1,050,845
Stockholders' Equity:		
Class A Junior Participating preferred stock - no par value (shares authorized 100,000; no shares issued)	-	-
Common stock-no par (shares authorized 10,000,000; 2,285,289 and 2,293,268 shares issued and outstanding 2009 and 2008, respectively, excluding 291,676 shares for 2009 and 2008 of common stock held by the Company's subsidiary)	1	1
Retained earnings	92,528,818	88,248,452
Accumulated other comprehensive income	4,730,258	1,609,435
Total stockholders' equity	97,259,077	89,857,888
Total Liabilities and Stockholders' Equity	$ 97,968,589	$ 90,908,733

See notes to condensed financial statements.

SCHEDULE II

INVESTORS TITLE COMPANY (PARENT COMPANY)
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenues:		
Investment income-interest and dividends	$ 740,345	$ 985,277
Net realized loss on investments	(273,987)	(120,093)
Rental income	735,548	717,044
Miscellaneous income	45,334	37,139
Total	1,247,240	1,619,367
Operating Expenses:		
Salaries, employee benefits, and payroll taxes	382,383	320,258
Office occupancy and operations	341,926	356,072
Business development	37,010	46,130
Taxes-other than payroll and income	203,300	155,510
Professional fees	220,066	243,394
Other expenses	87,113	98,236
Total	1,271,798	1,219,600
Equity in Net Income (Loss) of Affiliated Cos.	4,677,337	(1,634,566)
Income (Loss) Before Income Taxes	4,652,779	(1,234,799)
Benefit for Income Taxes	(176,000)	(52,000)
Net Income (Loss)	$ 4,828,779	$ (1,182,799)
Basic Earnings (Loss) per Common Share	$ 2.11	$ (0.50)
Weighted Average Shares Outstanding-Basic	2,291,816	2,364,361
Diluted Earnings (Loss) Per Common Share	$ 2.10	$ (0.50)
Weighted Average Shares Outstanding-Diluted	2,299,429	2,364,361

See notes to condensed financial statements.

SCHEDULE II

INVESTORS TITLE COMPANY (PARENT COMPANY)
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Operating Activities:		
Net income (loss)	$ 4,828,779	$ (1,182,799)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Equity in net (earnings) loss of affiliated companies	(4,677,337)	1,634,566
Depreciation	124,681	124,334
Premium (accretion) amortization, net	(13,801)	12,582
Issuance of common stock in payment of bonuses and fees	-	1,946
Share-based compensation expense related to stock options	33,530	-
Net loss on disposals of property	1,525	-
Net realized loss on investments	273,987	120,093
Benefit for deferred income taxes	(73,000)	(119,000)
Decrease (increase) in receivables	521,790	(419,469)
Decrease in income taxes receivable-current	617,469	200,588
Decrease (increase) in other assets	45,541	(4,002)
(Decrease) increase in accounts payable and accrued liabilities	(341,333)	126,398
Net cash provided by operating activities	1,341,831	495,237
Investing Activities:		
Capital contribution to affiliated companies	-	(125,000)
Dividends received from affiliated companies	135,831	5,083,607
Purchases of available-for-sale securities	(1,003,476)	(7,437,280)
Purchases of short-term securities	(19,062)	(2,006,477)
Purchases of and net earnings from other investments	(133,192)	(15,789)
Proceeds from sales and maturities of available-for-sale securities	905,000	10,900,000
Proceeds from sales of short-term securities	3,014,115	736,694
Proceeds from sales and distributions from other investments	2,587	41,250
Purchases of property	(16,884)	-
Transfer of auction rate securities from affiliated companies	(3,708,280)	-
Net cash (used in) provided by investing activities	(823,361)	7,177,005
Financing Activities:		
Retirement of common stock	(427,875)	(5,972,043)
Exercise of options	91,873	230,801
Dividends paid (net dividends paid to affiliated company of $81,669 in 2009 and 2008)	(641,577)	(661,862)
Net cash used in financing activities	(977,579)	(6,403,104)
Net (Decrease) Increase in Cash and Cash Equivalents	(459,109)	1,269,138
Cash and Cash Equivalents, Beginning of Year	1,476,574	207,436
Cash and Cash Equivalents, End of Year	$ 1,017,465	$ 1,476,574
Supplemental Disclosures:		
Cash Paid (Refunded) During the Year For		
Income Taxes (net of refunds)	$ (1,045,000)	$ (473,000)
Non cash net unrealized (gain) loss on investments, net of deferred tax (provision) benefit of ($1,658,674) and $987,103 for 2009 and 2008, respectively	$ (3,116,134)	$ 1,872,812

See notes to condensed financial statements.

