

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE
REPORT OF EXAMINATION
OF AVIATION TITLE INSURANCE CO.**

A.I.D. NO. 2010- 082

ADOPTION ORDER

Now on this day the matter of the Report of Examination as of December 31, 2009 (“Report”) of Aviation Title Insurance Company, Oklahoma City, Oklahoma, (“Company”), NAIC No. 50031, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by the Finance Division and Ashley Fisher, Attorney Specialist, of the Arkansas Insurance Department (“Department”). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

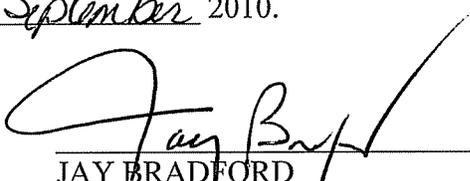
1. That the Commissioner has jurisdiction over the Company and the subject matter involved herein;
2. That the Company was organized on November 17, 1995 and it holds a Certificate of Authority, dated March 29, 1995, which authorized the Company to transact the business of title insurance.
3. That pursuant to Ark. Code Ann. §§ 23-61-201, *et seq.*, the Commissioner authorized and directed the Department to conduct a regular examination of the affairs, transactions, accounts, records and assets of the Company as of December 31, 2009;
4. That said examination was commenced by the Department on April 5, 2010 and completed on June 29, 2010;

5. The verified Report of Examination was filed according to Ark. Code Ann. § 23-61-205(a)(2) with the Department on August 11, 2010. The Report was forwarded to the Company via certified mail on August 12, 2010 and was received by the Company on August 16, 2010;
6. That the Company did not file written rebuttal and comments to certain of the findings of the Report with the Department's Finance Division.
7. That the Report of Examination contains the following comments or discrepancies regarding the Company's operation:
 - a. The Company was notified of a claim on August 9, 2002 by legal representatives of a policyholder. The prior examination records provide no evidence of this claim ever being reported during previous examinations which violates Ark. Code Ann. §§ 23-61-204 and 23-69-134.
 - b. The Company should continually monitor its in-force policy listing for aircraft that have crashed.
 - c. The Company should review the financial position of the reinsurer, Anglo-Irish, Insurances, Ltd., since it paid out a large dividend in 2009 and the Company's only shareholder owns a majority of the reinsurer's stock. While the reinsurer has not received any claims since 2002, it should be noted that the company and the reinsurer continue to retain significant exposure on remaining in-force policies. The Company should communicate this risk with the reinsurer.

THEREFORE, pursuant to the provisions of Ark. Code Ann. §23-61-205, the Commissioner hereby orders:

1. That the Examination Report, as filed with the Department, is hereby adopted.
2. That the Company be required to submit claims timely.
3. That the Department shall forward a copy of this Order and the adopted Examination Report, as filed, to the Company, via certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Order.
4. That within twenty (20) days of receipt of this Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its Directors, stating under oath or affirmation that each has received a copy of this Order and the adopted Examination Report;
5. That the adopted Examination Report shall be open for public inspection upon the expiration of thirty (30) days from the Company's receipt of this Order.
6. That the Department, as a matter of course, reserves the right to consider administrative proceedings against the Company at a later date.

IT IS SO ORDERED this 30th day of September 2010.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS