

Fidelity National Financial, Inc.
Form 10-Q
April 27, 2012
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

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

For the quarterly period ended March 31, 2012
Commission File Number 1-32630
FIDELITY NATIONAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware 16-1725106
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

601 Riverside Avenue, Jacksonville, Florida 32204
(Address of principal executive offices) (Zip Code)
(904) 854-8100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

As of March 31, 2012, there were 222,803,069 shares of the Registrant's Common Stock outstanding.

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QUARTERLY REPORT
Quarter Ended March 31, 2012
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Part I: FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

FIDELITY NATIONAL FINANCIAL, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In millions, except share data)

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value, at March 31, 2012 and December 31, 2011 includes \$276.5 and \$274.2, respectively, of pledged fixed maturity securities related to secured trust deposits	\$3,185.0	\$ 3,200.2
Preferred stock available for sale, at fair value	103.6	71.4
Equity securities available for sale, at fair value	129.6	105.7
Investments in unconsolidated affiliates	552.3	546.5
Other long-term investments	77.7	77.5
Short-term investments	51.4	50.4
Total investments	4,099.6	4,051.7
Cash and cash equivalents, at March 31, 2012 and December 31, 2011 includes \$168.4 and \$161.3, respectively, of pledged cash related to secured trust deposits	728.2	665.7
Trade and notes receivables, net of allowance of \$21.1 and \$22.6, respectively, at March 31, 2012 and December 31, 2011	330.1	321.5
Goodwill	1,461.1	1,452.2
Prepaid expenses and other assets	671.3	653.6
Capitalized software, net	31.7	28.1
Other intangible assets, net	128.0	130.7
Title plants	386.6	386.7
Property and equipment, net	165.5	166.1
Income taxes receivable	—	5.8
Total assets	\$8,002.1	\$ 7,862.1
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	\$744.2	\$ 857.1
Accounts payable to related parties	6.5	5.6
Income taxes payable	20.2	—
Notes payable	1,066.5	915.8
Reserve for title claim losses	1,863.1	1,912.8
Secured trust deposits	433.0	419.9
Deferred tax liability	110.3	95.0
Total liabilities	4,243.8	4,206.2
Equity:		
Common stock, Class A, \$0.0001 par value; authorized 600,000,000 shares as of March 31, 2012 and December 31, 2011; issued 256,994,038 as of March 31, 2012 and 254,868,454 as of December 31, 2011	—	—
Preferred stock, \$0.0001 par value; authorized 50,000,000 shares; issued and outstanding, none	—	—

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Additional paid-in capital	3,829.2	3,798.6
Retained earnings	416.7	373.4
Accumulated other comprehensive earnings (loss)	20.5	(7.1)
Less: treasury stock, 34,190,969 shares as of March 31, 2012 and December 31, 2011, at cost	(532.2)	(532.2)
Total Fidelity National Financial, Inc. shareholders' equity	3,734.2	3,632.7
Noncontrolling interests	24.1	23.2
Total equity	3,758.3	3,655.9
Total liabilities and equity	\$8,002.1	\$ 7,862.1

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In millions, except per share data)

	Three months ended March 31,	
	2012	2011
	(Unaudited)	
Revenues:		
Direct title insurance premiums	\$354.0	\$322.9
Agency title insurance premiums	413.9	423.3
Escrow, title related and other fees	381.6	332.5
Interest and investment income	36.4	33.7
Realized gains, net	4.0	19.5
Total revenues	1,189.9	1,131.9
Expenses:		
Personnel costs	407.6	383.6
Other operating expenses	275.2	258.7
Agent commissions	315.6	327.7
Depreciation and amortization	17.0	19.7
Provision for title claim losses	53.8	50.8
Interest expense	15.1	14.3
Total expenses	1,084.3	1,054.8
Earnings from continuing operations before income taxes and equity in earnings (loss) of unconsolidated affiliates	105.6	77.1
Income tax expense	36.9	28.0
Earnings from continuing operations before equity in earnings (loss) of unconsolidated affiliates	68.7	49.1
Equity in earnings (loss) of unconsolidated affiliates	5.8	(8.6)
Net earnings from continuing operations	74.5	