

INVESTORS TITLE CO
Form DEF 14A
April 17, 2007

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

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to Rule 14a-12

Investors Title Company

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: N/A

(2) Aggregate number of securities to which transaction applies: N/A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): N/A

(4) Proposed maximum aggregate value of transaction: N/A

(5) Total fee paid: N/A

o Fee paid previously with preliminary materials: N/A

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid: N/A

(2) Form, Schedule or Registration Statement No.: N/A

(3) Filing Party: N/A

(4) Date Filed: N/A

121 North Columbia Street, Chapel Hill, North Carolina 27514
(919) 968-2200

April 16, 2007

Dear Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Investors Title Company to be held at The Siena Hotel, 1505 East Franklin Street, Chapel Hill, North Carolina on Wednesday, May 16, 2007 at 11:00 a.m. EDT.

The Annual Meeting will begin with a review of the activities of the Company for the past year and a report on current operations during the first quarter of 2007, followed by discussion and voting on the matters set forth in the accompanying Notice of Annual Meeting and Proxy Statement.

The Board of Directors of the Company unanimously recommends that you vote FOR the election of the directors nominated to serve until the Annual Meeting of Shareholders in 2010.

I urge you to review the Proxy Statement, sign and date the enclosed proxy card, and return it promptly in the enclosed postage-paid envelope.

Cordially,

J. Allen Fine
Chief Executive Officer

121 North Columbia Street, Chapel Hill, North Carolina 27514
(919) 968-2200

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 16, 2007**

The Annual Meeting of the Shareholders of Investors Title Company will be held at The Siena Hotel, 1505 East Franklin Street, Chapel Hill, North Carolina, on Wednesday, May 16, 2007 at 11:00 a.m. EDT, for the following purposes:

- (1) To elect three directors for three-year terms or until their successors are elected and qualified; and
- (2) To consider any other business that may properly come before the meeting.

Shareholders of record of Common Stock of the Company at the close of business on April 3, 2007 are entitled to notice of and to vote at the meeting and any adjournments thereof.

By Order of the Board of Directors:

W. Morris Fine
Secretary

IMPORTANT - Your proxy card is enclosed. You can vote your shares by completing and returning your proxy card in the enclosed postage-paid envelope. Whether or not you expect to be present at the meeting, please review the Proxy Statement and promptly vote in order to assist the Company in keeping down the expenses of the meeting. You can revoke your proxy at any time prior to its exercise at the meeting by following the instructions in the accompanying Proxy Statement.

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PROXY STATEMENT

**ANNUAL MEETING OF SHAREHOLDERS OF
INVESTORS TITLE COMPANY
To Be Held on May 16, 2007**

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Investors Title Company of proxies to be voted at the Annual Shareholders' Meeting to be held at The Siena Hotel, 1505 East Franklin Street, Chapel Hill, North Carolina, on May 16, 2007 at 11:00 a.m. EDT, and at all adjournments thereof. Shareholders of record at the close of business on April 3, 2007 are entitled to notice of and to vote at the meeting and any adjournments thereof.

GENERAL INFORMATION

Proxy Solicitation by the Board of Directors. The solicitation of proxies is made on behalf of the Company's Board of Directors and will be made either by mail or, as described below, by electronic delivery. The cost of solicitation of proxies will be borne by the Company. Copies of proxy materials and the Annual Report for 2006 will be provided to brokers, dealers, banks and voting trustees or their nominees for the purpose of soliciting proxies from the beneficial owners, and the Company will reimburse these record holders for their out-of-pocket expenses.

Submitting and Revoking a Proxy. If you complete and submit your proxy, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy card but do not fill out the voting instructions on the proxy card, the persons named as proxies will vote the shares represented by your proxy **FOR** the election of the director nominees set forth herein. In addition, if other matters are properly presented for voting at the meeting, the persons named as proxies will vote on such matters in accordance with their best judgment. The Company has not received notice of other matters that may be properly presented for voting at the meeting.

To ensure that your vote is recorded properly, please vote your shares as soon as possible, even if you plan to attend the meeting in person. Each proxy executed and returned by a shareholder may be revoked at any time thereafter except as to any matter or matters upon which, prior to such revocation, a vote shall have been cast pursuant to the authority conferred by such proxy. Shareholders with shares registered directly in their names may revoke their proxy by (1) sending written notice of revocation to the Corporate Secretary, P.O. Box 2687, Chapel Hill, North Carolina 27515-2687, (2) submitting a subsequent proxy or (3) voting in person at the meeting. Attendance at the meeting will not by itself revoke a proxy. A shareholder wishing to change his or her vote who holds shares through a bank, brokerage firm or other nominee must contact the record holder.

Voting Securities. On April 3, 2007, the Company had a total of 2,778,028 shares of Common Stock outstanding, its only class of issued and outstanding capital stock. Of these shares, 2,486,352 shares are entitled to one vote per share and 291,676 shares are held by a subsidiary of the Company and, pursuant to North Carolina law, are not entitled to vote. A majority of the shares entitled to vote at the meeting, represented at the meeting in person or by proxy, will constitute a quorum.

Annual Report to Shareholders. An Annual Report of the Company for the calendar year 2006 including financial statements and the independent registered public accounting firms' opinions, along with the Notice of Annual Meeting,

Proxy Statement and proxy card, are being first mailed to the Company's shareholders on or about April 16, 2007.

Electronic Delivery of Proxy Materials. The Notice of Annual Meeting and Proxy Statement and the Company's 2006 Annual Report (the "Proxy Materials") are available online to certain shareholders that have arranged through their broker to receive the Proxy Materials electronically. Shareholders that hold their shares in a brokerage account may have the opportunity to receive future Proxy Materials electronically. Please contact your broker for information regarding the availability of this service.

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 requires directors, executive officers and all persons who beneficially own more than 10% of the Company's securities to file reports with the Securities and Exchange Commission with respect to beneficial ownership of Company securities. Based solely upon a review of copies of the filings that the Company received with respect to the fiscal year ended December 31, 2006, or written representations from certain reporting persons, the Company believes that all reporting persons filed all reports required by Section 16(a) in a timely manner.

General Information. A copy of the Company's 2006 Annual Report and Form 10-K filed with the Securities and Exchange Commission, excluding exhibits, can be obtained without charge by contacting Investor Relations at investorrelations@invtitle.com or P.O. Box 2687, Chapel Hill, North Carolina 27515-2687.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

The Company has a Code of Business Conduct and Ethics that is applicable to all of the Company's employees, officers and directors, including its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. This Code addresses a variety of issues, including conflicts of interest, the protection of confidential information, insider trading, and employment practices. It also requires strict compliance with all laws, rules and regulations governing the conduct of the Company's business.

The Code of Business Conduct and Ethics is posted in the Corporate Governance area of the Investor Relations section of the Company's website at www.invtitle.com. The Company intends to disclose future amendments to or waivers from the Code of Business Conduct and Ethics on its website within two business days after such amendment or waiver.

Shareholder Communications with Directors

Shareholders can communicate with members of the Company's Board of Directors in one of two ways. Shareholders may mail correspondence to the attention of the Corporate Secretary, P.O. Box 2687, Chapel Hill, North Carolina 27515-2687. Any correspondence sent via mail should clearly indicate that it is a communication intended for the Board of Directors. Shareholders may also use electronic mail to contact the Board of Directors at boardofdirectors@invtitle.com. The Corporate Secretary regularly monitors this email account. Any communication that is intended for a particular Board member or committee should clearly state the intended recipient.

The Corporate Secretary will review all communications sent to the Board of Directors via mail and email and will forward all communications concerning Company or Board matters to the Board members within five business days of receipt. If a communication is directed to a particular Board member or committee, it will be passed on only to that member or the members of that committee. Otherwise, relevant communications will be forwarded to all Board members.

Independent Directors

The Board of Directors has determined that the following directors are independent directors within the meaning of the applicable listing standards of The NASDAQ Stock Market LLC (“NASDAQ”) and the Company’s Board of Directors Independence Standards: Mr. David L. Francis, Mr. Loren B. Harrell, Jr., Mr. R. Horace Johnson, Mr. H. Joe King, Jr., Mr. James R. Morton and Mr. A. Scott Parker III. The Board of Directors Independence Standards can be found in the Investor Relations section of the Company’s website at www.invtitle.com under the heading “Corporate Governance.”

Executive Sessions

Executive sessions that include only the independent members of the Board of Directors are held regularly.

Compensation Committee Interlocks and Insider Participation

In 2006, Mr. Harrell, Mr. Morton and Mr. Parker served as the members of the Compensation Committee. None of these directors have ever been officers or employees of the Company or any of its subsidiaries. During 2006, none of the executive officers of the Company served on the compensation committee (or equivalent), or the board of directors, of another entity whose executive officer(s) served on the Board of Directors of the Company or its Compensation Committee.

Board of Directors and Committees

During the year ended December 31, 2006, the Board of Directors held four meetings. All incumbent directors and nominees attended 75% or more of the aggregate number of meetings of the Board of Directors and committees of the Board on which they served. The Company expects each of its directors to attend the Annual Meeting of Shareholders unless an emergency prevents them from attending. All of the Board members were present at the 2006 Annual Meeting with the exception of Loren B. Harrell, Jr.

The Company’s Board of Directors has a standing Audit Committee, Compensation Committee, and Nominating Committee.

The Audit Committee. In 2006 the Audit Committee was composed of Mr. Francis, Mr. Johnson and Mr. King. The Audit Committee met nine times in 2006.

The Audit Committee is directly responsible for overseeing the Company’s accounting and financial reporting processes and appointing, retaining, compensating and overseeing the Company’s independent registered public accounting firm and reviewing the scope of the annual audit proposed by the independent registered public accounting firm. In addition, the Committee reviews and approves all related party transactions and periodically consults with the independent registered public accounting firm on matters relating to internal financial controls and procedures. The Committee is responsible for establishing and administering complaint procedures related to accounting and auditing matters.

The Audit Committee operates under a written charter adopted by the Board of Directors, a copy of which is posted under the Committee heading of the Corporate Governance area of the Investor Relations section of the Company’s website at www.invtitle.com. The Audit Committee reviews and assesses the adequacy of the charter on an annual basis.

The Board of Directors has determined that each member of the Company's Audit Committee is “independent” as defined under applicable NASDAQ listing standards and SEC rules. The Board of Directors has also determined that all of the current Audit Committee members—Mr. Francis, Mr. Johnson and Mr. King—are “audit committee financial experts” as defined under applicable SEC rules. See “*Audit Committee Report*” below for the formal report of the Audit Committee for 2006.

The Compensation Committee. In 2006, the Compensation Committee was composed of Mr. Harrell, Mr. Morton and Mr. Parker. The Compensation Committee met two times in 2006. The Board of Directors has determined that each member of the Compensation Committee is “independent” as defined under applicable NASDAQ listing standards.

The Compensation Committee operates under a written charter that can be found under the Committee heading of the Corporate Governance area of the Investor Relations section of the Company’s website at www.invtitle.com.

The Compensation Committee determines, or recommends to the Board of Directors for determination and for payment by the Company’s wholly owned subsidiary, Investors Title Insurance Company, salaries, bonuses and other compensation of executive officers. The Committee also serves as the Option Committee of the Board of Directors, which reviews, approves and administers the Company’s stock option plans. For additional information regarding the Company’s processes and procedures for the consideration and determination of director and executive officer compensation, see “*Compensation of Directors*” and “*Executive Compensation - Compensation Discussion and Analysis - Determining Executive Compensation*” below.

See “*Compensation Committee Report*” below for the formal report of the Compensation Committee for 2006.

The Nominating Committee. In 2006, the Nominating Committee was composed of Mr. Francis, Mr. Harrell and Mr. Parker. The Nominating Committee met two times in 2006.

