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DELTA REPORT

10-Q

STC - STEWART INFORMATION SERVI

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	963
CHANGES	217
DELETIONS	264
ADDITIONS	482

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

or

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

For the transition period from __________to __________

Commission file number 001-02658

STEWART INFORMATION SERVICES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**74-1677330**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1360 Post Oak Blvd., Suite 100	
Houston, Texas	**77056**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(713) 625-8100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value per share	**STC**	**New York Stock Exchange**

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 every Interactive Data File required to be submitted 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 such files). Yes ☑ No ☐

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

☑ Large accelerated filer	☐ Non-accelerated filer	☐ Emerging growth company
☐ Accelerated filer	☐ Smaller reporting 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. ¨

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

On November 1, 2023 April 29, 2024, there were 27,362,249 27,580,535 outstanding shares of the issuer's Common Stock.

FORM 10-Q QUARTERLY REPORT

QUARTER ENDED SEPTEMBER 30, 2023 MARCH 31, 2024

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As used in this report, “we,” “us,” “our,” "Registrant," the “Company” and “Stewart” mean Stewart Information Services Corporation and our subsidiaries, unless the context indicates otherwise.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME OPERATIONS AND COMPREHENSIVE (LOSS) INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	($000 omitted, except per share)				($000 omitted, except per share)	
Revenues						
Title revenues:						
Title revenues:						
Title revenues:						
Direct operations						
Direct operations						
Direct operations	256,377	307,408	722,242	976,364		
Agency operations	265,700	340,470	723,476	1,154,546		
Real estate solutions and other	68,190	69,737	202,169	281,152		
Real estate solutions						
Operating revenues	590,267	717,615	1,647,887	2,412,062		
Investment income	13,393	5,158	32,114	15,519		
Net realized and unrealized losses	(1,946)	(6,374)	(4,829)	(14,194)		
	601,714	716,399	1,675,172	2,413,387		
Net realized and unrealized gains (losses)						
	554,315					

Expenses	**Expenses**				
Amounts retained by agencies					
Amounts retained by agencies					
Amounts retained by agencies	Amounts retained by agencies	218,983	280,517	596,498	951,555
Employee costs	Employee costs	181,493	195,057	534,710	610,286
Other operating expenses	Other operating expenses	130,455	151,208	380,530	502,966
Title losses and related claims	Title losses and related claims	22,251	25,486	59,727	81,105
Depreciation and amortization	Depreciation and amortization	16,414	14,067	46,848	42,103
Interest	Interest	5,054	4,553	14,777	13,471
	547,169				
Income (loss) before taxes and noncontrolling interests					
Income tax (expense) benefit					
Net income (loss)					
Less net income attributable to noncontrolling interests					
Net income (loss) attributable to Stewart					
		574,650	670,888	1,633,090	2,201,486

Income before taxes and noncontrolling interests	27,064	45,511	42,082	211,901
Income tax expense	(9,134)	(10,783)	(9,588)	(48,376)
Net income	17,930	34,728	32,494	163,525
Less net income attributable to noncontrolling interests	3,931	5,294	10,870	14,534
Net income attributable to Stewart	13,999	29,434	21,624	148,991
Net income	17,930	34,728	32,494	163,525
Other comprehensive loss, net of taxes:				
Net income (loss)				
Net income (loss)				
Net income (loss)				
Other comprehensive (loss) income, net of taxes:				
Foreign currency translation adjustments				

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Foreign currency translation adjustments					
Foreign currency translation adjustments	Foreign currency translation adjustments	(5,847)	(15,300)	(995)	(22,861)
Change in net unrealized gains and losses on investments	Change in net unrealized gains and losses on investments	(7,468)	(8,921)	(6,616)	(41,513)
Reclassification adjustments for realized gains and losses on investments	Reclassification adjustments for realized gains and losses on investments	20	(385)	333	(687)
Other comprehensive loss, net of taxes:		(13,295)	(24,606)	(7,278)	(65,061)
Comprehensive income		4,635	10,122	25,216	98,464
Other comprehensive (loss) income, net of taxes:					
Comprehensive (loss) income					
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests	3,931	5,294	10,870	14,534
Comprehensive income attributable to Stewart		704	4,828	14,346	83,930
Comprehensive loss attributable to Stewart					
Basic average shares outstanding (000)	Basic average shares outstanding (000)	27,348	27,113	27,269	27,031
Basic earnings per share attributable to Stewart		0.51	1.09	0.79	5.51
Basic average shares outstanding (000)					
Basic average shares outstanding (000)					
Basic earnings (loss) per share attributable to Stewart					
Diluted average shares outstanding (000)	Diluted average shares outstanding (000)	27,650	27,371	27,445	27,359
Diluted earnings per share attributable to Stewart		0.51	1.08	0.79	5.45

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Diluted earnings (loss) per share attributable to Stewart

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

		September 30, 2023 (Unaudited)	December 31, 2022
	March 31, 2024 (Unaudited)		
		($000 omitted)	
Assets	**Assets**		
Cash and cash equivalents	Cash and cash equivalents	202,985	248,367
Cash and cash equivalents			
Cash and cash equivalents			
Short-term investments	Short-term investments	37,238	24,318
Investments, at fair value:	Investments, at fair value:		
Debt securities (amortized cost of $628,153 and $646,728)		585,406	611,934
Debt securities (amortized cost of $620,806 and $631,294)			
Debt securities (amortized cost of $620,806 and $631,294)			
Debt securities (amortized cost of $620,806 and $631,294)			
Equity securities	Equity securities	75,333	98,149
		660,739	710,083
	673,950		
Receivables:	Receivables:		
Premiums from agencies			
Premiums from agencies			
Premiums from agencies	Premiums from agencies	40,509	39,921
Trade and other	Trade and other	64,364	67,348
Income taxes	Income taxes	4,725	10,281
Notes	Notes	13,765	7,482

	March 31, 2024 (Unaudited)	December 31, 2023
	($000 omitted)	

Allowance for uncollectible amounts	Allowance for uncollectible amounts	(8,652)	(7,309)
		114,711	117,723
	142,620		
Property and equipment:	Property and equipment:		
Land			
Land			
Land	Land	2,545	2,545
Buildings	Buildings	19,049	18,761
Furniture and equipment	Furniture and equipment	233,062	213,707
Accumulated depreciation	Accumulated depreciation	(171,230)	(153,474)
		83,426	81,539
	82,927		
Operating lease assets	Operating lease assets	123,698	127,830
Title plants, at cost	Title plants, at cost	73,359	73,358
Investments on equity method basis		4,283	4,575
Goodwill			
Goodwill			
Goodwill	Goodwill	1,072,022	1,072,982
Intangible assets, net of amortization	Intangible assets, net of amortization	201,539	199,084
Deferred tax assets	Deferred tax assets	2,554	2,590
Other assets	Other assets	92,516	75,430
		2,669,070	2,737,879
	2,651,389		
Liabilities	**Liabilities**		
Notes payable			
Notes payable			
Notes payable	Notes payable	445,158	447,006
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	177,180	196,541
Operating lease liabilities	Operating lease liabilities	142,044	148,003
Estimated title losses	Estimated title losses	521,395	549,448
Deferred tax liabilities	Deferred tax liabilities	24,094	26,616
		1,309,871	1,367,614

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	1,287,246		
Contingent liabilities and commitments	Contingent liabilities and commitments		
Contingent liabilities and commitments			
Stockholders' equity	**Stockholders' equity**		
Common Stock ($1 par value) and additional paid-in capital			
Common Stock ($1 par value) and additional paid-in capital			
Common Stock ($1 par value) and additional paid-in capital	Common Stock ($1 par value) and additional paid-in capital	337,924	324,344
Retained earnings	Retained earnings	1,075,224	1,091,816
Accumulated other comprehensive loss:	Accumulated other comprehensive loss:		
Foreign currency translation adjustments	Foreign currency translation adjustments	(24,851)	(23,856)
Foreign currency translation adjustments			
Foreign currency translation adjustments			
Net unrealized losses on debt securities investments	Net unrealized losses on debt securities investments	(33,770)	(27,487)
Treasury stock – 352,161 common shares, at cost	Treasury stock – 352,161 common shares, at cost	(2,666)	(2,666)
Treasury stock – 352,161 common shares, at cost			
Treasury stock – 352,161 common shares, at cost			
Stockholders' equity attributable to Stewart	Stockholders' equity attributable to Stewart	1,351,861	1,362,151
Noncontrolling interests	Noncontrolling interests	7,338	8,114
Total stockholders' equity (27,355,427 and 27,130,412 shares outstanding)		1,359,199	1,370,265
		2,669,070	2,737,879

Total stockholders' equity (27,580,535 and 27,370,227 shares outstanding)	2,651,389

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
		($000 omitted)		($000 omitted)	
Reconciliation of net income to cash provided by operating activities:					
Net income		32,494	163,525		
Reconciliation of net income (loss) to cash used by operating activities:					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Add (deduct):	Add (deduct):				
Depreciation and amortization	Depreciation and amortization	46,848	42,103		
Depreciation and amortization					
Depreciation and amortization					
Adjustments for bad debt provisions	Adjustments for bad debt provisions	2,425	812		
Net realized and unrealized losses		4,829	14,194		
Amortization of net premium on debt securities investments		448	1,870		
Payments for title losses (in excess of) less than provisions		(26,417)	10,950		
Net realized and unrealized (gains) losses					

Amortization of net (discount) premium on debt securities investments			
Payments for title losses in excess of provisions			
Adjustments for insurance recoveries of title losses	Adjustments for insurance recoveries of title losses	—	220
Decrease in receivables – net		7,007	9,521
Increase in receivables – net			
Increase in other assets – net	Increase in other assets – net	(9,581)	(4,343)
Decrease in accounts payable and other liabilities – net	Decrease in accounts payable and other liabilities – net	(24,766)	(81,987)
Change in net deferred income taxes	Change in net deferred income taxes	(692)	25
Net income from equity method investments		(847)	(2,536)
Net loss (income) from equity method investments			
Dividends received from equity method investments	Dividends received from equity method investments	1,121	3,135
Stock-based compensation expense	Stock-based compensation expense	10,310	9,239
Other – net	Other – net	399	312
Cash provided by operating activities		43,578	167,040
Cash used by operating activities			
Investing activities:	Investing activities:		

Proceeds from sales of investments in securities			
Proceeds from sales of investments in securities			
Proceeds from sales of investments in securities	Proceeds from sales of investments in securities	53,630	47,954
Proceeds from matured investments in debt securities	Proceeds from matured investments in debt securities	58,005	28,754
Purchases of investments in securities	Purchases of investments in securities	(72,857)	(165,130)
Net purchases of short-term investments	Net purchases of short-term investments	(14,005)	(1,632)
Purchases of property and equipment, and real estate		(29,487)	(35,274)
Purchases of property and equipment and other long-lived assets			
Proceeds from sale of property and equipment and other assets	Proceeds from sale of property and equipment and other assets	369	977
Cash paid for acquisition of businesses	Cash paid for acquisition of businesses	(25,100)	(102,864)
Increase in notes receivable	Increase in notes receivable	(6,960)	(69)
Purchases of cost-basis and other investments			
Other – net	Other – net	(348)	1,941
Cash used by investing activities	**Cash used by investing activities**	(36,753)	(225,343)
Financing activities:	Financing activities:		
Proceeds from notes payable			
Proceeds from notes payable			

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Proceeds from notes payable	Proceeds from notes payable	3,538	38,012
Payments on notes payable	Payments on notes payable	(5,776)	(75,505)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(11,646)	(14,863)
Repurchases of Common Stock	Repurchases of Common Stock	(1,576)	(3,168)
Repurchases of Common Stock			
Repurchases of Common Stock			
Proceeds from stock option and employee stock purchase plan exercises	Proceeds from stock option and employee stock purchase plan exercises	4,846	5,799
Cash dividends paid	Cash dividends paid	(37,524)	(32,464)
Payment of contingent consideration related to acquisitions	Payment of contingent consideration related to acquisitions	(3,025)	(15,997)
Purchase of remaining interest in consolidated subsidiaries		—	(72)
Other - net		—	115
Cash used by financing activities			
Cash used by financing activities			
Cash used by financing activities	**Cash used by financing activities**	(51,163)	(98,143)
Effects of changes in foreign currency exchange rates	Effects of changes in foreign currency exchange rates	(1,044)	(8,540)
Change in cash and cash equivalents	**Change in cash and cash equivalents**	(45,382)	(164,986)

Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	248,367	485,919
Cash and cash equivalents at end of period	**Cash and cash equivalents at end of period**	202,985	320,933

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss) income	Treasury stock	Noncontrolling interests	Total
				($000 omitted)			
Nine Months Ended September 30, 2023							
Balance at December 31, 2022	27,483	296,861	1,091,816	(51,343)	(2,666)	8,114	1,370,265

		Common Stock	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Noncontrolling interests	Total
		($000 omitted)						($000 omitted)	
Three Months Ended March 31, 2024									
Balance at December 31, 2023									
Balance at December 31, 2023									
Balance at December 31, 2023									
Net income attributable to Stewart	Net income attributable to Stewart	—	—	21,624	—	—	—	21,624	
Dividends on Common Stock ($1.38 per share)		—	—	(38,216)	—	—	—	(38,216)	
Net income attributable to Stewart									
Net income attributable to Stewart									
Dividends on Common Stock ($0.48 per share)									
Stock-based compensation									
Stock-based compensation									
Stock-based compensation	Stock-based compensation	134	10,176	—	—	—	—	10,310	
Stock repurchases	Stock repurchases	(37)	(1,539)	—	—	—	—	(1,576)	

