

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

IN THE MATTER OF:)
)
CHICAGO TITLE INSURANCE COMPANY)
)
NAIC NO. 50229)

AID NO. 2017- 050

CONSENT ORDER

WHEREAS, the Arkansas Insurance Department (“the Department”) and Chicago Title Insurance Company (“Respondent”) hereby enter into this Consent Order subject to the review and approval of the Commissioner of the Department (“Commissioner”):

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force or effect until such acceptance is evidenced by the entry of the Commissioner.
2. This Consent Order is executed for the purpose of avoiding further administrative time, expense, and action with respect to this cause.
3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondent or the agents employed thereof, for acts or omissions unknown to the Commissioner that are not specifically addressed herein, or for facts and/or omissions that do not arise from the facts or transactions addressed herein.
4. After consultation with legal counsel, Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Consent Order, the stipulations contained herein, and the consideration and entry of this Consent Order by the Commissioner.

5. This Consent Order is executed in the public interest, in the best interests of the parties hereto, and it represents a compromise and settlement of the controversy between the parties. This Consent Order is executed for settlement purposes only.

6. By the signature affixed below, Respondent affirmatively states that the entry of this Consent Order has been freely entered into, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof.

7. The parties affirmatively state their agreement to be bound by the terms of this Consent Order, and aver that no promises or offers relating to the circumstances described herein have been made, other than the terms of settlement set forth herein.

FINDINGS OF FACT

1. Respondent has held a Certificate of Authority to do business in the State of Arkansas since June 6, 1962.

2. Respondent formerly had an agency contract with Grand Prairie Title Insurance Company (“GPT”).

3. GPT was an appointed agent for Respondent from May 30, 2014 until March 17, 2015. Respondent was unaware that GPT’s appointment had been terminated on March 17, 2015. GPT was reappointed from December 29, 2015 until February 16, 2016.

4. Between March 2015 and November 2015, 247 policies were issued by Respondent through its agent, GPT. A valid appointment was not in place between GPT and Respondent during this timeframe.

5. Respondent has implemented an improved tracking system to ensure that Arkansas policies are not issued unless the required licenses, appointments and affiliations are in place.

6. In 2014 and 2015, Respondent was sanctioned in two other states, in part, for matters involving unlicensed agents.

7. Pursuant to Department Order No. 2010-072, Respondent was sanctioned with a monetary penalty, jointly, with the other Fidelity National family of title insurance companies, in the amount of \$50,000. In that order, Respondent was found to have violated Ark. Code Ann. § 23-64-403(b) by allowing an agent to issue policies without being appointed with Respondent.

APPLICABLE LAW

1. Ark. Code Ann. §§ 23-61-101 *et seq.*, assigns the responsibility for administration of the Arkansas Insurance Code to the Commissioner. The Department is the lawful agency through which the Commissioner administers the Arkansas Insurance Code, and is authorized to bring this action for the protection of Arkansas consumers.

2. The Commissioner has jurisdiction over the parties and over the subject matter herein, pursuant to Ark. Code Ann. § 23-61-101 *et seq.* and specifically, § 23-103-401 *et seq.*

3. Ark. Code Ann. § 23-103-403(b) states: “All title insurance policies and reports covering an insurable interest in title to real property located in this state shall be signed by a title insurance agent: (1) Properly appointed by a title insurer; (2) Affiliated with a title insurance agency; and (3) Licensed in this state under this subchapter.”

4. Ark. Code Ann. § 23-64-216(b) authorizes the Commissioner to take action against an insurer’s certificate of authority for violating any of the provisions in that statute.

5. Ark. Code Ann. § 23-64-216(f)(1) authorizes the Commissioner to take judicial notice of prior violations of the Insurance Code, rules, regulations, and orders of the Commissioner.

6. Ark. Code Ann. § 23-64-216(f)(2) authorizes the Commissioner to take judicial notice of prior violations of insurance departments or equivalent regulatory bodies of other jurisdictions when considering whether to enhance a penalty in the current proceeding.

7. Ark. Code Ann. § 23-103-416 authorizes the Commissioner to order a monetary penalty of up to \$1,000 per violation or up to \$5,000 per violation if willful misconduct on the part of the licensee is found.

CONCLUSIONS OF LAW

1. The policies described above, were noncompliant because the agents who signed them were either: not licensed as a title agent, not appointed with Respondent, and/or not affiliated with Respondent.

2. Respondent violated Ark. Code Ann. § 23-103-403(b) when unlicensed, unappointed, and unaffiliated agents issued the policies described above.

3. Pursuant to Ark. Code Ann § 23-64-216(f), the Commissioner hereby takes judicial notice of the previous sanctions handed down to Respondent by the Department and by the regulatory bodies in other states.

4. As stated in the Findings of Fact, Respondent has settled enforcement matters alleging improper issuance of title insurance policies in Arkansas as well as other states.

ORDER

NOW THEREFORE, on the basis of the foregoing and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that Respondent has consented to the entry of this Consent Order and that the following Order is appropriate and consistent with the public interest.

IT IS HEREBY ORDERED AND JOINTLY AGREED that:

1. Respondent shall pay a monetary penalty of \$50,000.00 pursuant to Ark. Code Ann. § 23-103-416.

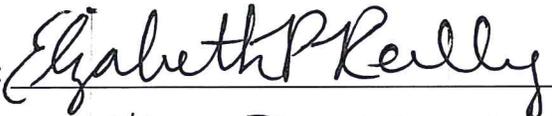
2. Respondent shall pay the total amount of \$50,000.00 within thirty (30) days of the date of this Order.

IT IS SO ORDERED THIS 26th day of June, 2017.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

APPROVED FOR ENTRY:

By: 

Position: Vice President

Chicago Title Insurance Company