The Nominating Committee operates under a written charter that can be found under the Committee heading of the Corporate Governance area of the Investor Relations section of the Company’s website at www.invtitle.com.

The Board of Directors has determined that each member of the Company’s Nominating Committee is “independent” as defined under applicable NASDAQ listing standards.

The Nominating Committee is responsible for identifying, evaluating and recommending to the Board of Directors candidates for election to the Board of Directors as well as appointing members to the Audit and Compensation Committees. A slate of nominees for director to present to the shareholders is recommended to the Board of Directors by the Nominating Committee and determined by at least a majority vote of the members of the Board of Directors whose terms do not expire during the year in which the election of directors will occur.

The Nominating Committee considers a variety of factors before recommending a new director nominee or the continued service of existing Board members. At a minimum, the Nominating Committee believes that a director nominee must demonstrate character and integrity, have an inquiring mind, possess substantial experience at a strategy or policy setting level, demonstrate an ability to work effectively with others, possess either high-level managerial experience in a relatively complex organization or experience dealing with complex problems, have sufficient time to devote to the affairs of the Company and be free from conflicts of interest with the Company and its subsidiaries.

Other factors the Nominating Committee considers when evaluating a potential director nominee are:

1. Whether the candidate would assist in achieving a diverse mix of Board members;
2. The extent of the candidate's business experience, technical expertise, and specialized skills or experience;
3. Whether the candidate, by virtue of particular experience relevant to the Company's current or future business, will add specific value as a Board member; and
4. Any other factors related to the ability and willingness of a candidate to serve, or an incumbent director to continue his or her service to, the Company.

The Nominating Committee believes that a majority of the members of the Company's Board of Directors should be independent as defined under applicable NASDAQ listing standards and, as a result, it also considers whether a potential director nominee is independent under such standards. The Committee also requires that all members of the Audit Committee be financially literate pursuant to applicable NASDAQ listing standards and that at least one member of the Audit Committee be an "audit committee financial expert" as defined under SEC rules. Therefore, the Nominating Committee considers whether a potential director nominee meets these criteria when evaluating his or her qualifications.

It is the policy of the Nominating Committee to consider all director candidates recommended by shareholders, provided that such recommendations are made in accordance with the procedures outlined below. The Nominating Committee evaluates such candidates in accordance with the same criteria it uses to evaluate all other director candidates.

Any shareholder that wishes to recommend a director candidate to be considered for the 2008 Annual Meeting of Shareholders should send his or her recommendation to the attention of the Corporate Secretary, Investors Title Company, P.O. Box 2687, Chapel Hill, North Carolina 27515-2687, no later than December 18, 2007. The candidate's name, age, business address, residential address, principal occupation, qualifications and the number of shares of Common Stock beneficially owned by the candidate must be provided with the recommendation. The shareholder must also provide a signed consent of the candidate to serve, if elected, as a director of the Company, and shall include all other information that would be required under the rules of the SEC in the proxy statement soliciting proxies for election of the director candidate.

COMPENSATION OF DIRECTORS

Directors who are not employees of the Company receive an annual retainer for Board services of \$3,000 and an attendance fee of \$1,500 for each meeting of the Board of Directors attended, in addition to actual travel expenses related to the meetings. Directors receive a \$500 fee for participating in a committee meeting provided that the committee meeting is held on a day other than the regularly scheduled board meeting date. The Audit Committee Chairperson receives an additional annual retainer of \$500. Directors who are employees of the Company are paid no fees or other remuneration for service on the Board or on any Board committee.

On May 17, 2006, the date of the Company's 2006 Annual Meeting of Shareholders, each non-employee director was granted 500 Stock Appreciation Rights ("SARs") under the Company's 2001 Stock Option and Restricted Stock Plan with an exercise price of \$43.78. Upon exercise of each SAR, a director is entitled to receive an amount (payable in shares of the Company's common stock) equal to the difference between the closing price of the Company's common stock on the business day immediately preceding the date of exercise and the exercise price. The number of shares paid on exercise is determined by dividing this amount by the closing price of the Company's common stock on the business day immediately preceding the date of exercise. These SARs vested in four quarterly installments and became exercisable, to the extent vested, as of June 30, 2006. These SARs will expire on May 17, 2013.

The Board of Directors makes all compensation decisions for the members of the Board of Directors. The Chief Executive Officer makes periodic recommendations regarding director compensation, and the Board of Directors may exercise its discretion in modifying any recommended compensation adjustments or awards to the directors.

2006 Director Compensation

Name ⁽¹⁾	Fees Earned or Paid In		Option Awards	Total (\$)
	Cash (\$)	Stock Awards (\$) ⁽²⁾	(\$) ⁽³⁾	
David L. Francis	11,500	6,205	-	17,705
Loren B. Harrell, Jr.	7,500	6,205	-	13,705
R. Horace Johnson	11,500	6,205	-	17,705
H. Joe King, Jr.	12,000	6,205	-	18,205
James R. Morton	9,000	6,205	-	15,205
A. Scott Parker III	9,000	6,205	-	15,205

(1) J. Allen Fine, Chief Executive Officer and Chairman of the Board, James A. Fine, Jr., President, Chief Financial Officer and Treasurer, and W. Morris Fine, Executive Vice President and Secretary, are not included in this table as they are employees of the Company and do not receive compensation for their services as directors. The compensation received by Messrs. Fine, Fine, Jr. and Fine as employees of the Company is shown in the Summary Compensation Table on page 20.

(2) The amounts shown in this column indicate the dollar amount of compensation cost recognized by the Company for financial statement reporting purposes in 2006 pursuant to Financial Accounting Standards Board Statement No. 123, "Share Based Payment (revised 2004)" ("FAS 123R") for SARs granted in 2006, which comprise all outstanding awards of stock held by the directors, except for purposes of this column the Company has disregarded any estimates of forfeitures related to service-based vesting conditions. For additional information regarding the assumptions made in calculating these amounts, see Note 7 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006. For each director, the grant date fair value of SARs granted in 2006 computed in accordance with FAS 123R was \$6,981. The aggregate number of SARs outstanding at December 31, 2006 held by directors was as follows:

Name	Outstanding Stock Awards at Fiscal Year End
David L. Francis	500
Loren B. Harrell, Jr.	500
R. Horace Johnson	500
H. Joe King, Jr.	500
James R. Morton	500
A. Scott Parker III	500

(3) The Company did not recognize any compensation cost for financial statement reporting purposes in 2006 pursuant to FAS 123R for option awards held by directors. The aggregate number of option awards outstanding at December 31, 2006 held by directors was as follows:

Name	Outstanding Option Awards at Fiscal Year End
David L. Francis	4,500
Loren B. Harrell, Jr.	2,500
R. Horace Johnson	500
H. Joe King, Jr.	4,500
James R. Morton	4,500
A. Scott Parker III	4,000

STOCK OWNERSHIP OF EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS

The following table indicates the persons known to the Company to be the beneficial owners of more than five percent (5%) of the Company's outstanding Common Stock as of April 3, 2007.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Markel Corporation 4521 Highwoods Parkway, Glen Allen, Virginia 23060	230,350(2)	9.3%
J. Allen Fine 121 N. Columbia Street, Chapel Hill, North Carolina 27514	196,475(3)	7.9%
W. Morris Fine 121 N. Columbia Street, Chapel Hill, North Carolina 27514	179,064(4)	7.2%
James A. Fine, Jr. 121 N. Columbia Street, Chapel Hill, North Carolina 27514	178,416(5)	7.2%

(1) The percentages are calculated based on 2,486,352 shares outstanding as of April 3, 2007, which excludes 291,676 shares held by a wholly-owned subsidiary of the Company. The shares held by the subsidiary are not entitled to

vote at the Annual Shareholders' Meeting.

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- (2) The information included in the above table is based solely on Amendment No. 3 to Schedule 13G filed with the SEC on February 10, 2006. Of these shares, Markel Corporation has sole voting and investment power with respect to 213,300 shares and shared investment power with respect to 17,050 shares.
- (3) This includes 2,400 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 151,099 shares held by a limited liability company of which Mr. Fine is the manager and possesses sole voting and investment power with respect to such shares.
- (4) This includes 3,000 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 95,000 shares held by a limited partnership of which Mr. Fine is a general partner and shares joint voting power over such shares with James A. Fine, Jr., such shares also being reflected in James A. Fine, Jr.'s beneficially owned shares, and 4,052 shares held by family members.
- (5) This includes 3,000 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 95,000 shares held by a limited partnership of which Mr. Fine is a general partner and shares joint voting power over such shares with W. Morris Fine, such shares also being reflected in W. Morris Fine's beneficially owned shares, and 1,965 shares held by family members.

The table below sets forth the shares of the Company's Common Stock beneficially owned as of April 3, 2007 by each director and nominee for director, the executive officers named in the Summary Compensation Table, and all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
J. Allen Fine	196,475(2)	7.9%
W. Morris Fine	179,064(3)	7.2%
James A. Fine, Jr.	178,416(4)	7.2%
A. Scott Parker III	81,021(5)	3.3%
David L. Francis	50,166(6)	2.0%
H. Joe King, Jr.	22,326(7)	*
James R. Morton	11,915(8)	*
Loren B. Harrell, Jr.	3,000(9)	*
R. Horace Johnson	1,100(10)	*
All Directors and Executive Officers as a Group (9 persons)	723,483(11)	28.73%

* Represents less than 1%

- (1) The percentages are calculated based on 2,486,352 shares outstanding as of April 3, 2007, which excludes 291,676 outstanding shares held by a subsidiary of the Company. The shares held by the subsidiary are not entitled to vote at the Annual Shareholders' Meeting.
- (2) This includes 2,400 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 151,099 shares held by a limited liability company of which Mr. Fine is the manager and possesses sole voting and investment power with respect to such shares.

- (3) This includes 3,000 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 95,000 shares held by a limited partnership of which Mr. Fine is a general partner and shares joint voting power over such shares with James A. Fine, Jr., such shares also being reflected in James A. Fine, Jr.'s beneficially owned shares, and 4,052 shares held by family members.
- (4) This includes 3,000 shares of Common Stock that Mr. Fine has the right to purchase under stock options that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this includes 95,000 shares held by a limited partnership of which Mr. Fine is a general partner and shares joint voting power over such shares with W. Morris Fine, such shares also being reflected in W. Morris Fine's beneficially owned shares, and 1,965 shares held by family members.
- (5) This total includes 4,500 shares of Common Stock that Mr. Parker has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007. Additionally, this total includes 3,266 shares held by his wife.
- (6) This total includes 5,000 shares of Common Stock that Mr. Francis has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007. This total also includes 1,000 shares held by his wife.
- (7) This total includes 5,000 shares of Common Stock that Mr. King has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007. This total also includes 700 shares held by his wife.
- (8) This total includes 5,000 shares of Common Stock that Mr. Morton has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007.
- (9) This total includes 3,000 shares of Common Stock that Mr. Harrell has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007.
- (10) This total includes 1,000 shares of Common Stock that Mr. Johnson has the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007.
- (11) This total includes 31,900 shares of Common Stock that all officers and directors, as a group, have the right to purchase under stock options and stock appreciation rights that are presently exercisable or are exercisable within 60 days of April 3, 2007.

PROPOSAL REQUIRING YOUR VOTE

Election of Directors

The Company's Board of Directors is composed of 9 members divided into three classes with staggered terms of three years for each class. Based on the recommendations of the Nominating Committee, the Board of Directors has nominated J. Allen Fine, David L. Francis and A. Scott Parker III for re-election to serve for a three-year period or until their respective successors have been elected and qualified.