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SCHEDULE II

INVESTORS TITLE COMPANY AND SUBSIDIARIES
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. The accompanying condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Investors Title Company and Subsidiaries.

2. Cash dividends paid to Investors Title Company by its wholly owned subsidiaries were as follows:

Subsidiaries	2009	2008
Investors Title Insurance Company, net*	$ -	$ 4,928,607
Investors Title Accommodation Corporation	-	5,000
Investors Title Management Services, Inc.	110,000	-
Investors Title Capital Management Corporation	37,500	35,000
Investors Title Commercial Agency	70,000	115,000
	$ 217,500	$ 5,083,607

* Total dividends of $0 and $5,010,276 paid to the Parent Company in 2009 and 2008, netted with dividends of $81,669 received from the Parent in 2009 and 2008.

SCHEDULE III

INVESTORS TITLE COMPANY AND SUBSIDIARIES
SUPPLEMENTARY INSURANCE INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Segment	Deferred Policy Acquisition Cost	Future Policy Benefits Losses, Claims and Loss Expenses	Unearned Premiums	Other Policy Claims and Benefits Payable	Premium Revenue	Net Investment Income	Benefit Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Premiums Written
Year Ended December 31, 2009										
Title Insurance	-	$39,490,000	-	$319,625	$62,155,251	$3,074,153	$ 8,465,123	-	$52,687,501	N/A
All Other	-	-	-	-	-	708,963	-	-	4,239,757	N/A
	-	$39,490,000	-	$319,625	$62,155,251	$3,783,116	$ 8,465,123	-	$56,927,258	
Year Ended December 31, 2008										
Title Insurance	-	$39,238,000	-	$467,388	$63,662,187	$3,495,088	$15,206,637	-	$54,019,867	N/A
All Other	-	-	-	-	-	1,063,647	-	-	5,113,556	N/A
	-	$39,238,000	-	$467,388	$63,662,187	$4,558,735	$15,206,637	-	$59,133,423	

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SCHEDULE IV

INVESTORS TITLE COMPANY AND SUBSIDIARIES
REINSURANCE
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Gross Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Year Ended December 31, 2009					
Title Insurance	$ 62,239,124	$ 95,523	$ 11,650	$ 62,155,251	0.02%
Year Ended December 31, 2008					
Title Insurance	$ 63,770,383	$ 275,089	$ 166,893	$ 63,662,187	0.26%

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SCHEDULE V

INVESTORS TITLE COMPANY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Additions Charged to Other Accounts – Describe	Deductions – Describe*	Balance at End of Period
2009					
Premium Receivable Valuation Provision	$ 1,297,000	$ 7,981,290	$ -	$ (7,792,290) (a)	$ 1,486,000
Reserves for Claims	$ 39,238,000	$ 8,465,123	$ -	$ (8,213,123) (b)	$ 39,490,000
2008					
Premium Receivable Valuation Provision	$ 2,170,000	$ 7,397,511	$ -	$ (8,270,511) (a)	$ 1,297,000
Reserves for Claims	$ 36,975,000	$ 15,206,637	$ -	$ (12,943,637) (b)	$ 39,238,000

