Investors Title

INNOVATIVE BY INSTINCT

50 YEARS

April 11, 2023

To Our Fellow Shareholders:

In 2022, as we celebrated 50 years of operation, Investors Title Company delivered another year of solid financial performance. After a period of strong growth in the real estate market during the COVID-19 era, market conditions began slowing at the end of the year. Despite the decline in mortgage lending and real estate activity during the year, our revenues and operating results fared well.

The COVID-19 pandemic has exerted ever-evolving impacts on the housing market. Early on, a great deal of uncertainty temporarily stalled home sales and residential construction. Once the Federal Reserve began lowering interest rates to support economic activity, the seeds were sown for both a surge in mortgage refinancing and a housing boom. Improved affordability, along with pandemic influences such as a shift to remote work, accelerated demand for housing.

This demand surge occurred, however, at a time when the inventory of homes for sale was at a two-decade low, resulting in a rapid increase in home values. Climbing home prices, in conjunction with a simultaneous increase in the prices of other goods and services, led to the highest rate of overall inflation in four decades.

In response, the Fed began increasing interest rates in March 2022 and followed with an additional eight rate hikes over the course of the year. Higher mortgage interest rates did not immediately impact the real estate market, but activity began slowing significantly in the latter months of the year.

These factors led to a challenging environment for the title industry in 2022, with overall premium declines of 16%. The Company's title insurance revenues declined 9.2%, which compares favorably to the overall industry declines. Total revenues, after adjusting for the impact of changes in the estimated fair value of equity security investments, were down only 3.2% versus the prior year.

Several factors helped us offset the market decline, including the relative health of our core markets, the recent expansion into new geographic markets, and the acquisition of agents. One area that stood out in particular was commercial business, with our growing commercial services team achieving a new record for premiums written.

Another offset to slower real estate activity was an increase in our investment income, which resulted from the availability of higher interest rates on fixed-income securities. For the first time in many years, we were able to invest funds in our investment portfolio at market rates more in line with historical averages.

Our claims experience also contributed favorably to our financial performance. The number of new claims rose slightly for the year but overall remains in line with trends in recent years. Risk management remains a priority with ongoing efforts that include a large push to combat fraud through various educational programs and promotion of new technology.

Over the past five years, the Company has returned a significant amount of operating cash flow to shareholders. For the sixth consecutive year, the board of directors declared a special dividend. We strive to achieve a balance between attractive shareholder return, financial flexibility appropriate to the various stages of the business cycle, ongoing investments in our business, and superior financial protection for policyholders.

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The Company's financial strength, characterized by a strong balance sheet, no debt, and highly tangible assets, is consistently recognized by rating agencies such as A.M. Best as being among the highest rated in the industry. This distinction affords business partners and policyholders a high level of confidence in the soundness of our insurance products, allows us to better compete for commercial business, provides resilience to safely weather economic downturns, and enables ongoing investment in future growth.

In the near term, it may take some time for the market to absorb higher mortgage rates, and those rates will have a dampening effect on real estate activity. As of the date of this letter, however, the pace of Fed tightening has slowed, and recent events suggest increasing justification for the Fed to cease rate hikes.

Over the long term, we are well positioned to capitalize on market activity regardless of the stage of the business cycle. We have a strong, experienced, and growing team capable of providing first-class client service and support and whose strength helps in recruiting additional talent. We have also established an operating presence in many of the largest and most dynamic real estate markets in the country, and within those markets, we have multiple strategies to pursue growth opportunities. Additionally, we continue to make investments in systems and technology that support our growth as a competitive and efficient company.

To conclude, our basic approach has not changed. Our focus remains on delivering unparalleled support to our clients and on seeking opportunities to build and foster long-term, mutually successful business relationships. As always, we thank our partners for the confidence they place in us, our employees for their commitment and passion, and you, our fellow shareholders, for your continued support.

J. Allen Fine	**James A. Fine, Jr.**	**W. Morris Fine**
Chairman, Chief Executive Officer	President, Chief Financial Officer, Treasurer	Executive Vice President, Secretary

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Cautionary Information about Forward-Looking Statements

Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, among others, statements about new software making our agents more efficient; management's intent to continue its disciplined approach toward maintaining our competitive advantages while using our superior capital position to prudently grow the business and its returns; and our strategy for capital allocation. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from anticipated and historical results. Such risks and uncertainties include, without limitation: the cyclical demand for title insurance due to changes in the residential and commercial real estate markets; the occurrence of fraud, defalcation or misconduct; variances between actual claims experience and underwriting and reserving assumptions, including the limited predictive power of historical claims experience; declines in the performance of the Company's investments; government regulation; changes in the economy; the possible loss of agency relationships or significant reductions in agent-originated business; and other considerations set forth under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission, and in subsequent filings.