Stock option and employee stock purchase plan exercises	Stock option and employee stock purchase plan exercises	129	4,717	—	—	—	—	4,846
Change in net unrealized gains and losses on investments, net of taxes								
Change in net unrealized gains and losses on investments, net of taxes								
Change in net unrealized gains and losses on investments, net of taxes	Change in net unrealized gains and losses on investments, net of taxes	—	—	—	(6,616)	—	—	(6,616)
Reclassification adjustment for realized gains and losses on investments, net of taxes	Reclassification adjustment for realized gains and losses on investments, net of taxes	—	—	—	333	—	—	333
Foreign currency translation adjustments, net of taxes	Foreign currency translation adjustments, net of taxes	—	—	—	(995)	—	—	(995)
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	—	—	—	—	—	10,870	10,870
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	(11,646)	(11,646)
Balance at September 30, 2023		27,709	310,215	1,075,224	(58,621)	(2,666)	7,338	1,359,199
Balance at March 31, 2024								
Balance at March 31, 2024								
Balance at March 31, 2024								
Nine Months Ended September 30, 2022								
Balance at December 31, 2021		27,246	282,376	974,800	253	(2,666)	12,726	1,294,735
Three Months Ended March 31, 2023								
Three Months Ended March 31, 2023								
Three Months Ended March 31, 2023								
Balance at December 31, 2022								
Balance at December 31, 2022								
Balance at December 31, 2022								

Net income attributable to Stewart		—	—	148,991	—	—	—	148,991
Dividends on Common Stock ($1.20 per share)		—	—	(32,853)	—	—	—	(32,853)
Net loss attributable to Stewart								
Net loss attributable to Stewart								
Net loss attributable to Stewart								
Dividends on Common Stock ($0.45 per share)								
Stock-based compensation								
Stock-based compensation								
Stock-based compensation	Stock-based compensation	155	9,084	—	—	—	—	9,239
Stock repurchases	Stock repurchases	(49)	(3,119)	—	—	—	—	(3,168)
Stock option and employee stock purchase plan exercises	Stock option and employee stock purchase plan exercises	124	5,675	—	—	—	—	5,799
Purchase of remaining interest in consolidated subsidiary		—	—	—	—	—	(72)	(72)
Change in net unrealized gains and losses on investments, net of taxes								
Change in net unrealized gains and losses on investments, net of taxes								
Change in net unrealized gains and losses on investments, net of taxes	Change in net unrealized gains and losses on investments, net of taxes	—	—	—	(41,513)	—	—	(41,513)
Reclassification adjustment for realized gains and losses on investments, net of taxes, net of taxes	Reclassification adjustment for realized gains and losses on investments, net of taxes, net of taxes	—	—	—	(687)	—	—	(687)
Foreign currency translation adjustments, net of taxes	Foreign currency translation adjustments, net of taxes	—	—	—	(22,861)	—	—	(22,861)
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	—	—	—	—	—	14,534	14,534
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	(14,863)	(14,863)

Net effect of other changes in ownership	—	—	—	—	—	220	220
Balance at September 30, 2022	27,476	294,016	1,090,938	(64,808)	(2,666)	12,545	1,357,501
Balance at March 31, 2023							
Balance at March 31, 2023							
Balance at March 31, 2023							

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Noncontrolling interests	Total
				($000 omitted)			
Three Months Ended September 30, 2023							
Balance at June 30, 2023	27,620	304,405	1,074,458	(45,326)	(2,666)	7,504	1,365,995
Net income attributable to Stewart	—	—	13,999	—	—	—	13,999
Dividends on Common Stock ($0.48 per share)	—	—	(13,233)	—	—	—	(13,233)
Stock-based compensation	17	3,250	—	—	—	—	3,267
Stock repurchases	(5)	(218)	—	—	—	—	(223)
Stock option and employee stock purchase plan exercises	77	2,778	—	—	—		2,855
Change in net unrealized gains and losses on investments, net of taxes	—	—	—	(7,468)	—	—	(7,468)
Reclassification adjustment for realized gains and losses on investments, net of taxes	—	—	—	20	—	—	20
Foreign currency translation adjustments, net of taxes	—	—	—	(5,847)	—	—	(5,847)
Net income attributable to noncontrolling interests	—	—	—	—	—	3,931	3,931
Distributions to noncontrolling interests	—	—	—	—	—	(4,097)	(4,097)
Balance at September 30, 2023	27,709	310,215	1,075,224	(58,621)	(2,666)	7,338	1,359,199
Three Months Ended September 30, 2022							
Balance at June 30, 2022	27,390	288,834	1,073,788	(40,202)	(2,666)	12,677	1,359,821
Net income attributable to Stewart	—	—	29,434	—	—	—	29,434
Dividends on Common Stock ($0.45 per share)	—	—	(12,284)	—	—	—	(12,284)
Stock-based compensation	29	2,770	—	—	—	—	2,799
Stock repurchases	(12)	(605)	—	—	—	—	(617)
Stock option exercises	69	3,017					3,086
Purchase of remaining interest in consolidated subsidiary	—	—	—	—	—	(72)	(72)
Change in net unrealized gains and losses on investments, net of taxes	—	—	—	(8,921)	—	—	(8,921)
Reclassification adjustment for realized gains and losses on investments, net of taxes, net of taxes	—	—	—	(385)	—	—	(385)
Foreign currency translation adjustments, net of taxes	—	—	—	(15,300)	—	—	(15,300)
Net income attributable to noncontrolling interests	—	—	—	—	—	5,294	5,294
Distributions to noncontrolling interests	—	—	—	—	—	(5,380)	(5,380)
Net effect of other changes in ownership	—	—	—	—	—	26	26
Balance at September 30, 2022	27,476	294,016	1,090,938	(64,808)	(2,666)	12,545	1,357,501

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

Interim financial statements. The financial information contained in this report for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, and as of September 30, 2023 March 31, 2024, is unaudited. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the Securities and Exchange Commission on February 28, 2023 (2022 February 28, 2024 (2023 Form 10-K).

A. Management's responsibility. The accompanying interim financial statements were prepared by management, which is responsible for their integrity and objectivity. These financial statements have been prepared in conformity with the United States (U.S.) generally accepted accounting principles (GAAP), including management's best judgments and estimates. In the opinion of management, all adjustments necessary for a fair presentation of this information for all interim periods, consisting only of normal recurring accruals, have been made. The Company's results of operations for interim periods are not necessarily indicative of results for a full year and actual results could differ.

B. Consolidation. The condensed consolidated financial statements include all subsidiaries in which the Company owns more than 50% voting rights in electing directors. All significant intercompany amounts and transactions have been eliminated and provisions have been made for noncontrolling interests. Unconsolidated investees, in which the Company typically owns from 20% to 50% of the voting stock, are accounted for using the equity method.

C. Restrictions on cash and investments. The Company maintains investments in accordance with certain statutory requirements for the funding of statutory premium reserves. Statutory reserve funds are required to be fully funded and invested in high-quality securities and short-term investments. Statutory reserve funds are not available for current claim payments, which must be funded from current operating cash flow. Included in investments in debt and equity securities are statutory reserve funds of approximately $510.8 million$519.9 million and $544.0 million $527.4 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. In addition, included within cash and cash equivalents are statutory reserve funds of approximately $11.0 million and $8.6 million $10.3 million and $10.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Although these cash statutory reserve funds are not restricted or segregated in depository accounts, they are required to be held pursuant to state statutes. If the Company fails to maintain minimum investments or cash and cash equivalents sufficient to meet statutory requirements, the Company may be subject to fines or other penalties, including potential revocation of its business license. These funds are not available for any other purpose. In the event that insurance regulators adjust the determination of the statutory premium reserves of the Company's title insurers, these restricted funds as well as statutory surplus would correspondingly increase or decrease.

NOTE 2

Revenues. The Company's operating revenues, summarized by type, are as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
		($000 omitted)					
		($000 omitted)					($000 omitted)
Title insurance premiums:	Title insurance premiums:						
Direct							
Direct							
Direct	Direct	169,285	209,477	470,779	646,760		
Agency	Agency	265,700	340,470	723,476	1,154,546		
Escrow fees	Escrow fees	41,973	49,407	117,223	166,696		

Real estate solutions and abstract fees	Real estate solutions and abstract fees	86,451	89,519	253,422	302,534
Other revenues	Other revenues	26,858	28,742	82,987	141,526
		590,267	717,615	1,647,887	2,412,062
		534,376			

NOTE 3

Investments in debt and equity securities. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the net unrealized investment gains relating to investments in equity securities held were $11.0 million $18.4 million and $19.2 $11.2 million, respectively (refer to Note 5).

The amortized costs and fair values of investments in debt securities are as follows:

		September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
		Amortized costs	Fair values	Amortized costs	Fair values	Amortized costs	Fair values	Amortized costs	Fair values
		($000 omitted)				($000 omitted)			
Municipal	Municipal	23,941	23,278	30,104	29,835				
Corporate	Corporate	250,552	231,038	272,362	254,316				
Foreign	Foreign	321,046	299,748	315,184	299,137				
U.S. Treasury Bonds	U.S. Treasury Bonds	32,614	31,342	29,078	28,646				
		628,153	585,406	646,728	611,934				
		620,806							
		620,806							
		620,806							

Foreign debt securities consist of Canadian government, provincial and corporate bonds, United Kingdom treasury and corporate bonds, and Mexican government bonds.

Gross unrealized gains and losses on investments in debt securities are as follows:

		September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
		Gains	Losses	Gains	Losses	Gains	Losses	Gains	Losses
		($000 omitted)				($000 omitted)			
Municipal	Municipal	1	664	3	272				
Corporate	Corporate	136	19,650	489	18,535				
Foreign	Foreign	152	21,450	165	16,212				
U.S. Treasury Bonds	U.S. Treasury Bonds	—	1,272	21	453				
		289	43,036	678	35,472				
		1,400							

	1,400
	1,400

Debt securities as of September 30, 2023 March 31, 2024 mature, according to their contractual terms, as follows (actual maturities may differ due to call or prepayment rights):

		Amortized costs	Fair values
	Amortized costs	Amortized costs	Fair values
		($000 omitted)	($000 omitted)
In one year or less	In one year or less	105,848	103,828
After one year through five years	After one year through five years	329,317	306,479
After five years through ten years	After five years through ten years	180,634	164,702
After ten years	After ten years	12,354	10,397
		628,153	585,406
	620,806		

Gross unrealized losses on investments in debt securities and the fair values of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2023 March 31, 2024, were:

		Less than 12 months		More than 12 months		Total	
		Less than 12 months		More than 12 months		Total	
		Losses	Fair values	Losses	Fair values	Losses	Fair values
		Losses	Fair values	Losses	Fair values	Losses	Fair values
		($000 omitted)					
		($000 omitted)					
Municipal	Municipal	292	13,477	372	9,800	664	23,277
Corporate	Corporate	284	18,194	19,366	209,437	19,650	227,631
Foreign	Foreign	4,594	93,809	16,856	200,359	21,450	294,168
U.S. Treasury Bonds	U.S. Treasury Bonds	1,007	26,639	265	4,703	1,272	31,342
		6,177	152,119	36,859	424,299	43,036	576,418
		1,796					
		1,796					
		1,796					

The number of specific debt investment holdings held in an unrealized loss position as of September 30, 2023 March 31, 2024 was 374. 332. Of these securities, 267 255 were in unrealized loss positions for more than 12 months. Total gross unrealized investment losses at September 30, 2023 were essentially unchanged March 31, 2024 slightly increased compared to December 31, 2022; however, gross unrealized losses over 12 months increased in 2023 December

31, 2023, primarily due to the passage of time and the continuing high interest rate environment which started in late 2022. Since the Company does not intend to sell and will more likely than not maintain each investment security until its maturity or anticipated recovery in value, and no significant credit risk is deemed to exist, these investments are not considered as credit-impaired. The Company believes its investment portfolio is diversified and expects no material loss to result from the failure to perform by issuers of the debt securities it holds. Investments made by the Company are not collateralized.

Gross unrealized losses on investments in debt securities and the fair values of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2022 December 31, 2023, were:

		Less than 12 months		More than 12 months		Total	
		Losses	Fair values	Losses	Fair values	Losses	Fair values
		($000 omitted)					
Municipal	Municipal	262	27,491	10	67	272	27,558
Corporate	Corporate	12,935	193,239	5,600	44,342	18,535	237,581
Foreign	Foreign	7,608	186,221	8,604	101,294	16,212	287,515
U.S. Treasury Bonds	U.S. Treasury Bonds	413	25,102	40	445	453	25,547
		21,218	432,053	14,254	146,148	35,472	578,201
		917					
		917					
		917					

Less than 12 months		More than 12 months		Total	
Losses	Fair values	Losses	Fair values	Losses	Fair values
($000 omitted)					

NOTE 4

Fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. Under U.S. GAAP, there is a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible.

The three levels of inputs used to measure fair value are as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

As of September 30, 2023 March 31, 2024, financial instruments measured at fair value on a recurring basis are summarized below:

		Level 1	Level 2	Fair value measurements
		($000 omitted)		
Investments in securities:	Investments in securities:			
Debt securities:	Debt securities:			
Municipal	Municipal	—	23,278	23,278

	Level 1	Level 1	Level 2	Fair value measurements
		($000 omitted)		
Debt securities:				
Debt securities:				
Municipal				
Municipal				

Corporate	Corporate	—	231,038	231,038
Foreign	Foreign	—	299,748	299,748
U.S. Treasury Bonds	U.S. Treasury Bonds	—	31,342	31,342
Equity securities	Equity securities	75,333	—	75,333
		75,333	585,406	660,739
	76,893			

As of December 31, 2022 December 31, 2023, financial instruments measured at fair value on a recurring basis are summarized below:

		Level 1	Level 2	Fair value measurements
	Level 1	Level 1	Level 2	Fair value measurements
		($000 omitted)		
		($000 omitted)		
Investments in securities:	Investments in securities:			
Debt securities:	Debt securities:			
Debt securities:				
Debt securities:				
Municipal				
Municipal				
Municipal	Municipal	—	29,835	29,835
Corporate	Corporate	—	254,316	254,316
Foreign	Foreign	—	299,137	299,137
U.S. Treasury Bonds	U.S. Treasury Bonds	—	28,646	28,646
Equity securities	Equity securities	98,149	—	98,149
		98,149	611,934	710,083
	69,700			

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Level 1 financial instruments consist of equity securities. Level 2 financial instruments consist of municipal, governmental, and corporate bonds, both U.S. and foreign. In accordance with the Company's policies and guidelines which incorporate relevant statutory requirements, the Company's third-party registered investment manager invests only in securities rated as investment grade or higher by the major rating services, where observable valuation inputs are significant. The fair value of the Company's investments in debt and equity securities is primarily determined using a third-party pricing service provider. The third-party pricing service provider calculates the fair values using both market approach and model valuation methods, as well as pricing information obtained from brokers, dealers and custodians. Management ensures the reasonableness of the third-party service valuations by comparing them with pricing information from the Company's investment manager.

NOTE 5

Net realized and unrealized gains. gains (losses). Realized and unrealized gains and losses are detailed as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	($000 omitted)				($000 omitted)	

Realized gains	Realized gains	900	183	1,239	3,460
Realized losses	Realized losses	(307)	(65)	(4,484)	(3,904)
Net unrealized investment losses recognized on equity securities still held at end of period		(2,539)	(6,492)	(1,584)	(13,750)
		(1,946)	(6,374)	(4,829)	(14,194)
Net unrealized investment gains (losses) recognized on equity securities still held	7,038				

Realized gains and losses during the first nine months quarters 2024 and 2023 were primarily related to sales of 2023 included a $3.2 million contingent receivable loss adjustment resulting from a previous disposition of a business, while realized gains and losses during the first nine months of 2022 included a loss of $3.6 million from the disposition of the same business, partially offset by $2.0 million of gains from an acquisition contingent liability adjustment and a sale of a title plant copy. securities investments.

Investment gains and losses recognized related to investments in equity securities are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	($000 omitted)			
Net investment losses recognized on equity securities during the period	(1,738)	(6,489)	(1,505)	(13,284)
Less: Net realized gains on equity securities sold during the period	801	3	79	466
Net unrealized investment losses recognized on equity securities still held at end of period	(2,539)	(6,492)	(1,584)	(13,750)

	Three Months Ended March 31,	
	2024	2023
	($000 omitted)	
Net investment gains (losses) recognized on equity securities during the period	7,234	(1,756)
Less: Net realized gains (losses) on equity securities sold during the period	7	(664)
Net unrealized investment gains (losses) recognized on equity securities still held	7,227	(1,092)

Proceeds from sales of investments in securities are as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,	Three Months Ended March 31,

		2023	2022	2023	2022	2024	2023
		($000 omitted)				($000 omitted)	
Proceeds from sales of debt securities	Proceeds from sales of debt securities	10,255	19,123	25,134	47,405		
Proceeds from sales of equity securities	Proceeds from sales of equity securities	3,887	62	28,496	549		
Total proceeds from sales of investments in securities	Total proceeds from sales of investments in securities	14,142	19,185	53,630	47,954		

NOTE 6

Goodwill. The summary of changes in goodwill is as follows:

	Title	Real Estate Solutions	Corporate and Other	Consolidated Total
	($000 omitted)			
Balances at December 31, 2022	720,478	352,504	—	1,072,982
Acquisitions	8,328	11,690	—	20,018
Purchase accounting adjustments	(20,978)	—	—	(20,978)
Balances at September 30, 2023	707,828	364,194	—	1,072,022

	Title	Real Estate Solutions	Consolidated Total
	($000 omitted)		
Balances at December 31, 2023	707,935	364,194	1,072,129
Purchase accounting adjustments	186	—	186
Balances at March 31, 2024	708,121	364,194	1,072,315

During the first nine months of 2023, goodwill recorded in the real estate solutions and title segments was related to acquisitions of a financial and personal information online verification services provider and several title offices, respectively, while title purchase accounting adjustments were primarily related to recognition of intangible assets (customer relationships) related to recent acquisitions.

NOTE 7

Estimated title losses. A summary of estimated title losses for the nine three months ended September 30 March 31 is as follows:

		2023	2022	2024	2023
		($000 omitted)		($000 omitted)	
Balances at January 1	Balances at January 1	549,448	549,614		
Provisions:	Provisions:				

Current year								
Current year								
Current year	Current year	59,036	81,108					
Previous policy years	Previous policy years	691	(3)					
Total provisions	Total provisions	59,727	81,105					
Payments, net of recoveries:	Payments, net of recoveries:							
Current year	Current year	(12,911)	(14,191)					
Current year								
Current year								
Previous policy years	Previous policy years	(73,233)	(55,964)					
Total payments, net of recoveries	Total payments, net of recoveries	(86,144)	(70,155)					
Effects of changes in foreign currency exchange rates	Effects of changes in foreign currency exchange rates	(1,636)	(13,350)					
Balances at September 30		521,395	547,214					
Effects of changes in foreign currency exchange rates								
Effects of changes in foreign currency exchange rates								
Balances at March 31								
Loss ratios as a percentage of title operating revenues:	Loss ratios as a percentage of title operating revenues:							
Current year provisions	Current year provisions	4.1 %	3.8 %					
Current year provisions								
Current year provisions					3.8	%	3.8	%
Total provisions	Total provisions	4.1 %	3.8 %	Total provisions	3.9	%	3.9	%

NOTE 8

Share-based payments. As part of its incentive compensation program for executives and senior management employees, the Company provides share-based awards, which usually include a combination of time-based restricted stock units, performance-based restricted stock units and stock options. Each restricted stock unit represents a contractual right to receive a share of the Company's Common Stock. The time-based units generally vest on each of the first three anniversaries of the grant date, while the performance-based units vest upon achievement of certain financial objectives and an employee service requirement over a period of approximately three years. The Company has not granted stock options vest on each of the first three anniversaries of the grant date at a rate of 20%, 30% since 2021 and 50%, chronologically, and expire 10 years after the grant date. Each vested all outstanding stock option can be exercised to purchase a share of the Company's Common Stock awards are fully vested at the strike price set by the Company at the grant date. March 31, 2024. The compensation expense associated with the share-based awards is calculated based on the fair value of the related award and recognized over the corresponding vesting period.

During the first nine three months of 2023 2024 and 2022, 2023, the Company granted time-based and performance-based restricted stock units with aggregate grant-date fair values of $12.1 million (296,000 $13.7 million (223,000 units with an average grant price per unit of $41.03) $61.44) and $11.7 million (183,000 $11.4 million (278,000 units with an average grant price per unit of $63.68) $40.93).

NOTE 9

Earnings per share. Basic earnings per share (EPS) attributable to Stewart is calculated by dividing net income attributable to Stewart by the weighted-average number of shares of Common Stock outstanding during the reporting periods. Outstanding shares of Common Stock granted to employees that are not yet vested (restricted shares) are excluded from the calculation of the weighted-average number of shares outstanding for calculating basic EPS. To calculate diluted EPS, the number of shares is adjusted to include the number of additional shares that would have been outstanding if restricted units and shares were vested and issued and stock options were exercised. In periods of loss, net losses, dilutive shares are excluded from the calculation of the diluted EPS and diluted EPS is computed in the same manner as basic EPS.

The calculation of the basic and diluted EPS is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
		($000 omitted, except per share)					
	($000 omitted, except per share)					($000 omitted, except per share)	
Numerator:	Numerator:						
Net income attributable to Stewart		13,999	29,434	21,624	148,991		
Net income (loss) attributable to Stewart							
Net income (loss) attributable to Stewart							
Net income (loss) attributable to Stewart							
Denominator (000):	Denominator (000):						
Denominator (000):							
Denominator (000):							
Basic average shares outstanding							
Basic average shares outstanding							
Basic average shares outstanding	Basic average shares outstanding	27,348	27,113	27,269	27,031		
Average number of dilutive shares relating to options	Average number of dilutive shares relating to options	69	124	52	181		

Average number of dilutive shares relating to grants of restricted units and shares		233	134	124	147
Average number of dilutive shares relating to restricted units					
Diluted average shares outstanding	Diluted average shares outstanding	27,650	27,371	27,445	27,359
Basic earnings per share attributable to Stewart		0.51	1.09	0.79	5.51
Basic earnings (loss) per share attributable to Stewart					
Basic earnings (loss) per share attributable to Stewart					
Basic earnings (loss) per share attributable to Stewart					
Diluted earnings per share attributable to Stewart		0.51	1.08	0.79	5.45
Diluted earnings (loss) per share attributable to Stewart					
Diluted earnings (loss) per share attributable to Stewart					
Diluted earnings (loss) per share attributable to Stewart					

NOTE 10

Contingent liabilities and commitments. In the ordinary course of business, the Company guarantees the third-party indebtedness of certain of its consolidated subsidiaries. As of September 30, 2023 March 31, 2024, the maximum potential future payments on the guarantees are not more than the related notes payable recorded in the condensed consolidated balance sheets. The Company also guarantees the indebtedness related to lease obligations of certain of its consolidated subsidiaries. The maximum future obligations arising from these lease-related guarantees are not more than the Company's future lease obligations, as presented on the condensed consolidated balance sheets, plus lease operating expenses. As of September 30, 2023 March 31, 2024, the Company also had unused letters of credit aggregating $4.9 million related to workers' compensation and other insurance. The Company does not expect to make any payments on these guarantees.

NOTE 11

Regulatory and legal developments. The Company is subject to claims and lawsuits arising in the ordinary course of its business, most of which involve disputed policy claims. In some of these lawsuits, the plaintiffs seek exemplary or treble damages in excess of policy limits. The Company does not expect that any of these ordinary course proceedings will have a material adverse effect on its consolidated financial condition or results of operations. The Company believes that it has adequate reserves for the various litigation matters and contingencies referred to in this paragraph and that the likely resolution of these matters will not materially affect its consolidated financial condition or results of operations.

The Company is subject to non-ordinary course of business claims or lawsuits from time to time. To the extent the Company is currently the subject of these types of lawsuits, the Company has determined either that a loss is not reasonably possible or that the estimated loss or range of loss, if any, will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Additionally, the Company occasionally receives various inquiries from governmental regulators concerning practices in the insurance industry. Many of these practices do not concern title insurance. To the extent the Company is in receipt of such inquiries, it believes that, where appropriate, it has adequately reserved for these matters and does not anticipate that the outcome of these inquiries will materially affect its consolidated financial condition or results of operations.

The Company is subject to various other administrative actions, investigations and inquiries into its business conduct in certain of the states in which it operates. While the Company cannot predict the outcome of the various regulatory and administrative matters, it believes that it has adequately reserved for these matters and does not anticipate that the outcome of any of these matters will materially affect its consolidated financial condition or results of operations.

NOTE 12

Segment information. The Company has three reportable operating segments: the title segment, the real estate solutions segment, and the corporate and other segment. The title segment provides services needed to transfer title to property in a real estate transaction and includes services such as searching, abstracting, examining, closing and insuring the condition of the title to the property. In addition, the title segment includes home and personal insurance services, Internal Revenue Code Section 1031 tax-deferred exchanges, and digital customer engagement platform services. The real estate solutions segment supports the real estate industry and primarily includes credit and real estate information services, valuation management services, online notarization and closing services, and search services. The corporate and other segment is primarily comprised of the parent holding company and centralized support services departments.