The nominees will be elected if they receive a plurality of the votes cast for their election. Broker non-votes and abstentions will be counted for purposes of establishing a quorum, but will not be counted in the election of directors and therefore will not affect the election results if a quorum is present. It is the intention of the persons named as proxies in the accompanying proxy card to vote all shares represented by proxy for the three nominees listed below,

unless the authority to vote is withheld. If any of the nominees should withdraw or otherwise become unavailable for reasons not presently known, the shares represented by proxy will be voted for three nominees including such substitutions as shall be designated by the Board of Directors. The shares represented by proxy in no event will be voted for more than three persons.

The Board unanimously recommends that you vote “FOR” the election of the directors nominated to serve until the Annual Meeting of Shareholders in 2010.

Information Regarding Nominees for Election as Directors

Name	Age	Served as Director Since	Term to Expire
J. Allen Fine	72	1973	2010
David L. Francis	74	1982	2010
A. Scott Parker III	63	1998	2010

J. Allen Fine was the principal organizer of Investors Title Insurance Company and has been Chairman of the Board of the Company, Investors Title Insurance Company, and Northeast Investors Title Insurance Company since their incorporation. Mr. Fine served as President of Investors Title Insurance Company until February 1997, when he was named Chief Executive Officer. Additionally, Mr. Fine serves as Chief Executive Officer of the Company and Northeast Investors Title Insurance Company, and Chairman of the Board of Investors Title Exchange Corporation, Investors Capital Management Company and Investors Trust Company. Investors Title Insurance Company, Northeast Investors Title Insurance Company, Investors Title Exchange Corporation, Investors Title Accommodation Corporation, Investors Capital Management Company and Investors Trust Company are all wholly owned subsidiaries of the Company. Mr. Fine is the father of James A. Fine, Jr., President, Chief Financial Officer and Treasurer of the Company, and W. Morris Fine, Executive Vice President and Secretary of the Company.

David L. Francis retired in 1997 as the President of Marsh Mortgage Company, a mortgage banking firm, and Marsh Associates, Inc., a property management company, where he had been employed since 1963. He serves on the Board of Directors of First Landmark, a Charlotte real estate and property management firm.

A. Scott Parker III retired in 2006 from Today’s Home, Inc. after serving as President for 31 years. He continues to be managing member of Parker-Jones-Kemp LLC and Greenham Investments LLC, developers of furniture showroom properties to the trade.

Information Regarding Directors Continuing in Office

Name	Age	Served as Director Since	Term to Expire
W. Morris Fine	40	1999	2008
Loren B. Harrell, Jr.	58	1996	2008
R. Horace Johnson	62	2005	2008
James A. Fine, Jr.	44	1997	2009
H. Joe King, Jr.	74	1983	2009
James R. Morton	69	1985	2009

W. Morris Fine is Executive Vice President and Secretary of the Company, President and Chief Operating Officer of Investors Title Insurance Company and Northeast Investors Title Insurance Company, President and Chairman of the Board of Investors Title Management Services, Inc., Vice President of Investors Title Exchange Corporation and Investors Title Accommodation Corporation, and Chief Financial Officer and Treasurer of Investors Trust Company and Investors Capital Management Company. Investors Title Insurance Company, Northeast Investors Title Insurance Company, Investors Title Management Services, Inc., Investors Title Exchange Corporation, Investors Title Accommodation Corporation, Investors Capital Management Company and Investors Trust Company are all wholly owned subsidiaries of the Company. Mr. Fine is the son of J. Allen Fine, Chief Executive Officer and Chairman of the Board of the Company, and brother of James A. Fine, Jr., President, Chief Financial Officer and Treasurer of the Company.

Loren B. Harrell, Jr. organized SoftPro Corporation in 1984 and served as President and CEO from 1984 until his retirement in 2003. SoftPro Corporation is now a wholly owned subsidiary of Fidelity National Financial, Inc. SoftPro specializes in the research and development of software utilized by law firms, title companies, title insurance agents and lending institutions in the title insurance industry.

R. Horace Johnson retired in 2004 as managing partner of the Raleigh, North Carolina office of Ernst and Young, a public accounting firm, where he had been employed since 1967. During this period, Mr. Johnson served in many firm leadership roles including serving as the managing partner for the No