(a) Cancelled premiums

(b) Payments of claims, net of recoveries

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INDEX TO EXHIBITS

Exhibit Number	Description
3(i)	Articles of Incorporation dated January 22, 1973, incorporated by reference to Exhibit 4.1 to Form S-8 filed August 10, 2009, File No. 333-161209
3(ii)	Articles of Amendment to the Articles of Incorporation, dated February 8, 1973, incorporated by reference to Exhibit 4.2 to Form S-8 filed August 10, 2009, File No. 333-161209
3(iii)	Articles of Amendment to Articles of Incorporation, dated May 14, 1987, incorporated by reference to Exhibit 4.3 to Form S-8 filed August 10, 2009, File No. 333-161209
3(iv)	Articles of Amendment to Articles of Incorporation, incorporated by reference to Exhibit 3(iii) to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2002
3(v)	Articles of Amendment to Articles of Incorporation, incorporated by reference to Exhibit 3(iv) to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003
3(vi)	Amended and Restated Bylaws, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated November 12, 2007
4	Rights Agreement, dated as of November 12, 2002, between Investors Title Company and Central Carolina Bank, a division of National Bank of Commerce, incorporated by reference to Exhibit 1 to Form 8-A filed November 15, 2002
10(i)*	1997 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(viii) to Form 10-K for the year ended December 31, 1996
10(ii)*	Form of Nonqualified Stock Option Agreement to Non-employee Directors dated May 13, 1997 under the 1997 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(ix) to Form 10-Q for the quarter ended June 30, 1997
10(iii)*	Form of Nonqualified Stock Option Agreement under 1997 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(x) to Form 10-K for the year ended December 31, 1997
10(iv)*	Form of Incentive Stock Option Agreement under 1997 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(xi) to Form 10-K for the year ended December 31, 1997
10(v)*	Form of Amendment to Incentive Stock Option Agreement between Investors Title Company and George Abbitt Snead incorporated by reference to Exhibit 10(xii) to Form 10-Q for the quarter ended June 30, 2000
10(vi)*	2001 Stock Option and Restricted Stock Plan, as amended and restated effective May 17, 2006, incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 23, 2006
10(vii)*	Form of Nonqualified Stock Option Agreement under the 2001 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(i) to Form 10-Q for the quarter ended March 31, 2006
10(viii)*	Form of Nonqualified Stock Option Agreement to Non-employee Directors under the 2001 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(ii) to Form 10-Q for the quarter ended March 31, 2006
10(ix)*	Form of Incentive Stock Option Agreement under the 2001 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(iii) to Form 10-Q for the quarter ended March 31, 2006

10(x)*	Form of Stock Appreciation Right Award Agreement under 2001 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 23, 2006
10(xi)*	Form of Investors Title Company Stock Appreciation Rights Agreement under 2001 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 6, 2009
10(xii)*	Amended and Restated Employment Agreement effective January 1, 2009 for J. Allen Fine, incorporated by reference to Exhibit 10(vii) to Form 10-K for the year ended December 31, 2008
10(xiii)*	Amended and Restated Employment Agreement effective January 1, 2009 for James A. Fine, Jr., incorporated by reference to Exhibit 10(viii) to Form 10-K for the year ended December 31, 2008
10(xiv)*	Amended and Restated Employment Agreement effective January 1, 2009 for W. Morris Fine, incorporated by reference to Exhibit 10(ix) to Form 10-K for the year ended December 31, 2008
10(xv)*	Amended and Restated Death Benefit Plan Agreement effective January 1, 2009 for J. Allen Fine, incorporated by reference to Exhibit 10(x) to Form 10-K for the year ended December 31, 2008
10(xvi)*	Amended and Restated Death Benefit Plan Agreement effective January 1, 2009 for James A. Fine, Jr., incorporated by reference to Exhibit 10(xi) to Form 10-K for the year ended December 31, 2008
10(xvii)*	Death Benefit Plan Agreement effective January 1, 2009 for W. Morris Fine, incorporated by reference to Exhibit 10(xii) to Form 10-K for the year ended December 31, 2008
10(xviii)*	Amended and Restated Nonqualified Deferred Compensation Plan effective January 1, 2009, incorporated by reference to Exhibit 10(xiii) to Form 10-K for the year ended December 31, 2008
10(xix)*	Amended and Restated Nonqualified Supplemental Retirement Benefit Plan effective January 1, 2009, incorporated by reference to Exhibit 10(xiv) to Form 10-K for the year ended December 31, 2008
10(xx)*	2009 Stock Appreciation Right Plan, incorporated by reference to Appendix A to the Company's Proxy Statement dated May 26, 2009
21	Subsidiaries of Registrant, filed herewith
23	Consent of Independent Registered Public Accounting Firm, filed herewith
31(i)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
31(ii)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith

* - Management contract or compensatory plan or arrangement.