Selected statement of income operations information related to these segments is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
		($000 omitted)				($000 omitted)	
Title segment:	Title segment:						
Revenues	Revenues	533,624	646,607	1,476,093	2,135,000		
Revenues							
Revenues							
Depreciation and amortization	Depreciation and amortization	9,196	7,467	26,182	21,098		
Income before taxes and noncontrolling interest		35,385	51,837	70,181	228,212		
Income (loss) before taxes and noncontrolling interest							
Real estate solutions segment:	Real estate solutions segment:						
Real estate solutions segment:							
Real estate solutions segment:							
Revenues							
Revenues							
Revenues	Revenues	68,215	69,738	202,250	241,993		

Depreciation and amortization	Depreciation and amortization	6,820	6,204	19,401	19,381
Income before taxes	Income before taxes	2,626	3,364	7,273	16,249
Corporate and other segment:	Corporate and other segment:				
Corporate and other segment:					
Corporate and other segment:					
Revenues (net realized losses)					
Revenues (net realized losses)					
Revenues (net realized losses)	Revenues (net realized losses)	(125)	54	(3,171)	36,394
Depreciation and amortization	Depreciation and amortization	398	396	1,265	1,624
Loss before taxes	Loss before taxes	(10,947)	(9,690)	(35,372)	(32,560)
Consolidated Stewart:	Consolidated Stewart:				
Consolidated Stewart:					
Consolidated Stewart:					
Revenues					
Revenues					
Revenues	Revenues	601,714	716,399	1,675,172	2,413,387
Depreciation and amortization	Depreciation and amortization	16,414	14,067	46,848	42,103
Income before taxes and noncontrolling interest		27,064	45,511	42,082	211,901
Income (loss) before taxes and noncontrolling interest					

The Company does not provide asset information by reportable operating segment as it does not routinely evaluate the asset position by segment. During 2022, the corporate and other segment included results of a real estate brokerage company that was sold during the second quarter 2022.

Total revenues generated in the United States and all international operations are as follows:

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
		($000 omitted)			
United States	United States	562,045	670,846	1,574,275	2,271,497
International	International	39,669	45,553	100,897	141,890

Three Months Ended March 31, 2024 2023 ($000 omitted)

	601,714	716,399	1,675,172	2,413,387
	554,315			

NOTE 13

Other comprehensive loss. (loss) income. Changes in the balances of each component of other comprehensive loss (loss) income and the related tax effects are as follows:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
	($000 omitted)					
Net unrealized gains and losses on investments:						
Change in net unrealized gains and losses on investments	(9,452)	(1,984)	(7,468)	(11,292)	(2,371)	(8,921)
Reclassification adjustments for realized gains and losses on investments	25	5	20	(488)	(103)	(385)
	(9,427)	(1,979)	(7,448)	(11,780)	(2,474)	(9,306)
Foreign currency translation adjustments	(6,931)	(1,084)	(5,847)	(18,315)	(3,015)	(15,300)
Other comprehensive loss	(16,358)	(3,063)	(13,295)	(30,095)	(5,489)	(24,606)

		Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
		Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
		($000 omitted)					
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Before-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount
	($000 omitted)					($000 omitted)	
Net unrealized gains and losses on investments:	Net unrealized gains and losses on investments:						
Change in net unrealized gains and losses on investments	Change in net unrealized gains and losses on investments	(8,374)	(1,758)	(6,616)	(52,548)	(11,035)	(41,513)
Reclassification adjustment for realized gains and losses on investments		421	88	333	(870)	(183)	(687)
		(7,953)	(1,670)	(6,283)	(53,418)	(11,218)	(42,200)

Change in net unrealized gains and losses on investments							
Change in net unrealized gains and losses on investments							
Reclassification adjustments for realized gains and losses on investments							
	(2,691)						
Foreign currency translation adjustments	Foreign currency translation adjustments	(1,119)	(124)	(995)	(26,668)	(3,807)	(22,861)
Foreign currency translation adjustments							
Foreign currency translation adjustments							
Other comprehensive loss		(9,072)	(1,794)	(7,278)	(80,086)	(15,025)	(65,061)
Other comprehensive (loss) income							
Other comprehensive (loss) income							
Other comprehensive (loss) income							

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT'S OVERVIEW

Third First quarter 2023 2024 overview. We reported net income attributable to Stewart of $14.0 million $3.1 million ($0.51 0.11 per diluted share) for the third first quarter 2023, 2024, compared to net income loss attributable to Stewart of $29.4 million $8.2 million ($1.08 (0.30) per diluted share) for the third first quarter 2022. 2023. Pretax income before noncontrolling interests for the third first quarter 2023 2024 was $27.1 million $7.1 million compared to pretax income loss before noncontrolling interests of $45.5 million $10.2 million for the prior year quarter. The third first quarter 2023 2024 and 2022 2023 results included $1.9 million $7.0 million and $6.4 million ($1.8 million), respectively, of pretax net realized and unrealized losses gains (losses) primarily driven by net unrealized losses on fair value changes of equity securities investments in the title segment.

Summary results of the title segment are as follows ($ in millions, except pretax margin):

		For the Three Months Ended March 31			
		For the Three Months Ended March 31			
		For the Three Months Ended March 31			
		For the Three Months Ended September 30			
		2023	2022	% Change	
Operating revenues	Operating revenues	522.1	647.9	(19)	%
Operating revenues					
Operating revenues					

Investment income	Investment income	13.4	5.2	159	%
Net realized and unrealized losses		(1.8)	(6.4)	72	%
Pretax income		35.4	51.8	(32)	%
Investment income					
Investment income					
Net realized and unrealized gains (losses)					
Net realized and unrealized gains (losses)					
Net realized and unrealized gains (losses)					
Pretax income (loss)					
Pretax income (loss)					
Pretax income (loss)					
Pretax margin	Pretax margin	6.6 %	8.0 %		
Pretax margin					
Pretax margin					

Title segment operating revenues in the third first quarter 2023 2024 decreased $125.8 million $5.5 million, or 19% 1%, compared to the third first quarter 2022, due to transaction 2023, primarily as a result of residential volume declines in our the direct and agency title businesses. operations, partially offset by increased commercial revenues. Total segment operating expenses in the third first quarter 2023 2024 decreased $96.5 million $1.1 million, or 16% which was less than 1%, primarily driven by lower operating revenues. compared to the prior year quarter. Agency retention expenses in the third first quarter 2023 2024 decreased $61.5 million $5.8 million, or 22% 3%, in line with lower gross agency revenues of $74.8 million $8.2 million, or 22% 3%, while the average independent agency remittance rate in the third first quarter 2023 2024 was comparable approximately 17%, compared to 17.4% during the prior year quarter. first quarter 2023.

Total title segment employee costs and other operating expenses in the third first quarter 2023 decreased $33.8 million 2024 increased $4.3 million, or 12% 2%, compared to the prior year quarter, while as primarily due to increased outside search expenses related to higher commercial revenues. As a percentage of operating revenues, these expenses were 47.4% 52.0% in the third first quarter 2023 2024 compared to 43.4% 50.4% in the third first quarter 2022. 2023. Title loss expense in the third first quarter 2023 2024 decreased $3.2 million $0.3 million, or 13% 2%, compared to the prior year quarter, primarily as a result of due to lower title revenues. As a percentage of title revenues, title loss expense was 4.3% in the third quarter 2023 compared to 3.9% in both the third quarter 2022, which benefited from last year's favorable claims experience. first quarters 2024 and 2023.

Investment income improved $6.3 million in the third first quarter 2023 increased $8.2 million 2024, compared to the third prior year quarter, 2022, primarily due to higher interest income resulting from earned interest from eligible escrow balances and increased interest rates and higher short-term investment balances in the third first quarter 2023. 2024. Acquisition intangible asset amortization expenses in the third first quarters 2023 2024 and 2022 2023 amounted to $3.4 million $2.9 million and $2.0 million $2.8 million, respectively.

Summary results of the real estate solutions segment are as follows ($ in millions) millions, except pretax margin):

		For the Three Months Ended March 31			
		For the Three Months Ended March 31			
		For the Three Months Ended March 31			
		For the Three Months Ended September 30			
		2023	2022	% Change	
Operating revenues	Operating revenues	68.2	69.7	(2)	%
Operating revenues					
Operating revenues					
Pretax income					
Pretax income					
Pretax income	Pretax income	2.6	3.4	(22)	%
Pretax margin	Pretax margin	3.8 %	4.8 %		
Pretax margin					

Pretax margin

The segment's operating revenues in the third first quarter 2023 decreased $1.5 million 2024 increased $20.4 million, or 2% 33%, compared to the third first quarter 2022, 2023, primarily as a result of lower valuation services revenues resulting from lower transaction volumes tied to the continuing elevated interest rate environment, partially offset driven by higher revenues from credit information services revenues. In line and valuation services. Consistent with the revenue decline, higher operating revenues, combined employee costs and other operating expenses in the third first quarter 2023 decreased $1.6 million 2024 increased $15.1 million, or 3%. 27%, compared to the prior year quarter. Acquisition intangible asset amortization expenses in the third first quarters 2023 2024 and 2022 2023 amounted to $6.3 million $5.6 million and $5.8 million, respectively.

In regard to the corporate and other segment, pretax results in the third quarter 2023 and 2022 were driven by net expenses attributable to corporate operations which were $10.8 million and decreased to $9.7 million, respectively. compared to $10.9 million in the first quarter 2023, primarily driven by management's cost discipline.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosures surrounding contingencies and commitments.

Actual results can differ from our accounting estimates. While we do not anticipate significant changes in our estimates, there is a risk that such changes could have a material impact on our consolidated financial condition or results of operations for future periods. During the nine three months ended September 30, 2023 March 31, 2024, we made no material changes to our critical accounting estimates as previously disclosed in Management's Discussion and Analysis in the 2022 2023 Form 10-K.

Operations. Our primary business is title insurance and settlement-related services. We close transactions and issue title policies on homes, commercial and other real properties located in all 50 states, the District of Columbia and international markets through policy-issuing offices, agencies and centralized title services centers. Our real estate solutions operations include credit and real estate information services, valuation management services, online notarization and closing services, and search services. The corporate and other segment includes our parent holding company expenses and certain enterprise-wide overhead costs, along with other businesses not related to title or real estate solutions operations. centralized support services departments.

Factors affecting revenues. The principal factors that contribute to changes in our operating revenues include:

- interest rates;
- availability of mortgage loans;
- number and average value of mortgage loan originations;
- ability of potential purchasers to qualify for loans;
- inventory of existing homes available for sale;
- ratio of purchase transactions compared with refinance transactions;
- ratio of closed orders to open orders;
- home prices;
- consumer confidence, including employment trends;
- demand by buyers;
- premium rates;
- foreign currency exchange rates;
- market share;
- ability to attract and retain highly productive sales associates;
- independent agency remittance rates;
- opening and integration of new offices and acquisitions;
- office closures;
- number and value of commercial transactions, which typically yield higher premiums;
- government or regulatory initiatives, including tax incentives and the implementation of the integrated disclosure requirements;
- acquisitions or divestitures of businesses;
- volume of distressed property transactions;
- seasonality and/or weather; and
- outbreaks of diseases and related quarantine orders and restrictions on travel, trade and business operations.

Premiums are determined in part by the values of the transactions we handle. To the extent inflation or market conditions cause increases in the prices of homes and other real estate, premium revenues are also increased. Conversely, falling home prices cause premium revenues to decline. Home price changes may override the seasonal nature of the title insurance business. Historically, our first quarter is the least active in terms of title insurance revenues as home buying is generally depressed during winter months. Our second and third quarters are typically the most active as the summer is the traditional home buying season, and while commercial transaction closings are skewed to the end of the year, individually large commercial transactions can occur any time of the year. On average, refinance title premium rates for refinance orders are 60% of the premium rates for lower compared to a similarly priced sale purchase transaction.

RESULTS OF OPERATIONS

Comparisons of our results of operations for the three and nine months ended September 30, 2023 March 31, 2024 with the corresponding periods in the prior year are set forth below. Factors contributing to fluctuations in the results of operations are presented in the order of their monetary significance, and we have quantified, when necessary, significant changes. Segment results are included in the discussions and, when relevant, are discussed separately.

Our statements on home sales, interest rates and loan activity are based on published U.S. industry data from sources including Fannie Mae, the Mortgage Bankers Association (MBA), the National Association of Realtors® (NAR) and the U.S. Census Bureau as of September 30, 2023 March 31, 2024. We also use information from our direct operations.

Operating environment. environment. According to NAR, existing home sales as of March 2024 totaled 4.2 million units (seasonally-adjusted basis) in September 2023 totaled 4.0 million units, , which were 15% 4% lower from both a year ago and 2% lower February 2024, primarily due to the relatively unchanged current elevated interest rate environment. Housing affordability continues to limit home sales with the median existing home price in March 2024 increasing by 5% to $393,500 compared to March 2023, while total existing housing inventory in March 2024 increased 14% and 5% from a year ago and August 2023, respectively, primarily due to the current increasing mortgage interest rate environment. Limited inventory and low housing affordability continue to hamper home sales, with total housing inventory in September 2023 being 8% lower compared to a year ago and the September 2023 existing home median price at $394,300, or 3% higher than September 2022. February 2024, respectively. Regarding new residential construction, U.S. housing starts (seasonally-adjusted) in September 2023 March 2024 were 7% 4% and 15% lower compared to September 2022, but 7% higher than August March 2023 and February 2024, respectively, while September 2023 March 2024 newly-issued building permits were 7% 2% higher than a year ago and 4% lower compared to a year ago and August 2023, respectively. February 2024.

In relation to On lending activity, total U.S. single family mortgage originations during the third first quarter 2023 decreased 17% to $427 billion 2024 improved by $16 billion, or 5%, compared to the prior year quarter, with purchase and refinancing originations declining 13% increasing by 2% and 31% 17%, respectively, according to Fannie Mae and MBA (averaged). During the third first quarter 2023, 2024, the average 30-year fixed interest rate reached 7.0%, averaged 6.8% compared to 5.7% from the third quarter 2022 and 6.5% 6.4% in the second first quarter 2023. For the year 2023, 2024, Fannie Mae and MBA expect the interest rate to average 6.5%, higher lower than the 5.4% 6.8% average observed in 2022, 2023, while total originations for the year 2023 2024 are expected to be 31% lower $333 billion, which is 21% higher compared to 2022. 2023, primarily due to the expected federal interest rate policy loosening towards the end of 2024.

Title revenues. Direct title revenue information is presented below:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023	2022	Change	% Chg	2023	2022	Change	% Chg
		($ in millions)				($ in millions)			
Non-commercial	Non-commercial								
Non-commercial									
Non-commercial									
Domestic									
Domestic									
Domestic	Domestic	167.6	204.4	(36.8)	(18) %	502.4	659.1	(156.7)	(24) %
International	International	29.1	33.8	(4.7)	(14) %	74.1	106.6	(32.5)	(30) %
		196.7	238.2	(41.5)	(17) %	576.5	765.7	(189.2)	(25) %
International									
International									
		154.5							
		154.5							
		154.5							
Commercial:									
Commercial:									

Commercial:	Commercial:										
Domestic	Domestic	51.9	61.0	(9.1)	(15)	%	126.1	184.5	(58.4)	(32)	%
Domestic											
Domestic											
International	International	7.8	8.2	(0.4)	(5)	%	19.6	26.2	(6.6)	(25)	%
		59.7	69.2	(9.5)	(14)	%	145.7	210.7	(65.0)	(31)	%
International											
International											
		56.1									
		56.1									
		56.1									
Total direct title revenues	Total direct title revenues	256.4	307.4	(51.0)	(17)	%	722.2	976.4	(254.2)	(26)	%
Total direct title revenues											
Total direct title revenues											

Non-commercial Domestic non-commercial revenues decreased in the third first quarter and first nine months of 2023, compared to the same periods in 2022, 2024, primarily driven by lower a 5% decline in total residential purchase and refinancing transactions resulting from the rising mortgage interest rates in 2023. Combined purchase and refinancing orders closed declined 17% and 35% in the third quarter and first nine months of 2023, respectively, a lower average fee per file, compared to the same periods in 2022. prior year quarter. Average residential fee per file in the third first quarter and first nine months of 2023 2024 was $3,000 and $3,200, respectively, $2,900, compared to $3,300 and $3,000 $3,400 in the third first quarter and 2023, primarily due to a lower purchase transaction mix in the first nine months of 2022, respectively, quarter 2024.

Domestic commercial revenues improved in the first quarter 2024 compared to the same period in 2023, primarily as a result of changes increased average transaction size (primarily in the mix of purchase energy sector), partially offset by fewer commercial transactions.

Commercial revenues declined in the third quarter and first nine months of 2023, compared to the same periods in 2022, primarily as a result of lower transaction volume. Domestic commercial orders closed decreased 17% and 20% 9% in the third first quarter and first nine months of 2023, respectively, 2024, while average domestic commercial fee per file was $14,200 and $11,300 improved to $13,900 in the third first quarter and first nine months of 2023, respectively, 2024, compared to $13,700 and $13,200, respectively, $8,300 from the same periods in 2022. Total international revenues in the third quarter and first nine months of 2023 decreased $5.1 million, or 12%, and $39.1 million, or 29%, respectively, primarily due to lower transaction volumes in our Canadian operations compared to the same periods in 2022. prior year quarter.

Orders information for the three and nine months ended September 30 March 31 is as follows:

		Three Months Ended September 30,					Nine Months Ended September 30,				
		2024									
		2023	2022	Change	% Chg		2023	2022	Change	% Chg	
		2024									
		2024									
Opened Orders:											
Opened Orders:											
Opened Orders:	Opened Orders:										
Commercial	Commercial	3,320	4,456	(1,136)	(25)	%	10,456	16,028	(5,572)	(35)	%
Commercial											
Commercial											
Purchase											
Purchase											
Purchase	Purchase	53,285	60,646	(7,361)	(12)	%	160,197	201,228	(41,031)	(20)	%
Refinance	Refinance	16,032	20,047	(4,015)	(20)	%	49,021	85,574	(36,553)	(43)	%
Refinance											
Refinance											

Other	Other	8,630	1,825	6,805	373	%	20,639	4,546	16,093	354	%
Other											
Other											
Total											
Total											
Total	Total	81,267	86,974	(5,707)	(7)	%	240,313	307,376	(67,063)	(22)	%
Closed Orders:	Closed Orders:										
Closed Orders:											
Closed Orders:											
Commercial											
Commercial											
Commercial	Commercial	3,661	4,444	(783)	(18)	%	11,170	14,007	(2,837)	(20)	%
Purchase	Purchase	39,903	46,592	(6,689)	(14)	%	113,757	149,272	(35,515)	(24)	%
Purchase											
Purchase											
Refinance											
Refinance											
Refinance	Refinance	10,397	14,343	(3,946)	(28)	%	30,593	71,507	(40,914)	(57)	%
Other	Other	6,347	1,419	4,928	347	%	12,936	4,778	8,158	171	%
Other											
Other											
Total	Total	60,308	66,798	(6,490)	(10)	%	168,456	239,564	(71,108)	(30)	%
Total											
Total											

Other opened and closed orders, which are primarily comprised of institutional bulk securitization and reverse mortgage transactions, increased in the first quarter 2024, compared to the prior year quarter, primarily driven by ramp up of acquisitions completed in late 2022.

Gross revenues from from independent agency operations in the third first quarter and first nine months of 2023 2024 declined $74.8 million $8.2 million, or 22% 3%, and $431.1 million, or 37%, respectively, compared to the same periods in 2022, prior year quarter, primarily influenced by consistent with lower commercial and residential activity in the market. Agency revenues, net of retention, declined $13.2 million $2.5 million, or 22%, and $76.0 million, or 37% 6%, in the third first quarter and first nine months of 2023 2024 compared to the same periods in 2022, consistent with the change in prior year quarter, primarily due to geographical transaction mix and lower gross agency revenues. Refer further to the "Retention by agencies" discussion under Expenses below.

Real estate solutions and other revenues. Real estate solutions and other revenues are comprised of revenues generated by our real estate solutions segment and, for 2022, by a real estate brokerage company which we sold during the second quarter 2022. Real estate solutions revenues in the third first quarter 2023 slightly decreased $1.5 million 2024 increased $20.4 million, or 2% 33%, compared to the third prior year quarter, 2022, primarily as a result of lower valuation services revenues resulting from lower transaction volumes tied to the continuing elevated interest rate environment, partially offset driven by higher revenues from credit information services revenues. Excluding $39.2 million of revenues from the disposed real estate brokerage company, real estate solutions revenues for the first nine months of 2023 declined $39.8 million, or 16%, primarily due to lower transaction volumes compared to the same period in 2022. and valuation services.

Investment income. Investment income in the first quarter 2024 increased by $8.2 million $6.3 million, or 160% 96%, and $16.6 million, or 107%, in the third quarter and first nine months of 2023, respectively, compared to the same periods in 2022, prior year quarter, primarily as a result of due to higher interest income in the first quarter 2024 resulting from earned interest from eligible escrow balances, and increased interest rates and higher short-term investments balances in which was an initiative that we started during the late second quarter 2023.

Net realized and unrealized gains. gains (losses). Refer to Note 5 to the condensed consolidated financial statements.

Expenses. An analysis of expenses is shown below:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023	2022	Change*	% Chg	2023	2022	Change*	% Chg
		($ in millions)				($ in millions)			
Amounts retained by agencies	Amounts retained by agencies	219.0	280.5	(61.5)	(22) %	596.5	951.6	(355.1)	(37) %
Amounts retained by agencies									
Amounts retained by agencies									
As a % of agency revenues									
As a % of agency revenues									
As a % of agency revenues	As a % of agency revenues	82.4 %	82.4 %			82.4 %	82.4 %		
Employee costs	Employee costs	181.5	195.1	(13.6)	(7) %	534.7	610.3	(75.6)	(12) %
Employee costs									
Employee costs									
As a % of operating revenues									
As a % of operating revenues									
As a % of operating revenues	As a % of operating revenues	30.7 %	27.2 %			32.4 %	25.3 %		
Other operating expenses	Other operating expenses	130.5	151.2	(20.8)	(14) %	380.5	503.0	(122.4)	(24) %
Other operating expenses									
Other operating expenses									
As a % of operating revenues									
As a % of operating revenues									
As a % of operating revenues	As a % of operating revenues	22.1 %	21.1 %			23.1 %	20.9 %		
Title losses and related claims	Title losses and related claims	22.3	25.5	(3.2)	(13) %	59.7	81.1	(21.4)	(26) %
Title losses and related claims									
Title losses and related claims									
As a % of title revenues	As a % of title revenues	4.3 %	3.9 %			4.1 %	3.8 %		
As a % of title revenues									
As a % of title revenues									

*MAmounts change may ay not foot due to rounding.

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Retention by agencies. Amounts Amounts retained by title agencies are based on agreements between agencies and our title underwriters. Amounts retained by independent agencies, as a percentage of revenues generated by them, averaged 82.4% in both the third quarter and first nine months of 2023, as well as 83.1% in the same periods first quarter 2024, compared to 82.6% in 2022. the prior year quarter, primarily as a result of lower revenues from relatively lower retention states and newly added agents with higher retention rates in the first quarter 2024. The average retention percentage may vary from period to period due to the geographical mix of agency operations, the volume of title revenues and, in some states, laws or regulations. Due to the variety of such laws or regulations, as well as competitive factors, the average retention rate can differ significantly from state to state. In addition, a high proportion of our independent agencies are in states with retention rates greater than 80%. We continue to focus on increasing profit margins in every state, increasing premium revenue in states where remittance rates are above 20%, and maintaining the quality of our agency network, which we believe to be the industry's best, in order to mitigate claims risk and drive consistent future performance. While market share is important in our agency operations channel, it is not as important as margins, risk mitigation and profitability.

Employee costs. Consolidated employee costs in the third first quarter and first nine months of 2023 decreased 7% 2024 increased $1.9 million, and 12% or 1%, respectively, compared to the third first quarter and first nine months of 2022, 2023, primarily driven by higher medical benefits expense which was partially offset by lower salaries expenses and incentive compensation and temporary labor costs resulting from lower volumes and lower average employee counts (which were 9% and 10% lower in the third quarter and first nine months of 2023, respectively). Compared to corresponding periods in the prior year, title compensation. Title segment employee costs for the third quarter and first nine months of 2023 decreased $14.1 million increased $2.5 million, or 8% 2%, and $72.7 million, or 13%, respectively, while employee costs in the real estate solutions segment were comparable in the third quarter 2023 and decreased $1.3 million $0.2 million, or 3% 2%, during the first nine months of 2023. quarter 2024 compared to the prior year quarter.

Total employee costs, as a percentage of total operating revenues, were higher at 30.7% and 32.4% improved to 32.3% in the third first quarter and first nine months of 2023, respectively, 2024 compared to 27.2% and 25.3% 32.8% in the same periods prior year quarter, primarily due to higher operating revenues and lower average employee count in 2022, primarily as a result of lower 2023 revenues. the first quarter 2024. As of September 30, 2023 March 31, 2024, we had approximately 7,000 6,600 employees compared to approximately 7,400 6,900 and 7,100 6,800 employees as of September 30, 2022 March 31, 2023 and December 31, 2022 December 31, 2023, respectively.

Other operating expenses. Other operating expenses include costs that are primarily fixed in nature, costs that follow, to varying degrees, changes in transaction volumes and revenues (variable costs) and costs that fluctuate independently of revenues (independent costs). Costs that are primarily fixed in nature include rent and other occupancy expenses, equipment rental, insurance, repairs and maintenance, technology costs, telecommunications and title plant expenses. Variable costs include appraiser and service expenses related to real estate solutions operations, outside search fees, attorney fee splits, credit losses (on receivables), copy supplies, delivery fees, postage, premium taxes and title plant maintenance expenses. Independent costs include general supplies, litigation defense, business promotion and marketing and travel.

Consolidated other operating expenses decreased 14% and 24% in the third first quarter and first nine months of 2023, 2024 increased $16.2 million, or 13%, compared to the same periods in 2022, first quarter 2023, primarily as a result of decreased costs tied due to lower title higher service expenses and outside search fees related to increased revenues from real estate solutions revenues. and commercial title operations, respectively, partially offset by lower third-party outsourcing and litigation settlement expenses. Total variable costs in the third first quarter and first nine months of 2023 decreased $14.0 million 2024 increased $18.5 million, or 17% 30%, and $104.3 million, or 34%, respectively, primarily due to lower appraisal higher real estate solutions service expenses and commercial services outside search expenses and premium taxes. fees. Total costs that are primarily fixed in nature decreased $2.9 million $2.3 million, or 6%, and $10.3 million, or 7% 5%, in the third first quarter and first nine months of 2023, respectively, 2024, primarily due to reduced third-party outsourcing and rent and other occupancy telecommunications expenses, while independent costs decreased $3.8 million, or 22%, were comparable in the first quarters 2024 and $7.9 million, or 17%, respectively, primarily due to lower business promotion and marketing costs and office closures expenses. 2023.

As a percentage of total operating revenues, consolidated other operating expenses in the third first quarter and first nine months of 2023 2024 were 22.1% and 23.1%, respectively, 25.6% compared to 21.1% and 20.9% 23.2% in the same periods in 2022, first quarter 2023, primarily due to lower operating driven by increased real estate solutions service expenses on higher revenues in 2023. first quarter 2024.

Title losses. Provisions for title losses, as a percentage percentage of title operating revenues, were 4.3% 3.9% for both the first quarters 2024 and 4.1% for the third quarter and first nine months of 2023, respectively, compared to 3.9% and 3.8% for the third quarter and first nine months of 2022, respectively. The slightly higher while title loss ratios in 2023 were expense decreased $0.3 million, or 2%, primarily due to the favorable claims experience during 2022. Title loss expense lower title premiums in the third first quarter and first nine months of 2023 decreased $3.2 million, or 13%, and $21.4 million, or 26%, respectively, primarily as a result of lower title revenues in 2023. 2024 compared to the prior year quarter. The title loss ratio in any given quarter can be significantly influenced by changes in new large claims incurred, escrow losses and adjustments to reserves for existing large claims.

The composition of title policy loss expense is as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Chg	2023	2022	Change	% Chg

		($ in millions)					($ in millions)				
Provisions – known claims:	Provisions – known claims:										
Provisions – known claims:											
Provisions – known claims:											
Current year											
Current year											
Current year	Current year	4.9	4.4	0.5	11	%	10.6	12.9	(2.3)	(18)	%
Prior policy years	Prior policy years	15.8	25.3	(9.5)	(38)	%	58.3	56.9	1.4	2	%
		20.7	29.7	(9.0)	(30)	%	68.9	69.8	(0.9)	(1)	%
Prior policy years											
Prior policy years											
		17.3									
		17.3									
		17.3									
Provisions – IBNR											
Provisions – IBNR											
Provisions – IBNR	Provisions – IBNR										
Current year	Current year	17.4	21.0	(3.6)	(17)	%	48.4	68.2	(19.8)	(29)	%
Current year											
Current year											
Prior policy years	Prior policy years	—	0.1	(0.1)	(100)	%	0.7	—	0.7	100	%
		17.4	21.1	(3.7)	(18)	%	49.1	68.2	(19.1)	(28)	%
Prior policy years											
Prior policy years											
		15.1									
		15.1									
		15.1									
Transferred from IBNR to known claims											
Transferred from IBNR to known claims											
Transferred from IBNR to known claims	Transferred from IBNR to known claims	(15.8)	(25.3)	9.5	(38)	%	(58.3)	(56.9)	(1.4)	2	%
Total provisions	Total provisions	22.3	25.5	(3.2)	(13)	%	59.7	81.1	(21.4)	(26)	%
Total provisions											
Total provisions											

Provisions for known claims arise primarily from prior policy years as claims are not typically reported until several years after policies are issued. Provisions - Incurred But Not Reported (IBNR) are estimates of claims expected to be incurred over the next 20 years; therefore, it is not unusual or unexpected to experience changes to those estimated provisions in both current and prior policy years as additional loss experience on policy years is obtained. This loss experience may result in changes to our estimate of total ultimate losses expected (i.e., the IBNR policy loss reserve). Current year provisions - IBNR are recorded on policies issued in the current year as a percentage of premiums earned (provisioning rate). As claims become known, provisions are reclassified from IBNR to known claims. Adjustments relating to large losses (those individually in excess of $1.0 million) may impact provisions either for known claims or for IBNR.

Total known claims provision decreased $3.2 million or 16% in the third first quarter 2023 2024 compared to the prior year first quarter 2023, primarily as a result of changes due to existing large and non-large lower reported claims related to prior policy years, while total known claims provision decreased in the first nine months of 2023 compared to the same period in 2022, primarily as a result of lower claims reported for current year policies. years. Current year IBNR provisions in the third first quarter and first nine months of 2023 decreased compared 2024 were comparable to the same periods in 2022, primarily due to lower title premiums in 2023. As prior year quarter, while as a percentage of title operating revenues, provisions provisions - IBNR for the current policy year were 3.3% for both and 3.2%, in the third first quarters 2024 and 2023, respectively. First quarter and first nine months of 2023 compared to 3.2% for both the third quarter and first nine months of 2022. Compared to corresponding periods in 2022, 2024 cash claim payments decreased $10.2 million $10.6 million, or 33% 32%, in the third quarter 2023 and increased $16.0 million, or 23% in the first nine months of 2023, primarily due to timing of decreased payments on existing large claims, related compared to prior policy years. the first quarter 2023. We continue to manage and resolve large claims prudently and in keeping with our commitments to our policyholders.

In addition to title policy claims, we incur losses in our direct operations from escrow, closing and disbursement functions. These escrow losses typically relate to errors or other miscalculations of amounts to be paid at closing, including timing or amount of a mortgage payoff, payment of property or other taxes and payment of homeowners' association fees. Escrow losses also arise in cases of fraud, and in those cases, the title insurer incurs the loss under its obligation to ensure that an unencumbered title is conveyed. Escrow losses are recognized as expenses when discovered or when contingencies associated with them (such as litigation) are resolved and are typically paid less than 12 months after the loss is recognized.

Total title policy loss reserve balances are as follows:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
		($ in millions)		($ in millions)	
Known claims	Known claims	70.1	87.3		
IBNR	IBNR	451.3	462.1		
Total estimated title losses	Total estimated title losses	521.4	549.4		

The actual timing of estimated title loss payments may vary since claims, by their nature, are complex and paid over long periods of time. Based on historical payment patterns, the outstanding loss reserves are substantially paid out within eight years. As a result, the estimate of the ultimate amount to be paid on any claim may be modified over that time period. Due to the inherent uncertainty in predicting future title policy losses, significant judgment is required by both our management and our third party actuaries in estimating reserves. As a consequence, our ultimate liability may be materially greater or less than current reserves and/or our third party actuary's calculated estimates.

Depreciation and amortization. Depreciation and amortization expenses increased $2.3 million $0.5 million, or 17%, and $4.7 million, or 11% 3%, in the third first quarter and first nine months of 2023, respectively, 2024 compared to the same periods in 2022, prior year quarter, primarily due to increased depreciation expenses related to additional internal-use systems placed into operation starting during late 2023 and in mid-2022. Also, acquisition 2024. Acquisition intangible amortization expenses for the third first quarter and first nine months of 2023 increased to $9.3 million and $26.3 million, respectively, 2024 were $8.1 million compared to $7.8 million and $24.7 million, respectively, from $8.3 million in the same periods in 2022. first quarter 2023.

Income taxes. Our effective tax rates, based on income before taxes and after deducting income attributable to noncontrolling interests, increased to 39% and 31% was 23% in the third first quarter and first nine months of 2023, respectively, 2024, compared to 27% and 25% 38% in the third quarter and first nine months of 2022, primarily as a result of discrete annual federal return adjustments recorded in the third quarter 2023 that were which was primarily driven by discrete tax adjustments mainly related to lower increased utilization of foreign tax credits. net operating loss carryforwards.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources reflect our ability to generate cash flow to meet our obligations to stockholders, customers (payments to satisfy claims on title policies), vendors, employees, lenders and others. As of September 30, 2023 March 31, 2024, our total cash and investments, including amounts reserved pursuant to statutory requirements aggregated $901.0 million $855.1 million. Of our total cash and investments at September 30, 2023 March 31, 2024, $503.0 million $452.3 million ($251.1 205.6 million, net of statutory reserves) was held in the United States and the rest internationally (principally in Canada).

As a holding company, the parent company is funded principally by cash from its subsidiaries' earnings in the form of dividends, operating and other administrative expense reimbursements and pursuant to intercompany tax sharing agreements. Cash held at the parent company and its unregulated subsidiaries (which totaled $43.3 million $33.7 million at September 30, 2023 March 31, 2024) is available for funding the parent company's operating expenses, interest payments on debt and dividend payments to common stockholders. The parent company also receives distributions from Stewart Title Guaranty Company (Guaranty), its regulated title insurance underwriter, to meet cash requirements for acquisitions and other strategic investments.

A substantial majority of our consolidated cash and investments as of September 30, 2023 March 31, 2024 was held by Guaranty and its subsidiaries. The use and investment of these funds, dividends to the parent company, and cash transfers between Guaranty and its subsidiaries and the parent company are subject to certain legal and regulatory restrictions. In general, Guaranty uses its cash and investments in excess of its legally-mandated statutory premium reserve (established in accordance with requirements under Texas law) to fund its insurance operations, including claims payments. Guaranty may also, subject to certain limitations, provide funds to its subsidiaries (whose operations consist principally of field title offices and real estate solutions operations) for their operating and debt service needs.

We maintain investments in accordance with certain statutory requirements for the funding of statutory premium reserves. Statutory reserve funds are required to be fully funded and invested in high-quality securities and short-term investments. Statutory reserve funds are not available for current claim payments, which must be funded from current operating cash flow. Included in investments in debt and equity securities are statutory reserve funds of approximately $510.8 million $519.9 million and $544.0 million $527.4 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. In addition, included within cash and cash equivalents are statutory reserve funds of approximately $11.0 million $10.3 million and $8.6 million $10.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. As of September 30, 2023 March 31, 2024, our known claims reserve totaled $70.1 million $64.7 million and our estimate of claims that may be reported in the future, under generally accepted accounting principles, totaled $451.3 million $454.5 million. In addition to this, we had cash and investments (at amortized cost and excluding equity method investments) of $311.2 million $264.3 million, which are available for underwriter operations, including claims payments, and acquisitions.

The ability of Guaranty to pay dividends to its parent is governed by Texas insurance law. The Texas Department of Insurance (TDI) must be notified of any dividend declared, and any dividend in excess of the greater of the statutory net operating income or 20% of surplus (which was approximately $158.1 million $168.7 million as of December 31, 2022 December 31, 2023) would be, by regulation, considered extraordinary and subject to pre-approval by the TDI. Also, the Texas Insurance Commissioner may raise an objection to a planned distribution during the notification period. Guaranty’s actual ability or intent to pay dividends to its parent may be constrained by business and regulatory considerations, such as the impact of dividends on surplus and liquidity, which could affect its ratings and competitive position, the amount of insurance it can write and its ability to pay future dividends. During the nine three months ended September 30, 2023 no March 31, 2024, Guaranty paid $20.0 million of dividends have been paid by Guaranty to the parent company, while Guaranty paid $70.0 million compared to none during the nine three months ended September 30, 2022 March 31, 2023.

As the parent company conducts no operations apart from its wholly-owned subsidiaries, the discussion below focuses on consolidated cash flows.

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
		($ in millions)		($ in millions)	
Net cash provided by operating activities		43.6	167.0		
Net cash used by operating activities					
Net cash used by investing activities	Net cash used by investing activities	(36.8)	(225.3)		
Net cash used by financing activities	Net cash used by financing activities	(51.2)	(98.1)		

Operating activities. Our principal sources of cash from operations are premiums on title policies and revenue from title service-related transactions, real estate solutions and other operations. Our independent agencies remit cash to us net of their contractual retention. Our principal cash expenditures for operations are employee costs, operating costs and title claims payments.

Net cash provided used by operations in the first nine months of 2023 quarter 2024 was $43.6 million $29.6 million compared to net cash provided used by operations of $167.0 million $51.1 million in the same period in 2022, first quarter 2023, primarily driven by lower net income as a result of improved results and higher claims payments, partially offset by lower payments on claims and accounts payable in 2023. during the first quarter 2024. Although our business is labor intensive, we are focused on a cost-effective, scalable business model which includes utilization of technology, centralized back and middle office functions and business process outsourcing. We are continuing our emphasis on cost management, especially in light of the current economic environment due to elevated mortgage interest rates, specifically focusing on lowering unit costs of production and improving operating margins in our direct title and real estate solutions operations. Our plans to improve margins include additional automation of manual processes, further consolidation of our various systems and production operations, and full integration of acquisitions. We continue to invest in the technology necessary to accomplish these goals.

Investing activities. Net cash used by investing activities is primarily driven by proceeds from matured and sold investments, purchases of investments, capital expenditures and acquisition of businesses. During the first nine months of 2023, quarter 2024, total proceeds from securities investments sold and matured were $111.6 million, $27.5 million compared to $76.7 million $52.1 million during the same period in 2022. Cash first quarter 2023, while cash used for purchases of securities investments was $72.9 million $23.7 million in the first quarter 2024 compared to $24.0 million in the prior year quarter. Additionally, cash paid for cost-basis and other investments was $29.9 million during the first nine months of 2023 quarter 2024 compared to $165.1 million $0.1 million during the first nine months in 2022. quarter 2023.

We used $25.1 million $10.2 million and $102.9 million $8.9 million of cash for purchases of property and equipment and other long-lived assets during the first quarters 2024 and 2023, respectively, while we used net cash of $21.5 million for acquisitions in the title and real estate solutions segments during the first nine months of 2023 and 2022, respectively, while we received $6.7 million during the first nine months of 2022 from the sale of a subsidiary. We used $29.5 million and $35.3 million of cash for purchases of property and equipment during the first nine months of 2023 and 2022, respectively. quarter 2023. We maintain investment in capital expenditures at a level that enables us to implement technologies for increasing our operational and back-office efficiencies and to pursue growth in key markets.

Financing activities and capital resources. Total debt and stockholders' equity were $445.2 million $445.4 million and $1.36 billion, respectively, as of September 30, 2023 March 31, 2024. During the first nine months of quarters 2024 and 2023, and 2022, payments on notes payable of $5.7 million $3.4 million and $73.6 million $5.5 million, respectively, and notes payable additions of $3.5 million $3.4 million and $38.0 million $3.5 million, respectively, were related to short-term loan agreements in connection with our Section 1031 tax-deferred property exchange (Section 1031) business.

At September 30, 2023 March 31, 2024, our line of credit facility was fully available, while our debt-to-equity and debt-to-capitalization ratios, excluding our Section 1031 notes, were approximately 33% and 25%, respectively. During the first nine months of 2023, quarter 2024, we paid total dividends of $37.5 million $13.1 million ($1.38 0.48 per common share), compared to the total dividends paid in the same period in 2022 first quarter 2023 of $32.5 million $12.3 million ($1.20 0.45 per common share).

We believe we have sufficient liquidity and capital resources to meet the cash needs of our ongoing operations, including consideration of the current economic and real estate environment created by the increasing mortgage interest rates. However, we may determine that additional debt or equity funding is warranted to provide liquidity for achievement of strategic goals or acquisitions or for unforeseen circumstances. Other than scheduled maturities of debt, operating lease payments and anticipated claims payments, we have no material contractual commitments. We expect that cash flows from operations and cash available from our underwriters, subject to regulatory restrictions, will be sufficient to fund our operations, including claims payments. However, to the extent that these funds are not sufficient, we may be required to borrow funds on terms less favorable than we currently have or seek funding from the equity market, which may not be successful or may be on terms that are dilutive to existing stockholders.

Contingent liabilities and commitments. See discussion of contingent liabilities and commitments in Note 10 to the condensed consolidated financial statements.

Other comprehensive loss. (loss) income. Unrealized gains and losses on available-for-sale debt securities investments and changes in foreign currency exchange rates are reported net of deferred taxes in accumulated other comprehensive income (loss), a component of stockholders' equity, until they are realized. During the first nine months of 2023, quarter 2024, net unrealized investment losses of $6.3 million $2.1 million, net of taxes, which increased our other comprehensive loss, were primarily related to net decreases in the fair values of our foreign and corporate bond securities investments, primarily influenced by the continued elevated interest rate environment. During the first nine months of 2022, quarter 2023, net unrealized investment losses gains of $42.2 million $6.7 million, net of taxes, which increased our other comprehensive loss, income, were primarily related to net decreases increases in the fair values of our corporate and foreign bond securities investments, primarily driven by the effect of higher lower interest rates and credit spreads. during the first quarter 2023.

Changes in foreign currency exchange rates primarily in the first quarter 2024 and 2023 (primarily related to our Canadian and United Kingdom operations, increased our operations) resulted in other comprehensive loss, (loss) income, net of taxes, by $1.0 million of ($4.5) million and $22.9 million in $0.6 million, respectively, primarily due to the first nine months depreciation and appreciation, respectively, of 2023 and 2022, respectively. During the first nine months of 2022, both the Canadian dollar and British pound significantly deteriorated against the United States U.S. dollar.

Off-balance sheet arrangements. We do not have any material source of liquidity or financing that involves off-balance sheet arrangements, other than our contractual obligations under operating leases. We also routinely hold funds in segregated escrow accounts pending the closing of real estate transactions and have qualified intermediaries in tax-deferred property exchanges for customers pursuant to Section 1031 of the Internal Revenue Code. The Company holds the proceeds from these transactions until a qualifying exchange can occur. In accordance with industry practice, these segregated accounts are not included on the balance sheet. See Note 15 in our 2022 2023 Form 10-K.

Forward-looking statements. Certain statements in this report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to future, not past, events and often address our expected future business and financial performance. These statements often contain words such as “may,” "expect," "anticipate," "intend," "plan," "believe," "seek," "will," "foresee" or other similar words. Forward-looking statements by their nature are subject to various risks and uncertainties that could cause our actual results to be materially different than those expressed in the forward-looking statements. These risks and uncertainties include, among other things, the following:

- the volatility of economic conditions;
- adverse changes in the level of real estate activity;
- changes in mortgage interest rates, existing and new home sales, and availability of mortgage financing;
- our ability to respond to and implement technology changes, including the completion of the implementation of our enterprise systems;
- our ability to prevent and mitigate cyber risks;
- the impact of unanticipated title losses or the need to strengthen our policy loss reserves;
- any effect of title losses on our cash flows and financial condition;
- the ability to attract and retain highly productive sales associates;
- the impact of vetting our agency operations for quality and profitability;
- independent agency remittance rates;
- changes to the participants in the secondary mortgage market and the rate of refinancing that affects the demand for title insurance products;
- regulatory non-compliance, fraud or defalcations by our title insurance agencies or employees;

- our ability to timely and cost-effectively respond to significant industry changes and introduce new products and services;
- our ability to realize anticipated benefits of our previous acquisitions;
- the outcome of pending litigation;
- our ability to manage risks associated with potential cybersecurity or other privacy or data security breaches;
- the impact of changes in governmental and insurance regulations, including any future reductions in the pricing of title insurance products and services;
- our dependence on our operating subsidiaries as a source of cash flow;
- our ability to access the equity and debt financing markets when and if needed;
- effects of seasonality and weather; and
- our ability to respond to the actions of our competitors.

The above risks and uncertainties, as well as others, are discussed in more detail in our documents filed with the Securities and Exchange Commission, including in Part I, Item 1A "Risk Factors" in our 2022 2023 Form 10-K, and as may be further updated and supplemented from time to time in our future Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K filed subsequently. All forward-looking statements included in this report are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statements contained in this report to reflect events or circumstances that may arise after the date hereof, except as may be required by applicable law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes during the quarter ended September 30, 2023 March 31, 2024 in our investment strategies, types of financial instruments held or the risks associated with such instruments that would materially alter the market risk disclosures made in our 2022 2023 Form 10-K.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. Our principal executive officer and principal financial officer are responsible for establishing and maintaining disclosure controls and procedures. They evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2023 March 31, 2024, and have concluded that, as of such date, our disclosure controls and procedures are adequate and effective to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. There was no change in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note 11 to the condensed consolidated financial statements included in Item 1 of Part I of this Report, which is incorporated by reference into this Part II, Item 1, as well as Item 3. Legal Proceedings, in our 2022 2023 Form 10-K.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in our 2022 2023 Form 10-K. There have been no material changes to our risk factors since our 2022 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases of our Common Stock during the nine three months ended September 30, 2023 March 31, 2024, except for repurchases of approximately 37,100 55,300 shares (aggregate purchase price of approximately $1.6 million $3.4 million) related to the statutory income tax withholding on the vesting of restricted unit grants to executives and senior management employees.

Item 5. Other Information

Book value per share. Our book value per share was $49.42 $49.22 and $50.21 $50.11 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. As of September 30, 2023, our book value per share was based on approximately $1.35 billion of stockholders' equity attributable to Stewart and 27,355,427 shares of Common Stock outstanding. As of December 31, 2022 March 31, 2024, our book value per share was based on approximately $1.36 billion of stockholders' equity attributable to Stewart and 27,130,412 27,580,535 shares of Common Stock outstanding. As of December 31, 2023, our book value per share was based on approximately $1.37 billion of stockholders' equity attributable to Stewart and 27,370,227 shares of Common Stock outstanding.

Item 6. Exhibits

Exhibit		
3.1	—	Restated Certificate of Incorporation of the Registrant, dated April 28, 2016 (incorporated by reference in this report from Exhibit 3.1 of the Current Report on Form 8-K filed April 29, 2016)
3.2	—	Fifth Amended and Restated By-Laws of the Registrant, as of December 27, 2022 (incorporated by reference in this report from Exhibit 3.1 of the Current Report on Form 8-K filed December 30, 2022)
10.1†*	—	Form of 2024 Stock Unit Award Agreement, effective March 26, 2024, by and between the Registrant and its executive officers
10.2†*	—	
31.1*	—	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	—	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	—	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	—	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	—	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	—	XBRL Taxonomy Extension Schema Document
101.CAL*	—	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	—	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	—	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	—	XBRL Taxonomy Extension Presentation Linkbase Document
104*	—	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

† Management contract or compensatory plan

SIGNATURE

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

November 8, 2023 May 7, 2024

Date

Stewart Information Services Corporation

Registrant

By: /s/ David C. Hisey

David C. Hisey, Chief Financial Officer and Treasurer

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STEWART INFORMATION SERVICES CORPORATION
STOCK UNIT AWARD AGREEMENT

THIS STOCK UNIT AWARD AGREEMENT (the “Award Agreement”) is hereby granted as of **March 26, 2024** (the “Grant Date”) by Stewart Information Services Corporation, a Delaware corporation (the “Company”), to **NAME** (the “Participant”) pursuant to the Stewart Information Services Corporation 2020 Incentive Plan (the “Plan”), subject to the terms and conditions set forth therein and as set out in this Award Agreement. Capitalized terms used herein shall, unless otherwise required by the context, have the meaning ascribed to such terms in the Plan.

By action of the Committee, and subject to the terms of the Plan, the Participant is hereby granted Stock Units (the “Units”), each of which represent a contractual right that entitles the Participant potentially to receive a share of the Company’s Common Stock (each, a “Share”), provided all of the conditions for settlement of the Units have been satisfied, subject to the Plan and to the restrictions and risks of forfeiture as set forth in this Award Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Award Agreement, the Company and the Participant agree as follows:

1. Grant. The Company grants to the Participant, upon the terms and conditions set forth in this Award Agreement and as set forth in the Plan **NUMBER** Units.

2. Vesting and Forfeiture.

(a) Any Units that are not vested as of the date of the Participant’s termination of employment for any reason shall be automatically forfeited without any further action required to be taken by the Participant or the Company.

(b) In general, the Units shall become vested on the dates set forth below (each, a “Vesting Date”), as to the specified percentage of the Units indicated:

Vesting Date	Incremental Vesting Percentage	Cumulative Vesting Percentage
First anniversary of the Grant Date	33⅓%	33⅓%
Second anniversary of the Grant Date	33⅓%	66⅔%
Third Anniversary of the Grant Date	33⅓%	100%

The vesting of the Participant's Units, as set forth above, shall only occur if the Participant has remained continuously employed through the relevant Vesting Date.

(c) Notwithstanding any other provision of this Award Agreement, in the event the Participant is terminated in connection with a Change in Control, the Participant shall be vested in the number of Units set forth in Section 1 as of the date of the Participant's termination of employment.

(d) Special Pro-Rata Vesting. The Units (if not already vested under any other provision of this Award Agreement) shall be vested pursuant to this Section 2(d) immediately prior to the Participant's termination of employment under any of the following circumstances ("Special Vesting Termination Events"):

(i) Termination of the Participant's employment due to Executive's death;

(ii) Termination of the Participant's employment due to Executive's Disability;

(iii) Termination of the Participant's employment by the Company without Cause;

(iv) Termination of the Participant's employment by the Participant for Good Reason (if the Participant's employment agreement has provisions for severance pay benefits in such circumstances).

In order for the Participant to be eligible for special pro-rata vesting under this Section 2(d), the Participant must have been continuously employed for at least twenty-five percent (25%) of the period covered by the vesting schedule set forth in Section 2(a), unless stated otherwise under the terms of the Participant's Employment Agreement, and the Participant must execute and not, thereafter, revoke, a full release of all claims that Executive may have against the Company, its Subsidiaries and affiliates, and all of their respective officers, employees, directors, and agents, and that shall include the Participant's agreement not to disparage the Company and not to divulge any of the Company's confidential information, in a form acceptable to the Company in a form satisfactory to the Committee (the "Release").

(e) Calculation of Special Pro-Rata Vesting. If the Participant is eligible for special pro-rata vesting under Section 2(d), vesting shall be calculated as follows:

(i) Special Pro-rata Vesting shall be based on semi-annual time increments (e.g. 6, 12, 18, 24, 30 or 36 months) with time worked during the applicable incentive period rounded up to the nearest semi-annual time increment. For example, if Executive worked (6) months and four (4) days during the applicable incentive period, the semi-annual time increment will be 12 months. The calculation of Special Pro-Rata Vesting shall be determined by dividing the semi-annual time increment by the total months in the performance period.

(ii) By way of hypothetical example only: (1) if Executive shall experience a Special Vesting Termination Event after having worked exactly 24 months of a 36-month incentive program, Executive would receive 66.67% of the applicable LTI Award. Alternatively, (2) if Executive shall experience a Special Vesting Termination Event after having worked 24 months and 1 day of a 36-month incentive program, Executive would receive 83.33% of the applicable LTI Award. The formula for calculating Special Pro-Rata Vesting based on the foregoing hypothetical examples is as follows:

Example 1: (24 / 36) = 66.67%

Example 2: (30 / 36) = 83.33%

(iii) The time of payment of LTI Awards subject to Special Pro-Rata Vesting shall occur as provided in the applicable LTI Awards.

(f) Voluntary Retirement. Notwithstanding anything in this Section 2 to the contrary, the Participant's Units shall be fully vested if the Participant is eligible to resign from employment with the Company and have that resignation treated as a Voluntary Retirement (as that term is defined in the Stewart Information Services Corporation Executive Voluntary Retirement Plan, or "EVRP"), provided the Participant satisfies all of the requirements of the EVRP to receive benefits under that plan.

3. Settlement of Vested Units. Vested Units shall generally be settled on or as soon as practicable following the Vesting Dates set forth in Section 2(b), and shall be settled by the delivery of Shares corresponding to the portion of the Units that are indicated as being vested on each of the Vesting Dates. Notwithstanding anything herein to the contrary, the accelerated vesting of Units that may occur based on the circumstances of the Participant's termination of employment, or eligibility for Voluntary Retirement, shall not have any impact on the settlement date for the Units, so that no acceleration of settlement or payment occurs as a result of any such change in vesting. Settlement of Units shall be contingent on the Participant making appropriate arrangements for payment of amounts required to be withheld for federal, state and local income and wage taxes, and the Company shall also have the right to withhold or cancel Units or Shares that are otherwise to be delivered on settlement of Units so as to enable the Company to comply with its withholding obligations (and any such cancellation of withholding of Units or Shares shall be deemed to be a taxable distribution of Shares and a repurchase of such Shares for federal income tax purposes at the time that occurs). In addition, in the event any dividends are paid to shareholders during the period following the Grant Date and up to the delivery of any Shares, the Participant shall be entitled to a payment, at the same time the Shares are delivered to the Participant, equal to the amount that would have been paid as dividends to the Participant had the Participant held the Shares during that period ("Dividend Equivalents"). The Committee shall have the right to determine whether the Dividend Equivalents shall be paid in cash or in the form of a distribution of additional shares of Common Stock having the same value and to determine whether to deem such dividends to have been reinvested in shares at the time the dividends were paid.

4. Status of Units and Certain Tax Matters. The Units subject to this Award Agreement are only a contractual right of the Participant potentially to receive Shares corresponding to the number of Units granted to the Participant. As a consequence, the Units do not constitute property for purposes of Code Section 83. As a consequence, the Participant will be taxable for federal income tax purposes on the value of the Shares distributed to the Participant at the time the Shares are distributed, and not at the time the Units vest. Notwithstanding the foregoing, the value of the Units is treated as creating a form of nonqualified deferred compensation to which Code Sections 409A and 3121(v) are applicable. As a consequence, the value of the Units is subject to certain wages taxes (for Social Security and Medicare) at the time of vesting and the Company shall be entitled to cancel vested Units as a means to cover the Company's wage withholding obligations that arise on vesting. Vesting is not, however, intended generally to be a taxable event for purposes of federal income taxation or Code Section 409A. Because the time of settlement or payment is, in all cases, fixed by reference to a specified schedule of payments that is not subject to acceleration, except for the cancellation of Units for withholding purposes, which is permissible under Code Section 409A, all requirements of Code Section 409A are intended to be met, and this Award Agreement shall be interpreted in a manner consistent with the Company's intent to satisfy all applicable requirements of Code Section 409A.

5. Employment. Nothing in the Plan or in this Award Agreement shall confer upon the Participant any right to be continued as an employee of the Company or interfere in any way with the right of the Company to remove the Grantee as an employee at any time for any cause.

6. Binding Effect. This Award Agreement shall be binding upon and shall inure to the benefit of any successor of the Company, but except as provided above, the Shares subject to this Award Agreement shall not be assigned or otherwise disposed of by the Participant.

7. The Plan. This Award Agreement is subject to the terms and conditions of the Plan. In the event of a conflict between the Plan and this Agreement, the terms of the Plan shall control.

IN WITNESS WHEREOF, this Award Agreement, effective March 26, 2024, has been entered into and executed on this day of __________.

STEWART INFORMATION SERVICES CORPORATION

By: ________________________________
Its Chairment of the Board or Chief Executive Officer

ACKNOWLEDGED

By: ________________________________
PARTICIPANT

STEWART INFORMATION SERVICES CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED PERFORMANCE UNIT AGREEMENT (the "Award Agreement") is hereby granted as of **March 26, 2024** (the "Grant Date") by Stewart Information Services Corporation, a Delaware corporation (the "Company"), to **NAME** (the "Participant") pursuant to the Stewart Information Services Corporation 2020 Incentive Plan (the "Plan"), and subject to the terms and conditions set forth therein and as set out in this Award Agreement. Capitalized terms used herein shall, unless otherwise required by the context, have the meaning ascribed to such terms in the Plan or as set forth herein.

By action of the Committee, and subject to the terms of the Plan, the Participant is hereby granted Restricted Stock Units as described in Article VII of the Plan, subject to the terms of the Plan and to the provisions set forth in this Award Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Award Agreement, the Company and the Participant agree as follows:

1. Grant. The Company hereby grants to the Participant, upon the terms and conditions set forth in this Award Agreement and as set forth in the Plan, **NUMBER** Restricted Stock Units (the "Units"), representing a contractual right of the Participant potentially to receive shares of Common Stock ("Shares"). The number of Shares to be delivered at settlement, if any, shall be determined by reference to the number of Units that are deemed vested and to be settled, provided all of the conditions for settlement of the Units have been satisfied and subject to the terms and conditions of the Plan and this Award Agreement.

2. Performance Criteria. The Units subject to this Award Agreement shall be earned and vested based on the satisfaction of the Performance Restriction and the Time-Based Restriction, each of which is described below.

(a) Performance Restriction

In order for the Units to vest, the Committee must determine that the Company has achieved 4.5% or greater Adjusted Pre-Tax Margin (defined below) in at least three calendar quarters of any of the next seven calendar quarters starting April 1, 2024 (the "Performance Restriction"). The seven calendar quarters beginning April 1, 2024, and ending December 31, 2025 are defined as the ("Measurement Period"). This determination shall occur during the ninety (90) day period following the end of the Measurement Period.

For purposes of this Agreement, the following definitions shall apply:

(i) "Adjusted Pre-Tax Margin" is the amount calculated by dividing (i) Modified Pre-Tax Profits, by (ii) Modified Gross Revenues.

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(ii) "Modified Pre-Tax Profits" is "Income before taxes and non controlling interests", as reported in the 10-Q/10-K, as modified by the Committee in its sole discretion, as necessary to remove the effect of investment and other gains (losses) and acquired intangible asset amortization, as well as the effects of non-recurring, unusual and/or extraordinary items (in each event as determined by the Committee).

(iii) "Modified Gross Revenues" is Total Revenues as reported in the 10-Q/10-K, as modified by the Committee in its sole discretion, as necessary to remove the effect of investment and other gains (losses), as well as the effects of non-recurring, unusual and/or extraordinary items (in each event as determined by the Committee).

(b) Time-Based Restriction

Anniversary Date	**% of Restricted Stock Units**
Third (3rd) anniversary of the Grant Date	100.0%

3. Vesting and Forfeiture.

(a) If the Performance Restriction has been achieved prior to the Anniversary Date, then the percentage of Units indicated next to the Anniversary Date shall vest on the Anniversary Date (referred to as the "Time-Based Restriction").

(i) Notwithstanding any provision of this Agreement or the Plan, if the Company does not satisfy the Performance Restriction for the Measurement Period, all Units shall be forfeited to the Company.

(ii) Except as expressly provided in Section 3(c) below, any Units that are not vested as of the date of the Participant's termination of employment for any reason shall be automatically forfeited without any further action required to be taken by the Participant or the Company.

(b) Notwithstanding any other provision of this Award Agreement, and except as provided in Section 2(a)(i) above, in the event the Participant is terminated in connection with a Change in Control, the Participant shall be vested in the number of Units set forth in Section 1 as of the date of the Participant's termination of employment.

(c) Waiver of Continued Employment Requirement. The general requirement that the Participant be satisfying the Time-Based Restriction by being continuously employed through the date the Units are settled (the "Employment Requirement") shall be waived to the extent provided in this Section 2(c), subject,

however, in all regards, to the Committee's discretionary authority as provided under the Plan. Specifically, the Employment Requirement shall not be applicable in the following circumstances ("Special Circumstances"):

(i) The Participant's termination of employment under circumstances where the Participant is eligible for benefits under the Company's Executive Voluntary Retirement Plan;

(ii) Termination of the Participant's employment due to Executive's death;

(iii) Termination of the Participant's employment due to Executive's Disability;

(iv) Termination of the Participant's employment by the Company without Cause; or

(v) Termination of the Participant's employment by the Participant by Executive for Good Reason (but only in circumstances where the Participant's employment agreement provides for severance pay benefits on a resignation for Good Reason.

In order for the Participant to receive any Shares with respect to Units following the occurrence of any of the above Special Circumstances, the Participant must execute and not, thereafter, revoke, a full release of all claims that Executive may have against the Company, its Subsidiaries and affiliates, and all of their respective officers, employees, directors, and agents, and that shall include the Participant's agreement not to disparage the Company and not to divulge any of the Company's confidential information, in a form acceptable to the Company in a form satisfactory to the Committee (the "Release")

(d) Calculation of Special Pro-Rata Vesting. If the Participant is eligible for special pro-rata vesting under Section 2(c), vesting shall be calculated as follows:

(i) Special Pro-rata Vesting shall be based on semi-annual time increments (e.g. 6, 12, 18, 24, 30 or 36 months) with time worked during the applicable incentive period rounded up to the nearest semi-annual time increment. For example, if Executive worked (6) months and four (4) days during the applicable incentive period, the semi-annual time increment will be 12 months. The calculation of Special Pro-Rata Vesting shall be determined by dividing the semi-annual time increment by the total months in the performance period.

(ii) By way of hypothetical example only: (1) if Executive shall experience a Special Vesting Termination Event after having worked exactly 24 months of a 36-month incentive program, Executive would receive 66.67% of the applicable LTI Award. Alternatively, (2) if Executive shall experience a Special Vesting Termination

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Event after having worked 24 months and 1 day of a 36-month incentive program, Executive would receive 83.33% of the applicable LTI Award. The formula for calculating Special Pro-Rata Vesting based on the foregoing hypothetical examples is as follows:

Example 1: (24 / 36) = 66.67%

Example 2: (30 / 36) = 83.33%

(iii) The time of payment of LTI Awards subject to Special Pro-Rata Vesting shall occur as provided in the applicable LTI Awards.

(e) Notwithstanding anything herein to the contrary, in the event the Participant is terminated for Cause, the Participant's rights to any payments otherwise due under this Award Agreement are forfeited in their entirety.

4. Status of Units. The Units subject to this Award Agreement are not intended to constitute property for purposes of Section 83 of the Code. The Units represent a right to receive a payment, in the form Shares, at the time the Units are settled.

5. Time of Payment/Settlement. In all cases, Units that are vested and settled under the terms of this Award Agreement shall be settled on or as soon as practicable following the Anniversary Date set forth in Section 2(b), and shall be settled by the delivery of Shares corresponding to the portion of the Units that are indicated as being vested on the Anniversary Date. In addition, in the event any dividends are paid to shareholders during the Measurement Period or thereafter prior to the settlement of the Units, the Participant shall be entitled to a payment equal to the amount that would have been paid as dividends to the Participant had the Participant held the Shares actually delivered to the Participant throughout that period ("Dividend Equivalents"). The Committee shall have the right to determine whether the Dividend Equivalents shall be paid in cash or in the form of a distribution of additional shares of Common Stock having the same value and to determine whether to deem such dividends to have been reinvested in shares at the time the dividends were paid.

6. Employment. Nothing in the Plan or in this Award Agreement shall confer upon the Participant any right to be continued as an employee of the Company or interfere in any way with the right of the Company to remove the Grantee as an employee at any time for any cause.

7. Binding Effect. This Award Agreement shall be binding upon and shall inure to the benefit of any successor of the Company, but except as provided above, the Units subject to this Award Agreement shall not be assigned or otherwise disposed of by the Participant.

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8. The Plan. This Award Agreement is subject to the terms and conditions of the Plan. In the event of a conflict between the Plan and this Agreement, the terms of the Plan shall control.

WITNESS WHEREOF, this Award Agreement, effective March 26, 2024, has been entered into and executed on this day of __________.

STEWART INFORMATION SERVICES CORPORATION

By: _______________________________
Its Chairman of the Board or Chief Executive Officer

ACKNOWLEDGED

By: _______________________________
PARTICIPANT

EXHIBIT 31.1

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick H. Eppinger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stewart Information Services Corporation (registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023 May 7, 2024

/s/ Frederick H. Eppinger

Name:	Frederick H. Eppinger
Title:	Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David C. Hisey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stewart Information Services Corporation (registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023 May 7, 2024

/s/ David C. Hisey

Name:	David C. Hisey
Title:	Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Stewart Information Services Corporation (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frederick H. Eppinger, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023 May 7, 2024

/s/ Frederick H. Eppinger

Name:	Frederick H. Eppinger
Title:	Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Stewart Information Services Corporation and will be retained by Stewart Information Services Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Stewart Information Services Corporation (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Hisey, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023 May 7, 2024

/s/ David C. Hisey

Name:	David C. Hisey
Title:	Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to Stewart Information Services Corporation and will be retained by Stewart Information Services Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY’S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.